



*Mudit
Finlease Ltd.*

**21st Annual Report
2008-09**



BOARD OF DIRECTORS

Shri Pavel Garg	(Managing Director)
Smt. Poonam Garg	(Director)
Shri Y. Hari Shankar	(Director)
Shri Ram Narain Choudhary	(Director)
Shri Shrichand Mittal	(Director)
Shri Niket Choudhary	(Director)

REGISTERED OFFICE

CSC-5, Unit No. 2, 1st Floor, DDA Gole Market
Sector-9, Rohini, Delhi-110 085 Ph.: 011-27553028
email : mudit_finlease@rediffmail.com
investors_mfl@rediffmail.com

COMPANY SECRETARY

Shri Chandra Kishore Aggarwal

AUDITORS

M/s. Ahuja Arora & Associates
Chartered Accountants
A-337, Shivalik,
New Delhi – 110 017

BANKERS

Corporation Bank
Punjab National Bank
Syndicate Bank
Axis Bank Ltd.

REGISTRAR AND SHARE TRANSFER AGENTS

Beetal Financial & Computer Services (P) Ltd.,
Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre
Near Dada Harsukhdas Mandir, New Delhi – 110 062
Phone : 29961281, 29961282 Fax : 011-29961284
E-mail : beetal@rediffmail.com



CONTENTS

	Page Nos.
1. Notice	1
2. Directors' Report	3
3. Report on Corporate Governance	5
4. Report on Management Discussion & Analysis	9
5. Certificate Pursuant to Clause 49 V of the Listing Agreement	10
6. Auditors' Certificate on Corporate Governance	11
7. Auditors' Report	12
8. Balance Sheet	15
9. Profit & Loss Account	16
10. Schedules to Balance Sheet and Profit & Loss Account	17
11. Balance Sheet Abstract and Company's General Business Profile	24
12. Cash Flow Statement	25
13. Schedule as per NBFC Prudential Norms (RBI) Directions	26
14. Attendance Slip and Proxy Form	28



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **21st Annual General Meeting** of the Company will be held on:

Day : Wednesday
Date : 30th September 2009
Time : 10.00 A.M
Venue : CSC-5, Unit No. 2, First Floor, DDA Gole Market, Sector-9, Rohini, Delhi-110085

To transact the following business :-

ORDINARY BUSINESS

1. To consider and adopt the Audited Accounts of the Company for the year ended 31st March 2009 and Reports of the Directors and auditors thereon.
2. To appoint a Director in place of Shri Pavel Garg, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Ahuja Arora & Associates, Chartered Accountants, New Delhi as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration in consultation with Auditors.

AND FURTHER RESOLVED THAT any Director or the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary and incidental for the aforesaid purpose."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following Resolution with or without modifications as an ordinary resolution :

"RESOLVED THAT pursuant to the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Ram Narain Choudhary, who was appointed as the Additional Director of the Company and who holds office up to the date of this Annual General Meeting and being eligible, offers himself for appointment and in respect of whom the Company has received notice in writing from a member, pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. Ram Narain Choudhary for the office of Director, be and is hereby appointed as director of the Company, subject to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Yegnanarayanan Hari Shankar, who was appointed as the Additional Director of the Company and who holds office up to the date of this Annual General Meeting and being eligible, offers himself for appointment and in respect of whom the Company has received notice in writing from a member, pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. Yegnanarayanan Hari Shankar, for the office of Director, be and is hereby appointed as director of the Company, subject to retire by rotation."

Resolved further that the Board of directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolutions.

For and on behalf of the Board

Place: New Delhi
Dated: 31st July 2009

Pavel Garg
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The appointment of proxy in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



2. The Register of Members and Share Transfer Books of the Company will remain closed from 28th September 2009 to 30th September 2009 (both days inclusive)
3. Members are requested to bring their copies of the annual reports to the Annual General Meeting.
4. The Member/Proxies should bring the attendance slip duly filled in and signed for attending the meeting.
5. Members are requested to notify to the Company immediately of any change in their address.
6. Members desirous of making nomination in respect of their shareholdings in the Company, as permitted under section 109A of the Companies Act, 1956 are requested to submit their nomination in the prescribed Form 2B for the purpose to the Company.
7. Members, who hold shares in the dematerialized form, are requested to bring their depository account number (Client ID & DP ID) to the meeting for identification.
8. An Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting is annexed hereto.

Brief Resume of the Directors proposed for re-appointment/appointment at the 21st Annual General Meeting vide Items No. 2, 4 & 5 of the Notice.

PARTICULARS	Sh. Pavel Garg	Sh. Ram Narain Choudhary	Sh. Y. Hari Shankar
Father's Name	Sh. Sita Ram Garg	Sh. Har Parshad	Sh. K. S. Yegnanarayanan
Date of Birth	04-12-1968	13-11-1936	16-08-1942
Official Address	115-R, Model Town, Sonepat-131001 (Haryana)	Mohalla Choudharyan, Near Sabji Mandi, Narnaul-123001 (Haryana)	House No. 1172, Sector-14, FARIDABAD-121007 (Haryana)
Qualifications	Graduate	Intermediate	M.A. (Eco.) from Delhi School of Economics, Diploma in Management (U.K.)
Experience	18 Years	35 Years	40 Years
No. of Other Directorships	7 Companies	1 Company	1 Company
Membership of Committees	(i) Audit Committee (ii) Shareholder/ Investor Grievance Committee (In Mudit Finlease Limited)	(i) Audit Committee (ii) Shareholder/ Investor Grievance Committee (In Mudit Finlease Limited)	(i) Shareholder/ Investor Grievance Committee (In Mudit Finlease Limited)

Explanatory Statement

Items No. 4 & 5

Mr. Ram Narain Choudhary and Mr. Yegnanarayanan Hari Shankar were appointed as Additional Directors of the Company on 30-06-2009 & 31-07-2009 respectively by the Board of Directors of the Company under Section 260 of the Companies Act, 1956. According to the provisions of Section 260 of the Companies Act, 1956, they hold office as Directors only up to the date of ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from a member of the Company signifying his intention to propose them as Directors along with deposit of Rs. 500/-.

The Directors are of the opinion that the Company will immensely benefit from the association of the aforesaid directors. The Board recommends the resolution set out in item nos. 4 & 5 of the notice for your consideration & approval.

None of the Directors of the Company other than Mr. Niket Choudhary, pertaining to their appointment, is in any way concerned or interested in the resolution.

For and on behalf of the Board

Place: New Delhi
Dated: 31st July 2009

Pavel Garg
Managing Director

**DIRECTORS' REPORT****TO THE MEMBERS**

Your directors have pleasure in presenting the Twentieth Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2009.

FINANCIAL RESULTS:

(Rs. in Lakhs)

PARTICULARS	CURRENT YEAR (2008-2009)	PREVIOUS YEAR (2007-2008)
Profit before Depreciation and Finance Charges	41.13	135.75
Less: Depreciation	0.67	0.74
Finance Charges	<u>39.50</u>	<u>10.27</u>
Net Profit/ Loss after Depreciation and Finance Charges	0.96	124.74
APPROPRIATIONS:		
Provision for Taxation	(0.22)	(40.75)
Proposed Dividend	NIL	NIL
General Reserve Balance Carried forward	0.74	83.99

DIVIDEND

It is endeavor of your Company to make optimum use of its funds for ongoing setup, Expansion and Working Capital requirements. Keeping in mind the aforesaid factors your Directors have decided not to recommend any Dividend for the year ended 31st March 2009.

CURRENT YEAR WORKING

During the year your Company registered a total revenue of Rs. 3046.69 lakhs compared to previous year's revenue of Rs. 4251.44 lakhs. Net Profit after tax has decreased to Rs. 0.74 lakhs from Rs. 83.99 lakhs of previous year. In line with the decrease in profit, the Basic Earnings Per Share (EPS) has also decreased to Rs. 0.01 compared to previous year's EPS of Rs. 1.65.

DIRECTORS

Shri Pavel Garg, Director of the Company, being longest in the office retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-election.

Mr. Ram Narain Choudhary and Mr. Yegnanarayanan Hari Shankar appointed as Additional Directors of the Company in Board Meetings dated 30-06-2009 & 31-07-2009 respectively, are now proposed to be appointed as Directors in the ensuing Annual General Meeting.

Mr. Rajesh Kumar has resigned from the directorship of the Company w.e.f. 30.06.2009 since the conclusion of the last Annual General Meeting.

COMPANY SECRETARY

Shri Chandra Kishore Aggarwal, FCS was appointed as full time Company Secretary of your Company w.e.f. 26.06.2009.

CORPORATE GOVERNANCE

Your Company has been practising the principles of sound corporate governance. In addition to this, the Board lays strong emphasis on transparency, accountability and integrity.

A report on Corporate Governance and Management Discussion and Analysis along with a certificate from the Auditors of the Company regarding the compliance of Corporate Governance as per clause 49 of the Listing Agreement is annexed to and forms part of this report.

AUDITORS

M/s. Ahuja Arora & Associates, Chartered Accountants, New Delhi retires at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

REVOCATION OF SUSPENSION OF SECURITIES OF THE COMPANY FROM THE DELHI STOCK EXCHANGE LTD.

Your Directors take pleasure in informing that the Delhi Stock Exchange Ltd, vide its letter dated June 22, 2009, has revoked suspension of trading in the shares of the Company under its Amnesty Scheme & accordingly the securities of the company have been re-admitted to dealings in DSE w.e.f. June 29, 2009.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 the Directors of your Company give hereunder the Directors' Responsibility Statement relating to the accounts of the Company.

- a) All the applicable accounting standards have been followed in the preparation of the accompanying accounts.
- b) 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 of the Company at the end of the financial year on 31st March 2009 and of the Profit and Loss of the Company for the said period.
- c) 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; and
- d) The Directors have prepared the Annual Accounts on a going concern basis.

FIXED DEPOSITS

The Company being a Non-Banking Finance Company, the provisions of Section 58A of the Companies Act, 1956 are not applicable.

PARTICULARS OF EMPLOYEES

As on 31st March, 2009, none of the employees were in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 1975 as amended.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Since the Company is in Finance Sector and does not do any manufacturing activity, the information required to be disclosed under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, particulars regarding Conservation of Energy and Technology Absorption are not applicable to the Company.

There has been no foreign exchange earnings and outflow during the year under report.

ACKNOWLEDGEMENT

Your Directors acknowledge with deep sense of appreciation the encouragement, support and co-operation received by the Company from its Bankers, shareholders and esteemed customers and look forward to their continued support in the future. The Board of Directors also express their sincere gratitude the devoted services rendered by the workers, staff and executives at all levels of Company.

For and on behalf of the Board

Place: New Delhi
Dated: 31st July 2009

Pavel Garg
Managing Director

Shrichand Mittal
Director

**CORPORATE GOVERNANCE DISCLOSURE (AS PER CLAUSE 49 OF LISTING AGREEMENT)****1. CODE OF CORPORATE GOVERNANCE**

Mudit Finlease Ltd. is committed to good corporate governance. The Company has been practising the principles of good corporate governance with great zeal of commitment and sincerity. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

2. BOARD OF DIRECTORS

The Board of Directors comprises of Mr. Pavel Garg, Mrs. Poonam Garg, Mr. Rajesh Kumar, Mr. Shrichand Mittal and Mr. Niket Choudhary as on 31st March 2009.

A. CONSTITUTION OF THE BOARD AS ON 31ST MARCH 2009

Name of Director	Category	Number of Directorship in other Public Ltd. Companies as on 31st March 2009		Number of committee position in other Public Ltd. Companies as on 31st March 2009	
		Chairman	Member	Chairman	Member
Mr. Pavel Garg	Chairman	-	-	-	-
Mrs. Poonam Garg	Director	-	-	-	-
Mr. Rajesh Kumar	Director	-	-	-	-
Mr. Shrichand Mittal	Director	-	-	-	-
Mr. Niket Choudhary	Director	-	-	-	-

B. BOARD PROCEDURE

A detailed agenda folder is sent to each director in advance of Board and Committee meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director briefs the Board at every meeting on the overall Company performance. A detailed functional report is also placed at every Board Meeting.

The functions performed by the Board include review of:-

1. Annual operating plans and budgets and any updates.
2. Capital Budgets and any updates.
3. Quarterly results of the Company.
4. Minutes of the meeting of Audit Committee and other committees of the Board.
5. Show cause, demand, prosecution notices and penalty notices, which are materially important.
6. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
7. Any issue which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
8. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders services such as non-payment of dividend, delay in transfer etc.

C. ATTENDANCE RECORD OF THE DIRECTORS AT MEETINGS OF THE BOARD AND OF THE MEMBERS.

During the year 2008-2009, the Board of Directors met 8 times on the following dates: 30th June 2008, 10th July 2008, 31st July 2008, 31st October 2008, 31st January 2009, 10th February 2009, 18th March 2009 and 30th March 2009.



The attendance record of the directors is as under:

NAME OF DIRECTOR	BOARD MEETINGS	LAST AGM
Mr. Pavel Garg	8	Yes
Mrs. Poonam Garg	5	Yes
Mr. Rajesh Kumar	8	Yes
Mr. Shrichand Mittal	8	Yes
Mr. Niket Choudhary	4	Yes

D. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTION

There have been no materially significant related party transactions, pecuniary transaction or relationship between Mudit Finlease Ltd. and its Directors for the year ended 31st March 2009.

E. REMUNERATION OF DIRECTORS: SITING FEES, SALARY, PERQUISITES AND COMMISSION

Name Of Director	Sitting Fees	Commission on Profits	Salary & Allowances	Contribution to Provident Fund	Total
Mr. Pavel Garg	Nil	Nil	300000.00	Nil	300000.00
Mrs. Poonam Garg	Nil	Nil	Nil	Nil	Nil
Mr. Rajesh Kumar	Nil	Nil	Nil	Nil	Nil
Mr. Shrichand Mittal	Nil	Nil	Nil	Nil	Nil
Mr. Niket Choudhary	Nil	Nil	Nil	Nil	Nil

F. COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee of Mudit Finlease Ltd. performs the following functions:-

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient, and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fees and approval of payment of any other services.
- Reviewing with management the annual financial statements before submission to the Board.
- Reviewing with management, external and internal auditors, the adequacy of internal control system.
- Reviewing the adequacy of the internal audit function.
- Discussing with internal auditors on any significant finding and follow up on such issues.
- Discussing with the external auditors before the audit commences on the nature and scope of audit, as well as having post audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.

The list of the members of Audit Committee and their attendance in the meeting is as follows:

Name of Director	Attendance Particulars (No. of meetings held – Four)
Pavel Garg (Chairman)	4
Rajesh Kumar	4
Poonam Garg	4

REMUNERATION COMMITTEE

There were no instances requiring the formation of Remuneration Committee.

**SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

This committee is vested with the requisite power and authorities to specifically look into the redressal of shareholders' and investors' grievances.

No. of Investor Queries /complaints received in the year 2008-2009	Pending at the end of the year	No. of pending share transfer
NIL	NIL	NIL

The list of members of the committee along with the meeting attended by them during the year.

Name of Director	Attendance Particulars (No. of meetings held – Four)
Shrichand Mittal (Chairman)	4
Pavel Garg	4
Niket Choudhary	3

3. MANAGEMENT**A. The Management Discussion and analysis report**

The annual report contains a detailed chapter on management analysis and report.

B. Disclosures by Management to the Board

All details relating to the financial and commercial transactions where Directors may have a potential interest are provided to the Board.

4. SHAREHOLDER INFORMATION**A. Disclosures regarding appointment or reappointment of Directors**

According to the Section 255 read with Section 256 of the Companies Act, 1956, not less than two third of the total number of directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation, Mr. Pavel Garg is retiring by rotation and being eligible, offers himself for re-appointment.

B. Means Of Communication

The Company has published its Annual Results for the year ended 31st March 2009 in Hindi and English newspapers in the month of July 2009 and will publish its future quarterly, half yearly and annual results regularly in Hindi and English newspapers.

Investor Grievances

As mentioned earlier, the company has duly constituted Shareholders/Investors Grievances Committee for redressing shareholders' and investors' complaints. The status of compliance is reported to the Board of Directors through the minutes of the committee meetings of the Shareholders/Investors Grievances Committee.

D Registrar and Share Transfer Agent

The Registrar and Share Transfer Agent is:-

Beetal Financial & Computer Services (P) Ltd.,

BEETAL HOUSE, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110 062, Phone # 29961281, 29961282 Fax : 011-29961284, E-mail: beetal@rediffmail.com



E Details Of Non-Compliance By The Company, Penalties, And Strictures Imposed On The Company By Stock Exchange Or SEBI Or Any Statutory Authority or Any Matter Relating To Capital Market.

Nil

F General Body Meetings

The last three Annual General Meetings of the Company were held at the Registered Office of the Company on 11th September 2006, 10th September 2007 and 30th September 2008 respectively.

G Additional Shareholders Information

Financial year : 1st April 2008 to 31st March 2009

Results	For the year ended 31st March 2009 were announced on	For the year ending on 31st March 2010 will be announced latest by
Un-audited financial result for First Quarter ended on 30th June 2008	30th July 2008	31st July 2009
Un-audited financial result for Second Quarter ended on 30th September 2008	29th October 2008	31st October 2009
Un-audited financial result for third. Quarter ended on 31st December 2008	30th January 2009	31st January 2010
Audited Final results for the year ended on 31st March 2009	30th June 2009	30th June 2010

Book Closure

Book closure period is from 28th September 2009 to 30th September 2009 (Both days Inclusive).

Listing on Stock Exchanges

The Company's Equity Shares are listed on Bombay Stock Exchange Ltd., The Delhi Stock Exchange Association Ltd, The Jaipur Stock Exchange Ltd. & Cochin Stock Exchange Ltd. The Board has already applied for delisting of the securities from The Jaipur Stock Exchange Ltd. & Cochin Stock Exchange Ltd.

The ISIN Number of Mudit Finlease Limited on NSDL is **INE 220D01010**.

Shares held in Physical and Dematerialisation Form:

As on 31st March 2009, out of the total shares of the Company 22,55,260 shares are in dematerialized form and 28,35,640 shares are in physical form.

Addresses for Correspondence

Registrars and Share Transfer Agents (For share transfer and related queries)

Beetal Financial & Computer Services (P) Ltd.,

BEETAL HOUSE, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110 062, Phone # 29961281, 29961282 Fax : 011-29961284, E-mail: beetal@rediffmail.com

Company (for general assistance)

Mudit Finlease Limited, CSC-5, UNIT NO. 2, 1ST FLOOR, DDA GOLE MARKET
 SECTOR-9, ROHINI, DELHI- 110 085 PH.: 011-27553028
 email: mudit_finlease@rediffmail.com

**ANNEXURE TO DIRECTORS' REPORT****Management Discussion and Analysis Report****INDUSTRY STRUCTURE & DEVELOPMENTS**

The Indian economy, one of the fastest growing of the world, owing to the global scenario, declined in 2008-09. The global financial markets remained volatile during the year as the crisis in the US sub-prime mortgage market and other credit markets deepened and spilled over to other world markets. The Indian financial markets also witnessed volatility, in tandem with trends in major international equity markets. The Non Banking Finance Sector (NBFC Sector), however, continued to face fierce competition from the banking industry which has penetrated into almost all the segments of the financial services sector. The working of the Non Banking Financial Companies (NBFCs) also continued to be adversely affected by defaults and absence of proper and speedier recovery laws and procedures, such as those available to banks and financial institutions in the highly competitive environment in which the NBFCs are presently working, they have no option but to continue streamlining and optimizing their operations to adapt to the emerging scenario Outlook, Risks and Concerns.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

During the year under review capital markets worldwide faced a major crisis due to the sub-prime and credit crisis in USA as well as all the major economies of the world. The crisis led to recession and downturn in economies the world over. The Indian economy and the Capital Market were also not insulated from this downturn. BSE Sensex which was at 15771.72 at the beginning of the year, ended the year at 9708.50 i.e. an erosion of nearly 38%.

The elections for the 15th Lok Sabha have led to a more stable government at the Centre and it is expected that the new government will carry out the reforms process vigorously and impart an impetus to the economy. With an improvement in market sentiments, the management of your company expects to improve the financials of your company. Industry Trends and its future prospects have been summed up in the Management Discussion and Analysis Report which forms part of this report.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

The internal control systems are commensurate with the size, scale and nature of operation of the Company. The adequacy of the control system is examined by the management at regular intervals and also by the internal auditors. The internal auditors carry out audit at regular intervals to identify the weakness, if any, of the system and suggest improvements for better functioning. The issues raised by the internal auditors on the internal auditors on the operation of the Company are regularly discussed at the audit committee meetings.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

For the year under review, your Company registered a total revenue of Rs. 3046.69 lakhs (Rs. 4251.44 lakhs in previous year) and Net Profit for the year was Rs. 0.74 lakhs (Rs. 83.99 lakhs in previous year).

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING THE NUMBER OF PEOPLE EMPLOYED

The Company has a number of employees and the cordial relations were maintained with all of them throughout the year. The Board of the Company wishes to place on record its appreciation to all the employees for their sustained efforts in improving the capacity utilization and operational efficiency.

The Company has initiated many steps in career and personality development of the employees belonging to different departments. The employees attended seminars and other training programs to enhance their skills and knowledge.

To motivate and to get the best results from the employees the Company has the performance based incentive scheme for its entire management & office cadre.

CAUTIONARY STATEMENT

Statement in this report describing the Company's position and expectations may be "forward statements" within the meaning of applicable securities laws or regulations. Actual result could differ materially from those expressed or implied. Important factors that could make the difference to the Company's operations include, among others, economic condition affecting demand/supply and the price condition in the market in which the Company operates, changes in the Government regulations. Tax laws and other statutes and incidental factors.

DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT

The Board of Directors and Senior Management have affirmed the compliance with the Code of Conduct for the period ended 31st March 2009 & duly noted by the Board of Directors.

For and on behalf of the Board

Place : New Delhi
Dated : 31st July 2009

Shrichand Mittal
Director

Pavel Garg
Managing Director



CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

I, Pavel Garg, Managing Director do hereby certify to the Board that :-

I have reviewed the Balance Sheet as at March 31, 2009, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date and that to the best of my knowledge and belief :

- (i) the said statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) the said 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.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of conduct.

I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

During the year :-

- (i) there have not been any significant changes in internal control over financial reporting;
- (ii) there have not been any significant changes in accounting policies; and
- (iii) there have been no instances of significant fraud of which I am aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Dated : 31st July, 2009

Pavel Garg
Managing Director



AHUJA ARORA & ASSOCIATES

Chartered Accountants

A-337, Shivalik,

New Delhi – 110017

Tel. : 26688571, 26683799

Dated: July 31, 2009

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Mudit Finlease Limited

Delhi

We have examined the compliance of conditions of Corporate Governance by **MUDIT FINLEASE LIMITED, New Delhi** for the year ended on 31.03.2009 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges:

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the guidance note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 Clause 49 of the 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 Ahuja Arora & Associates
Chartered Accountants

Arun Ahuja
Partner
Membership No: 80768



AUDITOR'S REPORT

To the Members of

MUDIT FINLEASE LIMITED

We have audited the annexed Balance Sheet of **MUDIT FINLEASE LIMITED**, as at **31/03/2009** and the Profit and 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 management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. This report includes a statement on the matters specified in paragraph 4 and 5 of the companies (Auditor's Report) Order, 2003 (as amended), issued by the department of company affairs, in terms of section 227 (4A) of the companies Act, 1956.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion books of accounts as required by the law have been kept by the Company so far as it appears from the examination of such books;
 - (c) The Balance Sheet and the Profit and Loss Account, dealt with by this report, are in agreement with the said books of accounts;
 - (d) In our opinion the Balance Sheet and Profit & Loss Account comply with the accounting standards referred to in Sub Section 3(c) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation received from the directors as of 31/03/2009 and taken on record by the board of directors, We report that none of the directors is disqualified as of 31/03/2009 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - (f) The company has changed its accounting policy related to valuation of inventories from "at cost price basis" to "lower of cost of market price" in respect of quoted securities during the year. However, the same has no effect on the profit of the company as the company doesn't have any quoted security at the end of the financial year.

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, read with notes on Accounting and Accounting Policies mentioned in schedule-16, the said accounts give the information required by the Companies Act, 1956, in the manner so required give a true and fair view:

- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31/03/2009 and;
- (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
- (iii) In the case of the Cash Flow Statement, of the cash flows of the the year ended on that date.

For **M/s. AHUJA ARORA & ASSOCIATES**
(Chartered Accountants)

ARUN AHUJA
(Partner)
M.No. 80768

Place : NEW DELHI
Date : 30th June, 2009



ANNEXURE TO THE AUDITORS' REPORT

1. (a) The Company has maintained proper records showing particulars including quantitative details and situation of fixed assets. However, the same is need to be updated.
- (b) Fixed assets have been physically verified by the management of reasonable intervals; No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets have been disposed off during the year, and it has not affected the going concern.
2. (a) According to the information and explanation given to us, the stock-in-trade (securities) are kept in demat and physical form. The same are reconciled/verified with the demat account statements and physical stock by the management at the reasonable intervals.
- (b) Procedures for verification of Inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business. There is no inadequacies in such procedures that should be reported.
- (c) Company is maintaining proper records of inventory. According to the information and explanation given to us, no material discrepancies were noticed on verification.
3. (a) The company has granted unsecured loans of Rs. 77 Lacs to two parties covered in the register maintained u/s 301 of the companies Act-1956.
- (b) The terms and condition of unsecured loans granted by the company are prima facie not prejudicial to the interest of the company.
- (c) The payment of the principal amount and interest are regular.
- (d) The company has taken unsecured loans of Rs. 490.81 Lacs from one party covered in the register maintained u/s 301 of the companies Act 1956.
- (e) The terms and condition of Loans taken by the company, secured or unsecured, are prima facie not prejudicial to the interest of the company.
- (f) The terms related to payment to the principal amount and interest are not stipulated.
4. In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory (securities) and fixed assets and for the sale of goods. During the course of audit, We have not observed continuing failure to correct major weaknesses in internal control system.
5. (a) According to the information and explanations given to us, the particulars of contracts or arrangements with the parties referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
- (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, no deposits within the meaning of Section 58A and 58AA or any other relevant provision of the Act and rules framed thereunder has been accepted by the Company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
8. The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Act.
9. According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory



dues which was outstanding as at the last day of the financial year for a period of more than six months from the date they became payable. The clause ix(b) of the paragraph 4 of the order is not applicable to the company.

10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. The company had neither taken any Loan from the financial institutions nor from banks nor issued any debentures, hence, there is no question of repayment of dues to financial institution, or a bank.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi or mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Order are not applicable to the company.
14. According to information and explanations given to us, the company has kept proper records of its transactions and contracts in dealing in or trading in shares, securities, debentures and other investments and the timely entries have, generally, been made therein. The shares, securities, debentures and other investments have either been held in the name of the company or in the process of being transferred in the name of the company.
15. On the basis of records examined by us and information provided by the management, we are of the opinion that the company has not given guarantees for loans taken by other from banks or financial institutions.
16. According to information and explanations given to us, the company has not taken the term loans during the year.
17. Based on an overall examination of the Balance Sheet of the company for the year, we report that no funds raised on short-term basis have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, during the year.
19. The company has not issued any debentures during the year. Therefore provisions or clause 4(xix) of the Order are not applicable to the company.
20. The company has not raised any money from the public during the year under audit.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For **M/s. AHUJA ARORA & ASSOCIATES**
(Chartered Accountants)

Place : New Delhi
Date : 30th June, 2009

ARUN AHUJA
Partner
Membership No. 80768



BALANCE SHEET AS AT 31ST MARCH, 2009

		SCHEDULES	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
I. SOURCES OF FUNDS				
1. Shareholders' Funds:				
(a) Capital	1		50,909,000	50,909,000
(b) Reserve & Surplus	2		12,766,143	12,692,395
2. Loan Funds:				
(a) Secured Loans			-	-
(b) Unsecured Loans	3		52,300,000	57,461,995
3. Deferred Tax (Net)	4		19,253	21,304
Total			115,994,396	121,084,694
II. APPLICATION OF FUNDS				
1. Fixed Assets :				
(a) Gross Block	5		25,289,135	20,785,987
(b) Less : Depreciation			274,488	207,912
(c) Net Block			25,014,647	20,578,075
(d) Capital Work in Progress			21,335,809	8,481,869
			46,350,456	29,059,944
2. Investments				
3. Current Assets, Loans & Advances				
(a) Inventories	6		900,00	2,237,688
(b) Sundry Debtors			-	-
(c) Cash and Bank balances	7		10,124,638	1,629,129
(d) Other current assets			-	-
(e) Loans and Advances	8		59,579,418	89,162,173
			70,604,056	93,028,990
Less : Current Liabilities and Provisions				
(a) Liabilities	9		944,075	942,963
(b) Provisions:			16,042	61,277
Net Current Assets			69,643,940	92,024,750
4. (a) Miscellaneous Expenditure				
(To the extent not written off or adjusted)			-	-
(b) Profit and Loss Account			-	-
Total			115,994,396	121,084,694
Notes to the Accounts and Significant Accounting Policies	16		(0)	(0)

The Schedules referred to above form an integral part of the Balance Sheet.

In terms of our report of even date attached.

For Ahuja Arora & Associates

Chartered Accountants

Arun Ahuja

Partner

Membership No. 80768

Place : New Delhi

Date : 30.06.2009

For and on behalf of the Board

Pavel Garg
(Managing Director)

Poonam Garg
(Director)

R. N. Choudhary
(Director)

S.C. Mittal
(Director)



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

PARTICULARS	SCHEDULES	AS AT	
		31.03.2009 Rs.	31.03.2008 Rs.
I. INCOME			
Income from Capital Market	10	477,136	13,697,028
Interest Income	11	6,250,632	2,911,538
Other Income	12	84,454	49,421
		<u>6,812,222</u>	<u>16,657,987</u>
II. EXPENDITURE			
Personnel Expenses	13	1,890,815	2,239,420
Administrative & Operating Expenses	14	808,321	842,683
Finance Charges	15	3,950,396	1,027,145
		<u>6,649,532</u>	<u>4,109,248</u>
III. PROFIT BEFORE DEPRECIATION & TAX (I-II)		162,690	12,548,739
Depreciation		(66,576)	(74,357)
IV. PROFIT BEFORE TAX		96,114	12,474,382
Provision for Taxation :			
Current Tax/MAT Credit	(11,664)	6,756	
Fringe Benefit Tax	(12,753)	(12,849)	
Deferred Tax	2,051	4,544	
Securities Transaction Tax	-	(22,366)	(4,075,091)
V. PROFIT/(LOSS) AFTER TAXES		73,748	8,399,291
Excess/less Provision for taxation of earlier year		-	-
		73,748	8,399,291
Profit/(Loss) brought from previous year		12,692,395	4,293,104
Profit/(Loss) carried to Balance Sheet		<u>12,766,143</u>	<u>12,692,395</u>
Earning Per Share (Basic and Diluted)		0.01	1.65
Notes to the Accounts and Significant Accounting Policies	16		

The Schedules referred to above form an integral part of the Balance Sheet.

In terms of our report of even date attached.

For Ahuja Arora & Associates
Chartered Accountants

For and on behalf of the Board

Arun Ahuja
Partner
Membership No. 80768

Pavel Garg
(Managing Director)

Poonam Garg
(Director)

Place : New Delhi
Date : 30.06.2009

R. N. Choudhary
(Director)

S.C. Mittal
(Director)



SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2009

PARTICULARS	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
SCHEDULE-1		
SHARE CAPITAL		
<i>Authorised</i>		
60,00,000 Equity shares of Rs. 10/- each	60,000,000	60,000,000
Issued, Subscribed and Paid-up		
50,90,900 Equity shares of Rs. 10/- each fully paid-up	50,909,000	50,909,000
	<u>50,909,000</u>	<u>50,909,000</u>
SCHEDULE-2		
RESERVE & SURPLUS		
Balance in Profit & Loss Appropriation A/c.	12,766,143	12,692,395
	<u>12,766,143</u>	<u>12,692,395</u>
SCHEDULE-3		
UNSECURED LOAN		
From Directors	28,300,000	461,237
From Others	24,000,000	57,000,758
	<u>52,300,000</u>	<u>57,461,995</u>
SCHEDULE-4		
DEFERRED TAX (Net)		
Timing difference between depreciable assets	19,253	21,304
	<u>19,253</u>	<u>21,304</u>
SCHEDULE-5		
FIXED ASSETS		

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Opening Balance	Additions During the year	Sale During the year	Total As On 31.3.2009	Opening Balance	Rate of Depre.	For the year	Sale During the year	Up to 31.3.09	As At 31.3.2009	As At 31.3.2008
a) Land & Building Plot (HUDA)	20,423,135	4,462,200	-	24,885,335	-	0%	-	-	-	24,885,335	20,423,135
b) Plant & Machinery											
Computer	341,452	21,500	-	362,952	201,691	40%	62,919	-	264,610	98,342	139,761
Water Purifier	9,000	-	-	9,000	1,146	13,91%	1,092	-	2,238	6,762	7,854
Mobile	12,400	19,448	-	31,848	5,075	13,91%	2,565	-	7,640	24,208	7,325
Sub-Total	<u>20,785,987</u>	<u>4,503,148</u>	-	<u>25,289,135</u>	<u>207,912</u>		<u>66,576</u>	-	<u>274,488</u>	<u>25,014,647</u>	<u>20,578,075</u>
c) Capital Work in Progress											
Building	8,481,869	12,853,940	-	21,335,809	-	0%	-	-	-	21,335,809	8,481,869
Current Year	<u>29,267,856</u>	<u>17,357,088</u>	-	<u>46,624,944</u>	<u>207,912</u>	-	<u>66,576</u>	-	<u>274,488</u>	<u>46,350,456</u>	<u>29,059,944</u>
Previous Year	<u>8,813,357</u>	<u>20,454,499</u>	-	<u>29,267,856</u>	<u>133,555</u>	-	<u>74,357</u>	-	<u>207,912</u>	<u>29,059,944</u>	<u>8,679,802</u>

SCHEDULE-6

INVENTORIES

(as taken, valued & certified by Management)

Stock of Shares :

- Quoted (At lower of cost or market price)

2,237,688



- Unquoted (At cost) (Refer clause no.9 of Notes to the Accounts)	900,000	-
	<u>900.00</u>	<u>2,237,688</u>
SCHEDULE-7		
CASH & BANK BALANCES		
Cash in hand	520,832	121,596
Balance with Scheduled Banks in current A/cs. :	9,603,807	1,507,533
	<u>10,124,638</u>	<u>1,629,129</u>
SCHEDULE-8		
LOANS & ADVANCES		
(Advances recoverable in cash or in kind or for value to be received)		
Loans & Advances (Unsecured, Considered good unless otherwise specified)	49,724,599	77,799,549
Advance for Capital Expenditure	684,720	110,000
Advance for Properties	7,882,000	9,882,000
Share Application Money	-	400,000
Security Deposits	56,646	56,646
TDS Deducted	1,131,453	805,237
Advance FBT	12,483	12,849
MAT Credit Entitlement	87,517	95,892
	<u>59,579,418</u>	<u>89,162,173</u>
SCHEDULE-9		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors for Capital Expenditure	4,663	488,650
Revenue Expenses Payable	939,412	454,313
	<u>944,075</u>	<u>942,963</u>
Provisions :		
Income Tax	3,289	48,428
Fringe Benefit Tax	12,753	12,849
	<u>16,042</u>	<u>61,277</u>
	<u>960,117</u>	<u>1,004,240</u>
SCHEDULE-10		
INCOME FROM CAPITAL MARKET		
Sale of Shares	287,994,059	413,434,757
Closing Stock in Trade	900,000	2,237,688
	<u>288,894,059</u>	<u>415,672,445</u>
Less : Opening Stock of Shares	2,237,688	14,518,378
Purchase of Shares	<u>296,518,697</u>	<u>396,172,299</u>
	(9,862,325)	4,981,768
Add: Jobbing/F&O Trading Income	11,606,660	8,768,262
Less: STT & Other Expenses	(1,267,199)	(53,002)
	<u>477,136</u>	<u>13,697,028</u>
SCHEDULE-11		
INTEREST INCOME		
On Loans & Advances	6,250,632	2,911,538
(TDS of Rs, 7,40,978/- (Pr. Yr. Rs. 3,90,475/-)	<u>6,250,632</u>	<u>2,911,538</u>

**SCHEDULE-12****OTHER INCOME**

Dividend Income	64,188	37,983
Interest received on Income-tax refund	20,266	11,438
	<u>84,454</u>	<u>49,421</u>

SCHEDULE-13**PERSONNEL EXPENSES**

Director Remuneration	300,00	380,000
Staff Salary	1,454,000	1,682,000
Staff Welfare	48,015	61,020
Perquisites & Allowances	88,800	116,400
	<u>1,890,815</u>	<u>2,239,420</u>

SCHEDULE-14**ADMINISTRATIVE AND OPERATING EXPENSES**

Advertisement	27,074	20,996
Audit Fees	22,060	22,472
Books, Newspaper & Periodicals	6,209	4,260
Business Promotion	6,518	6,451
Car Hire Charges	180,000	180,000
Computer Repair & Maintenance	26,376	19,747
Conference Expenses	7,200	8,325
Electricity Expenses	15,936	11,660
House Tax	2,597	2,070
Internet Charges	3,337	8,187
Legal and Professional Charges	127,360	128,398
Listing Fees	62,383	26,986
National Festival Exps.	9,200	4,900
Office expenses	42,034	40,413
Office Repair & Maintenance	25,889	25,505
Postage and Courier	36,560	39,722
Printing & Stationary	46,823	43,595
Record Maint. Charges	13,461	13,484
Rent Paid	120,000	210,000
ROC Filing Fee	3,000	-
Telephone Expenses	12,407	13,122
Water Charges	11,897	12,390
Rounded off	0	-
	<u>808,321</u>	<u>842,683</u>

SCHEDULE-15**FINANCE CHARGES**

Bank Charges	6,314	8,597
Interest Paid (Others)	3,944,082	1,018,548
	<u>3,950,396</u>	<u>1,027,145</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31st MARCH 2009****SCHEDULE – 16****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS****(A) Significant Accounting Policies****1) Basis of preparation of Financial Statements**

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles in India ("GAAP"), applicable Accounting Standards issued by The Institute of Chartered Accountants of India and under the historical cost convention, on accrual basis.

2) Revenue Recognition

Revenue is being recognized in accordance with the guidance Note on Accrual Basis of Accounting issued by The Institute of Chartered Accountants of India. Accordingly wherever there are uncertainties in the realization of income, the same is not accounted for till such time the uncertainty is resolved.

Income from sale of shares is recognized on the execution of transaction on the stock exchange. Income from interest on loan given is recognized on a time proportion basis as per the terms and conditions of the agreement. Income from jobbing operation and from F&O Activities is recognized on the settlement date. Dividend income is recognized on receipt basis.

3) Treatment of Expenses

All expenses are accounted for on accrual basis, however, listing fees payable to Jaipur Stock Exchange (JSE), Cochin Stock Exchange and Delhi Stock Exchange (DSE) have not been recognized in the year of payment as the company is in the process of delist its scrip from two exchanges except from DSE.

4) Fixed Assets

Fixed Assets are stated at historical cost, less depreciation. Costs of fixed assets include taxes, duties, freight and other expense incidental and related there to the construction, acquisition, and installation of respective assets.

5) Capital Work-in-progress

The costs incurred on that assets for which the construction is under progress and not ready for their intended use on the date of financial statements is shown under the head-capital work-in-progress.

6) Borrowing Cost

Borrowing costs that are allocated to the acquisition or construction of qualified assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charges to revenue.

7) Depreciation

Depreciation is provided on fixed assets on the basis of written down value method on pro-rata basis at the rates prescribed in schedule XIV to the Companies Act, 1956. No depreciation has been provided on the fixed assets on capital work in progress account.

8) Investments

The investments are stated at cost price basis. Diminution of permanent nature, if any, is provided for.

9) Inventories

Stock-in-trade (quoted) is valued at cost (on first-in-first-out (FIFO) basis) or market prices, whichever is lower. Unquoted stock-in-trade is valued at cost. Till last year, the stock-in-trade (quoted) was also valued at cost price basis. The change in accounting policy has no effect on the profit of the company for the year, as the company doesn't have any quoted security at the end of the financial-year.

**10) Taxation**

Provision for current income tax has been made as per the provisions of the Income Tax Act.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

11) Employees Benefits

Provision of Gratuity has not been made, as presently no employee is eligible for the same. Provisions of provident fund and ESI have not been made, as the provisions of the same are yet not applicable to the company. The company is not paying leave encashment benefits to its employees as per the rules of the company.

12) Leases

The company has taken office buildings on lease, which are classified as Operating Leases.

13) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

14) Contingent liabilities

Contingent liabilities are not provided for in the accounts but are disclosed in notes to accounts.

(B) Notes to the Accounts**1. Contingent Liabilities**

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 0.50 Crores (previous year Rs. 0.90 Crores).

2. Payment made to directors includes :	Current Year	Previous Year
Managerial Remuneration	3,00,000/-	3,80,000/-
3. Payment to Auditors includes :	Current Year	Previous Year
Audit Fees	22,060/-	22,472/-

4. Segmental Reporting:

Since the company is an investing and financing company and most of the revenue of the company arise from investing activities. Hence, the company has only one segment of business. As all the investment and finances made by the company are subject to same risk and return, hence there is only one segment.

5. Deferred Tax

Consequent to the issuance of Accounting Standard (AS) 22, "Accounting For Taxes on Income" issued by the institute of Chartered Accountants of India, the Company has recognised deferred tax liability of Rs. 19,253/- for the period up to 31st March, 2009 on account of difference in depreciation rates prescribed as per the Companies Act, 1956 and as per Income Tax Act, 1961.

6. Operating Lease

The company has taken head office building on lease which is classified as Operating Lease. The information as per Accounting Standard (AS) 19, "Leases" issued by the Institute of Chartered Accountants of India is as follows:-

(a) The total of future minimum lease payments payable for each of the following periods :-

(i) not later than one year Rs. 1,20,000/-



- (ii) later than one year and not later than five year Rs.1,20,000/-
- (iii) later than five years Rs. Nil
- (b) Lease payment recognized in the statement of profit and loss for the period Rs.1,20,000/-
- (c) (i) The company has taken head office building on lease for 3 years, which can be increased as mutually decided by both the parties to the lease agreement.
- (ii) If both the parties agreed to increase the lease period, the lease rental after three years will increase by such % as mutually decided by both the parties.

7. Dealing in Securities:

Quantitative information pursuant to paragraphs 3 and 4 of part II of schedule VI to Companies Act, 1956, is, in respect of dealing in securities, stated to the extent applicable to the company:

	As at March 31, 2009		As at March 31, 2008	
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Opening Stock	13762	22,37,688	250150	1,45,18,378
Purchases	1514879	29,65,18,696	4487373	39,61,72,299
Sales	1510641	28,79,94,059	4723761	41,34,34,757
Closing Stock	18000	9,00,000	13762	22,37,688

8. Related party Disclosures:

- a. List of related parties and their relationship (as recognized by the management):

- i. Shri Pavel Garg (Key Management Personnel)
- ii. Shri Shri Chand Mittal (Key Management Personnel)
- iii. Shri Niket Choudhary (Key Management Personnel)
- iv. Smt. Poonam Garg (Key Management Personnel)
- v. Combitic Global (Associate)
- vi. Unisule Pvt. Ltd. (Associate)
- vii. Hitech Township & Infrastructure Pvt. Ltd. (Associate)

- b. Related Parties Transactions:

The details of transactions between the Company and the related party, as defined in the Accounting Standard- 18, are given below:

(Figures in brackets relate to the previous year)

(Rs. in Lacs)

Sl. No.	Nature of transactions	Key Management Personnel & their relatives	Associates	Closing Balance as on 31-3-2009
1.	Remuneration Paid	3.00 (3.80)	- -	- -
2.	Unsecured Loan :			
	Received	490.81 (100.00)	- (5.75)	283.00 (4.61)
	Paid back	212.42 (200.02)	- (7.86)	- -



3.	Unsecured Loans given	-	77.00	11.43
	Received back	(-)	(556.33)	(184.26)
		-	251.34	-
		(-)	(414.85)	(-)
4.	Interest Received	-	0.62	-
		(-)	(4.03)	(-)
5.	Interest Paid	4.81	-	-
		(5.14)	(0.11)	(-)

Note: In opinion of board, non-executive directors are not key management personnel for AS-18.

9. Earning /(Loss) Per Share (EPS):	2008-2009	2007-2008
Profit after tax attributable to Equity shareholders (Numerator used for calculating basic EPS)	73,748	83,99,291
Weighted average number of equity share outstanding during the year (Denominator used for Calculating basic EPS)	50,90,900	50,90,900
Nominal value of share	10	10
Basic Earning/(Loss) per share	0.01	1.65
Diluted Earning/(Loss) per share	0.01	1.65

10. On the basis of above information available with the company, there are no amounts payable to micro and small enterprises as at 31.03.2009 (Pr. Yr. Nil). However, the status of all the undertakings is presently not known to the company.

11. Earning/Expenditure in foreign currency: Rs. Nil (Pr. Yr. Nil)

12. Debit and credit balances with the parties are subject to their confirmations by the parties.

13. In the opinion of board of directors, the current assets, loans & advances shall have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provisions for all the known current liabilities have been made in the balance sheet.

14. Schedule to the Balance Sheet as required in terms of Paragraph 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, and Additional information pursuant to the provisions of part IV of Schedule VI to the Companies Act, 1956, Balance Sheet Abstract and Company's General Business Profile- are enclosed herewith by way of separate annexures.

15. Previous year figures have been regrouped or rearranged wherever considered necessary to make it comparable with the figures of the current year.

The Schedules referred to above and the Notes attached to form an integral part of Accounts

In terms of our report of even date attached

For Ahuja Arora & Associates
Chartered Accountants

Arun Ahuja
(Partner)

For and on behalf of Board of Directors

Pavel Garg
Managing Director

Poonam Garg
Director

Date : 30th June, 2009
Place : New Delhi

R. N. Choudhary
Director

S.C. Mittal
Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****1. Registration Details**

Registration No.	035635	State Code	55
Balance Sheet Date	31.03.2009		

2. Capital raised during the year (Rs. '000s)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

3. Position of Mobilization and Deployment of Funds (Rs. '000s)

Total Liabilities	115994	Total Assets	115994
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Sources of Funds

Paid up capital	50909	Reserve & Surplus	12766
Secured Loans	NIL	Unsecured Loans	52300
Deferred Tax	19		

Application of Funds

Net Fixed Assets	46350	Investments	NIL
Net Current Assets	69644	Deferred Tax	NIL

4. Performance of Company (Rs. 000s)

Turnover	305935	Total Expenditure	305839
Profit/(loss) Before tax	96	Profit/loss After tax	74
Earning per share in Rs.	0.01	Dividend rate %	NIL

5. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. :	Service Description	NBFC Co.
	For Ahuja Arora & Associates Chartered Accountants	For and on behalf of the Board

Arun Ahuja
Partner
Membership No. 80768

Pavel Garg
Managing Director

Poonam Garg
Director

Place : New Delhi
Date : 30th June, 2009

R. N. Choudhary
Director

S.C. Mittal
Director



CASH FLOW STATEMENT

PARTICULARS	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	96,114	12,474,382
Adjustments for :		
Depreciation	66,576	74,357
(Profit)/Loss on sale of Fixed Assets	-	-
Operating Profit before working capital changes	<u>162,690</u>	<u>12,548,739</u>
Adjustments for :		
Loans & Advances/Current Assets	1,507,804	2,252,603
Increase/(Decrease) in Inventories	1,337,688	12,280,690
Current Liabilities	(46,174)	388,775
Cash Generated from operation before Income Tax	2,962,008	27,470,807
Income Tax/FBT/MAT/STT/Provision W/back	(22,366)	(4,075,091)
Cash generated from operating activities (A)	2,939,642	23,395,716
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(17,357,088)	(20,454,499)
Sale of Fixed Assets	-	-
Sale/(Investment) (Net)	-	-
Net Cash used from investing activities (B)	(17,357,088)	(20,454,499)
CASH FLOW FROM FINANCING ACTIVITIES:		
Unsecured Loan received/(Paid)	(5,161,995)	47,311,995
Unsecured loan paid	28,074,950	(47,613,297)
Net Cash flow from financing activities (C)	22,912,955	(301,302)
Net increase/(Decrease) in cash & cash equivalents (A+B+C)	8,495,509	2,639,915
Cash and cash equivalent at beginning of the year	1,629,129	(1,010,786)
Cash and cash equivalent at the end of the year	10,124,638	1,629,129

Note :- Previous year figures have been regrouped wherever necessary

In terms of our report of even date attached

For Ahuja Arora & Associates

Chartered Accountants

For and on behalf of the Board

Arun Ahuja

Partner

Membership No. 80768

Pavel Garg

Managing Director

Poonam Garg

Director

Place : New Delhi

Date : 30.06.2009

R. N. Choudhary

Director

S.C. Mittal

Director

Auditors' Report

We have examined the above cash flow statements of Mudit Finlease Limited for the year ended 31st March, 2009. The statement has been prepared by the Company in accordance with the requirement of the listing agreements with the Stock Exchange and is based on and in agreement with the corresponding profit & loss account and balance sheet of the company covered by our report of 30th June, 2009, to the members of the company.

For Ahuja Arora & Associates

Chartered Accountants

Place : New Delhi

Date : 30.06.2009

Arun Ahuja

Partner

M. No. 80768

**Schedule to the Balance Sheet of a Non-Banking Financial Company**

[As required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998]

MUDIT FINLEASE LIMITED
For the year ended 31st March, 2009

(Rs.in lakhs)

Particulars		31.03.2009	
Liabilities side :			
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :	Amount Outstanding	Amount overdue
	(a) Debentures : Secured	NIL	NIL
	: Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	240	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposits*	NIL	NIL
	(g) Other Loans from Director	283	NIL
	*Please see Note I below		
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of Unsecured debentures	NIL	NIL
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	NIL	NIL
	(c) Other public deposits	NIL	NIL
Assets Side :		Amount Outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured		NIL
	(b) Unsecured		497
4	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP Activities		NIL
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease		NIL
	(b) Operating Lease		NIL
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		NIL
	(b) Repossessed Assets		NIL
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed		NIL
	(b) Loans other than (a) above		NIL
5	Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity		NIL
	(b) Preference		NIL
	(ii) Debenture and Bonds		NIL
	(iii) Units of Mutual Funds		NIL
	(iv) Governments Securities		NIL
	(v) Others (please specify)		NIL
	2. Unquoted :		
	(i) Shares : (a) Equity		NIL
	(b) Preference		NIL
	(ii) Debenture and Bonds		NIL
	(iii) Units of Mutual Funds		NIL
	(iv) Government Securities		NIL
	(v) Others (Please specify)		NIL
	Long Term Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity		NIL
	(b) Preference		NIL



	(ii) Debenture and Bonds (iii) Units of Mutual Funds (iv) Governments Securities (v) Others (please specify)	NIL NIL NIL NIL
	2. Unquoted : (i) Shares : (a) Equity (b) Preference (ii) Debenture and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (Please specify)	NIL NIL NIL NIL NIL NIL
6	Borrower group-wise classification of all leased stock-on-hire and loans and advances : Please see Note 2 below Category	Amount net of provisions Secured Unsecured Total
	1. Related Parties " (a) Subsidiaries (b) Companies in the same group (c) Other related parties	NIL NIL NIL NIL NIL NIL NIL NIL NIL NIL 11 11
	2. Other than related parties	NIL 486 486
	Total	NIL 497 497
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 (c) Other related parties	NIL NIL NIL NIL NIL NIL NIL NIL
	2. Other than related parties	NIL NIL
	Total	NIL NIL
8	"As per Accounting Standard of ICAI (Please see Note 3) Other Information Particulars	Amount
	(i) Gross Non-Performing Assets	NIL
	(a) Related parties	NIL
	(b) Other than related parties	NIL
	(ii) Net Non-Performing Assets	NIL
	(a) Related parties	NIL
	(b) Other than related parties	NIL
	(iii) Assets acquired in satisfaction of debt	NIL
Notes :		
1 As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.		
2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.		
3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break-up/fair value/ Nav in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.		
For Ahuja Arora & Associates Chartered Accountants		For and on behalf of the Board
Arun Ahuja Partner Membership No. 80768	Pavel Garg Managing Director	Poonam Garg Director
Date : 30th June, 2009 Place : New Delhi	R.N. Choudhary Director	S.C. Mittal Director



MUDIT FINLEASE LIMITED

Registered Office : CSC-5, Unit No. 2, (1st Floor), DDA Gole Market, Sector-9, Rohini, Delhi-110085

ATTENDANCE SLIP

L.F. No.
DP ID
Account ID
No. of Shares Held

I/We hereby record my/our presence at the Twenty First Annual General Meeting of the Company to be held on Wednesday the 30th day of September, 2009 at 10.00 A.M. at the Registered Office of the Company at, CSC-5, Unit No. 2, (1st Floor), DDA Gole Market, Sector-9, Rohini, New Delhi-110085

Name of the Shareholder (In Block Letters)	
Signature of the Shareholder	
Name of the Proxy (In Block Letters)	
Signature of the Proxy	

Notes : 1) You are requested to sign and handover this slip at the entrance.
2) If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/your proxy for reference at the meeting.

MUDIT FINLEASE LIMITED

Registered Office : CSC-5, Unit No. 2, (1st Floor), DDA Gole Market, Sector-9, Rohini, Delhi-110085

PROXY FORM

L.F. No.
DP ID
Account ID
No. of Shares Held

I/We of

..... being a member/members of MUDIT FINLEASE LIMITED hereby appoint
..... of

..... or failing him/her

of

..... as my/our proxy to vote for me/us on my/our behalf at
the Twenty First Annual General Meeting of the Company to be held on Wednesday, the 30th day of
September 2009, at 10.00 A.M. at any adjournment thereof.

Signed this day of 2009.

Please Affix Rupee One Revenue Stamp
--

Note : This form in order to be effective should be stamped, completed and signed and must be lodged at the Registered Office of the Company not less than 48 hours before meeting.

BOOK POST

If undelivered please return to :



Mudit
Finlease Ltd.

CSC-5, Unit No. 2, 1st Floor, DDA Gole Market
Sector-9, Rohini, Delhi-110 085 Ph. No. 011-27553028
email : mudit_finlease@rediffmail.com