

*24<sup>th</sup>*

*Annual Report*

*2008-2009*

***ILD***

**INDIA LEASE DEVELOPMENT LIMITED**



**Shri Ved Prakash Gupta**

(15<sup>th</sup> August, 1915 - 20<sup>th</sup> August 2005)

**A True Karmayogi.**

*Your integrity, values and vision will continue to guide  
and inspire us for all our activities and future growth.*

## BOARD OF DIRECTORS

### SHRI RAJIV GUPTA

Chairman

### SHRI ARUN MITTER

Director

### SHRI SHARAD AGGARWAL

Director

### SHRI M. K. MADAN

Director

### SHRI ROHIT MADAN

Manager & Company Secretary

## AUDITORS

M/S S.N.DHAWAN & CO.

CHARTERED ACCOUNTANTS

C-37, CONNAUGHT PLACE,

NEW DELHI-110 001

## BANKERS

BANK OF INDIA

### **REGISTERED OFFICE :**

MGF HOUSE, 4/17-B, ASAF ALI ROAD,  
NEW DELHI-110 002.

PHONE:011- 41519433, 41520070

E-mail : info@indialease.com

Website : www.indialease.com

### **REGISTRAR AND SHARE TRANSFER**

#### **AGENTS :**

M/S ALANKIT ASSIGNMENTS LIMITED

ALANKIT HOUSE,  
2E/21, JHANDEWALAN EXTENSION,  
NEW DELHI-110 055.

PHONE:011-42541953-63

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**NOTICE**

NOTICE is hereby given that the Twenty Fourth (24<sup>th</sup>) Annual General Meeting of the Shareholders of India Lease Development Limited will be held at The Executive Club, 439, Village Shahoorpur, P.O.Fatehpur Beri, New Delhi-110030 on Thursday the 17<sup>th</sup> September, 2009 at 1.30. P.M. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Rajiv Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Arun Mitter, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration. M/s S.N.Dhawan & Co., Chartered Accountants, retires and are eligible for re-appointment. Certificate under Section 224(1B) of the Companies Act, 1956, has been obtained from them.

**SPECIAL BUSINESS**

To consider and if thought fit, to pass with or without modifications, the following resolution:-

5. **AS A SPECIAL RESOLUTION**RE-APPOINTMENT OF MANAGER

“Resolved that Mr. Rohit Madan, on the recommendation of Remuneration Committee, by cancelling the existing agreement, be and is hereby re-appointed as Manager under the Companies Act, 1956 for a period of Three (3) years from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2012 on the terms and conditions as set out in the agreement entered into between the Company and Mr. Rohit Madan subject to the condition that Board of Directors of the Company be and are hereby authorized to vary/amend/alter the terms and conditions of his appointment as they may deem fit and which is acceptable to Mr. Rohit Madan but in no case, remuneration payable including minimum remuneration shall exceed the limits laid down in 1(A) of Section II of Part II of Schedule XIII of the Companies Act, 1956 or any other amendment made thereto.

**Remuneration including perquisites****SALARY**

Basic Salary Rs. 28,500/- with annual increments of Rs. 2,500/- in the grade of Rs. 28,500-2,500-33,500

**PERQUISITES**

In addition to salary, Mr. Rohit Madan shall be entitled to the following perquisites.

Category ‘A’**Housing (I)**

Free unfurnished residential accommodation at the expense of the Company, the monetary value of which as evaluated under Rule 3 of the Income Tax Rules, 1962 shall not exceed 20% of the salary per month.

**OR**

**Housing (II)**

In case the accommodation is owned by the Company, 20% of the salary of Manager or as may be permissible according to law amended from time to time shall be deducted by the company.

**OR**

**Housing (III)**

In case, no accommodation is provided by the Company, Manager shall be entitled to House Rent Allowance @ 60% of basic salary in lieu of residential accommodation at the expense of the Company.

**ALLOWANCES**

20% of Basic Salary

**Other Perquisites**

Medical expenses for the Manager and his family calculated at one month's salary in a year or three month's salary over a period of three years.

Personal Accident Insurance premium not to exceed Rs. 4000/- per annum.

**Explanations:**

Family shall mean the spouse, dependent children and dependant parents of Mr.Rohit Madan.

**Category 'B'**

The following perquisites shall also be allowed and they will not be included in the computation of the ceiling on perquisites.

Company's contribution to Provident Fund @ 12% of the Salary or at such other rate as per the laws applicable in this behalf from time to time and further Superannuation Fund or Annuity Fund, if applicable, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at the rate not exceeding 15 days salary including for each completed year of service in accordance with the Company's rules.

**Category 'C'**

Provision of Car and free Telephone/Communication facilities at the residence for business purpose.

Gross Salary including perquisites, as stated above, payable to Manager, shall not exceed Rs. 75,000/- per month.

The Board of Directors on the recommendation of the Remuneration Committee of the Company may vary/ or revise the remuneration and perquisites including the monetary value thereof to Mr. Rohit Madan, Manager within the permissible limits under the provisions of the Companies Act, 1956 or any statutory amendments thereof from time to time and settle any question or difficulty in connection therewith or incidental thereto.

**MINIMUM REMUNERATION**

In any financial year, during the currency of tenure of the appointee as Manager, the company has no profits or its profits are inadequate, it may pay remuneration by way of salary, allowances not exceeding limits as stated above and as is prescribed under 1(A) of Section II of Part II of Schedule XIII of the Companies Act, 1956 or as may be amended by the Central Government from time to time.

**OTHER CONDITIONS:**

He will be discharging the functions as 'Manager' of the Company within the meaning of Section 2(24) of the Companies Act, 1956 and will be responsible for the efficient working of the Company and subject to supervision, control and direction of the Board.

Notwithstanding anything to contrary contained above, either party shall be entitled to terminate appointment giving not less than one calendar month's notice in writing, in this behalf to the other party without the necessity of showing any cause, and on the expiry of the period of such notice the appointment shall stand terminated.

By order of the Board  
For India Lease Development Limited

Place: New Delhi

Date : August 13, 2009

**Rohit Madan**  
Manager & Company Secretary

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 AND THE NATURE OF CONCERN OR INTEREST OF DIRECTORS UNDER SECTION 302 READ WITH 173 OF THE COMPANIES ACT, 1956.****ITEM NO. 5**

The Board of Directors, on the recommendation of the Remuneration Committee at its meeting held on 30<sup>th</sup> March, 2009 have, by cancelling the existing agreement, reappointed Mr. Rohit Madan as Manager & Company Secretary under the Companies Act, 1956 for a period of three (3) years from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2012 on the terms and conditions as set out in the agreement entered between the Company and Mr. Rohit Madan subject to the condition that the Board of Directors of the Company be and are hereby authorised to vary/amend/alter the terms and conditions of his appointment as they may deem fit and which is acceptable to Mr. Rohit Madan but in no case the remuneration payable including minimum remuneration shall exceed the limit laid down in 1(A) of Section II of Part II of Schedule XIII of the Companies Act, 1956 or any other amendment made thereto:

Terms and conditions of appointment and remuneration are given in the resolution.

**MEMORANDUM OF INTEREST OF DIRECTOR**

Mr. Rohit Madan is concerned or interested in his re-appointment and remuneration payable to him. Mr. M.K.Madan, being related to him is also deemed to be concerned or interested in his re-appointment. He did not participate in the meeting when the aforesaid resolution was considered by the Board. None of other Directors is concerned or interested in the passing of the above resolution.

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS (48 HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 14<sup>th</sup> September, 2009 to Thursday, the 17<sup>th</sup> September, 2009 (Both days Inclusive).
3. The agreement referred to hereinabove in item no. 5 and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 11.00.a.m. and 1.30 p.m. upto the date of Annual General Meeting.
4. Trading in the shares of your company is in compulsory demat mode. Members who have not yet got their shares dematerialized are requested to opt for the same in their own interest and send their certificates through Depository Participant(s) with whom they have dematerialised account to the Company' Registrars and Transfer Agents, M/s Alankit Assignments Limited, having their office at 2E/21, Alankit House, Jhandewalan Extn, New Delhi-110055.
5. Member(s) holding shares in the identical names in different folios are requested to apply for consolidation of the said folios and send relevant share certificate(s).
6. **REGARDING UNCLAIMED DIVIDEND**
  - (i) In accordance with the provisions of Section 205(5) of the Companies Act, 1956, the Company has already transferred Unclaimed Dividend declared for the financial year ended 31<sup>st</sup> March, 2000 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, Those shareholders who have so far not claimed their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, NCT of Delhi and Haryana, CGO Complex, Paryavaran Bhawan, Lodhi Road, New Delhi-110003.
  - (ii) In view of the Section 205C of the Companies Act, 1956 read with Investors Education and Protection Fund (Awareness and Protection of the Investors) Rules, 2003, as no dividend has been declared after 2000, as such, there are no unclaimed dividend which is required to be deposited/transferred.
7. Member(s) are requested:-
  - a) To bring their copy of annual report and attendance slip at the time of meeting.
  - b) To quote their registered Folio No(s)/ DPID/Client ID No. in all correspondence.
  - c) Members who held shares in dematerialised form are requested to bring their DPID/ Client ID numbers for easy identification of attendance at the meeting.

By order of the Board  
For India Lease Development Limited

Place: New Delhi  
Date : August 13, 2009

**Rohit Madan**  
Manager & Company Secretary

**LISTING REQUIREMENTS**

As required under Clause 49(vi) of the Listing Agreement, given below are the details of the Director(s) who retire by rotation and are eligible for re-appointment.

**(a) Director being re-appointed by rotation (Resolution at Item No.2)**

<b>Name</b>	:	Shri Rajiv Gupta
<b>Age &amp; Date of Birth</b>	:	63 years (13-8-1946)
<b>Qualification</b>	:	B.E.(IIT, Delhi)

### Experience in specific financial areas

Shri Rajiv Gupta is a graduate in Engineering from IIT, Delhi, He has business experience and all around knowledge on issues concerning Hire Purchase, Leasing, Corporate Finance, Taxation and Administration. His continued association with the company is considered absolutely necessary.

### Other Directorships

The Motor & General Finance Ltd, Jayabharat Credit Ltd, MGF Services Ltd, Bahubali Services Ltd, Cards Services India Pvt. Ltd, Upper India Hire Purchase Companies Association Ltd, MGF Securities Pvt. Ltd, Associated Traders & Engineers Ltd, Ram Prakash & Company Pvt Ltd, Gee Gee Holdings Pvt Ltd, Grosvenor Estates Pvt Ltd, MGF Estates Pvt Ltd.

### Committee Membership

#### India Lease Development Ltd

Audit Committee  
Remuneration Committee  
Shareholders Grievance Committee

#### The Motor & General Finance Limited

Audit Committee  
Remuneration Committee  
Shareholders Grievance Committee

#### Jayabharat Credit Ltd

Audit Committee  
Shareholders Grievance Committee

### b) Director being re-appointed by rotation (Resolution at Item No.3)

**Name** : Shri Arun Mitter  
**Age & Date of Birth** : 47 years (27-11-1962)  
**Qualification** : B.Com. ACA

### Experience in specific financial areas

Shri Arun Mitter is a qualified Chartered Accountant. He has extensive business experience in general and financial management. His continued association with the Company is considered necessary in the interest of the Company.

### Other Directorships

The Motor & General Finance Ltd, Jayabharat Credit Ltd, MGF Automobiles Ltd, MGF Motors Ltd, Grosvenor Estates Pvt Ltd, Discovery Holdings Pvt. Ltd, Omega Motors Pvt Ltd, Kerala Cars Pvt. Ltd, Bahubali Services Ltd, MGF Developments Ltd, Upper India Hire Purchase Co. Assoc Ltd, MGF Auto Sales Pvt Ltd, MGF Vehicles Sales Pvt Ltd, MGF Projects Pvt Ltd, Paramba International Ltd, MGI (India) Pvt Ltd, Capital Vehicles Sales Pvt Ltd, Ram Prakash & Co Pvt Ltd, MGF Infotech Pvt Ltd, MGF Services Ltd, Cards Services India Pvt Ltd, Dove Promoters and Entertainment Pvt Ltd, Gee Gee Holdings Pvt Ltd, Meta Dor Technologies Pvt Ltd, MGF Metro Mall Pvt Ltd, MGF Securities Pvt. Ltd.

### Committee Memberships :

#### India Lease Development Ltd

Audit Committee  
Remuneration Committee  
Shareholders Grievance Committee  
Share Transfer Committee

#### The Motor & General Finance Limited

Audit Committee  
Remuneration Committee  
Shareholders Grievance Committee  
Share Transfer Committee

## SHAREHOLDERS INFORMATION

<b>Head Office &amp; Registered Office</b>	:	MGF House 4/17-B, Asaf Ali Road, New Delhi- 110 002
<b>E-mail</b>	:	<b>info@indialease.com</b>
<b>Company's Website</b>	:	<b>www.indialease.com</b>
<b>Telephone Nos.</b>	:	011-41519433, 011-41520070
<b>Fax</b>	:	011-41503479
<b>Date of Annual General Meeting</b>	:	17 <sup>th</sup> September, 2009
<b>Time, Day and Venue</b>	:	1.30 P.M. Thursday at The Executive Club 439, Village Shahoorpur, P.O.Fatehpuri Beri, New Delhi- 110 030.
<b>Day and Date of Book Closure</b>	:	Monday, the 14 <sup>th</sup> September, 2009 to Thursday 17 <sup>th</sup> September, 2009 (Both days inclusive)
<b>Shares Listed At</b>	:	The Stock Exchange, Mumbai Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Company confirms that it has paid the Annual Listing Fee to the above Stock Exchange for the Year 2009-10.

### NOMINATION FACILITY

Shareholders are eligible to file their nominations against shareholdings. Nomination forms are available at the Registered Office i.e. MGF House, 4/17-B, Asaf Ali Road, New Delhi-110 002. Those interested in getting the facility of nomination may write to the Company Secretary for a copy of the prescribed Nomination Form.



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twenty Fourth (24<sup>th</sup>) Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31<sup>st</sup> March, 2009 are summarised below for your consideration:-

	Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
		<b>(Rs. In Lacs)</b>
Profit/ (Loss) before Taxation, Interest, Depreciation and Provisions	<b>68.02</b>	(6.65)
Interest	<b>(22.17)</b>	(78.94)
Depreciation including Impairment	<b>(32.49)</b>	(55.22)
Profit / (Loss) before Provision for Non Performing Assets & Tax	<b>13.36</b>	(140.81)
Provision for non performing assets	<b>67.47</b>	(386.94)
Fringe Benefit Tax	<b>(2.88)</b>	(2.26)
Transferred to Statutory Reserves u/s 45IC of the RBI Act, 1934	<b>(15.59)</b>	-
Net Profit/(Loss)	<b>62.36</b>	(530.01)
Balance b/fd from last year	<b>(2391.35)</b>	(1861.34)
Balance c/fd to Balance Sheet	<b>2328.99</b>	2391.35

### REVIEW OF OPERATIONS

As on the date of this report the company's liability towards public deposits and banks stands paid and it has become a 'Debt Free Company'. Further in consolidating its existing operations the main thrust is to realize the dues of the earlier business transacted and the management is confident that with the maximum recovery, it would be able to generate sufficient funds to pay off the other liabilities.

### DIVIDEND

In view of accumulated losses, your directors have not recommended any dividend for the year under review.

### PUBLIC DEPOSITS

During the year there were no fresh acceptance/ renewals of Public Deposits. As at 31<sup>st</sup> March, 2009 outstanding Public Deposits was only Rs. 8.9 Lacs as against Rs.498.52 Lacs in the Previous Year. There were no overdue deposits, as at 31<sup>st</sup> March, 2009. The Company has complied with all the requirements of Reserve Bank of India's norms/ guidelines/ directions in maintaining specified percentage of liquid assets.

### RATING

As on date, in view of total payment of Public Deposits, ICRA, the rating agency, has since withdrawn the rating.

## AUDITORS' REPORT

### INFORMATION AND EXPLANATIONS/OBSERVATIONS IN THE AUDITORS' REPORT.

#### A. OBSERVATIONS IN THE MAIN AUDITORS' REPORT AND MANAGEMENT COMMENTS THEREOF.

##### Auditors' Observations

##### a) Para 2-On a Going Concern Basis

It has been suitably explained in para 2 of Schedule-14 Notes on Accounts

##### Para 3(a)

Accounting of Overdue Charges on Hire-Purchase/ Lease Receivables and Bill discounted, Loans against hypothecation respectively, on realisation basis, in view of significant uncertainties thereof;

Overdues are consistently accounted for only on realisation basis.

##### b) Para 3(b)- Non Compliance of Prudential Norms

In view of negative net worth, this has a consequential effect which, inter-alia, means non compliance of the provisions of RBI's norms as regards maintenance of Credit Adequacy Ratio (CAR), Credit/ Investments, etc

##### Observations in Annexure referred in paragraph 1 of the Auditor' Report (CARO)

##### c) Para (i)(a) & (b)- Quantitative details of assets on lease

The management has since carried out physical verification of assets on lease. Confirmation from some lessees has been received.

##### d) Para 8 of Schedule 14- Notes to Accounts

Where the balances debit/credit are appearing, the same in the ordinary course of business, are at least equal to the amount at which they are stated and as such, no further comments are required.

In terms of RBI Directions, the Auditors have submitted a separate report to the Board of Directors. As the observations on account of negative net worth are general in nature viz, non meeting the requirement of capital adequacy and concentration of credit/investments, the same have been suitably explained hereinabove and have not been responded to separately.

### REPORT ON CORPORATE GOVERNANCE

A detailed report on Corporate Governance together with Management Discussions and Analysis Report has been included separately in Annexure 'A' and 'B' respectively which forms part of the Director's Report.

### DIRECTOR'S RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT,1956.

The Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the applicable accounting standards;
- ii) The Directors 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 for the company at the end of financial year ended 31<sup>st</sup> March, 2009 and of the Profit of the Company for that period;
- iii) 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;
- iv) The statement of accounts for the year ended 31<sup>st</sup> March,2009 have been prepared on a Going Concern Basis.

### DIRECTORS

In accordance with the requirements of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Shri Rajiv Gupta, Director and Shri Arun Mitter, Director retire by rotation and being eligible, offer themselves for re-appointment.

**APPOINTMENT OF MANAGER AND COMPANY SECRETARY**

The Board on the recommendation of Remuneration Committee by cancelling the existing agreement have reappointed Mr. Rohit Madan as Manager and Company Secretary on the terms and conditions including remuneration as contained in the notice.

None of the Directors except Mr. M K Madan who is related to him is concerned or interested in the resolution.

**PARTICULARS OF EMPLOYEES**

There are no employees in receipt of remuneration which, inter-alia, requires the company to furnish the particulars of Employees as required by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees), Rules, 1975.

**DEMATERIALISATION**

Members who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and send their certificate through Depository Participants(s) with whom, they have dematerialized account, to the Company's Registrar and Transfer Agents, M/s Alankit Assignments Limited, 2E/21, Alankit House, Jhandewalan Extension, New Delhi-110055.

**AUDITORS**

M/s S.N. Dhawan & Co., Chartered Accountants, Auditors, retire and are eligible for re-appointment. A certificate under Section 224(1B) of the Companies Act, 1956, has been obtained.

**SECRETARIAL AUDIT**

In compliance of SEBI guidelines, Secretarial Audit is being carried out at the specified period. There were no adverse remarks in the Secretarial Audit Report. Secretarial Audit Report submitted by Practising Company Secretary is annexed separately.

**COMPLIANCE BY THE COMPANY**

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to the capital markets during the last three years. No penalties or strictures have been imposed on the company by the Stock Exchange or SEBI or any other statutory authorities relating to the above.

**CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is available on the website of the Company i.e. [www.indialease.com](http://www.indialease.com)

**E-mail ID FOR INVESTOR'S GRIEVANCES**

In compliance of sub clause (f) to the Clause 47 of the Listing Agreement, the company has designated an e-mail address i.e. [ildcomplaints@indialease.com](mailto:ildcomplaints@indialease.com) of the grievance redressal division/compliance offer exclusively for the purpose of registering complaints by Investors.

**NOMINATION FACILITY**

In case, any of the members wish to avail facility of Nomination Form (Form 2B) alongwith instructions, they are requested to send the duly completed form to the Registrars of the Company and/or at the Registered Office of the Company.

**CEO/CFO CERTIFICATION**

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49(V) of the Listing Agreement.

**CONSOLIDATION OF FOLIOS AND AVOIDANCE OF MULTIPLE MAILING**

Members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to write to the Registrars and Share Transfer Agents indicating the folio numbers for consolidation of similar holdings under one folio.

**CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO.**

In terms of the requirements of Clause (e) of sub section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars are given as under:-

- a) Technology Being a finance company, the same is not applicable  
 b) Conservation of Energy -do-  
 c) Transactions in Foreign Currency

	<b>31.03.09</b>	31.03.08
a) Expenditure in Foreign Currency	-	-
i) Repayment of Foreign Currency Loan	-	-
ii) Interest on Foreign Currency Loan	-	-
iii) Travelling Expenses	-	-
b) Shares held by Non Resident		
Shareholders	<b>4901</b>	15674
No. of Shareholders	<b>12</b>	13

**ACKNOWLEDGEMENTS**

Directors place on record their thanks for the assistance and cooperation received from Banks and all other customers for their continued support and patronage.

Yours Directors also wish to place on record the dedicated and devoted services rendered by all personnel of the Company.

By Order of the Board  
For India Lease Development Limited

Place : New Delhi  
Date : August 13, 2009

**RAJIV GUPTA**  
Chairman

**AUDITORS' CERTIFICATE ON THE COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

We have examined the compliance of conditions of Corporate Governance by India Lease Development Limited having its Registered Office at MGF House, 4/17-B, Asaf Ali Road, New Delhi-110002 for the year ended 31<sup>st</sup> March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is responsibility of the management. Our examination was limited to review to procedures and implementations thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.N. Dhawan & Co.**  
Chartered Accountants

**Place: New Delhi**  
**Date : August 13, 2009**

**(S.K.KHATTAR)**  
Partner  
M.No. 84993

**ANNEXURE 'A' TO THE DIRECTORS REPORT  
CORPORATE GOVERNANCE REPORT**

**1. Company's Philosophy on Code of Corporate Governance**

Corporate Governance represents the value, ethical and moral framework under which business decisions are taken. The investors want to be sure that not only is their capital handled effectively and adds to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involving moral hazard.

Your company perceives good corporate governance practices as a key driver of sustainable corporate growth and long term shareholder value creation. The primary objective is to develop and adhere to a corporate culture of harmonious and transparent functioning, increasing employee and customer satisfaction and enhancing shareholders' wealth by developing capabilities and identifying opportunities that best serve the goal of value creation. All actions and strategic plans are directed towards delivering value to all stakeholders, as well as confirm to the highest standards of corporate behaviors.

**2. Board of Directors ("Board")**

The composition of the Board of Directors of the Company is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchange.

**2.1 The Board as on the date of this report comprises of four Directors.**

The Company has a Non Executive Chairman. All the Directors on the Board are Independent Directors who are eminently qualified and experienced professionals in Business, Finance and Corporate Management.

**2.2 Composition of the Board:**

Name of Director	Status
1. Shri Rajiv Gupta	Non-Executive – Independent – Chairman
2. Shri Arun Mitter	Non-Executive – Independent
3. Shri Sharad Aggarwal	Non-Executive – Independent
4. Shri M.K. Madan	Non-Executive – Independent

**2.3 Board Meetings:**

The meetings of the Board of Directors are scheduled well in advance and generally held at Registered Office i.e. MGF House, 4/17-B, Asaf Ali Road, New Delhi. The notice confirming the meeting and the detailed agenda is sent at least seven days in advance to all the Directors.

**2.3(a) Number of Board Meetings:**

During the year ended 31<sup>st</sup> March, 2009, the Board of Directors met eleven times on the following dates:

S.No.	Date of Meeting	Board Strength	No.of Directors present
1	30 <sup>th</sup> April, 2008	4	4
2	28 <sup>th</sup> May, 2008	4	4
3	2 <sup>nd</sup> July, 2008	4	4
4	2 <sup>nd</sup> August, 2008	4	4
5	6 <sup>th</sup> September, 2008	4	4
6	31 <sup>st</sup> October, 2008	4	4
7	24 <sup>th</sup> November, 2008	4	4
8	30 <sup>th</sup> January, 2009	4	4
9	26 <sup>th</sup> February, 2009	4	4
10	30 <sup>th</sup> March, 2009	4	4
11	31 <sup>st</sup> March, 2009	4	4

**2.3(b) Attendance of Directors:**

Sl. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last Annual General Meeting	No. of Directorships in other Boards as on 31st March, 2009	No. of Memberships in all Committees of the Board as on 31st March, 2009
1.	Shri Rajiv Gupta	11	11	Present	12	8
2.	Shri Arun Mitter	11	11	Present	26**	6
3.	Shri Sharad Aggarwal	11	11	NA*	10	4
4.	Shri M.K.Madan	11	11	Present	5	3

\*NA- Not attended

\*\*Includes Directorship in Private and Public Limited Companies.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchange Membership/ Chairmanship of only Audit Committee/Shareholders Grievances Committee and the Remuneration Committee of all the Listed Public Limited Companies has been considered.

**2.3(c) Remuneration to Directors:**

No sitting fees and /or any other remuneration was paid to the Directors for attending Board Meetings and/or any Committee Meetings of the company.

**3. Committees of the Board:**

Non-Executive Directors, including the Chairman, provide guidance to operating management on policy matters as well as in monitoring actions of operating management. This involvement is formalized through constitution of designated Committees of the Board. The Committees are intended to provide regular exchange of information and ideas between the Directors and the operating management.

Name of Members	Audit Committee	Shareholders Grievance Committee	Remuneration Committee
1. Shri Rajiv Gupta Non-Executive Independent Chairman	Yes	Yes	Yes
2. Shri Arun Mitter Non-Executive Independent Director	Yes	Yes	Yes
3. Shri Sharad Aggarwal Non-Executive Independent Director	Yes	No	No
4. Shri M.K. Madan Non-Executive Independent Director	Yes	Yes	Yes

The Company also has Share Transfer Committee.

**3.1 Audit Committee:**

**3.1 (a) Membership :** The composition of Audit Committee members are as given in para (3) above;. Mr. Arun Mitter is the Chairman of Audit Committee. Sh. Rohit Madan, Compliance Officer is the convenor of the Audit Committee.

**3.1 (b) Broad Terms of reference of the Audit Committee:**

- Reviewing Audit Reports of both Statutory and report of the Internal Auditors and is placed on record with Auditors and Management.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Ensuring compliance with regulatory guidelines.
- Reviewing with the management the adequacy of Internal Control Systems.

**3.1(c)** During the year ended 31st March, 2009 the Audit Committee met eight times on the 29<sup>th</sup> April, 2008, 27<sup>th</sup> May, 2008, 1<sup>st</sup> August, 2008, 5<sup>th</sup> September, 2008, 30<sup>th</sup> October, 2008, 21<sup>st</sup> November, 2008, 29<sup>th</sup> January, 2009 and 25<sup>th</sup> February, 2009.

**3.1(d) Attendance of the Directors in the Audit Committee Meeting:**

Sl. No.	Name of Director	No. of meetings Held	No. of meetings Attended
1.	Shri Rajiv Gupta	8	8
2.	Shri Arun Mitter	8	8
3.	Shri Sharad Aggarwal	8	8
4.	Shri. M.K.Madan	8	8

**3.2 Shareholders Grievances Committee:**

This Committee is comprising of Sh. Rajiv Gupta, Sh. Arun Mitter and Sh. M.K.Madan members. The committee look into the grievances and complaints of the shareholders like transfer, splitting, consolidation of shares, non-receipt of balance sheet, non-receipt of dividend etc. and redress the same.

**3.2(a) Attendance of Directors in the Shareholders Grievance Committee meetings:**

During the year ended 31<sup>st</sup> March, 2009, the Shareholders' Grievances Committee met five times on 21<sup>st</sup> April, 2008, 25<sup>th</sup> July, 2008, 24<sup>th</sup> October, 2008, 22<sup>nd</sup> January, 2009 and 31<sup>st</sup> March 2009.

Sh. Rohit Madan, Compliance Officer is the convenor of the Shareholders' Grievances Committee.

The attendance for the meetings are as stated below:

Sl. No.	Name of Director	No. of meetings held	No. of meetings attended
1.	Shri Rajiv Gupta	5	5
2.	Shri Arun Mitter	5	5
3.	Shri M.K.Madan	5	5

**3.2(b) Details of Investors complaints received during the year ended 31<sup>st</sup> March, 2009.**

S.No	Nature of complaints	Received	Disposed
1.	Non receipt of dividend warrant(s)	3	3
2.	Non receipt of share certificates after transfer/demat	2	2
	<b>Total</b>	5	5

**3.2(c) Number of complaints pending with the Company:**

All the shareholders requests/complaints received during the financial year ended 31<sup>st</sup> March, 2009 by the company and/or registrars i.e. M/s Alankit Assignments Limited were replied / resolved to their satisfaction.

**3.2(d) Number of shares pending for transfer:**

No share(s) were pending for transfer as on 31<sup>st</sup> March, 2009.

**3.3 Remuneration Committee:**

**3.3(a) Membership:** This Committee is comprising of Sh. Rajiv Gupta, Sh. Arun Mitter and Sh. M.K.Madan members.



### 3.3(b) Attendance of Directors in the Remuneration Committee meetings:

During the year ended 31<sup>st</sup> March, 2009, the Remuneration Committee met twice on 17<sup>th</sup> November, 2008 and 30<sup>th</sup> March, 2009.

Sh. Rohit Madan, Compliance Officer is the convenor of the Remuneration Committee.

The attendance of the members in the aforesaid meeting was as under:-

Name of Director	No.of meetings held	No.of meetings attended
1. Shri Rajiv Gupta	2	2
2. Shri Arun Mitter	2	2
3. Shri M.K.Madan	2	2

### 3.3(c) Broad Terms of reference of the Remuneration Committee:

To review remuneration package of 'Manager & Company Secretary' and others and recommend to the Board.

Mr. Rajiv Gupta is the Chairman of the Remuneration Committee.

### 3.3(d) Remuneration Policy:

The Company follows a market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. Compensation is also linked to individual and team performance as they support in the achievement of Corporate Goals. The Company does not have an Employee Stock Option Policy.

### 3.3(e) Remuneration paid during the year.

During the year ended 31<sup>st</sup> March, 2009 Mr. Rohit Madan, Manager & Company Secretary, in accordance with the terms & conditions of his appointment was paid remuneration of Rs. 5,78,240/-.

## 4. Management:

### 4.1 Management Discussions and Analysis Report:

A detailed Management Discussion and Analysis report is annexed in Annexure 'B' forming part of the Director's report.

### 4.2 Disclosure relating to all material financial and commercial transaction of the management, where they have a personal interest that may have a potential conflict with the interest of the Company at large.

During the year ended 31<sup>st</sup> March, 2009 the company had entered into transactions in the normal course of business with some of the companies in which some of the directors are interested and which have been disclosed adequately in the notes forming part of the accounts. There was no potential conflict of interest with that of the company.

## 5. Particulars of Past three AGMs:

21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> Annual General Meetings were held at The Executive Club, 439, Village Shahoorpur, P.O.Fatehpuri Beri, New Delhi-110030.

AGM No.	Year	Date	Time	Special Resolution required for
21 <sup>st</sup>	2006	29 <sup>th</sup> Sept, 2006	1.30 P.M.	Appointment of Company Secretary u/s 383A & 314(1)(B) of the Companies Act, 1956
22 <sup>nd</sup>	2007	28 <sup>th</sup> Sept, 2007	1.30 P.M.	Special Resolution of Shifting of Statutory Records u/s 163 of the Companies Act, 1956 & confirmation of re-appointment and appointment of Manager under the Companies Act, 1956.
23 <sup>rd</sup>	2008	29 <sup>th</sup> Aug, 2008	1.30 P.M.	Not applicable

All the resolutions, as set out in the respective notices, were passed by the shareholders.

### 5.1 Postal Ballot System

The Central Government has notified the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, which lays down the business required to be passed by Postal Ballot.

Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution through Postal Ballot) Rules, 2001, consent of the members was obtained by means of voting by Postal Ballot in respect of the Resolution to authorize the Board of Directors to make Loans/ Investments and to give Guarantees under Section 372A of the Companies Act, 1956. The company had appointed Sh. Dinesh Agnani, Advocate, Agnani & Associates, Advocates, C-8, Jangpura Extension, New Delhi as Scrutinizer for conducting the Postal Ballot process.

Accordingly, the Chairman received the scrutinizer report and declared the results as follows:

Particulars	Resolution
Total Postal Ballots Received	79
Less: Invalid Postal Ballots	8
Valid Postal Ballots	71
Total Valid Votes Polled	5616039
Votes in favour of the Resolution	5615239
Votes against the Resolution	800
Percentage of Votes in favour to total valid Votes Polled	99.98%

In view of the above result, the Special Resolution under Section 192A of the Companies Act, 1956 be considered as passed with requisite majority.

### 6. Shareholder Information :

- 6.1 Annual General Meeting** : 24<sup>th</sup> Annual General Meeting
- Day & Date** : Thursday, 17<sup>th</sup> September, 2009
- Time** : 1.30 P.M.
- Venue** : The Executive Club,  
439, Village Shahoorpur,  
P.O. Fatehpuri Beri,  
New Delhi – 110 030.

### 6.2 Financial Calendar

**(Tentative schedule)**

- Financial reporting for the quarter ended 30<sup>th</sup> June, 2009 By the end of 31<sup>st</sup> July, 2009
- Financial reporting for the half year ended 30<sup>th</sup> September, 2009 By the end of 31<sup>st</sup> October, 2009
- Financial reporting for the nine months ended 31<sup>st</sup> December, 2009 By the end of 31<sup>st</sup> January, 2010
- Financial reporting for the year ended 31<sup>st</sup> March, 2010 By the end of 30<sup>th</sup> April, 2010

### 6.3 Means of Communication:

- Quarterly/Half Yearly Financial Results of the Company are forwarded to the stock exchange and generally published in Mahalaxmi and Money Maker newspapers. Half-yearly report is not sent to each household of shareholders as the results the Company is published in the Newspapers. In addition to the above, the results are also available on the company's website: [www.indialease.com](http://www.indialease.com)
- Company has not made any presentations to any Institutional Investors/Analyst during the year.
- All items required to be covered in the Management Discussion and Analysis have been included in the Annexure 'B' of the Directors' Report to Members.
- Company has its own website and all vital information relating to the Company is displayed on the web site. Address of the website is <http://www.indialease.com>

### 6.3 Date of Book Closure

Monday 14<sup>th</sup> September, 2009 to Thursday, 17<sup>th</sup> September, 2009 (Both days inclusive)

### 6.5(a) Registrar and Share Transfer Agents:

In compliance with SEBI direction, M/s Alankit Assignments Ltd. Alankit House, 2E/21, Jhandewalan Extension, New Delhi –110055. Ph. 011-42541953-63 are carrying on assignment of both physical and demat mode.

However, keeping in view the convenience of shareholders, documents relating to shares will continued to be received by the company at Registered Office of the Company at MGF House, 4/17-B, Asaf Ali Road, New Delhi-110002 Ph. 011-41519433, 011-41520070, Fax No.- 011-41503479.

**6.5(b) Under Demat and Physical Mode:**

Alankit Assignments Limited  
2E/21, Alankit House,  
Jhandewalan Extension,  
New Delhi-110 055.  
Ph: 011-42541953-63

**6.5(c) Nomination Facility:**

Shareholders are eligible to file their nominations against Shareholdings and Deposits. Nomination Forms are available at the Registered Office i.e. MGF House, 4/17-B, Asaf Ali Road, New Delhi-110002. Those interested in getting the facility of nominations may write to the Company Secretary for a copy of the prescribed Nomination Form.

**6.6** The under noted officials of the company have been designated for speedy redressal of shareholder's/ investor's requests/queries.

**6.6(a) Compliance Officer:**

Shri Rohit Madan, Manager & Company Secretary

**6.6(b) Address for Correspondence:**

Registered Office: MGF House,  
4/17-B, Asaf Ali Road, New Delhi-110 002  
Ph: 011-41519433, 41520070  
Website: [www.indialease.com](http://www.indialease.com)  
Email: [info@indialease.com](mailto:info@indialease.com)

**6.7 Listing on Stock Exchange:**

The Shares of the Company are listed on Bombay Stock Exchange (BSE).

The Company confirms that it has paid the annual listing fees for 2009-10 to the Stock Exchange where the shares of the Company were listed during the year.

The Stock Exchange, Mumbai  
Phiroze Jee Jee Bhoy Towers, Dalal Street  
Mumbai – 400 001  
Ph: 022- 22721233-34, Fax : 022-22721072

**6.8 Stock Code of the Company:**

The Stock Exchange, Mumbai  
Electronic Mode :INE 333C01013  
Scrip Name: **INDLEASE**  
Scrip Code: **500202**

**6.9 ISIN No. for the Company's Equity shares in Demat Form:**

**INE 333C01013**

**6.10 Depository Connectivity:**

**NSDL and CDSL**

**6.11 Market Price Data: (As obtained from BSE)**

Month & Year	High	Low
April – 2008	8.40	6.60
May – 2008	8.82	7.50
June – 2008	8.25	6.58
July – 2008	7.82	5.93
August – 2008	10.94	8.21
September – 2008	14.17	10.75
October – 2008	12.08	6.42
November – 2008	8.09	6.10
December – 2008	9.20	6.16
January – 2009	10.49	7.00
February – 2009	10.98	8.50
March – 2009	10.49	7.81

**6.12 Categories of Shareholding as on 31<sup>st</sup> March, 2009:**

S.No	Category	No. of Shares held	% of Shareholding
<b>A</b>	<b>Promoters</b>	5692850	55.81
<b>B</b>	<b>Non Promoter Holding</b>		
	Mutual Funds and UTI	-	-
	Banks, Financial Institutions, Insurance Companies(Central/State Government Institutions/Non Government Institutions)	742950	7.28
<b>C</b>	<b>Others</b>		
	Private Corporate Bodies	222492	2.18
	Indian Public	3537107	34.68
	NRIs/OCBs	4901	0.05
	Directors and Relatives	-	-
	Trusts	-	-
	<b>Total</b>	<b>10200300</b>	<b>100.00</b>

**6.13 Distribution of Company's Shareholding as on 31<sup>st</sup> March 2009:**

Category	Shareholders			No. of Shares(Rs. 10/- per share)			Percentage(%)		
	Physical	Demat	Total	Physical	Demat	Total	Physical	Demat	Total
Upto 5000	5619	3959	9578	925535	1220103	2145638	9.07	11.96	21.04
5001-10000	5	23	28	36000	189517	225517	0.35	1.86	2.21
10001-20000	2	10	12	28400	143480	171880	0.28	1.41	1.69
20001-30000	1	1	2	24000	25344	49344	0.24	0.25	0.48
30001-40000	0	3	3	0	108200	108200	0.00	1.06	1.06
40001-50000	0	3	3	0	144300	144300	0.00	1.41	1.41
50001-100000	0	1	1	0	78000	78000	0.00	0.76	0.76
100001-Above	0	13	13	0	7277421	7277421	0.00	71.35	71.35
<b>Total</b>	<b>5627</b>	<b>4013</b>	<b>9640</b>	<b>1013935</b>	<b>9186365</b>	<b>10200300</b>	<b>9.94</b>	<b>90.06</b>	<b>100.00</b>

**7. Compliance:**

A certificate has been obtained from the Statutory Auditors of the company regarding compliance of conditions of Corporate Governance and is attached to this report.

By Order of the Board  
For INDIA LEASE DEVELOPMENT LIMITED

Place : New Delhi  
Dated : August 13, 2009

**RAJIV GUPTA**  
CHAIRMAN

## ANNEXURE 'B' TO THE DIRECTOR'S REPORT

**MANAGEMENT'S DISCUSSION AND ANALYSIS:  
NBFC – INDUSTRY STRUCTURE AND BUSINESS DEVELOPMENTS**

**Industry Overview:**

The business of the Company is that of a Non Banking Finance Company(NBFC).

Non Banking Financial Companies(NBFCs) play a crucial role in broadening access to financial services, enhancing competition and diversification of the financial sector.

NBFCs have an advantage over banks as the business model is relationship-oriented, requires a good geographical spread and survives on thin margins. Banks and NBFCs compete for some similar kinds of business. In spite of strong competition faced by the NBFCs, the inner strength of NBFCs viz local knowledge, credit appraisal, skill, well trained collection machinery, close monitoring of borrowers and personalized attention to each client are catering to the needs of small and medium enterprises in the rural and semi urban area.

**Outlook on opportunities, threats, risks and concerns:**

The company is consolidating its position and making its best efforts to realize the maximum from the customers by taking recourse of legal remedies where warranted.

**Internal control System and adequacy**

Your company has an adequate system of Internal control, designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and properly recorded. Accounting records are adequate for preparation of financial statements and other financial information. Internal Audit is conducted on a periodical basis to ascertain the adequacy and effectiveness of internal control systems; their observations are reviewed by the senior management and the audit committee and corrective measures initiated. Besides, the management has put in place system for review and monitoring of non performing assets of the company for effecting recoveries.

**Financial**

The Financial performances of the Company are given as under:-

(Rs. In Lacs)

Year ended	Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
Profit/ (Loss) before Taxation, Interest, Depreciation and Provisions	68.02	(6.65)
Interest	(22.17)	(78.94)
Depreciation including Impairment	(32.49)	(55.22)
Profit / (Loss) before Provision for Non Performing Assets & Tax	13.36	(140.81)
Provision for Non Performing Assets	67.47	(386.94)
Fringe Benefit Tax	(2.88)	(2.26)
Transferred to Statutory Reserves u/s 45IC of the RBI Act, 1934	(15.59)	-
Net Profit/(Loss)	62.36	(530.01)
Balance b/fd from last year	(2391.35)	(1861.34)
Balance c/fd to Balance Sheet	2328.99	2391.35

**Risk and Concern**

It has become a Debt Free Company as on date. Further in view of repayment of deposits and meeting other commitments, there has not been availability of funds for fresh exposure in business activities. The company's fear is that non business exposure to the existing clients sometimes may lead to default in repayment which has a cascading effect on other customers for which suitable measures are being taken.

**Human Resources**

Your company considers human resources a key element. The company has a competency based performance and potential appraisal systems for identifying and developing managerial talents and is reviewed on an on going basis. Emphasis is laid on providing adequate training to its employees, to meet the attitudinal and cultural values of the organization ethos to achieve customer satisfaction.

**Disclaimer**

Certain Statements in the Management Discussion and Analysis describing the company's views about the industry, expectations, objectives, etc may be understood within the meaning of applicable laws and regulations. Factors like changes in Government regulations, tax laws and other factors as such industrial relations and economic developments etc. may further influence the company's operations or performance.

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

I, Arun Mitter, Chief Executive Officer (CEO) & Chief Financial Officer (CFO) do hereby certify that for the financial year ended 31<sup>st</sup> March, 2009, on the basis of the review of the financial statements and the cash flow statement and to the best of my knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are no transactions entered into by the Company during the year 2008-09 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. I have accepted responsibility for establishing and maintaining internal controls for financial reporting.
5. I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
6. I have disclosed to the Auditors and the Audit Committee, deficiencies of which I am aware in the design or operation of the internal control systems.
7. I have taken the required steps to rectify these internal control deficiencies.
8. I further certify that:
  - a) There have been no significant changes in internal controls over financial reporting during the year.
  - b) There have been no significant changes in accounting policies during the year.
  - c) There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having a significant role in the company's internal control systems over financial reporting.

For **INDIA LEASE DEVELOPMENT LIMITED**

Place: New Delhi  
Date: August 13,2009

**(ARUN MITTER)**  
DIRECTOR, CEO &CFO

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31,2009.

For **INDIA LEASE DEVELOPMENT LIMITED**

Place: New Delhi  
Date: August 13,2009

**(ARUN MITTER)**  
DIRECTOR, CEO &CFO

## SECRETARIAL AUDIT REPORT

The Board of Directors  
India Lease Development Limited  
MGF House, 4/17-B,  
Asaf Ali Road,  
New Delhi – 110002

I have examined the registers, records and documents of **INDIA LEASE DEVELOPMENT LIMITED** for the financial year (01.04.2008 to 31.03.2009) ended on March 31, 2009 maintained under the provisions of:

- The Companies Act, 1956 and the rules made under the Act;
- The Depositories Act 1996, Regulations and the Byelaws framed under the Act;
- The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) namely ;
  - o The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
  - o The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 1992;
- The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made under the Act and;
- The Listing Agreement with Bombay Stock Exchange Limited,

I hereby report that on the basis of examination and verification of the registers, records and documents produced before me and according to the information and explanation given by the Company, the Company has complied with the provisions of the Companies Act, 1956 ( herein after referred as “the Act”) and the Rules made there under and Memorandum and Articles of Association of the Company with regard to;

- a. Maintenance of statutory registers and documents and making in them necessary entries;

Statutory Register	Remarks
• Under Section 49(7) Register of investments held in the name of another person	Maintained
• Under Section 58A and deposit rules, 1975 register of deposits	Maintained
• Under Section 143 Register of charges	Maintained
• Under Section 150 Register of member and index thereof	Maintained
• Under Section 163 file regarding copies of annual return	Maintained
• Under Section 193 minutes of board, general and committee meetings	Maintained
• Under Section 209 books of accounts.	Maintained
• Under Section 301 Register of contracts in which directors are interested	Maintained
• Under Section 303 Register of directors	Maintained
• Under Section 307 Register of directors shareholding	Maintained
• Under Section 372A Register of Loans, investments and guarantees/securities provided	Maintained

- b. Closure of Register of Members;
- c. Forms, returns, documents and resolution required to be filed with the Registrar of Companies;
- d. Service of Documents by the Company on its Members and Registrar of Companies;
- e. Notice of Board Meeting and Committee Meetings of Directors;
- f. The meeting of Directors and Committee of Directors including passing of resolution by circulation;
- g. Minutes of proceedings of General Meeting, Board and minutes of Remuneration Committee maintained, minutes of Share Transfer Committee are duly maintained.
- h. Approvals of Shareholders and the Board of Directors, the Committee of Directors and government authorities wherever required;
- i. Remuneration of Manager;

- j. Appointment and remuneration of Auditors and Cost Auditors;
  - k. Transfer and Transmission of the Company's shares and issue and delivery of original and duplicate certificates of shares;
  - l. Form of Balance Sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said schedule;
  - m. Transfer of unpaid/unclaimed amounts as required under the Act to the Investor Education and Protection Fund;
  - n. Borrowing and registration, modification and satisfaction of charges;
  - o. Investment of Company's funds including Inter Corporate Loans and Investments;
  - p. Contracts, Common Seal, registered office and publication of name of the Company; and;
  - q. Generally all other applicable provisions of the Act and the Rules made under that Act;
2. I further report that:
- (a) The Directors of the Company have obtained Directors Identification Number as per Section 266A of the Companies Act, 1956.
  - (b) The Directors have complied with the requirements as to disclosure of interest and concerns in contracts and arrangements, shareholdings and directorship in other companies and interest in other entities.
  - (c) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
  - (d) The Company has obtained all necessary approvals from Statutory bodies, under the Act, wherever necessary.
  - (e) There was no prosecution initiated against, or show cause notice received by & the company and no fines or penalties were imposed on the Company under the Companies Act, SEBI Act, SCRA Act, Depositories Act, Listing Agreement and Rules, Regulation and Guidelines framed under these Acts against the Company, its Directors and Officers.
3. I further report the Company has complied with the provisions of the Depositories Act 1996, Regulations and the Byelaws framed there under with regard to dematerialization / re-materialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
4. I further report that the Company has complied with:
- (a) The requirements under the Listing Agreement entered into with Bombay Stock Exchange Limited.
  - (b) The provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 with regard to the disclosure and maintenance of record required under the regulations.
  - (c) The provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.

Place: New Delhi  
Date: August 13,2009

**Anjali Yadav**  
Practising Company Secretary  
ACS No. 7257



## AUDITORS' REPORT

### To the Members of INDIA LEASE DEVELOPMENT LIMITED

We have audited the attached Balance Sheet of **India Lease Development Limited** as at 31st March, 2009, the Profit & Loss Account and also the Cash Flow Statement 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 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, evidence 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.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India, in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose, in the Annexure, a statement on the matters specified in paragraphs 4 & 5, of the said Order.
2. *Attention is drawn to Note No. 2 of Schedule-14 "Notes to Accounts", regarding the accumulated losses of the Company as at March 31, 2009 having exceeded its networth. The Company has also discontinued fresh hire purchase / leasing business. The management is of the view that the realization of the assets will be sufficient to pay off its entire liabilities including public deposits. In view of the above the accounts have been prepared on the assumption that the Company will continue as a Going Concern.*
3. Further to our comments in the Annexure referred to in paragraph 1, we report that:
  - a) *Overdue charges on hire purchase/ lease rentals/ receivables/ loans against hypothecation and bills discounted respectively are accounted for on realization basis in view of significant uncertainties, instead of on accrual basis. (Refer to Accounting Policy 8 (e));*
  - b) *There is non-compliance of the provisions of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1998 and Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998 with regard to maintenance of Capital Adequacy, Credit/Investment exposure and Deposits in excess of the prescribed limits (Refer Note No. 3(a)).*
4. We further 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 appears from our examination of the books;
  - (c) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to our comments in our paragraphs 2 above;
  - (e) On the basis of written representations received from the Directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director, in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

We further report that, subject to our comments in paragraph 2 above, the said accounts read with the Significant Accounting Policies and Notes to 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
- (b) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **S. N. Dhawan & Co.**,  
Chartered Accountants

**(S.K. KHATTAR)**

Partner

M. No. 84993

**Place: New Delhi**

**Date : August 13, 2009**

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON ACCOUNTS OF INDIA LEASE DEVELOPMENT LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets *except for assets on lease and furniture and fixtures at offices.*
- (b) As per information and explanations given to us the Other Fixed Assets have been physically verified by the management, during the year. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on such verification *except in the case of furniture and fixtures at offices wherein the physical balance not reconciled with the book balance (refer to our comments in (a) above). In respect of Assets on Lease, confirmations from lessees, as regards their physical existence, were not available.*
- (c) According to the information and based on the explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.
- ii) The Company does not have any inventory. Therefore, the provisions of clause 4(ii) (a), (b) & (c) of the Order are not applicable.
- iii) (a) The Company has granted Inter Corporate Deposits to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 89.10 lacs and the year end balance of such deposits was Rs.65.50 Lacs
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not, prime facie, prejudicial to the interest of the Company.
- (c) As explained to us, in respect of one outstanding Inter Corporate Deposits granted in earlier years amounting to Rs. 65.50 Lacs as at 31<sup>st</sup> March 2009, where from recoveries of principal/ interest are not forthcoming, full provision has been made.
- (d) According to the information and explanations given to us, the Company has not taken any loans secured or unsecured from companies, firms or other parties covered in register maintained under Section 301 of the Companies Act, 1956 except six fixed deposits from relatives of directors The maximum amount involved during the year was Rs.3.44 Lacs and the year end balance was Rs. Nil.
- (e) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such Fixed Deposits are not, prima facie, prejudicial to the interest of the Company.
- (f) The Company has been regular in repaying the principal amounts and interest, as stipulated.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of the business with regard to purchase of fixed assets. As explained, there was neither purchase of inventories nor sale of goods and services during the year. During the course of our audit we have not come across any continuing failure to correct major weaknesses in the internal control systems.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time, except for items stated to be of a specialized nature where no comparison is possible.
- vi) In our opinion and according to the information and explanation given to us, the Company has complied with the directions issued by Reserve Bank of India and the provisions of Section 58A and Section 58AA of the Companies Act, 1956 and the Companies Acceptance of Deposit Rules, 1975 with regard to Deposits accepted from the public. We have been informed by the Company that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or any other Tribunal.
- vii) The Company has an internal audit system. However, functioning thereof (including extent of coverage) needs to be strengthened to make it commensurate with the size and nature of its business.

viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.

ix) (a) According to the information and explanations given to us and according to the records produced before us, the Company is generally regular in depositing, with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax and any other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax were in arrears as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date they become payable.

(c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax and Service Tax which have not been deposited on account of any dispute, other than the following:-

Name of the statute	Nature of dues	Rs. in Lacs	Forum where dispute is pending
Sales Tax Assessment Year (1992-93 to 2003-04)	Tax Penalty and Interest	117.98	Appellate Authorities, Delhi Sales Tax

x) The accumulated losses of the company are more than 50% of the net worth of the Company. The Company has not incurred cash losses during this financial year covered by our audit. However in the immediately preceding financial year the Company had incurred cash losses.

xi) Based on our examination of the records and according to the information and explanations given to us the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Order are not applicable.

xiii) In our opinion and according to the information and explanations given to us the Company is not a Chit Fund or Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.

xiv) In our opinion the Company is not dealing or trading in shares, securities, debentures or other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable.

xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable.

xvi) The Company has not taken any term loans therefore, the provisions of clause 4(xvi) of the Order are not applicable.

xvii) According to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.

xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xix) The Company has not issued any debentures during the year.

xx) The Company has not raised any money through public issue during the year.

xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S. N. Dhawan & Co.**,  
Chartered Accountants

**(S.K. KHATTAR)**

Partner

M. No. 84993

Place: New Delhi

Date : August 13, 2009

**BALANCE SHEET AS AT 31st MARCH, 2009**

	Schedule No.	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b><u>SOURCES OF FUNDS</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	1	102,130,250	102,130,250
Reserves and Surplus	2	111,717,697	110,158,608
		<u>213,847,947</u>	<u>212,288,858</u>
<b>Loan Funds</b>			
Unsecured Loans	3	889,884	49,852,027
<b>Total</b>		<u>214,737,831</u>	<u>262,140,885</u>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Fixed Assets</b>			
Gross Block	4	135,388,506	148,572,953
Less: Depreciation including Impairment		<u>130,434,941</u>	<u>139,336,815</u>
		4,953,565	9,236,138
Less: Accumulated Lease Adjustment		<u>2,304,394</u>	<u>5,411,705</u>
<b>Net Block</b>		2,649,171	3,824,433
<b>Investments</b>			
	5	11,259,482	34,580,992
<b>Current Assets, Loans and Advances</b>			
Interest Accrued on Government Securities	6	-	103,555
Lease Receivable		2,829,788	4,836,168
Sundry Debtors		97,161,784	105,587,856
Cash & Bank Balances		1,931,115	4,104,315
Loans And Advances		<u>73,323,568</u>	<u>100,712,460</u>
<b>Total</b>		<u>175,246,255</u>	<u>215,344,354</u>
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	7	22,478,930	39,328,378
Provisions		<u>168,584,003</u>	<u>175,162,730</u>
		<u>191,062,933</u>	<u>214,491,108</u>
Net Current Assets		(15,816,678)	853,246
<b>Profit &amp; Loss Account</b>			
		232,898,906	239,135,264
Less: General Reserve ( as per contra )		<u>16,253,050</u>	<u>16,253,050</u>
		<u>216,645,856</u>	<u>222,882,214</u>
<b>Total</b>		<u>214,737,831</u>	<u>262,140,885</u>

**Significant Accounting Policies** 13

**Notes to Accounts** 14

**The Schedules referred to above form an integral part of the Accounts**

As per our report of even date attached

For and on behalf of the Board

For **S.N.Dhawan & Co.**  
Chartered Accountants

**RAJIV GUPTA**  
Chairman

**ARUN MITTER**  
Director

**(S.K.KHATTAR)**  
Partner  
M.No. 84993

**SHARAD AGGARWAL**  
Director

**M.K.MADAN**  
Director

Place : New Delhi  
Dated : August 13, 2009

**ROHIT MADAN**  
Manager & Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009**

	Schedule No.	Year Ended 31.03.2009 (Rs.)	Year Ended 31.03.2008 (Rs.)
<b><u>INCOME</u></b>			
Income From Operations	8	7,683,942	5,155,095
Other Income	9	14,888,062	12,327,862
<b>TOTAL</b>		<b>22,572,004</b>	<b>17,482,957</b>
<b><u>EXPENDITURE</u></b>			
Personnel Expenses	10	4,504,398	4,658,070
Administrative & Other Expenses	11	11,264,757	13,489,477
Interest	12	2,216,883	7,893,623
<b>TOTAL</b>		<b>17,986,038</b>	<b>26,041,170</b>
<b>GROSS PROFIT/ (LOSS) BEFORE DEPRECIATION, PROVISIONS FOR TAXATION &amp; OTHER PROVISIONS</b>		<b>4,585,966</b>	<b>(8,558,213)</b>
Depreciation including Impairment		3,249,208	5,521,433
Provision for Non Performing Assets (NPAs)		(6,746,896)	38,694,742
Fringe Benefit Tax		288,207	226,452
<b>NET PROFIT / (LOSS)</b>		<b>7,795,447</b>	<b>(53,000,840)</b>
<b>Less Transfer to Statutory Reserve u/s 45-IC of the RBI Act, 1934</b>		<b>1,559,089</b>	<b>-</b>
<b>Net Profit / Loss after appropriations</b>		<b>6,236,358</b>	<b>(53,000,840)</b>
Balance Brought Forward from Previous Year		(239,135,264)	(186,134,424)
<b>Balance Carried to Balance Sheet</b>		<b>(232,898,906)</b>	<b>(239,135,264)</b>
<b>Earnings Per Share ( Refer to Note No. 13 of Schedule 14)</b>			
(Rs per Equity Share of Rs 10/- each)			
<b>Basic</b>		<b>0.76</b>	<b>(5.20)</b>
<b>Diluted</b>		<b>0.76</b>	<b>(5.20)</b>
<b>Significant Accounting Policies</b>	13		
<b>Notes to Accounts</b>	14		
<b>The Schedules referred to above form an integral part of the Accounts</b>			

As per our report of even date attached

For **S.N.Dhawan & Co.**  
Chartered Accountants**(S.K.KHATTAR)**  
Partner  
M.No. 84993Place : New Delhi  
Dated : August 13, 2009

For and on behalf of the Board

**RAJIV GUPTA**  
Chairman**SHARAD AGGARWAL**  
Director**ROHIT MADAN**  
Manager & Company Secretary**ARUN MITTER**  
Director**M.K.MADAN**  
Director

## Schedules forming part of the Balance Sheet

### SCHEDULE 1: SHARE CAPITAL

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>Authorised</b>		
1,50,00,000 Equity Shares of Rs. 10/- each	<u>150,000,000</u>	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
<b>Issued, Subscribed and Fully Paid Up</b>		
1,02,00,300 (Previous Year 1,02,00,300) Equity Shares of Rs.10/- each fully paid up for cash.	<u>102,003,000</u>	102,003,000
Add: Shares Forfeited (Amount paid up)	<u>127,250</u>	127,250
	<u>102,130,250</u>	<u>102,130,250</u>

### SCHEDULE 2: RESERVES AND SURPLUS

	As at 01.04.2008 (Rs.)	Additions during the year (Rs.)	Deductions/ Adjustment during the year (Rs.)	As at 31.03.2009 (Rs.)
Share Premium	91,751,750	-	-	<b>91,751,750</b>
Statutory Reserve(u/s 45-1C of RBI Act)	18,406,858	1,559,089	-	<b>19,965,947</b>
General Reserve	16,253,050	-	16,253,050*	-
	<u>126,411,658</u>	-	16,253,050	<b>111,717,697</b>

\* Deducted from Debit Balance of Profit & Loss Account (As per Contra)

### SCHEDULE 3: LOAN FUNDS

	As at 31.03.2009 (Rs.)	As at 31.08.2008 (Rs.)
<b>UNSECURED LOANS</b>		
- Public Deposits *	<u>889,884</u>	49,823,601
- Interest Accrued and Due on thereon	-	28,426
	<u>889,884</u>	<u>49,852,027</u>

#### Note :

\* Includes due to a Director amounting to **Rs. Nil Lacs** ( Previous Year Rs. 0.61 Lacs).

## Schedules forming part of the Balance Sheet

## Schedule - 4 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.08 (Rs.)	Additions (Rs.)	Deductions/ Transfers (Rs.)	As at 31.03.09 (Rs.)	As at 01.04.08 (Rs.)	Additions (Rs.)	Impairment (Rs.)	Deductions/ Transfers (Rs.)	As at 31.03.09 (Rs.)	As at 31.03.08 (Rs.)
<b>Assets on lease</b>										
Vehicle	100,753,644	-	10,223,497	90,530,147	95,527,212	2,255,802	-	9,557,267	88,225,747	2,304,400
Machinery (M)	19,926,884	-	2,629,800	17,297,084	19,741,611	48,758	-	2,493,280	17,297,089	(5)
<b>TOTAL (A)</b>	<b>120,680,528</b>	-	<b>12,853,297</b>	<b>107,827,231</b>	<b>115,268,823</b>	<b>2,304,560</b>	-	<b>12,050,547</b>	<b>105,522,836</b>	<b>2,304,395</b>
<b>Other Fixed Assets</b>										
Land	760,000	-	-	760,000	-	-	-	-	-	760,000
Airconditioning System	2,285,146	-	-	2,285,146	2,253,093	4,459	20,000	-	2,277,552	7,594
Office Equipments	2,037,692	-	-	2,037,692	1,955,053	12,396	60,000	-	2,027,449	10,243
Vehicles	7,603,422	-	331,150	7,272,272	5,004,049	627,025	30,000	100,534	5,560,540	1,711,732
Computers	12,185,890	-	-	12,185,890	12,051,864	53,610	38,000	-	12,143,474	42,416
Furniture & Fixture	2,349,794	-	-	2,349,794	2,133,451	39,158	60,000	-	2,232,609	117,185
Generator	670,481	-	-	670,481	670,481	-	-	-	670,481	-
<b>TOTAL (B)</b>	<b>27,892,425</b>	-	<b>331,150</b>	<b>27,561,275</b>	<b>24,067,992</b>	<b>736,648</b>	<b>208,000</b>	<b>100,534</b>	<b>24,912,105</b>	<b>2,649,170</b>
<b>TOTAL (A) + (B)</b>	<b>148,572,953</b>	-	<b>13,184,447</b>	<b>135,388,506</b>	<b>139,336,815</b>	<b>3,041,208</b>	<b>208,000</b>	<b>12,151,081</b>	<b>130,434,941</b>	<b>4,953,565</b>
Previous Year	157,020,847	1,667,241	10,115,135	148,572,953	143,379,053	5,119,250	402,183	9,563,671	139,336,815	9,236,138
										13,641,794

## Schedules forming part of the Balance Sheet

### SCHEDULE 5: INVESTMENTS

	Face Value (Rs.)	(U N I T S)				(V A L U E)	
		Nos. 31.03.2008	Nos. Additions	Nos. Deductions	Nos. 31.03.2009	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>(A) LONG TERM INVESTMENTS</b>							
<b>(1) GOVERNMENT SECURITIES</b>							
<b>QUOTED - NON TRADE</b>							
8.07% GOI Stock 2017	100	5,000	-	5,000	-	-	619,400
7.46% GOI Stock 2017	100	33,000	-	33,000	-	-	3,911,820
7.59 % GOI Stock 2016	100	148,800	-	128,000	20,800	<b>2,109,707</b>	15,092,511
						<b>2,109,707</b>	19,623,731
<b>(2) EQUITY SHARES FULLLY PAID UP</b>							
<b>NON TRADE</b>							
<b>QUOTED</b>							
The Motor & General Finance Limited*10		265,000	-	-	265,000	<b>6,180,271</b>	6,180,271
						<b>6,180,271</b>	6,180,271
<b>UNQUOTED</b>							
MGF Services Limited*	10	277,803	-	-	277,803	<b>2,777,620</b>	2,777,620
Micronet Software Services (P) Ltd.	10	2,000	-	-	2,000	<b>20,000</b>	20,000
						<b>2,797,620</b>	2,797,620
<b>(B) CURRENT INVESTMENTS</b>							
<b>(i) EQUITY SHARES FULLY PAID UP</b>							
<b>NON TRADE QUOTED</b>							
Essel Packaging Limited #	10	200	-	-	200	<b>24,780</b>	24,780
Goodyear India Limited	10	100	-	-	100	<b>14,199</b>	14,199
Gujarat Industrial Power Limited #	10	100	-	-	100	<b>6,937</b>	6,937
HDC Ltd #	10	50	-	-	50	<b>3,600</b>	3,600
Hotel Leela Venture Limited	1	500	-	500	-	-	2,369
ICICI Bank Ltd	10	1,100	-	1,100	-	-	387,219
Indian Hotel Co. Limited	1	6,000	2,000	6,000	2,000	<b>119,084</b>	388,500
Infosys Technologies Limited	5	2,000	-	2,000	-	-	2,665,228
Larsen & Toubro Limited	2	1,000	-	1,000	-	-	496,745
Narmada Cements Limited #	2	50	-	-	50	<b>1,333</b>	1,333
Oil & Natural Gas Corporation Limited	10	1,650	50	1,700	-	-	974,127
Satyam Computers Services Limited	2	5,000	-	5,000	-	-	1,012,382
						<b>169,934</b>	5,977,420

Contd.....



## Schedules forming part of the Balance Sheet

### SCHEDULE 5: (Contd. )

	Face Value (Rs.)	Nos. 31.03.2008	(U N I T S)			(V A L U E)	
			Nos. Additions	Nos. Deductions	Nos. 31.03.2009	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>DEBENTURES</b>							
Debentures of HDC Limited (Rs 10/- each)	10	50	-	-	50	<b>1,950</b>	1,950
						<u>1,950</u>	<u>1,950</u>
<b>GRAND TOTAL (A+B)</b>						<u><b>11,259,482</b></u>	<u>34,580,992</u>

(Rs. in Lacs)

	<b>Cost</b>	<b>Mkt. Value</b>
(a) (1) Aggregate Value of Government Securities :	<b>21.10</b>	<b>21.11</b>
	(196.24)	(180.61)
(2) Aggregate Value of Quoted Long Term Investments :	<b>61.80</b>	<b>52.34</b>
	(61.80)	(86.65)
(3) Aggregate Value of Quoted Current Investments :	<b>1.70</b>	<b>0.89</b>
	(59.77)	(114.29)
(4) Aggregate Value of Unquoted Investments :	<b>27.98</b>	-
	(27.98)	-
(b) * Companies under the same management.		
(c) #Share Certificate in respect of <b>400 Shares</b> (Previous year 500 Shares) Costing <b>Rs. 36,650</b> (Previous Year Rs.50,850) are stated to be misplaced and are not immediately available, however full provision made against these holdings.		

## Schedules forming part of the Balance Sheet

### SCHEDULE 6: CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>(A) CURRENT ASSETS</b>		
<b>1. Interest Accrued on Government Securities</b>	-	<b>103,555</b>
	-	<b>103,555</b>
<b>2. Lease Receivables (As per AS-19) (Secured)</b>		
<b>(a) Outstanding for over six months*</b>		
- Considered Doubtful	2,778,255	4,773,431
<b>(b) Others</b>		
- Considered Doubtful	51,533	62,737
	<b>2,829,788</b>	<b>4,836,168</b>
* Includes: Value of Repossessed Stock <b>Rs.3.03 Lacs</b> (Previous year Rs. 3.23 Lacs)		
<b>3. Sundry Debtors</b>		
<b>Hire purchase business</b>		
<b>(a) Instalments receivable from Hirers: (Secured by Vehicles, Plant &amp; Machinery etc. under Hire Purchase Agreement) Outstanding for over six months</b>		
- Considered Good	1,136,258	3,003,430
- Considered Doubtful*	77,731,704	77,297,080
<b>Other Debts</b>		
- Considered Good	1,514,809	7,672,078
<b>(b) Lease Rentals (Secured)</b>		
<b>Outstanding for over six months</b>		
- Considered Doubtful	16,779,013	17,615,268
	<b>97,161,784</b>	<b>105,587,856</b>
* Includes <b>Rs. Nil lacs</b> for which instalments are not due.(Previous year Rs. 13.45 lacs) Value of Repossessed stock <b>Rs 31.11 lacs</b> (Previous Year Rs. 37.78 lacs)		
<b>4. Cash and Bank balances</b>		
Cash and Cheques in Hand	88,687	1,603,955
With Scheduled Banks in		
-Current Accounts	1,842,428	320,816
-Fixed deposits including interest accrued	-	2,179,544
	<b>1,931,115</b>	<b>4,104,315</b>

Contd...

## Schedules forming part of the Balance Sheet

### Schedule 6: (Contd.)

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>(B) Loans and Advances</b>		
(Considered good unless otherwise stated)		
<b>1. Loans :</b>		
<b>(Secured)</b>		
<b>Against Hypothecation of Vehicles, Plant &amp; Machinery etc.</b>		
- Considered Good	3,256,675	8,170,541
- Considered Doubtful	<u>33,329,904</u>	<u>53,521,282</u>
	<b>36,586,579</b>	61,691,823
<b>Against Fixed Deposits held by the Company</b>		
- Considered Good	-	33,000
- Interest Accrued thereon	<u>-</u>	<u>5,006</u>
		38,006
<b>(Unsecured)</b>		
<b>Inter Corporate Deposits</b>		
- Considered Doubtful	<b>6,550,000</b>	8,910,000
<b>2. Advances (Unsecured)</b>		
<b>Bills Discounted Recoverable</b>		
- Considered Doubtful	<b>17,541,572</b>	17,541,572
<b>Recoverable in cash or in kind or for value to be received</b>		
- Advances to Dealers against Vehicles booked		
- Considered Doubtful	-	22,449
<b>Others</b>		
- Considered Good	-	561,894
- Considered Doubtful	<u>9,494,742</u>	<u>8,819,221</u>
	<b>9,494,742</b>	9,381,115
Advance Income Tax/ Tax Deducted at Source	<b>2,468,635</b>	2,445,455
Sales Tax (paid under protest)	<b>682,040</b>	682,040
	<u><b>73,323,568</b></u>	<u>100,712,460</u>

## Schedules forming part of the Balance Sheet

### SCHEDULE 7: CURRENT LIABILITIES AND PROVISIONS

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>(A) CURRENT LIABILITIES</b>		
Sundry Creditors ( Refer Note No. 4)	1,514,666	11,122,200
Other Liabilities	5,718,027	6,083,087
Deposits and Sundry Advances from Hirers	107,415	238,305
Deposits and Sundry Advances from Lessees	11,734,525	12,111,858
Interest Accrued but not due on Loans and Deposits	146,901	4,108,709
Bank Book Overdraft	2,995,334	1,405,688
<b>Charges in advance included in Hire Purchase Business</b>		
- Insurance Premium	249,226	298,026
- Hire Purchase Charges	12,836	62,961
<b>Liability towards Investor Education and Protection Fund *</b>		
- Unpaid Matured Deposits	-	3,467,670
- Interest accrued on Unpaid Deposits	-	429,874
	<u>22,478,930</u>	<u>39,328,378</u>
<b>(B) PROVISIONS</b>		
Corporate Tax	3,164,857	3,164,857
Gratuity	1,354,797	1,186,628
Provision for Non Performing Assets as per RBI Norms	164,064,349	170,811,245
	<u>168,584,003</u>	<u>175,162,730</u>

\* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

## Schedules forming part of the Profit & Loss Account

### SCHEDULE 8 : INCOME FROM OPERATIONS

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Hire-Purchase and Lease Charges (Net)	5,772,402	3,481,111
Interest Income	1,911,540	1,673,984
	<u>7,683,942</u>	<u>5,155,095</u>

\* Net of Lease Equalisation charges **Rs. 1.29 Lacs** ( Previous Year Rs. 0.68 Lacs)

### SCHEDULE 9 : OTHER INCOME

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Interest (Gross) (*)		
: Long Term Investments in Govt. Securities	1,429,016	1,623,930
: Others	112,370	1,424,254
Dividend from Non Trade Investments		
: Long Term	530,000	-
: Current Investments	35,224	137,650
Profit on sale of Non Trade-Current Investments	5,266,111	6,252,637
Other Receipts	7,515,341	329,920
Amount Written Back	-	2,559,471
	<u>14,888,062</u>	<u>12,327,862</u>

\* Tax Deducted at Source **Rs. 0.23 Lacs** (Previous Year Rs. 3.47 Lacs)

### SCHEDULE 10: PERSONNEL EXPENSES

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Salaries and Allowances	3,874,367	3,900,906
Contribution to Provident and Other Funds	335,336	358,400
Gratuity	168,169	217,814
Staff Welfare	126,526	180,950
	<u>4,504,398</u>	<u>4,658,070</u>

## Schedules forming part of the Profit & Loss Account

### SCHEDULE 11: ADMINISTRATIVE AND OTHER EXPENSES

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Rent, Rates and Taxes	286,975	356,417
Travelling Expenses	1,315,372	559,662
Printing and Stationery	482,237	387,245
Postage ,Telegrams & Telephone Expenses	626,603	799,541
Repairs and Maintenance	319,334	328,049
Advertisement	45,637	55,624
Legal and Professional	1,390,798	1,441,391
Insurance	106,501	149,558
Brokerage and Commission	12,800	170,541
Auditor's Remuneration		
- Audit Fee	225,000	225,000
- Tax Audit	30,000	30,000
- Certification and Other Services	60,000	110,000
- Service Tax	-	45,114
Loss on sale of Repossessed Assets (Net)	2,661,025	5,527,799
Loss on sale of Non Trade-Long Term Investment	456,041	839,855
Sundry Expenses	3,246,434	2,463,681
	<u>11,264,757</u>	<u>13,489,477</u>

### SCHEDULE 12: INTEREST

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
Banks	-	995,696
Public Deposits*	2,216,883	6,847,892
Inter Corporate Deposits	-	50,035
	<u>2,216,883</u>	<u>7,893,623</u>

\* Includes paid/payable to a Director **Rs. Nil** (Previous Year Rs.0.03 lacs)

## SCHEDULE- 13: SIGNIFICANT ACCOUNTING POLICIES

### 1. Accounting Convention

The financial statements have been prepared under the historical cost convention on an accrual basis and comply with Accounting Standard (AS) notified by the companies (Accounting Standard) Rules 2006 and as per provisions of the Companies Act, 1956 and after taking into account the applicable guidelines issued by the Reserve Bank of India to Non Banking Financial Companies from time to time and in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

### 2. Fixed Assets

Fixed Assets (including assets given on lease upto 31.3.2001) have been stated at cost less accumulated depreciation and impairment, if any. Cost refers to cost of acquisitions.

### 3. Investments

Long terms investments are valued at cost. Cost refers to actual cost of acquisition / carrying cost. Provisions for diminution in value, if any, is made if decline is of permanent nature. Current Investments are valued at lower of cost or market value.

### 4. Repossessed Vehicles

Repossessed vehicles in hand are valued at the Principal or Principal and Interest amount due form hirers or at net realisable value, whichever is lower.

### 5. Assets given under finance lease

Assets given under finance lease w.e.f. 1<sup>st</sup> April, 2001 are recorded as receivables and shown under current assets. Finance income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding. Initial direct costs incurred are charged to the Profit & Loss Account.

### 6. Depreciation

- (i) Depreciation on office equipments and generators, owned by the Company, is provided on written down value method at the rate, as per the Income Tax Act, 1961. Depreciation on other owned assets, are provided on written down value method, at rates prescribed under Schedule XIV to the Companies Act 1956.
- (ii) Assets given on lease prior to 31<sup>st</sup> March, 2001 and included under 'Assets on Lease' in the Fixed Asset Schedule are depreciated on straight line method at rates prescribed under Schedule XIV to the Companies Act 1956 except machinery which is depreciated on written down value method at the rates as per the Income Tax Act 1961.

### 7. Classification of Assets and Provisioning

Assets are classified into Performing and Non Performing categories based on their record of recovery as prescribed by the Reserve Bank of India's Prudential Norms and after considering adjustments effected, if any. Provisions are being made as per Reserve Bank of India's Prudential Norms.

### 8. Revenue Recognition

- a) Finance Charges on hire purchase/ loans against hypothecation contracts and income from finance lease transactions are computed using Internal Rate of Return Method which ensures a constant periodic rate of return on net finance amount outstanding.
- b) Lease Rentals are accounted for as per terms of lease agreements. However, in compliance of the Guidance Note on "Accounting for Leases" issued by the Institute of Chartered Accountants of India, and applicable to transactions entered into prior to 01.4.2001, the differential between the Capital Recovery Component comprised (based on the Internal Rate of Return Method) in the lease rentals and the depreciation referred to in Para 6(ii) above, (for all assets acquired on or beginning from 1<sup>st</sup> April, 1995 from accounting year 1995-96 and in respect of assets acquired upto 1.4.1995 prospectively from the accounting year 1996-97) is carried to "Lease Equalisation" in the Profit & Loss Account.
- c) Income from Non Performing Assets is recognised when realised.

- d) Bill Discounting Charges are accounted for on accrual basis except in case of Non Performing Assets, wherein it is recognised on realisation basis.
- e) Overdue charges from hirers/lessees are accounted for on realisation basis in view of significant uncertainties.
- f) Interest income recognised on accrual basis.
- g) Dividend in accounted for on accrual basis when the right to receive dividend is established.

#### **9. Retirement Benefits**

- a) The liability on account of Gratuity is provided on the basis of actuarial valuation at the year end.
- b) Provident Fund contribution for all employees is charged to revenue each year.

#### **10. Deferred Tax**

Deferred Tax is recognised, subject to consideration of prudence, on timing differences, representing the difference between the taxable income/ (loss) and the accounting income/ (loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets viz. unabsorbed depreciation and carry forward losses are recognised if there is 'virtual certainty' that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### **11. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain impairment based on internal/ external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its realisable value. The realisable value is greater of the assets net selling price and value in use.

#### **12. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of past event,
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision are recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- a) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) a possible obligation, of which the probability of outflow of resources is remote.

Contingent Assets are neither, recognised nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.



## SCHEDULE – 14: NOTES TO ACCOUNTS

(Rs. in Lacs)

	31.03.2009	31.03.2008
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### 1. Contingent Liabilities

Demands (including for interest and penalty) raised by Sales Tax Authorities on the Company not provided for being disputed and in appeal (from A.Y.1992-1993 to A.Y. 2003-2004). In terms of agreement with the parties, tax, if any, crystallized will be to their account.	<b>117.98</b>	117.98
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### 2. Going Concern

The accumulated losses as at the close of the year amount to **Rs. 2166.46 Lacs** (after adjustment of profit for the year amounting to Rs. 77.95 Lacs) against the Paid Up Capital and Free Reserves amounting to **Rs. 2138.48 Lacs**, which continue to result in negative net worth. The Company has made efforts to liquidate all liabilities including public deposits, to making it a debt free company. In view of utilization of funds to liquidate the liabilities there has been no fresh exposure of business undertaken by the Company.

The management is of the considered view that considering the availability of assets and its realization there will be sufficient cushion available to repay all other liabilities. The accounts, as such, have been prepared on a Going Concern basis.

3. In view of negative net worth it has a consequential effect of non compliance of the Reserve Bank of India's guidelines prescribed for Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with regard to i) Maintenance of minimum Capital Adequacy Ratio. (ii) The credit/investment and deposits (including investment in real estates) exposures which had become in excess of prescribed limits.

4. The Company has not received information from vendors regarding their status under "The Micro Small and Medium Enterprises Development Act, 2006" and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

### 5. Current Taxation:-

- (a) Provision for Income Tax for the year has not been considered necessary in view of the accumulated carried forward of losses and unabsorbed depreciation available for set off under the Income Tax Act, 1961 and Rules made thereunder .
- (b) Income Tax assessments of the Company have been made up to and including the Assessment Year 2004-05. The Company's appeals for certain years are pending in respect of certain disallowances made. In view of the favorable appellate orders for earlier years, the Company expects decisions in respect of the pending matters in its favour and no provision has, therefore, been made considering the taxes already paid are more than sufficient to meet the liability, if any, upon finalization of assessment.

### 6. Deferred Taxation:

On a prudent and conservative basis, Deferred Tax Asset, due to timing differences, arising from Unabsorbed Depreciation, Business Loss and Provisions for Non Performing Assets have not been recognised in the absence of any certainty that sufficient future taxable income will be available in the foreseeable future against which the net Deferred Tax Assets can be realised.

**7. Managerial Remuneration:**

	31.03.2009	31.03.2008
Particulars	Manager	Manager
- Salary	499200	518400
- Contribution to Provident Fund	37440	34560
- Perquisites	41600	38388
- Gratuity	-	-
<b>Total</b>	<b>578240</b>	<b>591348</b>

Note: Computation of net profits under sections 349 read with 309(5) and 198 of the Companies Act, 1956, has not been given, in the absence of profits.

8. Balance in parties accounts whether in debit or in credit are subject to confirmation.

**9. Segment Reporting**

The Company's business activities predominantly relate to providing finance by way of Hire Purchase and Leasing Operations. Accordingly revenue from financing activities comprises the primary basis of segmental reporting. Hence segmental reporting as defined in Accounting Standard – 17 is not applicable.

**10. Related Party Disclosures**

Disclosures of details pertaining to related party transactions entered into during the year in terms of Accounting Standard-18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India:

**a) List of Related Parties**

(As identified and certified by the management)

**(i) Under common control:**

The Motor and General Finance Limited, MGF Services Limited, Jayabharat Credit Limited.

**(ii) Key Managerial Personnel:**

Shri Rajiv Gupta, Shri Arun Mitter, Shri Sharad Aggarwal, Shri M.K. Madan

**(iii) Enterprises over which the key management personnel is able to exercise significant influence:**

Compact Motors Limited, MGF Automobile Limited, Bahubali Services Limited, Makro Lease Pvt. Ltd, Oaykay Forgings Pvt. Ltd

**b) Details of transactions entered into with related parties:****(Rs. In Lacs)**

Particulars	Under Common Control	Key Managerial Personnel	Enterprises over which the Key management personnel is able to exercise significant influence	Relative of Director
Purchases of Fixed Assets	-	-	-	-
Interest paid on Fixed deposits	-	0.053	-	0.280
Remuneration Paid - Manager	-	-	-	5.782
Deposits	-	-	-	-
Interest Payable	-	-	-	-

11. Assets given under Finance Lease from 1st April, 2001 in accordance with the Accounting standard 19 (AS-19), "Leases", issued by the Institute of Chartered Accountants of India, with contractual maturities in lease financing activities (including hire purchase agreements with an option to the hirer to acquire the assets) are set out below:

(Rs. In Lacs)

	Gross investment in finance lease  (1)	Unearned finance income  (2)	Present value of future lease/ hire purchase receivables (3) = (1) - (2)
a) Lease Receivables (In respect of transactions after 1.4.2001)	<b>28.29</b>	-	<b>28.29</b>
- Not later than one year	-	-	-
- Later than one year but not later than five years	-	-	-
- Later than five years	-	-	-
Total	<b>28.29</b>	-	<b>28.29</b>
Less: Provision for uncollectible Lease receivables	<b>28.17</b>	-	<b>28.17</b>
Total (A)	<b>0.12</b>	-	<b>0.12</b>
b) Hire Purchase Receivables			
- Not later than one year	-	-	-
- Later than one year but not later than five years	<b>803.81</b>	-	<b>803.81</b>
- Later than five years	-	-	-
Total	<b>803.81</b>	-	<b>803.81</b>
Less: Provision for uncollectible	<b>784.22</b>	-	<b>784.22</b>
Total (B)	<b>19.59</b>	-	<b>19.59</b>
Grand Total (A)+(B)	<b>19.71</b>	-	<b>19.71</b>

12. Lease rental in respect of offices premises taken on operating lease are charged to the Profit and Loss account on a straight-line basis over the lease term. The rentals charged during the year aggregate to **Rs. 2.56 Lacs** (Previous Year Rs.3.34 Lacs).

## 13. Earnings Per Share(E.P.S.)

31.03.2009

31.03.2008

Rs.

Rs.

Calculation of Basic / Diluted E.P.S.

a) Net Profit/Loss for the year attributable To Equity Shareholders	<b>77,95,447</b>	5,30,00,840
b) Weighted Average Number of Equity Shares	<b>10,200,300</b>	10,200,300
c) Basic Earnings per share	<b>0.76</b>	(5.20)
d) Diluted Earnings per share	<b>0.76</b>	(5.20)
e) Nominal Value per share	<b>Rs. 10/-</b>	Rs.10/-

**14. Contingent Liabilities & Provisions**

Details of 'Contingent Liabilities & Provisions' in term of Accounting Standard 29 "Contingent Liabilities & Provisions" issued by the Institute of Chartered Accountants of India are as under.

(Rs. In Lacs)

Particulars	Opening Balance 01.04.08 Rs.	Additions/ Movement (Net of Adjustments) Rs.	Closing Balance 31.03.09 Rs.
Provisions for Gratuity	11.87	1.67	13.54
Provisions for Non Performing Assets as per RBI guidelines	1697.89	(58.29)	1639.60
Provisions for Income Tax	31.65	-	31.65
Provision for Diminution in value of Investment as per RBI norms.	10.21	(9.17)	1.03

15. Schedules to the Balance Sheet containing additional particulars as prescribed by the Reserve Bank of India (RBI) in terms of DNBS(PD)CC.No.25/02-02/2002-03 dated 29.3.2003.

<b>(1) Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:</b>	<b>Amount Outstanding</b> (Rs. in Lacs)
a) Debentures : Secured	-
: Unsecured (other than falling within the meaning of Public Deposits)	-
b) Deferred Credits	-
c) Term Loans	-
d) Inter-corporate loans and borrowing	-
e) Commercial Paper	-
f) Public Deposits including accrued interest (includes unclaimed deposits <b>Rs Nil lacs.</b> (Previous Year Rs 38.97 Lacs)	<b>10.37</b>
g) Other Loans (specify nature) from Banks	-
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>	
a) In the form of Unsecured debentures	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-
c) Other Public Deposits (includes unclaimed deposits of <b>Rs Nil lacs.</b> (Previous Year Rs 38.97 Lacs)	<b>10.37</b>
<b>Assets side :</b>	
<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]</b>	<b>Amount outstanding</b>
a) Secured	-
b) Unsecured	<b>366</b>
<b>(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>	
(i) Lease assets including lease rentals under sundry debtors after reducing net book value of leased assets.	
a) Financial lease	<b>196</b>
b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors:	
a) Assets on hire	<b>804</b>
b) Repossessed Assets	<b>31</b>
(iii) Hypothecation loans counting towards EL/HP activities	
a) Loans where assets have been repossessed	-
b) Loans other than (a) above	<b>336</b>

(5) **Break-up of Investments :****Current Investments :**

1. Quoted :		
(i) Shares : (a) Equity		1.70
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (Share Application money)		-
2. Unquoted :		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-

**Long Term investments :**

1. Quoted :		
(i) Shares : (a) Equity		61.80
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		21.09
(v) Others (please specify)		-
2. Unquoted :		
(i) Shares : (a) Equity		27.97
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-

## (6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :

Category	Amount		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	1366	336	1702
<b>Total</b>	<b>1366</b>	<b>336</b>	<b>1702</b>

## (7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	81	90
(c) Other related parties	-	-
2. Other than related parties	23	22
<b>Total</b>	<b>104</b>	<b>112</b>

## (8) Other information

(Rs. In Lacs)

Particulars	Amount
(i) Gross Non-Performing Assets	1640
(a) Related parties	-
(b) Other than related parties	-
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	1640
(iii) Assets acquired in satisfaction of debt	8

## 16. Disclosures as required under Accounting Standard – 15 (Revised) on “Employees Benefits” for Gratuity.

## A. Assumptions

Particulars	31.03.09	Gratuity	31.03.08
Discount Rate	7.50%		8.00%
Rate of Return on Plan Assets	0.00%		0.00%
Salary Escalation	10.00%		10.00%

## B. Changes in Benefit Obligations

Particulars	31.03.2009	Gratuity	31.03.2008
	Rs.		Rs.
Liability at beginning of the year	11,86,628		13,77,911
Interest Cost	94,930		1,14,367
Current Service Cost	1,30,904		1,28,642
Benefit Paid	NIL		4,09,097
Actuarial(gain)/ Loss on obligation	(57,665)		(25,195)
Liability at the end of the year	<b>13,54,797</b>		<b>11,86,628</b>

## C. Fair Value of Plan Asset

Particulars	31.03.2009	Gratuity	31.03.2008
	Rs.		Rs.
Fair Value of Plan Assets at beginning of the year	Nil		Nil
Expected Return on Plan Assets	Nil		Nil
Contributions	Nil		Nil
Benefits Paid	Nil		Nil
Actuarial Gain / (Loss) on Plan Assets	Nil		Nil
Fair value of Plan Assets at the end of the year	Nil		Nil
Funded Status	Unfunded		Unfunded

## D. Expenses recognised in the Profit &amp; Loss Account

Particulars	31.03.2009	Gratuity	31.03.2008
	Rs.		Rs.
Current Service Cost	1,30,904		1,28,642
Interest Cost	94,930		1,14,367
Net Actuarial (gain)/ Loss for the period	(57,665)		(25,195)
Expenses Recognised in Profit & Loss account	1,68,169		2,17,814

## E. Balance Sheet Reconciliation

Particulars	31.03.2009	Gratuity	31.03.2008
	Rs.		Rs.
Opening Net Liability	11,86,628		13,77,911
Expenses charged to Profit & Loss account	1,68,169		2,17,814
Benefit Paid	-		4,09,097
Closing Liability as at 31.03.09	13,54,797		11,86,628

## 17. Transactions in Foreign Currency:

	31.03.2009	31.03.2008
	Rs.	Rs.
a) Expenditure in Foreign Currency		
Travelling Expenses	Nil	Nil
b) Shares held by non-resident Shareholders	4901	5128
No. of Shareholders	12	13
Dividend paid during the year	Nil	Nil

18 Figures of the previous years have been regrouped/rearranged wherever considered necessary to make them comparable with Current Year's figures.

As per our report of even date attached

For **S.N.Dhawan & Co.**  
Chartered Accountants

**(S.K.KHATTAR)**  
Partner  
M. No. 84993

Place : New Delhi  
Dated : August 13, 2009

For and on behalf of the Board

**RAJIV GUPTA**  
Chairman

**SHARAD AGGARWAL**  
Director

**ROHIT MADAN**  
Manager & Company Secretary

**ARUN MITTER**  
Director

**M.K.MADAN**  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH'2009**

(Prepared pursuant to clause 32 of the Listing agreement with the Stock Exchange.)

	For The Year Ended 31.03.2009	For The Year Ended 31.03.2008
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) after Tax	7,795,447	(53,000,840)
Adjustments for :		
Depreciation	3,249,208	5,521,433
Lease Equalisation Charges	2,874,413	4,242,249
Interest Paid - Considered Separately	2,216,883	7,893,623
Provision for Non Performing Assets/ Diminution in Value of Investments	(6,746,896)	38,694,742
Profit on Sale of Investments	(5,266,111)	(6,252,637)
Loss on Sale of Investments	456,041	839,855
Interest / Dividend Received	(1,994,240)	(1,761,580)
	<u>(5,210,702)</u>	<u>49,177,685</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,584,745</b>	<b>(3,823,155)</b>
Adjustments for :		
Current Assets	37,924,899	41,931,287
Current Liabilities	(16,681,279)	(3,117,077)
(Increase)/Decrease in Net Current Assets/Liab.	<u>21,243,620</u>	<u>38,814,210</u>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>23,828,365</b>	<b>34,991,055</b>
Interest Paid	2,216,883	7,893,623
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>21,611,482</b>	<b>27,097,432</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition/Sale of Investments (Net)	28,131,580	20,349,276
Purchase of Fixed Assets	-	(1,667,241)
Sale of Fixed Assets	(4,948,358)	(7,988,299)
Interest / Dividend Received	1,994,240	1,761,580
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>25,177,462</b>	<b>12,455,316</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Working Capital Limits from Banks	-	(15,470,229)
Increase/(Decrease) in Public Deposits / Other Loans (Net)	(48,962,143)	(53,591,206)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(48,962,143)</b>	<b>(69,061,435)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(2,173,200)</b>	<b>(29,508,687)</b>
Cash and Cash Equivalents at the Beginning of the Year	4,104,315	33,613,002
Cash and Cash Equivalents at the Close of the Year	1,931,115	4,104,315

**Note:** Previous year's figures have been regrouped/ rearranged wherever considered necessary to compare with this year's figures.

As per our report of even date attached

For and behalf of the Board

For **S.N.Dhawan & Co.**  
Chartered Accountants

**RAJIV GUPTA**  
Chairman

**ARUN MITTER**  
Director

**(S.K.KHATTAR)**  
Partner  
M. No. 84993

**SHARAD AGGARWAL**  
Director

**M.K.MADAN**  
Director

Place : New Delhi  
Dated : August 13, 2009

**ROHIT MADAN**  
Manager & Company Secretary



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

(Rs. in Thousands)

Registration No.       1 9 2 1 8Status Code  5  5Balance Sheet Date     3 1 0 3 0 9**II. Capital raised during the year (Amounts in Rs.Thousands)**

Public Issue

    N I L  

Right Issue

    N I L  

Bonus Issue

    N I L  

Private Placement

    N I L  **III. Position of mobilisation and deployment of funds (Amount in Rs.Thousands)**

Total Liabilities

    2 1 4 7 3 8

Total Assets

    2 1 4 7 3 8**SOURCES OF FUNDS**

Paid-up Capital

    1 0 2 1 3 0

Reserves &amp; Surplus

    1 1 1 7 1 8

Secured Loans

    N I L  

Unsecured Loans

      8 9 0**APPLICATION OF FUNDS**

Net Fixed Assets

      2 6 4 9

Investments

      1 1 2 5 9

Net Current Assets

    - 1 5 8 1 7

Profit &amp; Loss Account

      2 1 6 6 4 6**IV. Performance of Company (Amounts in Rs.Thousands)**

Turnover including Other Incomes

      2 2 5 7 2

Total Expenditure

      1 4 4 8 9

+ - Profit/(Loss) before Tax

     8 0 8 3

+ - Profit/(Loss) after Tax

     7 7 9 5

Dividend Rate %

    N I L  **V. Generic Names of Three Principal Products of the Company**Item Code No. (ITC Code)  N  A

SERVICE

 H  I  R  E  P  U  R  C  H  A  S  E L  O  A  N    H  Y  P  O  T  H  E  C  A  T  I  O  N L  E  A  S  I  N  G

## **BRANCH OFFICES**

### **Bangalore**

Mr. R.V. Raja  
305, Raheja Chambers,  
12, Museum Road,  
Bangalore – 560001  
Ph: 080-25596650, 25596651, Fax: 080-25591654

### **Chandigarh**

S.C.O. 341-342  
IInd Floor,  
Sector – 35B,  
Chandigarh  
Ph: 0172-2664620

### **Shimla**

Opp. Hotel Pine Cone,  
Sankat Mochan Mandir,  
Tara Devi, Shimla,  
Himachal Pradesh  
Ph: 0177-2832512

### **Ludhiana**

Sohi House,  
Sohi Street,  
Govt. College Road,  
Ludhiana  
Ph: 09815156130

**INDIA LEASE DEVELOPMENT LIMITED**

MGF House, 4/17-B, Asaf Ali Road, New Delhi - 110 002  
Telephone Nos.: 41519433, 41520070  
E-mail : info@indialease.com  
Website : www.indialease.com

**ADMISSION SLIP**

Folio No.\ Client ID No.\ DP ID No.

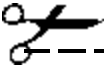
Name of the Member (s)  
(in Block Letters)

I/We hereby record my/our presence at the 24<sup>th</sup> Annual General Meeting of **India Lease Development Limited on Thursday, the 17th September, 2009** at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 at **1.30 P.M.**

SIGNATURE OF THE MEMBER(S)/PROXY

NOTES: 1. Members/proxy holders must bring this Attendance Slip to the meeting and hand over at the attendance counter duly signed.

TEAR HERE



**INDIA LEASE DEVELOPMENT LIMITED**

MGF House, 4/17-B, Asaf Ali Road, New Delhi - 110 002  
Telephone Nos.: 41519433, 41520070  
E-mail : info@indialease.com  
Website : www.indialease.com

**PROXY FORM**

Reference Folio No.....Client ID No.....DP ID No.....

I/We.....  
of.....

being a Member (s) of **India Lease Development Limited** hereby appoint.....

.....of.....or, failing

him/her.....of.....

as my /our proxy to attend and vote for me/us on my /our behalf at the 24<sup>th</sup> Annual General Meeting of the company to be held **on Thursday, the 17th September, 2009** at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 at **1.30 P.M.** and/or at any adjournment thereof.

Signed this ..... day of ..... 2009.

Signature .....

Affix  
Re.1.00  
Revenue  
Stamp

Notes: (i) A Proxy in order to be effective must be received at the Registered Office of the Company not less than forty eight hours(48) before the scheduled time of the meeting.

(ii) A Proxy need not be a Member.

# BOOK POST

*If undelivered, please return to :*

**India Lease Development Limited**

Regd. Off. : 'MGF House', 4/17-B, Asaf Ali Road,  
New Delhi - 110 002.