



*Mudit
Finlease Ltd.*

**23rd Annual Report
2010-11**



BOARD OF DIRECTORS

Shri Pavel Garg (Managing Director)
Smt. Poonam Garg (Director)
Shri Y. Hari Shankar (Director)
Shri Sushil Chandra Mehrotra (Director)
Shri Shrichand Mittal (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. G. K. Kedia & Co.
Chartered Accountants
914, Naurang House, 21, Kasturba Gandhi Marg
New Delhi – 110 001

BANKERS

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



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Third Annual General Meeting** of the Members of **Mudit Finlease Limited** will be held on:

Day : Saturday

Date : 10th September 2011

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 receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March 2011 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Shrichand Mittal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Y. Harishankar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. G. K. Kedia & Co., 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.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass the following Resolution with or without modifications as a Special Resolution**

“**RESOLVED THAT** pursuant to the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Sushil Chandra Mehrotra, who was appointed as an 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. Sushil Chandra Mehrotra 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: 13th August, 2011

PAVEL GARG
Managing Director



NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is 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 forty eight hours before the scheduled time of commencement of the meeting.
2. No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is a shareholder of the Company, unless a copy of the certified resolution appointing him/her as a duly authorized representative, shall have been deposited at the Registered Office of the Company not less than forty eight hours before the scheduled time of commencement of the meeting.
3. Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 08th September 2011 to 10th September 2011 (both days inclusive) in connection with the 23rd Annual General Meeting.
5. As a measure of economy, copies of the Annual Reports will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of Annual Reports to the Meeting.
6. Members are requested to notify to the Company immediately of any change in their address.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company 7 days prior to the meeting so as to enable the management to keep the information ready.
8. 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.
9. 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.
10. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Item No. 4 of the Notice is annexed herewith.

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PUR PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5**

Mr. Sushil Chandra Mehrotra was appointed as an Additional Director of the Company on 30-03-2011 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, he holds office as Director 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 him as Director along with deposit of Rs.500/-.

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

None of the Directors of the Company other than Mr. Sushil Chandra Mehrotra, pertaining to his appointment, is in any way concerned or interested in the resolution.

For and on behalf of the Board

Place: NEW DELHI
Dated: 13th August, 2011

PAVEL GARG
Managing Director

Brief Resume of the Directors proposed for re-appointment/appointment at the 23rd Annual General Meeting vide Items No. 2, 3 & 5 of the Notice.

PARTICULARS	Sh. Y. Hari Shankar	Sh. Shrichand Mittal	Sh. Sushil Chandra Mehrotra
Father's Name	Sh. K. S. Yegnanarayanan	Sh. P. C. Mittal	Sh. Manik Chand Mehrotra
Date of Birth	16-08-1942	29-08-1952	15-06-1937
Official Address	House No. 1172, Sector-14, FARIDABAD-121007 (Haryana)	188, Agroha Kunj, Sector-13, Rohini, Delhi-110085	A-29, DDA MIG Flats, Saket, New Delhi-110017
Qualifications	M.A. (Eco.) from Delhi School of Economics Diploma in Management (U.K.)	Graduate	B. Com., LL. B., F.C.A.
Experience	42 Years	35 Years	50 Years
No. of Other Directorship	1 Company	3 Companies	NIL
Membership of Committees	(i) Shareholder/ Investor Grievance Committee (In Mudit Finlease Limited)	Shareholder/Investor Grievance Committee (In Mudit Finlease Limited)	Audit Committee (In Mudit Finlease Limited)

**DIRECTORS' REPORT**

To the Members,

Your directors take pleasure in presenting the Twenty Third Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

(Rs. in Lakhs)

PARTICULARS	CURRENT YEAR (2010-2011)		PREVIOUS YEAR (2009-2010)	
Profit before Depreciation and Finance Charges		28.45		26.65
Less: Depreciation	0.36		0.45	
Finance Charges	<u>27.65</u>	(28.01)	<u>27.85</u>	(28.30)
Net Profit/ Loss after Depreciation and Finance Charges		0.44		(1.65)
<u>APPROPRIATIONS</u>				
Provision for Taxation		0.27		0.05
Proposed Dividend		NIL		NIL
General Reserve Balance Carried forward		0.17		(1.60)

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 2011.

CURRENT YEAR WORKING

During the year your Company registered a total revenue of Rs. 3842.95 lakhs compared to previous year's revenue of Rs. 5115.63 lakhs. Your Company has earned a Net Profit of Rs. 0.17 lac in comparison to Net Loss of Rs. 1.60 lakhs of previous year.

Your Company has completed the construction of its own huge & beautiful building at Gurgaon (Haryana) for its Corporate Office and it will be in a position to enhance its earnings by leasing out some portions of the building.

Besides, your Company is planning to enter the business of manufacturing of pharmaceutical products and is in the process of exploring the Indian as well as global market for financial/technical collaboration in this regard.

DIRECTORS

Shri Shrichand Mittal and Shri Y. Harishankar, Directors of the Company, being longest in the office retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Sushil Chandra Mehrotra appointed as Additional Director of the Company in Board Meetings dated 30-03-2011, is now proposed to be appointed as Director in the ensuing Annual General Meeting.

Mr. Ram Narain Choudhary and Mr. Niket Choudhary have resigned from the directorship of the Company w.e.f. 30.03.2011 since the conclusion of the last Annual General Meeting. The Board of Directors places on record their warm appreciation of the valuable contribution made by them during their association with the Company.

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. G. K. Kedia & Co., Chartered Accountants, New Delhi retires at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DELISTING OF SECURITIES OF THE COMPANY FROM THE JAIPUR STOCK EXCHANGE LTD.

Your Company has been delisted from the Jaipur Stock Exchange Ltd. w.e.f. 06th January, 2010 as desired by us.

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 2010 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, 2011, 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 in the 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: 13th August, 2011

PAVEL GARG
Managing Director

S. C. MITTAL
Director



**REPORT ON CORPORATE GOVERNANCE
DISCLOSURE (AS PER CLAUSE 49 OF LISTING AGREEMENT)**

INTRODUCTION

The Securities and Exchange Board of India has introduced a Code of Corporate Governance (Code) by way of amendments to the listing agreement with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code.

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The fundamental objective of Mudit Finlease Limited is enhancement of the long-term shareholder value while at the same time protecting the interests of other stakeholders and adopting a methodology which enhance effectiveness, better utilization of resources, transparent and harmonious relations between various interest groups.

2. BOARD OF DIRECTORS

(a) Composition

The Board of Mudit Finlease Limited is comprised of 5 Directors of which 2 are Executive. In terms of Clause 49 of the listing agreement 3 Directors are independent. None of the Directors of the Company is a member in more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the listing agreement). The Board is primarily responsible for the over all management of Company's business. The composition of Board during the year is as under:

Sr. No.	Name of Director	Category of Directors	Number of Directorship in other Public Ltd. Companies	Number of committee position in other Public Ltd. Companies
1.	Mr. Pavel Garg	Promoter & Executive	----	----
2.	Mrs. Poonam Garg	Promoter & Non-Executive	----	----
3.	Mr. Y. Harishankar	Independent & Executive	----	----
4.	Mr. Sushil Chandra Mehrotra	Independent & Non-Executive	----	----
5.	Mr. Shrichand Mittal	Independent & Non-Executive	----	----

(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, Half Yearly and Annual financial results;
4. Minutes of the Annual General Meetings/Extraordinary General Meetings/Board Meetings/Meetings of Audit 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) Meetings:

During the year 2010-2011, the Board of Directors met 9 times on the following dates:-

30th April 2010, 29th May 2010, 17th July 2010, 13th August 2010, 16th October 2010, 13th November 2010, 08th January 2011, 14th February 2011 and 30th March 2011.

Sr. No.	Name of Director	Attendance in Board Meeting held during the year/tenure	Whether Attended AGM held on 10th September, 2010
1.	Mr. Pavel Garg	9	Yes
2.	Mrs. Poonam Garg	6	Yes
3.	Mr. Y. Harishankar	5	Yes
4.	Mr. Ram Narain Choudhary	6	Yes
5.	Mr. Shrichand Mittal	9	Yes
6.	Mr. Niket Choudhary	2	Yes

A. 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 2011.

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. Y. Harishankar	Nil	Nil	300000.00	Nil	300000.00
Mr. Ram Narain Choudhary	Nil	Nil	180000.00	Nil	180000.00
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
Poonam Garg	4
Ram Narain Choudhary	4
Sushil Chandra Mehrotra (Joined on 30-03-2011)	NIL

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 2010-2011	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 – Tem)
Shrichand Mittal (Chairman)	10
Yegnanarayanan Hari Shankar	10
Niket Choudhary	5

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. Shrichand Mittal and Mr. Y. Harishankar, are retiring by rotation and being eligible, offer themselves for re-appointment.

B. Means Of Communication

The Company has published its Annual Results for the year ended 31st March 2011 in Hindi and English newspapers in the month of June 2011 and will publish its future quarterly, half yearly and annual results regularly in Hindi and English newspapers.

C. 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 30th September 2008, 30th September, 2009 and 10th September, 2010 respectively.

G. Additional Shareholders Information

Financial year : 1st April 2010 to 31st March 2011

Results	For the year ended 31st March 2011 were announced on	For the year ending on 31st March 2012 will be announced latest by
Un-audited financial results for First Quarter ended on 30th June	13th August 2010	14th August 2011
Un-audited financial results for Second Quarter ended on 30th September	13th November 2010	15th November 2011
Un-audited financial results for third Quarter ended on 31st December	14th February 2011	15th February 2012
Audited financial results for the year ended on 31st March	28th May 2011	31st May 2012

Book Closure

Book closure period is from 08th September 2011 to 10th September 2011 (Both days Inclusive).

Listing on Stock Exchanges

The Company's Equity Shares are listed on Bombay Stock Exchange Ltd. and The Delhi Stock Exchange Ltd.

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

Shares held in Physical and Dematerialisation Form:

As on 31st March 2011, out of the total shares of the Company 43,84,200 shares are in dematerialized form (86.12%) and 7,06,700 shares are in physical form (13.88%).

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. NO.: 011-47029698
email: mudit_finlease@rediffmail.com

**ANNEXURE TO DIRECTORS' REPORT****Management Discussion and Analysis Report****THE ECONOMIC SCENARIO & DEVELOPMENTS**

The overall growth of Gross Domestic Product (GDP) was 8.6 per cent in 2010-11 representing an increase from the revised growth of 8.0 per cent during 2009-10, according to the Advance Estimate (AE) of Central Statistics Office (CSO).

The industrial sector, including construction, is projected to grow by 9.4 per cent during 2011-12, as compared to 8.5 per cent estimated in 2010-11. Growth in industrial production will be driven by a rise in consumption demand and investment demand, said the review.

India is today rated as one of the most attractive investment destinations across the globe. The UNCTAD World Investment Report (WIR) 2010, in its analysis of the global trends and sustained growth of Foreign Direct Investment (FDI) inflows, has reported India to be the second most attractive location for FDI for 2010-2012.

Moreover, India attracted FDI equity inflows of US\$ 193.7 billion from April 2000 to February 2011, according to the data released by the Department of Industrial Policy and Promotion (DIPP). The humungous increase in investment mirrors the foreign investors' faith in the Indian markets.

The services sector comprising financial and non-financial services attracted 21 per cent of the total FDI equity inflow into India worth US\$ 3,274 million during April-February 2011, while telecommunications attracted the second largest amount of FDI worth US\$ 1,410 million during the same period. Automobile industry was the third highest sector attracting FDI worth US\$ 1,320 million followed by Housing and Real Estate industry which garnered FDI worth US\$ 1,109 million during the financial year April-February 2011.

Betting high on the Indian market, foreign institutional investors (FIIs) have purchased stocks and debt securities worth US\$ 222 billion in the financial year ending March 31, 2011, as per the data available with the Securities and Exchange Board of India (SEBI).

As on April 29, 2011, India's foreign exchange reserves totalled US\$ 313.51 billion, according to the RBI's Weekly Statistical Supplement.

India's merchandise exports in goods for 2010-11 reached US\$ 245.29 billion, registering 37.5 per cent growth against US\$ 178.75 billion in 2009-10, according to the foreign trade data released by the Ministry of Commerce and Industry. The ministry has now set a target of achieving US\$ 500-billion exports by 2013-14 by strategising the country's foreign trade through diversification of products and markets and technological enhancement.

The average assets under management of the mutual fund industry stood at US\$ 157 billion in February 2011 against US\$ 154 billion in January, according to the data released by Association of Mutual Funds in India (AMFI).

The Indian IT-BPO sector continues to be the fastest growing segment of the industry and is estimated to have aggregated revenues of US\$ 76 billion in FY2011 by growing 19 per cent over the previous year, revealed software industry body NASSCOM. Further, NASSCOM predicts that the Indian IT-BPO revenues may touch US\$ 225 billion by 2020.

The growth of Indian agriculture and allied sector was a top agenda in Budget 2011-12 presented by Finance Minister of India. He has estimated that the agriculture and allied sector would grow by 6 per cent this fiscal, a projection which should ease government's worries on food inflation of over 18 per cent.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Despite the global economic downturn, Indian capital markets have done well in the last decade. Emerging markets are flush and have witnessed a steady inflow of funds from FIIs. A steady growth rate of GDP coupled with a high savings and investment rate, coupled with improved governance and favourable regulatory environment has built the momentum and kept the financial markets afloat.

High liquidity levels in advanced economies have led to a sudden surge of capital flow to emerging economies. Although these capital flows have undoubtedly proven beneficial to these economies, there is an inherent risk of exchange rate volatility and the formation of asset price bubbles. Liquidity in markets may be adversely affected because of this and may give rise to instability while dealing with inflationary pressures.



The changing landscape of financial markets brought about by evolving regulations, shift in consumer demand and changing demographics is redefining the financial services industry. Complexities in financial markets are increasing, given the steady rise in the volume of products. Difficulties in comprehending the structure and quality of assets underlying the securities can lead to failure in complying with global standards thereby resulting in default. Some of the other factors which are adding to the pressure for domestic players are high customer expectations, intricate business models and continuously changing technology tools which span various products, infrastructure and

The year 2010-11 witnessed a strong recovery of Indian capital markets. This has set the pace for steady growth in the coming months. The vigour of the Indian capital markets reflects strong investor confidence and an increasing appetite for risk. Growth of the Indian economy was 8.6% during 2010-11, supporting the increased activity in the capital markets in full measure.

In 2010-11, 40 new companies were listed on NSE and BSE at a consolidated value of Rs. 33,068 crore, as compared to 39 companies listed the previous year with a reported value of Rs. 24,696 crore. Trading on the mutual fund front was Rs. 62,959 crores as of April 2011, with an inflow of Rs. 9,629 crore in equity and 1,01,333 crore in the debt segment. Outflow as of April 2011 was comparatively lower at Rs. 48,466 crore than Rs. 65,372 crore reported in April 2010.

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. 3842.95 lakhs (Rs. 5115.63 lakhs in previous year) and Net Profit for the year was Rs. 0.17 lakh (Net Loss of Rs. 1.60 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" with in 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 2011 & duly noted by the Board of Directors.

For and on behalf of the Board

Place: New Delhi
Dated: 13th August, 2011

PAVEL GARG
Managing Director

S. C. MITTAL
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, 2011, 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
Date: 28th May, 2011

Pavel Garg
Managing Director



G. K. Kedia & Co.

Chartered Accountants

914, Naurang House,
21, Kasturba Gandhi Marg,
New Delhi-1. Tel: 46259900

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 31st March, 2011 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 **M/s. G. K. Kedia & Co.**
Chartered Accountants
FRN : 013016N

Sd/-

Jeetmal Khandelwal
(Partner)

(Membership No: 074267)

Place: New Delhi

Date: 28th May, 2011

**AUDITORS' REPORT**

To the members of
MUDIT FINLEASE LIMITED,

We have audited the annexed Balance sheet of **MUDIT FINLEASE LIMITED**, as at **31/03/2011** 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 Central Government, 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, Profit and Loss Account and the Cash Flow Statement, dealt with by this report, are in agreement with the said books of accounts;
 - (d) In our opinion the Balance Sheet, Profit & Loss Account and the Cash Flow Statement, 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 31/03/2011 and taken on record by the board of directors, we report that none of the directors is disqualified as of 31/03/2011 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, 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 31/03/2011 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 for the year ended on that date.

For M/s. G. K. KEDIA & CO.
(Chartered Accountants)
FRN : 013016N

Jeetmal Khandelwal
(Partner)
M.No. 074267

Place: New Delhi
Dated: 28th May, 2011



ANNEXURE TO THE AUDITORS' REPORT

1. (a) The company has maintained proper records showing particulars including quantitative details and situation of fixed assets.
(b) Fixed assets have been physically verified by the management at 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 not granted unsecured loans to any person covered in the register maintained u/s 301 of the companies Act, 1956, during the year.
(b) The terms and conditions of unsecured loans granted by the company in the earlier year and received back in current year, 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/accepted unsecured loan from the parties 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 of the principal amount 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 Sections 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, the company was regular in paying the applicable statutory dues. 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 any cash loss in the current financial year, but, company had incurred a cash loss of Rs. 1,19,669/- 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 been held 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 of 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. G. K. KEDIA & CO.
(Chartered Accountants)
FRN : 013016N

Jeetmal Khandelwal
(Partner)
M.No. 074267

Place: New Delhi
Dated: 28th May, 2011

**BALANCE SHEET AS AT 31ST MARCH, 2011**

SCHEDULES		AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
I. SOURCES OF FUNDS			
1. Shareholders' Funds:			
(a) Capital	1	50,909,000	50,909,000
(b) Reserve & Surplus	2	12,622,964	12,606,082
2. Loan Funds:			
(a) Secured Loans		-	-
(b) Unsecured Loans	3	111,499,043	70,049,097
3. Deferred Tax (Net)	4	8,477	14,221
Total		175,039,484	133,578,400
II. APPLICATION OF FUNDS			
1. Fixed Assets :			
(a) Gross Block	5	69,427,742	25,325,502
(b) Less : Depreciation		356,178	319,912
(c) Net Block		69,071,564	25,005,590
(d) Capital Work in Progress		--	33,917,078
		69,071,564	58,922,668
2. Investments			
		-	-
3. Current Assets, Loans & Advances			
(a) Inventories	6	9,370,689	900,000
(b) Sundry Debtors		2,026,005	--
(c) Cash and Bank balances	7	670,500	2,909,166
(d) Other current assets		-	-
(e) Loans and Advances	8	94,511,008	71,135,855
		106,578,202	74,945,021
Less : Current Liabilities and Provisions			
(a) Liabilities	9	602,166	286,000
(b) Provisions:		8,116	3,289
Net Current Assets		105,967,920	74,655,732
4. (a) Miscellaneous Expenditure			
(To the extent not written off or adjusted)		-	-
(b) Profit and Loss Account		-	-
Total		175,039,484	133,578,400
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 G. K. Kedia & Co.

Chartered Accountants (FRN: 013016N)

Jeetmal Khandelwal

Partner

Membership No. 074267

Place : New Delhi

Date : 28.05.2011

For and on behalf of the Board

Pavel Garg
Managing Director

Poonam Garg
Director

S.C. Mittal
Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011			
PARTICULARS	SCHEDULES	YEAR ENDED 31.03.2011 Rs.	YEAR ENDED 31.03.2010 Rs.
I. INCOME			
Income from Capital Market	10	3,396,366	3,640,312
Interest Income	11	2,969,079	3,240,983
Other Income	12	246,545	25,465
		<u>6,611,987</u>	<u>6,906,760</u>
II. EXPENDITURE			
Personnel Expenses	13	2,656,538	2,625,794
Administrative & Operating Expenses	14	1,110,084	1,615,567
Finance Charges	15	2,765,320	2,785,068
		<u>6,531,943</u>	<u>7,026,429</u>
III. PROFIT BEFORE DEPRECIATION & TAX (I-II)		80,045	(119,669)
Depreciation		(36,266)	(45,424)
IV. PROFIT BEFORE TAX		43,779	(165,093)
Provision for Taxation :			
Current Tax	(8,116)	-	-
MAT Credit	(8,820)	-	-
Previous Year	(15,704)	-	-
Deferred Tax	5,743	(26,897)	5,032
V. PROFIT/(LOSS) AFTER TAXES		16,882	(160,061)
Excess/less Provision for taxation of earlier year		-	-
		16,882	(160,061)
Profit/(Loss) brought from previous year		12,606,082	12,766,143
Profit/(Loss) carried to Balance Sheet		<u>12,622,964</u>	<u>12,606,082</u>
Earning Per Share (Basic and Diluted)		0.0033	(0.0314)
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 G. K. Kedia & Co.		For and on behalf of the Board	
Chartered Accountants			
FRN: 013016N			
Jeetmal Khandelwal		Pavel Garg	Poonam Garg
Partner		Managing Director	Director
Membership No. 074267			
Place : New Delhi		S.C. Mittal	
Date : 28.05.2011		Director	



SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2011

PARTICULARS	AS AT										
	31.03.2011	AS AT 31.03.2010									
	Rs.	Rs.									
SCHEDULE-1											
SHARE CAPITAL											
Authorised											
60,00,000 Equity shares of Rs. 10/- each (Pr. Yr. 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 (Pr. Yr. 50,90,900 Equity shares of Rs. 10/- each fully paid-up)	50,909,000	50,909,000									
	50,909,000	50,909,000									
SCHEDULE-2											
RESERVE & SURPLUS											
Balance in Profit & Loss Appropriation A/c.	12,622,964	12,606,082									
	12,622,964	12,606,082									
SCHEDULE-3											
UNSECURED LOAN											
From Directors	-	-									
From Others	111,499,043	70,049,097									
	111,499,043	70,049,097									
SCHEDULE-4											
DEFERRED TAX (Net)											
Timing difference between depreciable assets	8,477	14,221									
	8,477	14,221									
SCHEDULE-5											
FIXED ASSETS											
PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Opening Balance	Additions During the year	Sale During the year	Total As On 31.3.2011	Opening Balance	Rate of Depre.	For the year	Sale During the year	Up to 31.3.11	As At 31.3.2011	As At 31.3.2010
a) Land & Building (Sec-32): Plot (HUDA)	24,885,335	-	-	24,885,335	-	0%	-	-	-	24,885,335	24,885,335
b) Building: Building	-	36,368,475	-	36,368,475	-	10%	-	-	-	36,368,475	-
c) Furniture & Fittings:											
Electrical Equipment & Fittings	-	1,803,997	-	1,803,997	-	10%	-	-	-	1,803,997	-
Water Tank	-	101,095	-	101,095	-	10%	-	-	-	101,095	-
(d) Plant & Machinery Air Conditioner	-	230,327	-	230,327	-	13.91%	-	-	-	230,327	-
Fire Extinguishers	-	17,421	-	17,421	-	13.91%	-	-	-	17,421	-
Generators	-	619,934	-	619,934	-	13.91%	-	-	-	619,934	-
Lift/Escalators	-	2,428,212	-	2,428,212	-	13.91%	-	-	-	2,428,212	-
Panels	-	1,759,249	-	1,759,249	-	13.91%	-	-	-	1,759,249	-
Pump/Meter	-	216,126	-	216,126	-	13.91%	-	-	-	216,126	-
Transformers	-	557,404	-	557,404	-	13.91%	-	-	-	557,404	-
Sub-total (a)	24,885,335	44,102,240	-	68,987,575	-	-	-	-	-	68,987,575	24,885,335
2) Office at Rohini (Sec-9):											
a) Plant & Machinery : Computer	362,952	-	-	362,952	303,947	40%	23,602	-	327,549	35,403	59,005
Mobile	31,848	-	-	31,848	11,007	13.91%	2,899	-	13,906	17,942	20,841
Motor Cycle	36,367	-	-	36,367	1,780	25.89%	8,955	-	10,735	25,632	34,587
Water Purifier	9,000	-	-	9,000	3,178	13.91%	810	-	3,988	5,012	5,822
Sub-total(b)	440,167	-	-	440,167	319,912	-	36,266	-	356,178	83,989	120,255
3) Capital Work in Progress:											
Building at Gurgaon	33,917,078	10,185,162	44,102,240	-	-	0%	-	-	-	-	33,917,078
			(Capitalized)								
Current Year	59,242,580	54,287,402	44,102,240	69,427,742	319,912	-	36,266	-	356,178	69,071,564	58,922,668
Previous Year	46,624,944	12,617,636	-	59,242,580	274,488	-	45,424	-	45,424	59,197,156	46,357,218



SCHEDULE-6			
INVENTORIES			
(as taken, valued & certified by Management)			
Stock of Shares :			
- Quoted (At lower of cost or market price)	9,370,689		900,000
- Unquoted (At cost)	-		-
(Refer clause no.8 of Notes to the Accounts)			
	<u>9,370,689</u>		<u>900,000</u>
SCHEDULE-7			
CASH & BANK BALANCES			
Cash in hand	51,970		128,163
Balance with Scheduled Banks in current A/cs.	618,530		2,781,003
	<u>670,500</u>		<u>2,909,166</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)	78,954,104		51,961,115
Advance for Capital Expenditure	100,000		2,442,497
Advance for Properties	14,699,200		14,699,200
Security Deposits	536,646		636,646
Prepaid Expenses	872		488,683
TDS Deducted	141,489		820,197
MAT Credit Entitlement	78,697		87,517
	<u>94,511,008</u>		<u>71,135,855</u>
SCHEDULE-9			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities			
Sundry Creditors for Capital Expenditure	264,212		57,166
Credit Balance with Syndicate Bank	75,215		-
Revenue Expenses Payable	262,739		228,834
	<u>602,166</u>		<u>286,000</u>
Provisions :			
Income Tax	8,116		3,289
	<u>8,116</u>		<u>3,289</u>
	<u>610,282</u>		<u>289,289</u>
SCHEDULE-10			
INCOME FROM CAPITAL MARKET			
Sale of Shares	376,707,208		512,064,699
Closing Stock in Trade	9,370,689		900,000
	<u>386,077,896</u>		<u>512,964,699</u>
Less : Opening Stock of Shares	900,000		900,000
Purchase of Shares	<u>385,115,113</u>		<u>504,654,892</u>
	62,783		7,409,807
Add: Jobbing/F&O Trading Income	4,352,721		(2,536,873)
Add: Dividend Income	20,350		18,652
Less: STT & Other Expenses	(1,039,491)		(1,251,274)
	<u>3,396,363</u>		<u>3,640,312</u>
SCHEDULE-11			
INTEREST INCOME			
On Loans & Advances	2,969,079		3,240,983
(TDS of Rs,62,270/- (Pr. Yr. Rs. 79,219/-))			
	<u>2,969,079</u>		<u>3,240,983</u>
SCHEDULE-12			
OTHER INCOME			
Advertisement Charges	170,000		-
Interest received on Income-tax refund	76,545		25,465
	<u>246,545</u>		<u>25,465</u>

**SCHEDULE-13****PERSONNEL EXPENSES**

Director Remuneration	780,000	300,000
Staff Salary	1,731,950	2,194,975
Staff Welfare	50,988	51,419
Perquisites & Allowances	93,600	79,400
	<u>2,656,538</u>	<u>2,625,794</u>

SCHEDULE-14**ADMINISTRATIVE AND OPERATING EXPENSES**

Advertisement	33,663	35,715
Advertisement Fees to MC (Gurgaon)	397,500	52,500
Audit Fees	22,060	22,060
Books, Newspaper & Periodicals	2,690	9,492
Business Promotion	48,176	16,559
Car Hire Charges	-	165,000
Computer Repair & Maintenance	27,424	32,263
Electricity Expenses	8,870	4,620
Fee & Subscription	20,000	20,000
House Tax	3,167	2,641
Legal and Professional Charges	85,090	222,806
Listing Fees and Annual Custodial Fees	92,863	686,614
Motor Cycle Insurance	178	-
Motor Cycle Repairs & Maintenance	8,380	-
Office Expenses	48,840	41,642
Office Repair & Maintenance	42,002	32,662
Postage and Courier	41,035	42,226
Printing & Stationary	42,519	53,859
Record Maint. Charges	13,236	15,994
Rent Paid	138,000	120,000
ROC Filing Fee	4,500	5,700
Telephone Expenses	17,892	21,214
Water Charges	12,000	12,000
	<u>1,110,084</u>	<u>1,615,567</u>

SCHEDULE-15**FINANCE CHARGES**

Bank Charges	11,406	10,245
Interest Paid (Others)	2,753,914	2,774,823
	<u>2,765,320</u>	<u>2,785,068</u>

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31st MARCH, 2011**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 jobbing operation and from F&O Activities is recognized on the settlement date. Income from interest on loan given is recognized on a time proportion basis at the time of squared up of interest bearing loan accounts or at the end of financial year, which ever is earlier. Dividend income is recognized on receipt basis.
- 3) Treatment of Expenses :** All expenses are accounted for on accrual basis.
- 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. The costs incurred on those assets for which the construction is completed but, either not are ready for their intended use or not put for use on the date of financial statements, are also shown under the head- Fixed Assets.
- 5) Capital Work-in-progress :** Cost incurred on those assets for which the construction was under progress, has completed during the year and same has been capitalized at the end of the year after business hours. There is no other 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 in 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 capitalized during the year after the business hours.
- 8) **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.
- 9) **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 difference, 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.
- 10) **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.
- 11) **Leases** : The company has taken office building on lease, which is classified as an Operating Lease.
- 12) **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.
- 13) **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 (net of advances) Rs. Nil (previous year Rs. 0.75 Crores).

2. **Payment made to Directors includes:**

Managerial Remuneration

Current year

7,80,000/-

Previous year

3,00,000/-

3. **Payments to Auditors includes:**

Audit Fees

Current year

22,060/-

Previous year

22,060/-

4. **Change in Accounting Policies:** The company has not made any changes in its accounting policy and are same as were in previous year.

5. **Segmental Reporting:** The company is an investing and financing company and most of the revenue of the company arise from investing activities. As all the investment and finances made by the company are subject to same risk and return, hence, there is only one segment of business.

6. **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.8,477/- for the period up to 31st March, 2011 on account of difference in depreciation rates prescribed as per the Companies Act, 1956 and as per Income Tax Act, 1961.

7. **Operating Lease** The company has taken head office building on lease which is classified as an 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. 1,80,000/-
(ii) later than one year and not later than five years	Rs. 1,80,000/-
(iii) later than five years	Rs. Nil

(b) Lease payment recognized in the statement of profit and loss for the period

Rs. 1,38,000/-

(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 % aMs mutually decided by both the parties.

8. **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, 2011		As at March 31, 2010	
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Opening Stock	18000	9,00,000	18000	9,00,000
Purchase	1709257	38,51,15,113	2085417	50,46,54,892
Sales	1685363	37,67,07,208	2085417	51,20,64,699
Closing Stock	41894	93,70,689	18000	9,00,000

9. **Related Party Disclosures:**

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

- Shri Pavel Garg (Key Management Personnel)
- Smt. Poonam Garg (Key Management Personnel)
- Shri Shri Chand Mittal (Key Management Personnel)
- Combitic Global (Associate)
- Combitic Global Caplet Pvt. Ltd. (earlier name-Unisule 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 31-3-2011
1.	Remuneration Paid	7.80 (3.00)	- (-)	- (-)
2.	Unsecured Loan : Received	230.00	274.00	-
	Paid back	(50.00) 231.60 (333.00)	(255.00) 517.07 (20.00)	(-) - (235.28)
3.	Unsecured Loan: given	-	-	-
	Received back	(-) -	(-) -	(-) -
4.	Interest Received	(-) -	(-) -	(-) -
5.	Interest Paid	1.78 (9.96)	8.64 (0.49)	- (-)

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

10. Earnings/ (Loss) Per Share (EPS):	Current year	Previous year
Profit after tax attributable to Equity shareholders (Numerator used for calculating basic EPS)	17,582	(1,60,061)
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	0.0033	(0.0314)
Diluted Earning/ (Loss) per share	0.0033	(0.0314)

11. On the basis of above information available with the company, there are no amounts payable to micro and small enterprises as at 31.03.2011 (Pr. Yr. - Nil). However, the status of all the undertakings is presently not known to the company.
12. Earning/Expenditure in foreign currency: Rs. Nil (Pr. Yr. Nil)
13. Debit and credit balances with the parties are subject to their confirmations by the parties.
14. 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.
15. 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.
16. Previous year figures have been regrouped or rearranged wherever considered necessary to make it comparable with the figures of the current year.
17. The company has kept 10,000 equity shares (Pr. Yr. Nil) of HDIL in margin account with broker M/s Maheshwari Technical & Financial Services Limited as margin at the year end.
18. As per RBI notification no. DNBS 223 CGM (US) 2011 dated January 17, 2011 Non Banking Financial (Non Deposit Accepting or Holding) Companies are required to provide 0.25% of Standard Assets as contingent provision on Standard Assets which comes to Rs. 1,97,385/- . The Company has not made provision for the same and will be considered in next financial 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 G.K. Kedia & Co.
Chartered Accountants (FRN:013016N)

Jeetmal Khandelwal
(Partner)

For and on behalf of Board of Directors

Pavel Garg
Managing Director

Poonam Garg
Director

Date : 28th May, 2011
Place : New Delhi

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	31.03.2011		

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	175039	Total Assets	175039
-------------------	--------	--------------	--------

Sources of Funds

Paid up capital	50909	Reserve & Surplus	12623
Secured Loans	NIL	Unsecured Loans	111499
Deferred Tax	8		

Application of Funds

Net Fixed Assets	69071	Investments	NIL
Net Current Assets	105968	Deferred Tax	NIL

4. Performance of Company (Rs. 000s)

Turnover	6612	Total Expenditure	6568
Profit/(loss) Before tax	44	Profit/loss After tax	17
Earning per share in Rs.	0.0033	Dividend rate %	NIL

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

Item Code No. :	Service Description	NBFC Co.
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For **G.K. Kedia & Co.**
Chartered Accountants
FRN: 013016N

For and on behalf of the Board

Jeetmal Khandelwal
Partner
Membership No. 074267

Pavel Garg
Managing Director

Poonam Garg
Director

Place : New Delhi
Date : 28.05.2011

S.C. Mittal
Director



CASH FLOW STATEMENT		
PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<u>CASH FLOW FROM OPERATING ACTIVITIES :</u>		
Net Profit before Tax	43,779	(165,093)
Adjustments for :		
Depreciation	36,266	45,424
(Profit)/Loss on sale of Fixed Assets	-	-
	<u>36,266</u>	<u>45,424</u>
Operating Profit before working capital changes	80,045	(119,669)
Increase / Decrease in :		
- Inventories (Increase)	(8,470,689)	(9,319,919)
- Sundry Debtors (Increase)	(2,026,005)	-
- Current Liabilities / Provisions (Increase)	315,250	(675,860)
- Other Current Assets (Decrease)	<u>3,617,836</u>	<u>-</u>
Cash Generated from operation before Income Tax	(6,483,564)	(19,115,448)
Income Tax / FBT/ MAT	26,897	(5,032)
Cash generated from operating activities (A)	<u>(6,510,460)</u>	<u>(19,110,416)</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
Purchase of Fixed Assets	(10,185,162)	(12,617,636)
Sale of Fixed Assets	-	-
Net Cash used from investing activities (B)	<u>(10,185,162)</u>	<u>(12,617,636)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Unsecured Loan received / (re-payment)	41,449,946	17,749,097
Loan / Advances (Given) / received back	(26,992,989)	(2,236,516)
Net Cash flow from financing activities (C)	<u>14,456,957</u>	<u>15,512,581</u>
Net increase/(Decrease) in cash & cash equivalents (A+B+C)	<u>(2,238,665)</u>	<u>(7,215,471)</u>
Cash and cash equivalent at beginning of the year	2,909,165	10,124,636
Cash and cash equivalent at the end of the year	670,500	2,909,165
Note :- Previous year figures have been regrouped wherever necessary		
In terms of our report of even date attached		
For G. K. Kedia & Co.	For and on behalf of the Board	
Chartered Accountants		
FRN : 013016N		
Jeetmal Khandelwal	Pavel Garg	Poonam Garg
Partner	Managing Director	Director
Membership No. 074267		
Place : New Delhi		S.C. Mittal
Date : 28.05.2011		Director
Auditors' Report		
We have examined the above cash flow statements of Mudit Finlease Limited for the year ended 31st March, 2011. 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 28th May, 2011, to the members of the company.		
		For G. K. Kedia & Co.
		Chartered Accountants
		FRN: 013016N
Place : New Delhi		Jeetmal Khandelwal
Date : 28.05.2011		Partner



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, 2011		(Rs.in lakhs)
Particulars	31.03.2011	
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	NIL	NIL
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	1115	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits*	NIL	NIL
(g) Other Loans from Directors	NIL	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		790
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		94
(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) Governments Securities		NIL
(iii) Others (Please specify)		NIL
Long Term 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) Governments Securities	NIL		
(iii) Others (Please specify)	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 "	NIL	NIL	NIL
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	790	790
Total	NIL	790	790
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 "	NIL	NIL	
(a) Subsidiaries	NIL	NIL	
(b) Companies in the same group	NIL	NIL	
(c) Other related parties	NIL	NIL	
2. Other than related parties	NIL	NIL	
Total	NIL	NIL	
"As per Accounting Standard of ICAI (Please see Note 3)			
8 Other Information			Amount
Particulars			
(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 G. K. Kedia & Co. Chartered Accountants FRN : 013016N		For and on behalf of the Board	
Jeetmal Khendelwal Partner Membership No. 074267		Pavel Garg Managing Director	
		Poonam Garg Director	
Date : 28th May, 2011 Place : New Delhi		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 Third Annual General Meeting of the Company to be held on Saturday the 10th day of September, 2011 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 Third Annual General Meeting of the Company to be held on Saturday, the 10th day of
September 2011, at 10.00 A.M. or any adjournment thereof.
Signed this day of 2011.

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

