



*Mudit
Finlease Ltd.*



"MUDIT SQUARE"

**24th Annual Report
2011-2012**



Board of Directors	Shri Pavel Garg - Promoter Managing Director Smt. Poonam Garg - Non-Executive Promoter Director Shri Y.Hari Shankar - Non-Executive Independent Director Shri Sushil Chandra Mehrotra - Non-Executive Independent Director Shri Shrichand Mittal - Non-Executive Independent Director
Company Secretary	Chandra Kishore Aggarwal
Auditors	M/s. G. K. Kedia & Co. Chartered Accountants (FRN : 013016N) 914, Naurang House,21, Kasturba Gandhi Marg,New Delhi – 110001
Bankers	Punjab National Bank, Syndicate Bank, Axis Bank Ltd.
Registered Office	CSC-5, Unit No. 2, 1st Floor, DDA Gole Market, Sector-9, Rohini, Delhi-110 085 Tel. No. 011-27553028 email: mudit_finlease@rediffmail.com investors_mfl@rediffmail.com Website : www.muditfinlease.com
Corporate Office	"Mudit Square", Plot No. 24, Sector-32, Gurgaon-122001 (Haryana)
Registrar & Share Transfer Agent	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 Website : www.beetalfinancial.com
ISIN Number (NSDL & CDSL)	INE 220D01010
BSE Scrip Code	531919
BSE Scrip ID	MUDITFN



CONTENTS

	Page Nos.
1. Notice	1
2. Directors' Report	3
3. Report On Corporate Governance	5
4. Report On Management Discussion & Analysis	10
5. Certificate Pursuant To Clause 49 V of The Listing Agreement	12
6. Auditors' Certificate on Corporate Governance	13
7. Auditors' Report	14
8. Balance Sheet	17
9. Statement of Profit & Loss Account	18
10. Notes to Financial Statements	19
11. Cash Flow Statement	25
12. Schedule as per NBFC Prudential Norms (RBI) Directions	26
13. Attendance Slip & Proxy Form	28



NOTICE OF ANNUAL GENERAL MEETING

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

Day : Monday

Date : 10th September 2012

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 2012 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Pavel Garg, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Smt. Poonam Garg, who retires by rotation and being eligible, offers herself 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 the Auditors.

“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.”

By order of the Board

PLace: New Delhi

Dated: 15th May, 2012

CHANDRA KISHORE AGGARWAL

Company Secretary

Registered Office:

CSC-5, Unit No. 2, First Floor,
DDA Gole Market, Sector-9, Rohini,
Delhi-110085

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 commencement of the Meeting.
2. Corporate Members are requested to send at the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representatives to attend and vote at the Meeting.
3. Members/proxies should bring the attendance slip, which is annexed to the Annual Report, duly filled in and signed for attending the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
5. 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 08th September 2012 to Monday, 10th September 2012 (both days inclusive) for the purpose of the Meeting.
7. Shareholders desirous of obtaining any information/clarification concerning the accounts and operations of the Company are requested to address their queries in writing to the Company Secretary at least 7 days prior to the meeting so as to enable



the Management to reply at the Meeting.

8. Members are requested to kindly bring their copy of Annual Report to the Meeting.
9. Members who hold shares in physical form are requested to kindly notify any change in their address(es) to the Company so as to enable the Company to address future communications to their correct address(es). Members holding shares in electronic form are requested to notify any change in their address(es) to their respective Depository Participant.
10. The Company has designated an exclusive email ID viz. *investors_mfl@rediffmail.com* to enable investors to post their grievances, if any, and monitor its redressal.
11. 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.
12. As a part of its Green initiative in Corporate Governance and Circulars issued by Ministry of Corporate Affairs allowing paperless compliances through electronic mode, soft copy of the Annual Report for 2011-12 will be sent along with the Notice to all the members whose email address is registered with the Company/Depository Participant (s) unless any member requests for a hard copy of the same. For members who have not registered their email addresses, the Annual Report 2011-12 along with the Notice will be sent in physical. All those members, who have not yet registered, are requested to register their email address with the Company/Depository Participant.
The Notice of the 24th Annual General Meeting and the Annual Report 2011-12 will also be available on the Company's website *www.muditfinlease.com* for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at New Delhi for inspection during business hours. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, by post/courier free of cost.
13. Brief profile of the Directors proposed to be re-appointed, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is provided hereunder:-

Brief Profile of the Directors seeking re-appointment at the ensuing Annual General Meeting, vide Items No. 2 & 3 of the Notice, (Pursuant to Clause 49 of the Listing Agreement with the stock exchanges in India) are given hereunder:

PARTICULARS	Sh. Pavel Garg	Smt. Poonam Garg
Date of Birth	04-12-1968	04-12-1969
Educational Qualifications	Graduate	Graduate
Date of Appointment on the Board	14.02.2005	30.07.2007
Category of the Director	Promoter – Executive (Managing Director)	Promoter – Non-Executive
Experience	21 Years	11 Years
Names of other Public Limited Companies in which the director also holds directorships	NIL	NIL
Memberships of Committees	1. Audit Committee (Chairman) 2. Shareholders/Investors Grievance Committee (Member) (in Mudit Finlease Limited)	Audit Committee (in Mudit Finlease Limited)
No. of Shares held	15,23,560	5,34,200

By order of the Board

PLace: New Delhi
Dated: 15th May, 2012
Registered Office:
CSC-5, Unit No. 2, First Floor,
DDA Gole Market, Sector-9, Rohini,
Delhi-110085

CHANDRA KISHORE AGGARWAL
Company Secretary

**DIRECTORS' REPORT**

To the Members,

Your directors take pleasure in presenting the Twenty Fourth Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS

(Rs. in Lacs)

PARTICULARS	CURRENT YEAR (2011-2012)	PREVIOUS YEAR (2010-2011)
Total Revenue	3995.14	3842.96
Profit before Depreciation and Finance Charges	44.17	28.45
Less: Depreciation	31.61	0.36
Finance Charges	<u>44.93</u>	<u>27.65</u>
Profit/ Loss before Tax	(32.37)	0.44
Add: Profit b/f from Previous Year		
<u>APPROPRIATIONS BALANCE AVAILABLE FOR</u>	93.86	126.50
Provision for Taxation	5.27	0.27
Proposed Dividend	NIL	NIL
Balance Carried Forward	88.59	126.23

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 2012.

CURRENT YEAR WORKING

During the year your Company registered a total revenue of Rs. 3995.14 Lacs compared to previous year's revenue of Rs. 3842.96 Lacs.

Depreciation was higher at Rs. 31.61 Lacs (Previous year Rs. 0.36 Lac). The provision for taxation during the year was Rs. 5.27 Lacs. Loss before tax was Rs. 32.37 Lacs, which is mainly due to increase in depreciation of Rs. 31.61 Lacs.

The Net Worth of the Company as at 31st March, 2012 stood at Rs. 597.68 Lacs as against Rs. 635.32 Lacs on 31st March, 2011.

DIRECTORS

Shri Pavel Garg and Smt. Poonam Garg, 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.

None of the Directors of the Company is disqualified from being appointed as a Director as specified under Section 274 of the Companies Act, 1956.

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.

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 2012 and of the Statement of 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

Your Company has not accepted any public deposits during the year under review within the meaning of Section 58A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

As on 31st March, 2012, 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 Bankers, staff and executives.

For and on behalf of the Board

Place: New Delhi
Dated: 15th May, 2012

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 overall 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	----	----
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 2011-2012, the Board of Directors met 8 times on the following dates:-

28th May 2011, 09th July 2011, 13th August 2011, 08th October 2011, 14th November 2011, 09th January 2012, 13th February 2012 and 17th March 2012.

Sr. No.	Name of Director	Attendance in Board Meeting held during the year/tenure	Whether Attended AGM held on 10th September, 2011
1.	Mr. Pavel Garg	8	Yes
2.	Mrs. Poonam Garg	6	Yes
3.	Mr. Y. Harishankar	4	Yes
4.	Mr. S.C. Mehrotra	5	Yes
5.	Mr. Shrichand Mittal	8	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 2012.

(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	480000.00	Nil	480000.00
Mrs. Poonam Garg	Nil	Nil	Nil	Nil	Nil
Mr. Y. Harishankar	Nil	Nil	300000.00	Nil	300000.00
Mr. Shrichand Mittal	Nil	Nil	Nil	Nil	Nil
Mr. Sushil Chandra Mehrotra	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	3
Sushil Chandra Mehrotra	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 2011-2012	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 – Ten)
Shrichand Mittal (Chairman)	8
Yegnanarayanan Hari Shankar	6
Pavel Garg	8

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 and Mrs. Poonam Garg, 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 2012 in Hindi and English newspapers in the month of May 2012 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 2009, 10th September 2010 and 10th September 2011 respectively.

G Additional Shareholders Information

Financial year : 1st April 2011 to 31st March 2012

Results	For the year ended 31st March 2012 were announced on	For the year ending on 31st March 2013 will be announced latest by
Un-audited financial results for First Quarter ended on 30th June	13th August 2011	14th August 2012
Un-audited financial results for Second Quarter ended on 30th September	14th November 2011	15th November 2012
Un-audited financial results for third Quarter ended on 31st December	13th February 2012	15th February 2013
Audited financial results for the year ended on 31st March	15th May 2012	31st May 2013

Stock Market Data

High / Low of market price of the Company's shares traded on The Bombay Stock Exchange Ltd. during each month in the last financial year ended 31st March, 2012 is as under :

Months	High (Rs.)	Low (Rs.)	Total No. of Shares Traded
April, 2011	92.90	50.00	100400
May, 2011	128.90	94.60	3700
June, 2011	127.00	119.65	1400
July, 2011	149.90	115.00	100000
August, 2011	151.00	137.00	59600
September, 2011	154.35	138.50	8700
October, 2011	142.10	132.60	900
November, 2011	142.50	142.00	600
December, 2011	175.50	140.00	2400
January, 2012	255.00	182.30	421600
February, 2012	338.50	191.30	1192200
March, 2012	201.50	125.10	787000

Dematerialisation of Shares as on March 31, 2012

S. No.	Electronic/Physical	No. of Shares	% of Total
1.	NSDL	41,36,095	81.24
2.	CDSL	5,97,605	11.74
3.	Physical	3,57,200	7.02
Total		50,90,900	100.00



Distribution of Shareholding as on March 31, 2012					
Shareholding of Nominal Value of Rs.		No. of Shareholders	% to Total	No. of Shares	% of Total
Upto	5000	271	48.74	1,18,300	2.32
5001 to	10000	237	42.63	1,66,300	3.27
10001 to	20000	1	0.18	1,300	0.03
20001 to	30000	1	0.18	2,100	0.04
30001 to	40000	-	-	-	-
40001 to	50000	1	0.18	4,500	0.09
50001 to	100000	6	1.08	44,800	0.88
100001 and	above	39	7.01	47,53,600	93.37
Total		556	100	50,90,900	100.00
The Company has not issued any GDRs / ADRs or any convertible instrument.					
Distribution of Shareholding Pattern as on March 31, 2012					
Category		No. of Shares	% of Total		
A. Promoters Holding					
a.	Indian Promoters	28,74,900	56.47		
b.	Foreign Promoter	0	0		
B. Non Promoters Holding					
a.	Foreign Institutional Investors	0	0		
b.	Mutual Fund	0	0		
c.	Bodies Corporate	13,42,900	26.38		
d.	Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	3,34,500	6.57		
e.	Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	4,92,500	9.67		
f.	HUF	45,900	0.90		
f.	Non Resident Indians	0	0		
g.	Clearing Members	200	0.01		
TOTAL		50,90,900	100		
Book Closure					
Book closure period is from 08th September 2012 to 10th September 2012 (Both days Inclusive).					
Listing on Stock Exchanges					
The Company's Equity Shares are listed on BSE Limited (Formerly the 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 2012, out of the total shares of the Company 47,33,700 shares are in dematerialized form (92.98%) and 3,57,200 shares are in physical form (7.02%).					
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 last 12 months have been very challenging for the Indian economy. Managing growth and price stability were the major concerns of macroeconomic management. The Indian economy is estimated to grow at 6.9% in 2011-12, after having grown at the rate of 8.4% in each of the two preceding years clearly indicating a slowdown in the economic activity during the year. At the same time, by any inter-country comparison, India still remains amongst the front runners. With agriculture and services continuing to perform well, Indian's slowdown can be attributed largely to weakening industrial growth. The manufacturing sector grew by 2.7% and 0.4% in the 2nd and 3rd Quarters respectively. The all time high current account deficit has led to depletion of forex reserves as a percentage of GDP. This has resulted in foreign exchange rate volatility with its consequential impact on costlier imports and thus higher domestic input costs.

In a bid to control inflation, RBI tightened the Monetary Policy leading the frequent and steep increase in interest rates. Though the inflation has slowed down, this has severely dented growth.

The global economies are still facing uncertainties of slowdowns, however, for the Indian economy, the outlook for growth and price stability at this juncture looks more promising. There are signs from some indicators that the weakness in economic activity has bottomed out and a gradual upswing is imminent.

India is the nineteenth largest exporter and tenth largest importer in the world. Economic growth rate stood at around 6.5% for the 2011-12 fiscal year. The fall is mainly because of poor performance of Secondary sector which grew by a mere 2.8% in 2011-12. However Services sector grew by 9.4%, unaffected by global trend. India's GDP stands at Rs.52.2 trillion as of 2011-12.

During 2011-12, India's foreign trade grew by an impressive 30.6% to reach \$ 792.3 billion (Exports - 38.33% & Imports - 61.67%)

BUSINESS ANALYSIS DURING 2011-12

During the year, the stock market remained volatile and the index moved in the range of 15,175 to 19,702. While the year started well, there have been frequent bouts of sharp volatility and downward trend with a low in December 2011. During the year global economy has not seen any major revival across North America and Europe and growth continues to remain moderate in Asian emerging economies. India has seen inflation and rising oil prices as a threat to the growth outlook in the medium to long term. To combat inflation, the Reserve Bank continuously raised interest rates which have dampened the spirit in the Indian capital market during the year.

Any equity market is influenced by underlying corporate performance, inflows from domestic investors and its attractiveness to foreign investors. In 2011-12 in India, outflows by FII due to high inflation and depreciation of rupee against major currencies and steep import bill on account of Gold and Crude oil, left a very limited scope for appreciation in Indian market and funds moved to other emerging markets.

FUTURE PROSPECTS AND OUTLOOK

While 2011-12 was not a good year for investors in India and several other markets, the problems of the global economy after its meltdown in previous 2-3 years have not gone away. Chinese economy which was a strong growth engine has shown signs of slowing down especially in the housing and infrastructure sectors. The problems of Eurozone are making the nascent global recovery look weak. Asia ex Japan continues to see growth though its composition varies across the region depending upon exposure to the export sector in different countries. Indian economy will see a reasonable growth in the near term though inflation, oil prices, budget deficits, interest rates, commodity prices



and infrastructural bottlenecks remain areas of concern.

RISKS AND CONCERNS

The Company is mainly exposed to market risk (including liquidity risk), interest risk and credit risk. However prudent business and risk management practices followed by the company over the years help it to manage the normal industry risk factors, which inter-alia includes economic / business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility, and credit risk.

The Company is confident of managing these risks by observing a conservative financial profile in investment and trading of securities business.

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 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. 3995.14 Lacs (Rs. 3842.96 Lacs in previous year) and Loss for the year was Rs. 37.64 Lacs (Net Profit of Rs. 0.17 Lac 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 2012 & duly noted by the Board of Directors.

For and on behalf of the Board

Place: New Delhi
Dated: 15th May, 2012

PAVEL GARG
Managing Director

S. C. MITTAL
Director



CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

I, Pavel Garg, Managing Director of Mudit Finlease Limited ("the Company") do hereby certify to the Board that :-

- a) I have reviewed the Financial Statements and the Cash Flow Statement for the year ended on 31st March, 2012 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.
- b) To the best of my knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2012 are fraudulent, illegal or violative of the Company's Code of conduct.
- c) 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.
- d) During the year : -
 - (i) there has not been any significant change 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: 15th May, 2012

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 31st March, 2012, 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/-
Gopal Kumar Kedia
Partner
(Membership No: 054629)

Place: New Delhi
Date: 15th May, 2012

**AUDITORS' REPORT**

To the members of
MUDIT FINLEASE LIMITED,

We have audited the annexed Balance sheet of **MUDIT FINLEASE LIMITED**, as at 31/03/2012 and the Statement of 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, Statement of 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, Statement of 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 31/03/2012 and taken on record by the board of directors, we report that none of the directors is disqualified as of 31/03/2012 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 to Financial Statement, 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 31/03/2012 and;
 - (ii) In the case of the Statement of Profit and Loss Account, of the loss 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

Sd/-
Gopal Kumar Kedia
Partner
(Membership No: 054629)

PLace: New Delhi
Date: 15th May, 2012

**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 are 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. The maximum amount outstanding was Rs. 1,86,00,000/- during the year and one party was involved during the year.
(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 immediately preceding financial year, but, company has incurred a cash loss of Rs. 76,231/- in the current 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 any 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)
Firm Registration No. : 013016N

Gopal Kumar Kedia
(Partner)
Membership No. 054629

Place : New Delhi
Dated: 15-05-2012



BALANCE SHEET AS AT 31.03.2012					
Particulars	Note No.	AS AT 31.03.2012		AS AT 31.03.2011	
		Rs.		Rs.	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds:					
(a) Share Capital	2	50,909,000		50,909,000	
(b) Reserve & Surplus	3	<u>8,859,029</u>	59,768,029	<u>12,622,964</u>	63,531,964
2. Non-Current Liabilities					
(a) Deferred tax liabilities (Net)	4		547,938		8,477
3. Current liabilities					
(a) Short-term borrowings	5	75,426,053		111,499,043	
(b) Other current liabilities	6	1,445,780		602,166	
(c) Short-term provisions	7	<u>75,825</u>	76,947,658	<u>8,116</u>	112,109,325
Total			<u>137,263,625</u>		<u>175,649,766</u>
II. ASSETS					
1. Non-current assets					
(a) Fixed assets					
Tangible assets	8	67,345,651		69,071,564	
(b) Long-term loans and advances	9	<u>16,188,846</u>	83,534,497	<u>15,335,846</u>	84,407,410
2. Current Assets					
(a) Inventories	10	14,220,430		9,370,689	
(b) Trade receivables	11	2,122,094		2,026,005	
(c) Cash and cash equivalents	12	6,746,591		670,500	
(d) Short-term loans and advances		30,329,790		78,954,104	
(e) Other current assets	13	<u>310,223</u>	53,729,128	<u>221,058</u>	91,242,356
Total			<u>137,263,625</u>		<u>175,649,766</u>
The accounting policies and notes form an integral part of these financial statements.					
In terms of our report of even date attached.					
For G. K. Kedia & Co. Chartered Accountants (FRN: 013016N)			For and on behalf of the Board		
Gopal Kumar Kedia Partner Membership No. 054629		Pavel Garg Managing Director		Poonam Garg Director	
Place : New Delhi Date : 15.05.2012		S.C. Mittal Director		Chandra Kishore Aggarwal Company Secretary	



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2012

Particulars	Note No.	AS AT 31.03.2012 Rs.	AS AT 31.03.2011 Rs.
I. Revenue from operations	14	399,292,112	384,029,007
II. Other Income	15	221,440	266,895
III. Total Revenue (I + II)		399,513,552	384,295,902
IV. Expenses:			
Purchases of Stock-in-Trade		395,412,485	386,154,604
Changes in inventories of Stock-in-Trade	16	(4,849,741)	(8,470,689)
Employee benefit expenses	17	2,499,864	2,656,538
Finance cost	18	4,493,331	2,753,914
Depreciation and amortization expenses	19	3,160,983	36,266
Other expenses	20	2,033,845	1,121,490
Total expenses		402,750,766	384,252,123
V. Profit before exceptional and extraordinary items and tax (III - IV)		(3,237,214)	43,779
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(3,237,214)	43,779
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		(3,237,214)	43,779
X. Tax expenses:			
(1) Current tax		-	8,116
(2) MAT Credit		-	8,820
(3) Previous Year	(12,740)		15,704
(2) Deferred tax	<u>539,461</u>	526,721	<u>(5,743)</u>
XI. Profit/(Loss) for the period from continuing operations (IX - X)		(3,763,935)	16,882
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expenses of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(3,763,935)	16,882
XVI. Earnings per equity share:			
(1) Basic		(0.739)	0.003
(2) Diluted		(0.739)	0.003
The accounting policies and notes form an integral part of these financial statements.			
In terms of our report of even date attached.			
For G. K. Kedia & Co. Chartered Accountants (FRN: 013016N)		For and on behalf of the Board	
Gopal Kumar Kedia Partner Membership No. 054629	Pavel Garg Managing Director	Poonam Garg Director	
Place : New Delhi Date : 15.05.2012	S.C. Mittal Director	Chandra Kishore Aggarwal Company Secretary	



NOTES TO THE FINANCIAL STATEMENT				
Particulars	Note No.	AS AT 31.03.2012 Rs.	AS AT 31.03.2011 Rs.	
2 SHARE CAPITAL				
Authorised				
60,00,000 Equity shares of Rs. 10/- each		<u>60,000,000</u>		<u>60,000,000</u>
Issued, Subscribed and Paid-up				
50,90,900 Equity shares of Rs. 10/- (Pr. Yr. 50,90,900 Shares) each fully paid-up		<u>50,909,000</u>		<u>50,909,000</u>
		<u>50,909,000</u>		<u>50,909,000</u>
Outstanding Share reconciliation (Nos.)				
Particulars	As at 31.3.2012 Equity Shares		As at 31.3.2011 Equity Shares	
Opening at the beginning of the year	5,090,900		5,090,900	
Add: Issued during the year	-		-	
Less : Buy back during the year	-		-	
Less : redemption during the year	-		-	
Closing as on 31st March, 2012	<u>5,090,900</u>		<u>5,090,900</u>	
Shareholders holding more than 5% of total issued and paid up Equity Share Capital				
	As at 31.3.2012		As at 31.3.2011	
Name	% of Holding	No. of Shares held	% of Holding	No. of Share held
Pavel Garg	29.93	1,523,560	31.89	1,623,560
Poonam Garg	10.49	534,200	12.41	631,700
Adroit Fin. Serv. P. Ltd.	5.23	266,300	-	-
3 RESERVE & SURPLUS				
Surplus (balance in Statement of Profit & Loss) :				
Opening Balance		12,622,964		12,606,082
Add : Profit/(Loss) for the year		<u>(3,763,935)</u>		<u>16,882</u>
		<u>8,859,029</u>		<u>12,622,964</u>
		<u>8,859,029</u>		<u>12,622,964</u>
4 DEFERRED TAX LIABILITIES (NET)				
Timing difference between depreciable assets		<u>547,938</u>		<u>8,477</u>
		<u>547,938</u>		<u>8,477</u>
5 SHORT-TERM BORROWINGS				
Unsecured :				
(a) Loan and advances payable on demand from :				
- Directors		18,244,679		-
- Others		<u>57,181,374</u>		<u>111,499,043</u>
		<u>75,426,053</u>		<u>111,499,043</u>
		<u>75,426,053</u>		<u>111,499,043</u>
6 OTHER CURRENT LIABILITIES				
(a) Sundry Creditors for Capital Expenditure		-		264,212
(b) Statutory due to Revenue Authorities - TDS / TCS		451,175		228,967
(c) Expenses payable		101,514		33,772
(d) Other payables		<u>893,091</u>		<u>75,215</u>
		<u>1,445,780</u>		<u>602,166</u>
7 SHORT TERM PROVISIONS				
Provision on Standard Assets		75,825		-
Provision for Taxation		-		8,116
		<u>75,825</u>		<u>8,116</u>
9 LONG-TERM LOAN AND ADVANCES				
(a) Capital Advance unsecured considered Good		15,696,200		14,799,200
(b) Security Deposit unsecured considered Good		<u>492,646</u>		<u>536,646</u>
		<u>16,188,846</u>		<u>15,335,846</u>
10 INVENTORIES				
(a) Stock-in-trade - Stock of share (quoted) (Stock of shares are valued at cost or market price whichever is lower)		14,220,430		9,370,689
		<u>14,220,430</u>		<u>9,370,689</u>



8. FIXED ASSETS											
PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK					NET BLOCK	
	Rate	Opening	Addition	Disposals	Closing	Opening	Additions	Reversal	Closing	WDV as on 31.3.2012	WDV as on 31.3.2011
(a) Land											
Plot (HUDA)	0%	24,885,335	-	-	24,885,335	-	-	-	-	24,885,335	24,885,335
(b) Buildings	5%	36,368,475	415,987	-	36,784,462	-	1,830,212	-	1,830,212	34,954,251	36,368,475
(c) Office Equipments											
Air Conditioner	13.91%	230,327	-	-	230,327	-	32,038	-	32,038	198,289	230,327
Fire Extinguisher	13.91%	17,421	5,430	-	22,851	-	2,772	-	2,772	20,079	17,421
Generator	13.91%	619,934	-	-	619,934	-	86,233	-	86,233	533,701	619,934
Lift/Escalators	13.91%	2,428,212	306,939	-	2,735,151	-	371,127	-	371,127	2,364,024	2,428,212
Panels	13.91%	1,759,249	-	-	1,759,249	-	244,712	-	244,712	1,514,537	1,759,249
Pump/Meters	13.91%	216,126	-	-	216,126	-	30,063	-	30,063	186,063	216,126
Transformers	13.91%	557,404	-	-	557,404	-	77,535	-	77,535	479,869	557,404
Mobile	13.91%	31,848	-	-	31,848	13,906	2,496	-	16,402	15,446	17,942
Water Purifier	13.91%	9,000	-	-	9,000	3,988	697	-	4,685	4,315	5,012
Computer	40%	362,952	-	-	362,952	327,549	14,161	-	341,710	21,242	35,403
(d) Furniture and Fixtures											
Electricals Equipments & Fittings	18.10%	1,803,997	-	-	1,803,997	-	326,523	-	326,523	1,477,473	1,803,997
Water Tank	18.10%	101,095	-	-	101,095	-	18,298	-	18,298	82,797	101,095
(e) Vehicles											
Motor Cycle	25.89%	36,367	-	-	36,367	10,735	6,636	-	17,371	18,996	25,632
Car	25.89%	-	706,714	-	706,714	-	117,480	-	117,480	589,234	-
TOTAL (Current Year)		69,427,742	1,435,070	-	70,862,812	356,178	3,160,983	-	3,517,161	67,345,651	69,071,564
TOTAL (Previous 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
11 TRADE RECEIVABLES											
(a) Outstanding for a period exceeding six months											
(b) Others (Unsecured, considered good.)							2,122,094				2,026,005
(No amount is due from Directors, Officers and Firm/ Company of Directors)							2,122,094				2,026,005
12 CASH AND CASH EQUIVALENTS											
(a) Balances with banks in Current accounts							53,499				618,530
(b) Cheques, drafts on hand							6,600,110				-
(c) Cash in hand							92,982				51,970
							6,746,591				670,500
12A SHORT TERM LOANS AND ADVANCES											
Unsecured considered Good											
Loans to others receivable on demand							30,329,790				78,954,104
							30,329,790				78,954,104
13 OTHER CURRENT ASSETS											
(a) Tax Deducted at Sources							117,136				141,489
(b) Prepaid expenses							114,390				872
(c) MAT Credit Entitlement							78,697				78,697
							310,223				221,058
14 REVENUE FROM OPERATIONS											
Revenue from Sales of Shares							390,998,447				376,707,207
Revenue from NBFC Activity							3,813,107				2,969,079
Jobbing/F&O Trading Income							4,480,558				4,352,721
							399,292,112				384,029,007
15 OTHER INCOME											
Interest on Income Tax Refund							5,197				76,545
Dividend Income							216,243				20,350
Advertisement Income							-				170,000
							221,440				266,895
16 CHANGES IN INVENTORIES											
Opening stock of shares (quoted)							9,370,689				900,000
Closing stock of shares (quoted)							14,220,430				9,370,689
							(4,849,741)				(8,470,689)



17 EMPLOYEES BENEFITS EXPENSES		
Directors Remuneration	780,000	780,000
Salaries and wages	1,574,435	1,731,950
Allowances	93,600	93,600
Staff Welfare Expenses	51,829	50,988
	<u>2,499,864</u>	<u>2,656,538</u>
18 FINANCE COST		
Interest Expenses	4,493,331	2,753,914
	<u>4,493,331</u>	<u>2,753,914</u>
19 DEPRECIATION AND AMORTIZATION		
Depreciation	3,160,983	36,266
	<u>3,160,983</u>	<u>36,266</u>
20 OTHER EXPENSES		
- Auditors payment	22,472	22,060
- Bank Charges	15,434	11,406
- Books and periodicals	7,800	2,690
- Electricity / fuel	1,019,198	8,870
- Fees & Subscription	71,695	112,863
- Guard Expenses	222,141	-
- House Tax	3,167	3,167
- Insurance	2,387	178
- Legal and professional expenses	20,240	85,090
- Office Expenses	86,899	48,840
- Office Repair & Maintenance	6,508	42,002
- Postage and courier	38,385	41,035
- Printing and Stationery	39,842	42,519
- Record maintenance charges	13,236	13,236
- Rent	180,000	138,000
- Repairs & Maintenance - Building	39,881	-
- Repairs & Maintenance - Others	19,774	27,424
- ROC Filing Fee	5,000	4,500
- Telephone & Internet expenses	31,886	17,892
- Vehicle Running and Maintenance expenses	28,150	8,380
- Water expenses	3,061	12,000
- Provision on Standard Assets @0.25%	75,825	-
- Advertisement	34,183	431,163
- Sales / Business promotion	46,681	48,175
	<u>2,033,845</u>	<u>1,121,490</u>

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT 31st MARCH, 2012**Note No. 1 : SIGNIFICANT ACCOUNTING POLICIES****1.i 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.

1.ii 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, whichever is earlier. Dividend income is recognized on receipt basis.

1.iii Treatment of Expenses

All expenses are accounted for on accrual basis.

1.iv 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.

1.v 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.

1.vi 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.

1.vii Inventories

Stock-in-trade (quoted) is valued at cost (on first-in-first-out (FIFO) basis) or market prices, whichever is lower.

1.viii 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.

1.ix 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.

1.x Leases

The company has taken office building on lease, which is classified as an Operating Lease.

1.xi 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.

1.xii Contingent liabilities

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

NOTES TO THE ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS AS AT 31st MARCH, 2012

21. Contingent Liabilities	Current year	Previous year
Estimated amount of contingent liability	Nil	Nil
22. Payment made to Directors includes:	Current year	Previous year
Managerial Remuneration	7,80,000/-	7,80,000/-
23. Payments to Auditors includes:	Current year	Previous year
Audit Fees	22,472/-	22,060/-
24. Change in Accounting Policies:	The company has not made any changes in its accounting policy and are same as were in previous year.	
25. 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.	

**26. 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.5,47,938/-for the period up to 31st March, 2012 on account of difference in depreciation rates prescribed as per the Companies Act, 1956 and as per Income Tax Act, 1961.

27. 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/- P.A. |
| (ii) later than one year and not later than five years | Rs. 1,80,000/- P.A. |
| (iii) later than five years | Rs. Nil |

(b) Lease payment recognized in the statement of profit and loss for the year Rs. 1,80,000/- P.A.

(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.

28. Dealing in Securities:

Quantitative information in respect of dealing in securities:

	As at March 31, 2012		As at March 31, 2011	
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Opening Stock	41894	93,70,689	18000	9,00,000
Purchase	2397453	39,54,12,485	1709257	38,51,15,113
Sales	2235347	39,09,98,447	1685363	37,67,07,208
Closing Stock	204000	1,42,20,430	41894	93,70,689

29. Related Party Disclosures:

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

- i. Shri Pavel Garg (Key Management Personnel)
- ii. Smt. Poonam Garg (Key Management Personnel)
- iii. Shri Shri Chand Mittal (Key Management Personnel)
- iv. Combitic Global Caplet (P) Ltd. (Associates)

b. Related Parties Transactions:

The details of transactions between the Company and the related party, as defined in the Accounting Standard-8, 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 31-3-2012
1.	Remuneration Paid	7.80 (7.80)	-	-
2.	Unsecured Loan : Received	201.00 (230.00)	- (274.00)	182.45 (-)
	Paid back	25.00 (231.60)	- (517.07)	-
3.	Interest Paid	7.16 (1.78)	- (8.64)	-
4.	Share Application Money Given	-	97.00	-
	Received Back	-	97.00	-
5.	Advance received for purchase of Share	-	218.00	-
	Returned	-	218.00	-



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

30. Earnings/ (Loss) Per Share (EPS):	Current year	Previous year
Profit after tax attributable to Equity shareholders (Numerator used for calculating basic EPS)	(-)37,63,935	16,882
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	(-)0.739	0.003
Diluted Earning/ (Loss) per share	(-)0.739	0.003

31. On the basis of above information available with the company, there are no amounts payable to micro and small enterprises as at 31.03.2012 (Pr. Yr. - Nil). However, the status of all the undertakings is presently not known to the company.

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

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

34. 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.

35. 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.

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

37. The company has kept equity shares of companies in margin account with broker M/s Maheshwari Technical & Financial Services Limited as margin. Details of share in margin for the year ending is as under :

Shares	Current year	Previous Year
HDIL	10000	10000
IFCI Ltd.	36000	—
SJVN	100000	—

In terms of our report of even date attached

For G. K. Kedia & Co.

Chartered Accountants (FRN: 013016N)

For and on behalf of the Board

Gopal Kumar Kedia
Partner
Membership No. 054629

Pavel Garg
Managing Director

Poonam Garg
Director

Place : New Delhi
Date : 15.05.2012

S.C. Mittal
Director

Chandra Kishore Aggarwal
Company Secretary



CASH FLOW STATEMENT		
PARTICULARS	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
<u>CASH FLOW FROM OPERATING ACTIVITIES :</u>		
Net Profit before Tax	(3,237,214)	43,779
Adjustments for :		
Depreciation	<u>3,160,983</u>	<u>36,266</u>
Operating Profit before working capital changes	(76,231)	80,045
Increase / Decrease in :		
- Inventories (Increase)	(4,849,741)	(8,470,689)
- Sundry Debtors (Increase)	(96,089)	(2,026,005)
- Current Liabilities (Increase)	911,323	320,993
- Non-Current Liabilities (Increase)	539,461	(5,743)
- Other Current Assets (Decrease) / Increase	<u>(89,165)</u>	<u>1,175,339</u>
Cash Generated from operation before Income Tax	(3,660,442)	(8,926,060)
Income Tax / MAT / Deferred Tax	526,721	26,897
Cash generated from operating activities (A)	<u>(4,187,163)</u>	<u>(8,952,957)</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES: (A)</u>		
Purchase of Fixed Assets	(1,435,070)	(10,185,162)
Long term loans & advances (Increase)	(853,000)	2,442,497
Net Cash used from investing activities (B)	<u>(2,288,070)</u>	<u>(7,742,665)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Short Term borrowings received / (re-payment)	(36,072,990)	41,449,946
Short Term Loan & Advances (Given) / received back	48,624,314	(26,992,989)
Net Cash flow from financing activities (C)	<u>12,551,324</u>	<u>14,456,957</u>
Net increase/(Decrease) in cash & cash equivalents (A+B+C)	6,076,091	(2,238,664)
Cash and cash equivalent at beginning of the year	670,500	2,909,164
Cash and cash equivalent at the end of the year	6,746,590	670,500
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		
Gopal Kumar Kedia	Pavel Garg	Poonam Garg
Partner	Managing Director	Director
Membership No. 054629		
Place : New Delhi	S.C. Mittal	Chandra Kishore Aggarwal
Date : 15.05.2012	Director	Company Secretary
Auditors' Report		
We have examined the above cash flow statements of Mudit Finlease Limited for the year ended 31st March, 2012. 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 15.05.2012, to the members of the company.		
		For G. K. Kedia & Co.
		Chartered Accountants
		FRN: 013016N
Place : New Delhi		Gopal Kumar Kedia
Date : 15.05.2012		Partner
		Membership No. 054629



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, 2012 (Rs.in lakhs)		
Particulars	31.03.2012	
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	572	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits*	NIL	NIL
(g) Other Loans from Directors	182	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		303
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		142
(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	303	303
Total	NIL	303	303
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	142	142	
Total	142	142	
"As per Accounting Standard of ICAI (Please see Note 3)			
8 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 G. K. Kedia & Co. Chartered Accountants FRN : 013016N			For and on behalf of the Board
Gopal Kumar Kedia Partner Membership No. 054629	Pavel Garg Managing Director		Poonam Garg Director
Date : 15/05/2012 Place : New Delhi	S.C. Mittal Director		(Chandra Kishore Aggarwal) Company Secretary



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 Fourth Annual General Meeting of the Company to be held on Monday the 10th day of September, 2012 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 Fourth Annual General Meeting of the Company to be held on Monday, the 10th day of		
September 2012, at 10.00 A.M. or any adjournment thereof.		
Signed this day of 2012.		
<table border="1" style="border-collapse: collapse; width: 100px;"> <tr> <td style="text-align: center; padding: 5px;">Please Affix Rupee One Revenue Stamp</td> </tr> </table>		Please Affix Rupee One Revenue Stamp
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