

ILD

INDIA LEASE DEVELOPMENT LIMITED

27th
Annual Report
2011-2012



Shri Ved Prakash Gupta

(15th August, 1915 - 20th August 2005)

A True Karmayogi.

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

BOARD OF DIRECTORS

SHRI RAJIV GUPTA

Chairman

SHRI ARUN MITTER

Director

SHRI SHARAD AGGARWAL

Director

SHRI M. K. MADAN

Director

SHRI ROHIT MADAN

Manager & Company Secretary

AUDITORS

M/S S.N.DHAWAN & CO.
CHARTERED ACCOUNTANTS
C-37, CONNAUGHT PLACE,
NEW DELHI-110 001

BANKERS

BANK OF INDIA
KOTAK MAHINDRA BANK LTD

REGISTERED OFFICE :

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

PHONE:011- 41519433, 41520070

E-mail : info@indialease.com

Website : www.indialease.com

REGISTRAR AND SHARE

TRANSFER AGENTS :

M/S ALANKIT ASSIGNMENTS LIMITED
ALANKIT HOUSE,
2E/21, JHANDEWALAN EXTENSION,
NEW DELHI-110 055.

PHONE:011-42541953-63

INDEX

	From - To
Management & Lending Institutions	1
Notice	2 - 6
Directors' Report Including Corporate Governance	7 - 20
Secretarial Audit Report	21 - 22
Auditors' Report	23 - 25
Balance Sheet	26
Statement of Profit & Loss.....	27
Cash Flow Statement	28
Notes forming part of the Financial Statements	28 - 45
Company's Offices	46
Proxy Form	

NOTICE

NOTICE is hereby given that the Twenty Seventh (27th) Annual General Meeting of the Shareholders of India Lease Development Limited will be held at The Executive Club, 439, Village Shahoorpur, P.O.Fatehpur Beri, New Delhi-110030 on Thursday, the 27th September, 2012 at 1.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri M.K.Madan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Sharad Aggarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration. M/s S.N.Dhawan & Co., Chartered Accountants, (ICAI FRN Reg. No.000050N) retires and are eligible for re-appointment. Certificate under Section 224(1B) of the Companies Act, 1956, has been obtained from them.

SPECIAL BUSINESS

TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTIONS:-

AS A SPECIAL RESOLUTION**5. REAPPOINTMENT OF MANAGER**

"Resolved that Mr. Rohit Madan, on the recommendation of the Recommendation Committee be and is hereby reappointed as Manager designated as Manager & Company Secretary under the Companies Act, 1956 for a period of three (3) years from 1st April, 2012 to 31st March, 2015 on the terms and conditions as set out in the agreement entered into between the company and Mr. Rohit Madan subject to the condition that the Board of Directors of the company be and are hereby authorized to vary/amend/alter the terms and conditions of his re-appointment as they may deem fit and which is acceptable to Mr. Rohit Madan but in no case, remuneration payable including minimum remuneration shall exceed the limits laid down in Para 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 or any other amendment made thereto.

Remuneration including perquisites**Salary**

Basic Salary ₹ 36,000/- with annual increment of ₹ 2,500/- in the grade of ₹ 36,000-2,500-41,500.

Perquisites

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

Category 'A'**Housing (I)**

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

OR

Housing (II)

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

OR

Housing (III)

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

Other allowances

20% of basic salary

Other Perquisites

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

Personal Accident Insurance premium not to exceed ₹ 4,000/- per annum.

Explanations:

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

Category 'B'

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

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

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

Category 'C'

Provision of car and free telephone/communication facilities at the residence for business purpose.

Gross salary including perquisites, as stated above, payable to Manager, shall not exceed ₹ 1,00,000/- per month.

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

Minimum Remuneration

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

Other Conditions:

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

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

By order of the Board of Directors
For India Lease Development Limited

Place : New Delhi
Date : August 23, 2012

Rohit Madan
Manager & Company Secretary

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

The Board of Directors, on the recommendation of the Remuneration Committee at its meeting held on 30th March, 2012 have, re-appointed Mr. Rohit Madan as Manager & Company Secretary under the Companies Act, 1956 for a period of three (3) years from 1st April, 2012 to 31st March, 2015 on the terms and conditions as set out in the agreement entered into between the company and Mr. Rohit Madan subject to the condition that the Board of Directors of the company be and are hereby authorised to

vary/amend/alter the terms and conditions of his appointment as they may deem fit and which is acceptable to Mr. Rohit Madan but in no case the remuneration payable including minimum remuneration shall exceed the limit laid down in 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 or any other amendment made thereto:

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

MEMORANDUM OF INTEREST OF DIRECTOR

Mr. Rohit Madan is concerned or interested in his re-appointment and remuneration payable to him. Mr. M.K Madan, being related to him, is also deemed to be concerned or interested in his re-appointment. He did not participate in the meeting when the aforesaid resolution was considered by the Board. None of other directors is concerned or interested in the passing of the above resolution. This may also be considered as an abstract for his re-appointment in terms of Section 302 of the Companies Act, 1956.

By order of the Board of Directors
For **India Lease Development Limited**

Place : New Delhi
Date : August 23, 2012

Rohit Madan
Manager & Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST FORTY EIGHT HOURS (48 HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.**

2. Register of Members and Share Transfer Books of the company will remain closed from Monday the 24th September, 2012 to Thursday the 27th September, 2012 (both days inclusive).

3. Trading in the shares of your company is in compulsory demat mode. Members who have not yet got their shares dematerialized are requested to opt for the same in their own interest and send their certificates through Depository Participant(s) with whom they have dematerialised account to the Company's Registrars and Share Transfer Agents, M/s Alankit Assignments Limited, having their office at 2E/21, Alankit House, Jhandewalan Extn, New Delhi-110055.

Further Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the company/Registrars and Share Transfer Agents.

4. Member(s) holding shares in the identical names in different folios are requested to apply for consolidation of the said folios and send relevant share certificate(s).

5. REGARDING UNCLAIMED DIVIDEND

(i) All unclaimed dividends declared upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.

(ii) Pursuant in to provisions of section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the Unclaimed or unpaid dividends for the financial years ended 31st March, 1996 to 31st March, 2000 to the Investor Education and Protection Fund the (IEPF) established by the Central Government.

(iii) To receive faster communication of all shareholder communications, including Annual Report, the shareholders are requested to kindly register/update their email address with their respective Depository Participant where shares are held in electronic form. If, however, shares are held in physical form, holders are advised to register their email address with the company and/ or Registrar and Share Transfer Agents.

6. Member(s) are requested:-

a) To bring their copy of annual report and attendance slip at the time of meeting.

b) To quote their registered Folio No(s)/ DPID/Client ID No. in all correspondence.

c) Members who held shares in dematerialised form are requested to bring their DPID/ Client ID numbers for easy identification of attendance at the meeting.

7. As per Circular No. 18/2011 on Green initiative, the company will send Annual Report along with other documents through e-mails to all members, who have registered their e-mail address with the depository and physical hard copies will be despatched to others. In case any member desire to get hard copy of Annual Report, they can write to Company at registered office address or e-mail at info@indialease.com.

By order of the Board of Directors
For **India Lease Development Limited**

Place : New Delhi
Date : August 23, 2012

Rohit Madan
Manager & Company Secretary

LISTING REQUIREMENTS

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

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

Name : Shri M.K.Madan
Age & Date of Birth : 68 years (27-02-1944)
Qualification : B.Com, FCA, ACS

Experience in specific financial areas

Shri M.K.Madan is a qualified Chartered Accountant and Company Secretary, and his experience in finance and secretarial matters will be helpful to the Company.

Other Directorships

MGF Securities Pvt. Ltd, Upper India Hire Purchaser Companies Association Ltd, Bahubali Services Ltd, Jayabharat Credit Ltd, VMR Promoters Pvt Ltd.

Committee Membership

India Lease Development Ltd

Audit Committee
Remuneration Committee
Shareholders Grievance Committee

Jayabharat Credit Ltd.

Audit Committee
Remuneration Committee
Shareholders Grievance Committee

Bahubali services Ltd.

Audit Committee
Shri. M.K.Madan holds Nil shares.

(b) **Director being re-appointed by rotation (Resolution at item No.3)**

Name : Shri Sharad Aggarwal
Age & Date of Birth : 46 years (24-11-1966)
Qualification : B.Com, ACA, LLB

Experience in specific financial Areas

Shri Sharad Aggarwal is a qualified Chartered Accountant and also holds a law degree. His re-appointment will be quite useful to the company.

Other Directorships

The Motor & General Finance Ltd, Bahubali Services Ltd, Oaykay Forgings (P) Ltd, Sterling Hotels Pvt Ltd, Jay Vee Leatherite Pvt Ltd, Knit Foulds Pvt Ltd, K.F Beltings Pvt Ltd, Hamilton Land Developers (P) Ltd, Atlantic Land Developers (P) Ltd, Jazz Foods Pvt Ltd, Makro Lease Pvt Ltd, Indian Tools Technology Centre.

Committee Memberships :**India Lease Development Ltd**

Audit Committee

Remuneration Committee

Shareholders Grievance Committee

The Motor & General Finance Limited

Audit Committee

Remuneration Committee

Shareholders Grievance Committee

SHAREHOLDERS INFORMATION

Head Office & Registered Office	:	MGF House 4/17-B, Asaf Ali Road, New Delhi- 110002
E-mail	:	info@indialease.com
Company's Website	:	www.indialease.com
Telephone Nos.	:	41519433, 41520070
Fax	:	41503479
Date of Annual General Meeting	:	27 th September, 2012
Time, Day and Venue	:	1.30 P.M. Thursday at The Executive Club 439, Village Shahoorpur, P.O. Fatehpuri Beri, New Delhi- 110 030.
Day and Date of Book Closure	:	Monday, the 24 th September, 2012 to Thursday, the 27 th September, 2012 (Both days inclusive)
Shares Listed At	:	Bombay Stock Exchange Limited, Phiroz jee jee bhoy Towers, Dalal Street, Mumbai- 400 001.

The company confirms that it has paid the Annual Listing Fee to the above Stock Exchange for the Year 2012-13.

NOMINATION FACILITY

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

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twenty Seventh (27th) Annual Report together with the Audited Statement of Accounts of the company for the year ended 31st March, 2012.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2012 are summarised below for your consideration:-

(₹ In Lacs)

Particulars	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Profit/ (Loss) before taxation, interest, depreciation and provisions	(19.15)	(206.33)
Interest	-	(0.10)
Depreciation including Impairment	(2.72)	(8.97)
Profit / (Loss) before provision for non performing assets & tax	(21.87)	(215.40)
Provision for non performing assets written back	181.37	572.58
Excess provision of income tax written back	-	31.65
Profit/Loss for the year	159.50	388.83
Profit/Loss brought forward	(2167.28)	(2326.79)
Accumulated Losses brought forward from MGF Services Limited	-	(151.57)
Total Profit / Loss	(2007.78)	(2089.53)
Appropriations		
Transferred to Statutory Reserves u/s 45-IC of the RBI Act, 1934	(31.90)	(77.76)
Balance carried forward to Balance Sheet	(2039.68)	(2167.29)

REVIEW OF OPERATIONS

The company is focussing its attention in recovery of the dues from the customers. The management is confident that with the maximum recovery, the funds generated will be deployed to earn better yield on investments.

DIVIDEND

In view of accumulated losses, the Board does not recommended any dividend for the year under review.

COMPANY'S CATEGORY

The company continues to hold the certificate issued by Reserve Bank of India in Category "B" as Non Accepting Deposits Non Banking Finance Company.

AUDITORS' REPORT**INFORMATION AND EXPLANATIONS/ OBSERVATIONS IN THE AUDITORS' REPORT.****A. OBSERVATIONS IN THE MAIN AUDITORS' REPORT AND MANAGEMENT COMMENTS THEREOF.****Auditors' Observations****a) Para 2 -On a Going Concern Basis**

It has been suitably explained in para 2 of Note-21 of Notes on Accounts

Para 3(a)**Shortfall in value of Long Term Investments**

In regard to shortfall, management is of the view that these investments are in associate company which is running satisfactorily on Going Concern basis, the diminution in value is not of permanent nature and as such no provision for the shortfall has been considered necessary.

Para 3(b)

Accounting of Overdue Charges on Hire-Purchase/ Lease Receivables and Bill Discounted, Loans against hypothecation respectively, are accounted for on realisation basis, in view of significant uncertainties instead of on accrual basis.

In accordance with para viii (e) of accounting policy, overdues are consistently accounted for only on realisation basis.

Para 3(c) - Non Compliance of Prudential Norms

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

Observations in Annexure referred in paragraph 1 of the Auditor' Report (CARO)**b) Para (i)(a) & (b)-Quantitative details of assets on lease**

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

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

REPORT ON CORPORATE GOVERNANCE

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

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

The Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the applicable accounting standards;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs for the company as at the end of financial year ended 31st March, 2012 and of the Profit of the Company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The statement of accounts for the year ended 31st March, 2012 have been prepared on a Going Concern Basis.

DIRECTORS

In accordance with the requirements of Section 256 of the Companies Act, 1956 and the Articles of Association of your company, Shri M.K.Madan, Director and Shri Sharad Aggarwal, Director retire by rotation and being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

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

DEMATERIALISATION

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

Further The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the company.

AUDITORS

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

SECRETARIAL AUDIT

A secretarial audit for the year 2011-2012 was carried out by Ms. Anjali Yadav, Practicing Company Secretary. The said secretarial unqualified report forms part of this Annual Report.

The secretarial audit report confirms that the company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1956, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulations) Act, 1956 and all the regulations of SEBI as applicable to the company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992.

COMPLIANCE BY THE COMPANY

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

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is available on the website of the Company i.e. www.indialease.com

E-mail ID FOR INVESTOR'S GRIEVANCES

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

NOMINATION FACILITY

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

CEO/CFO CERTIFICATION

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

CONSOLIDATION OF FOLIOS AND AVOIDANCE OF MULTIPLE MAILING

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

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

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

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

	31.03.12	31.03.11
a) Expenditure in Foreign Currency	-	-
i) Repayment of Foreign Currency Loan	-	-
ii) Interest on Foreign Currency Loan	-	-
iii) Travelling Expenses	-	-
b) Shares held by Non Residents		
Shareholders	9123	11730
No. of Shareholders	13	15

ACKNOWLEDGEMENTS

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

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

By Order of the Board of Directors
For **India Lease Development Limited**

Place : New Delhi
Date : August 23, 2012

Rajiv Gupta
Chairman

ANNEXURE 'A' TO THE DIRECTORS REPORT

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Corporate Governance

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

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

2. Board of Directors ("Board")

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

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

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

2.2 Composition of the Board:

S.No.	Name of Director	Status
1.	Shri Rajiv Gupta	Non-Executive-Independent-Chairman
2.	Shri Arun Mitter	Non-Executive -Independent
3.	Shri Sharad Aggarwal	Non-Executive -Independent
4.	Shri M.K. Madan	Non-Executive -Independent

2.3 Board Meetings:

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

2.3(a) Number of Board Meetings:

During the year ended 31st March, 2012, the Board of Directors met nine times on the following dates:

S.No.	Date of Meeting	Board Strength	No. of Directors present
1	25 th April, 2011	4	4
2	13 th May, 2011	4	4
3	19 th May, 2011	4	4
4	30 th May, 2011	4	4
5	12 th August, 2011	4	4
6	25 th August, 2011	4	4
7	14 th November, 2011	4	4
8	14 th February, 2012	4	4
9	30 th March, 2012	4	3

2.3(b) Attendance of Directors:

S. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last Annual General Meeting	No. of Directorships in other Boards as on 31st March, 2012	No. of Memberships in all Committees of the Board as on 31st March, 2012
1.	Shri Rajiv Gupta	9	8	NA*	12	11
2.	Shri Arun Mitter	9	9	Present	25	11
3.	Shri Sharad Aggarwal	9	9	Present	12	5
4.	Shri M.K.Madan	9	9	Present	5	5

* NA- Not attended

**Includes Directorship in Private and Public Limited Companies

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

2.3(c) Remuneration to Directors:

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

3. Committees of the Board:

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

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

3.1 Audit Committee:

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

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

The Audit Committee is in conformity with Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement. The Audit Committee acts as a link between the Statutory Auditors and the Board of Directors. It address itself to matters pertaining to adequacy of internal controls, reliability of financial statements/ other management information, adequacy of provisions for liabilities, and whether the audit tests are appropriate and scientifically carried out and that they are aligned with the realities of the business, adequacy of disclosures, compliance with all relevant statutes and other facts of company's operation that are of vital concern to the company. In particular, the role of Audit Committee includes the following:-

- i) Oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are sufficient and credible;
- ii) Recommending the appointment of Statutory Auditors, fixation of audit fee and approval for payment for any other services.

- iii) Reviewing with the management, the annual finance statements before submission to the Board for approval, with particular reference to:-
- Matter required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Compliance with listing and other legal requirements relating to financial statements.
- iv) Ensuring compliance with regulatory guidelines.
- v) Reviewing with the management the adequacy of internal control systems

3.1(c) During the year ended 31st March, 2012 the Audit Committee met five times on 12th May, 2011, 11th August, 2011, 24th August, 2011, 14th November, 2011 and 14th February, 2012.

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

S. No.	Name of Director	No. of meetings Held	No. of meetings Attended
1.	Shri Rajiv Gupta	5	5
2.	Shri Arun Mitter	5	5
3.	Shri Sharad Aggarwal	5	5
4.	Shri. M.K.Madan	5	5

The Company also has Share Transfer Committee.

3.2 **Shareholders Grievances Committee:**

This Committee is comprising of Sh. Rajiv Gupta, Sh. Arun Mitter and Sh. M.K.Madan as members. The committee look into the grievances and complaints of the shareholders like transfers/ transmission, splitting, consolidation of shares, non-receipt of balance sheets, non- receipt of dividend etc. and redress the same. There were no pending shares for transfer as on 31st March, 2012.

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

During the year ended 31st March, 2012, the Shareholders' Grievances Committee met five times on 20th April, 2011, 21st July, 2011, 25th October, 2011, 31st January, 2012 and 31st March, 2012.

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

The attendance for the meetings are as stated below:

S. No.	Name of Director	No. of meetings Held	No. of meetings Attended
1.	Shri Rajiv Gupta	5	4
2.	Shri Arun Mitter	5	5
3.	Shri. M.K.Madan	5	5

3.2(b) **Details of Investors complaints received during the year ended 31st March, 2012**

S.No	Nature of complaints	Received	Disposed	Pending
1.	Non receipt of dividend warrant(s)	2	2	-
2.	Non receipt of Balance Sheet/ Notices	6	6	-
3.	Non receipt of share certificates after transfer/demat	Nil	Nil	-
	Total	8	8	-

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

All the shareholders requests/complaints received during the financial year ended 31st March, 2012 by the company and/or registrars i.e. M/s Alankit Assignments Limited were replied / resolved to their satisfaction.

3.3 **Remuneration Committee:**

3.3(a) **Membership:**

This Committee is comprising of Sh. Rajiv Gupta, as Chairman and Sh. Arun Mitter, Sh. Sharad Aggarwal and Sh. M.K.Madan members.

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

During the year ended 31st March, 2012, the Remuneration Committee met once on 9th February, 2012.

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

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

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

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

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

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

3.3(d) Remuneration Policy:

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

3.3(e) Remuneration paid during the year.

During the year ended 31st March, 2012 Mr. Rohit Madan, Manager & Company Secretary, in accordance with the terms & conditions of his appointment was paid remuneration of ₹ 7,45,040/-.

4. Management:
4.1 Management Discussions and Analysis Report:

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

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

During the year ended 31st March, 2012 the company had entered into transactions in the normal course of business with some of the companies in which some of the directors are interested and which have been disclosed adequately in the notes forming part of the accounts. There was no potential conflict of interest with that of the company.

4.3 Recording Minutes of proceedings at Board and Committee meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to all the members of the Board/ Committee for their comments. The minutes are entered in the Minutes Book within 30 days from conclusion of the meeting.

Shareholders'/ Investors' Grievance Committee

The Company, on regular basis, obtains a legal compliance certificate from a Practicing firm of Company Secretaries. The said such certificate(s) forms part of the Annual Report.

5. Particulars of Past three AGMs:

Last three Annual General Meetings were held at The Executive Club, 439, Village Shahoorpur, P.O.Fatehpuri Beri, New Delhi-110030 detailed as under:-

AGM No.	Year	Date	Time	Special Resolution required for
24 th	2009	17 th Sep, 2009	1.30 P.M.	Re-appointment of Manager & Company Secretary
25 th	2010	29 th Sep, 2010	2.00 P.M.	Donation to charitable institutions u/s. 293(1) (e) of the Companies Act, 1956.
26 th	2011	29 th Sep, 2011	1.00 P.M.	Alteration of Articles of Association.

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

6. Shareholder Information :

- 6.1 **Annual General Meeting** : 27th Annual General Meeting
Day & Date : Thursday, the 27th September, 2012
Time : 1.30 P.M.
Venue : The Executive Club,
 439, Village Shahoorpur,
 P.O. Fatehpuri Beri,
 New Delhi – 110 030.

6.2 Financial Calendar

(Tentative schedule)

- Financial reporting for the quarter ended 30th June, 2012 **Second week of August, 2012**
- Financial reporting for the half year ended 30th September, 2012 **Second week of November, 2012**
- Financial reporting for the nine months ended 31st December, 2012 **Second week of February, 2013**
- Financial reporting for the year ended 31st March, 2013 **Second week of May, 2013**

6.3 Means of Communication:

- Quarterly/Half Yearly Financial Results of the company are forwarded to the stock exchange and generally published in Mahalaxmi and Money Maker newspapers. In addition to the above, the results are also available on the company's website: **www.indialease.com**
- Company has not made any presentations to any Institutional Investors/Analyst during the year.
- All items required to be covered in the Management Discussion and Analysis have been included in the Annexure 'B' of the Directors' Report to members.
- The Company in compliance of Clause 54 of the Listing Agreements already has its own website namely: **http://www.indialease.com** which contains the vital information such as details of business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials etc.

6.4 Date of Book Closure

Monday, the 24th September, 2012 to Thursday, the 27th September, 2012 (both days inclusive)

6.5(a) Registrar and Share Transfer Agents:

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

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

6.5(b) Under Demat and Physical Mode:

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

6.5(c) Nomination Facility:

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

6.6 The under noted officials of the company have been designated for speedy redressal of shareholders/ investors requests/queries.

6.6(a) **Compliance Officer:**

Shri Rohit Madan, Manager & Company Secretary

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

Registered Office: MGF House,
4/17-B, Asaf Ali Road, New Delhi-110002

Ph: 011-41519433, 41520070

Website: www.indialease.com

Email: info@indialease.com

6.7 **Listing on Stock Exchange:**

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

The company confirms that it has paid the annual listing fees for 2012-2013 to the Stock Exchange, Mumbai where the shares of the company were listed during the year.

The Stock Exchange, Mumbai

Phiroze Jee Jee Bhoy Towers

Dalal Street,

Mumbai – 400001

Ph: 022-22721233-34, Fax : 022-22721072

Email id: isc@bse.com.

6.8 **Stock Code of the Company:**

Bombay Stock Exchange Limited

Electronic Mode: **INE 333C01013**

Scrip Name: **INDLEASE**

Scrip Code: **500202**

6.9 **ISIN No. for the Company's**

Equity shares in Demat Form:

INE 333C01013

6.10 **Depository Connectivity:**

NSDL and CDSL

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

Month & Year	High (in ₹)	Low (in ₹)
April – 2011	9.95	7.99
May – 2011	9.67	8.34
June – 2011	12.04	8.56
July – 2011	13.81	8.51
August – 2011	10.15	8.67
September – 2011	11.47	9.31
October – 2011	10.95	7.71
November – 2011	8.05	6.66
December – 2011	8.70	7.11
January – 2012	10.24	7.76
February – 2012	9.91	7.42
March – 2012	8.78	7.05

6.12 Categories of Shareholding as on 31st March, 2012:

S.No	Category	No. of Shares held	% of Shareholding
A	Promoters	9872160	67.16*
B	Non Promoter Holding		
	Mutual Funds and UTI	-	-
	Banks, Financial Institutions, Insurance Companies(Central/State Government Institutions/Non Government Institutions)	743250	5.06
C	Others		
	Private Corporate Bodies	160337	1.09
	Indian Public	3915421	26.63
	NRIs/OCBs	9123	0.06
	Directors and Relatives	-	-
	Trusts	-	-
	Total	14700291	100.00

* MGF Services Ltd was amalgamated with India Lease Development Limited. Consequent to amalgamation new shares were allotted in the ratio of 1.5 equity shares of ₹ 10/- each fully paid up for every 1 share held in erstwhile MGF Services Ltd.

6.13 Distribution of Company's Shareholding as on 31st March 2012:

Category	Shareholders			No. of Shares(₹ 10/- per share)			Percentage(%)		
	Physical	Demat	Total	Physical	Demat	Total	Physical	Demat	Total
Upto 5000	6174	4058	10232	1159128	1047980	2207108	7.89	7.13	15.01
5001-10000	5	23	28	36000	182739	218739	0.24	1.24	1.49
10001-20000	2	10	12	34350	140681	175031	0.23	0.96	1.19
20001-30000	5	0	5	120750	0	120750	0.82	0.00	0.82
30001-40000	1	3	4	37650	108200	145850	0.26	0.74	0.99
40001-50000	0	1	1	0	50000	50000	0.00	0.34	0.34
50001-100000	0	1	1	0	75350	75350	0.00	0.51	0.51
100001-Above	0	16	16	0	11707463	11707463	0.00	79.64	79.64
Total	6187	4112	10299	1387878	13312413	14700291	9.44	90.56	100.00

7. Compliance:

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

By Order of the Board of Directors
For India Lease Development Limited

Place : New Delhi
Dated : August 23, 2012

Rajiv Gupta
Chairman

ANNEXURE 'B' TO THE DIRECTOR'S REPORT
**MANAGEMENT'S DISCUSSION AND ANALYSIS:
NBFC- INDUSTRY STRUCTURE AND BUSINESS DEVELOPMENTS**
Industry Overview:

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

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

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

Outlook on opportunities, threats, risks and concerns:

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

Internal control System and adequacy

Your company has an adequate system of Internal control, designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and properly recorded. Accounting records are adequate for preparation of financial statements and other financial information. Besides, the management has put in place system for review and monitoring of non performing assets of the company for effecting recoveries.

Financial

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

(₹ In Lacs)

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
Profit/ (Loss) before taxation, interest, depreciation and provisions	(19.15)	(206.33)
Interest	-	(0.10)
Depreciation including Impairment	(2.72)	(8.97)
Profit / (Loss) before provision for non performing assets & tax	(21.87)	(215.40)
Provision for non performing assets written back	181.37	572.58
Excess provision of income tax written back	-	31.65
Profit/Loss for the year	159.50	388.83
Profit/Loss brought forward	(2167.28)	(2326.79)
Accumulated Losses brought forward from MGF Services Limited	-	(151.57)
Total Profit / Loss	(2007.78)	(2089.53)
Appropriations		
Transferred to Statutory Reserves u/s 45-IC of the RBI Act, 1934	(31.90)	(77.76)
Balance carried forward to Balance Sheet	(2039.68)	(2167.29)

Risk and Concern

In view of no fresh business exposure, the existing clients sometimes lead to default in repayment which has a cascading effect on other customers for which suitable measures to control this trend are taken

Human Resources

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

Disclaimer

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

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

We have examined the compliance of conditions of Corporate Governance by India Lease Development Limited having its Registered Office at MGF House, 4/17-B, Asaf Ali Road, New Delhi-110002 for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

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

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

For S.N. DHAWAN & CO
Chartered Accountants
FRN No. 000050N

S.K. Khattar
Partner
M. No.084993

Place : New Delhi
Date : August 23, 2012

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

I, Arun Mitter, Chief Executive Officer (CEO) & Chief Financial Officer (CFO) hereby certify that for the financial year ended 31st March, 2012, on the basis of the review of the financial statements and the cash flow statement and to the best of my knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are no transactions entered into by the Company during the year 2011-12 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. I have accepted responsibility for establishing and maintaining internal controls for financial reporting.
5. I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
6. I have disclosed to the Auditors and the Audit Committee, deficiencies of which I am aware in the design or operation of the internal control systems.
7. I have taken the required steps to rectify these internal control deficiencies.
8. I further certify that:
 - a) There have been no significant changes in internal controls over financial reporting during the year.
 - b) There have been no significant changes in accounting policies during the year.
 - c) There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having a significant role in the company's internal control systems over financial reporting.

For India Lease Development Limited

Place : New Delhi
Dated : August 23, 2012

(Arun Mitter)
Director, CEO & CFO

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31,2012.

For India Lease Development Limited

Place : New Delhi
Dated : August 23, 2012

(Arun Mitter)
Director, CEO & CFO

SECRETARIAL AUDIT REPORT

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

I, Anjali Yadav, practising Company Secretary, had conducted the Secretarial Audit of **M/s India Lease Development Limited** having registered office at MGF House, 4/17-B, Asaf Ali Road, New Delhi – 110002. The audit was conducted so as to ascertain the accuracy in application of statutory provisions, there compliances and adherence to good corporate practices by the Company.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion, the company had during the audit period covering the financial year ended on 31st March 2012, complied with the statutory provisions listed hereunder and also that the Company had proper Board-processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2012 according to the provisions of :

- The Companies Act, 1956, Rules and the Amendments made under the Act from time to time;
- The Depositories Act 1996, Regulations and the Byelaws framed under the Act;
- The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) namely ;
 - o The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - o The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 1992;
- The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made under the Act; and;
- The Listing Agreement with Bombay Stock Exchange Limited;
- Memorandum and Articles of Association of the Company;
- a. Maintenance of statutory registers and documents and making in them necessary entries;

Statutory Register	Remarks
Section 150 Register of member and index thereof	Maintained
Section 163 file regarding copies of Annual Return	Maintained
Section 193 minutes of board, general and committee meetings	Maintained
Section 209 books of accounts.	Maintained
Section 301 Register of contracts in which directors are interested	Maintained
Section 303 Register of directors	Maintained
Section 307 Register of directors shareholding	Maintained
Section 372A Register of Loans, investments and guarantees/securities provided.	Maintained

- b. Register of Member is closed as per the Statutory Compliances;
- c. The Company conducted its 26th Annual General Meeting on 29th September, 2011.
- d. Notices of Board Meeting and Committee Meetings are circulated mentioning therein place, day, hour of the meeting and the business to be transacted there at;
- e. All forms, returns, documents and resolution required to be filed with the Registrar of Companies are duly filed;
- f. Service of all Documents by the Company on its Members and Registrar of Companies is in time ;
- g. Remuneration and Revision in terms of re-appointment of Manager is in compliance with Schedule XIII of Companies Act, 1956
- h. Re-Appointment and remuneration of Auditors;
- i. Minutes of proceedings of Annual General Meeting, Board Meetings and minutes of committee meetings are duly maintained.
- j. Transfer, Transmission, delivery of original and duplicate certificates of shares are duly undertaken in stipulated period of time;

- k. Pursuant to the amalgamation between MGF Services Limited and India Lease Development Limited, 4499991 Equity shares of ₹ 10/- each were issued to the shareholders of MGF Services Limited on 30th May, 2011. The said shares were duly listed on CDSL and NSDL and were permitted for trading on Bombay Stock Exchange Limited from 15th September, 2011.

In compliance with the Clause 5A of the Listing Agreement with the Stock Exchange, the company is required to send three reminders at the registered addresses of the shareholders whose shares were lying “undelivered/unclaimed” with the company. Till the date of the report two reminders had already been dispatched at the registered addresses of the shareholders.

- l. Constitution of the Board of Directors, its appointment, retirement and reappointment is in compliance with the Listing Agreement.
- m. There are no unpaid/unclaimed amounts which are required to be transferred under the Act to the Investor Education and Protection Fund for the year under consideration.
- n. All borrowings are duly noted in the Statutory Registers.
- o. Balance Sheet and Profit & Loss Account are prepared in compliance with the revised schedule VI of the Act;
- p. All Investments of Company’s funds are duly accorded under the approval of the board;
2. I do hereby further report that:
- (a) The Directors of the Company have obtained Directors Identification Number (DIN No.) as per Section 266A of the Act.
- (b) The Directors have complied with the requirements as to disclosure of interest and concerns in contracts and arrangements, shareholdings and directorship in other companies and interest in other entities.
- (c) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
- (d) The Company has obtained all necessary approvals from the statutory bodies required from time to time under the Act.
- (e) There was no prosecution initiated against, or show cause notice received by & the company and no fines or penalties were imposed on the Company under the Companies Act, SEBI Act, SCRA Act, Depositories Act, Listing Agreement and Rules, Regulation and Guidelines framed under these Acts against the Company, its Directors and Officers.
3. I further report the Company has complied with the provisions of the Depositories Act 1996, Regulations and the Byelaws framed there under with regard to dematerialization / re-materialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
4. I further report that the Company has complied with:
- (a) The requirements under the Listing Agreement entered into with Bombay Stock Exchange Limited.
- (b) The provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with regard to the disclosure and maintenance of record required under the regulations.
- (c) The provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.

I further report that:

There are adequate internal control systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

Place: New Delhi
Date: 17th August, 2012

Anjali Yadav
Practising Company Secretary
FCS No. 6628
CP No. 7257

AUDITORS' REPORT

To the Members of

INDIA LEASE DEVELOPMENT LIMITED

We have audited the attached Balance Sheet of **India Lease Development Limited** as at March 31, 2012, the Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India, in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose, in the Annexure, a statement on the matters specified in paragraphs 4 & 5, of the said Order.
2. *Attention is drawn to Note No. 21 regarding the accumulated losses of the Company as at March 31, 2012. The Company has also discontinued fresh hire purchase / leasing business. The management is of the view that the realization of the assets will be sufficient to pay off its entire liabilities. In view of the above the accounts have been prepared on the assumption that the Company will continue as a going concern.*
3. Further to our comments in the Annexure referred to in paragraph 1, we report that:
 - a) *Provision for ₹3.32 Lacs has not been made for diminution in the value of the long term permanent investments (Refer Note No.24)*
 - b) *Overdue charges on hire purchase/ lease rentals/ receivables/ loans against hypothecation and bills discounted respectively are accounted for on realization basis in view of significant uncertainties, instead of on accrual basis. (Refer to Note No. 1(viii) (e));*
 - c) *There is non-compliance of the provisions of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1998 with regard to maintenance of Capital Adequacy and Credit/Investment exposure in excess of the prescribed limits (Refer Note No. 22).*
4. We further report that: -
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to our comments in our paragraphs 3(a) & (b) above;
 - (e) On the basis of written representations received from the Directors, as at March 31, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at March 31, 2012 from being appointed as a Director, in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

We further report that, without considering the observations made in paragraphs 3 (b) & (c) above the effect of which could not be determined, had the observation made by us in paragraph 3(a) above been considered, the profits for the year would have been ₹ 156.17 Lacs (as against the reported figure of ₹ 159.49 Lacs) and the deficit in statement of profit & loss would have been ₹ 2043.01 Lacs (as against the reported figure of ₹ 2039.69 Lacs).

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- (b) in the case of the Statement of Profit & Loss, the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For S. N. Dhawan & Co.,
Chartered Accountants
FRN No. 000050N

(S. K. Khattar)
Partner
(M. No. 084993)

Place: New Delhi
Date: August 23, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON ACCOUNTS OF INDIA LEASE DEVELOPMENT LIMITED FOR THE YEAR ENDED MARCH 31, 2012

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets *except for assets on lease and furniture and fixtures at offices*.
- (b) As per information and explanations given to us the fixed assets other than assets on lease have been physically verified by the management, during the year. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on such verification *except in the case of furniture and fixtures at offices wherein the physical balance not reconciled with the book balance (refer to our comments in (a) above)*. In respect of assets on lease, confirmations from lessees, as regards their physical existence, were not available.
- (c) The Company has not disposed off a substantial part of its fixed assets during the year.
- ii) The Company does not have any inventory. Therefore, the provisions of clause 4(ii) (a), (b) & (c) of the Order are not applicable.
- iii) (a) The Company has granted Inter Corporate Deposits to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of such inter corporate deposit given to such party was ₹ 610 lacs.
- (b) In our opinion, the rate of interest, wherever charged, and other terms and conditions of such loans are not, prime facie, prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us, the Inter Corporate Deposit given during the year is repayable on demand. The repayment of interest is regular.
- (d) There is no overdue amount in excess of ₹ One lac in respect of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956
- (e) The Company has not taken any loan secured or unsecured loan from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4(iii) (e) to (g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. As explained, there was neither purchase of inventories nor sale of goods and services during the year. During the course of our audit we have not come across any continuing failure to correct major weaknesses in the internal control systems.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time, except for items stated to be of a specialized nature where no comparison is possible.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii) The Company has an in-house internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us and according to the records produced before us, the Company is generally regular in depositing, with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax and any other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax were in arrears as at 31st March, 2012 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax and Service Tax which have not been deposited on account of any dispute.
- x) The accumulated losses of the Company are more than 50% of the net worth of the Company. The Company has incurred cash losses during the financial year covered by our audit but has not incurred cash losses in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has no outstanding dues in respect of a financial institution or bank or debenture holders. Therefore, the provisions of clause 4(xi) of the Order are not applicable.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Order are not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is not a Chit Fund or Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- xiv) In our opinion the Company is not dealing or trading in shares, securities, debentures or other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable.
- xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable.
- xvi) The Company has not taken any term loans. Therefore, the provisions of clause 4(xvi) of the Order are not applicable.
- xvii) According to the information and explanations given to us, and an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money through public issue during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. N. Dhawan & Co.,
Chartered Accountants
FRN No. 000050N

(S. K. Khattar)
Partner
(M. No. 084993)

Place: New Delhi
Date : August 23, 2012

BALANCE SHEET AS AT 31st MARCH, 2012

(Amount in ₹)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	2	147,130,160	147,130,160
(b) Reserves and surplus	3	(59,199,208)	(75,148,947)
(2) Non-current liabilities			
(b) Long term provisions	4	81,524,599	99,559,745
(3) Current liabilities			
(a) Trade payables	5	1,354,813	1,159,470
(b) Other current liabilities	6	19,215,420	17,098,691
(c) Short-term provisions	7	101,856	88,054
Total		190,127,640	189,887,173
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	8		
Tangible assets		-	-
(b) Non-current investments	9	18,934,330	18,934,330
(c) Long term loans and advances	10	37,149,513	44,617,746
(d) Other non-current assets	11	3,247,250	2,876,604
(2) Current assets			
(a) Current investments	12	24,578,301	119,084
(b) Trade receivables	13	36,012,720	46,006,974
(c) Cash and cash equivalents	14	562,464	36,828,810
(d) Short-term loans and advances	15	67,550,000	39,550,000
(e) Other current assets	16	2,093,062	953,625
Total		190,127,640	189,887,173
Summary of significant accounting policies	1		

The accompanying notes 1 to 38 form an integral part of the financial statements

As per our report of even date attached

For **S.N.Dhawan & Co.**
Chartered Accountants
FRN No.000050N

(S. K. Khattar)
Partner
M. No. 084993

For and on Behalf of the Board of Directors

Rajiv Gupta
Chairman

M.K.Madan
Director

Arun Mitter
Director

Rohit Madan
Manager &
Company Secretary

Place : New Delhi
Dated : August 23, 2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

Particulars	Note No.	For the year ended 31.03.2012	For the year ended 31.03.2011
Income			
Revenue from operations	17	3,615,162	13,078,551
Other Income	18	8,876,733	3,623,174
Total Income		12,491,895	16,701,725
Expenses			
Employee benefit expenses	19	5,834,990	5,382,836
Other expenses	20	8,572,095	10,546,455
Amount written off/ debts not realised		-	21,415,416
Depreciation and amortization expenses	8 a	272,558	897,214
Total Expenses		14,679,643	38,241,921
Profit/(Loss) before tax		(2,187,748)	(21,540,196)
Excess provision against doubtful/irrecoverable assets written back		(18,137,487)	(57,258,847)
Tax expenses :			
Current tax		-	-
Deferred tax		-	-
Short/ (Excess) provision of tax for earlier years		-	(3,164,857)
Profit / (Loss) for the year		15,949,739	38,883,508
Earning per equity share:(in ₹) (Face value of ₹ 10/- each)			
(1) Basic		1.08	2.65
(2) Diluted		1.08	2.65
Summary of significant accounting policies	1		

The accompanying notes 1 to 38 form an integral part of the financial statements

As per our report of even date attached

 For **S.N.Dhawan & Co.**
Chartered Accountants
FRN No.000050N

(S. K. Khattar)
Partner
M. No. 084993

Place : New Delhi
Dated : August 23, 2012

For and on Behalf of the Board of Directors

Rajiv Gupta
Chairman

M.K.Madan
Director

Arun Mitter
Director

Rohit Madan
Manager &
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012
(Amount in ₹)

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax	15,949,739	35,718,651
Adjustments for :		
Depreciation	272,558	897,214
Lease Equalisation Charges	3,920	360,347
Interest Paid - Considered Separately	-	10,242
Provision for Non Performing Assets	(18,137,487)	(57,258,847)
Profit on Sale of Investments - Considered Separately	-	(21,422)
Interest / Dividend Received - Considered Separately	(2,225,217)	(1,876,147)
	<u>(20,086,226)</u>	<u>(57,888,613)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(4,136,487)	(22,169,962)
Adjustments for :		
Increase/(Decrease) in Non Current Liabilities	102,341	(2,733,203)
Increase/(Decrease) in Current Liabilities	2,325,875	(1,009,874)
Increase/(Decrease) in Long Term Loans and Advances	7,468,233	6,539,213
(Increase)/Decrease in Other Non Current Assets	(370,646)	83,461
Increase/(Decrease) in Trade Receivables	9,994,254	50,662,106
(Increase)/Decrease in Short Term Loans & Advances	(28,000,000)	(23,000,000)
(Increase)/Decrease in Other Current Asset	(1,139,437)	(426,755)
Current Assets		
Current Liabilities		
(Increase)/Decrease in Net Current Assets/Liab.	<u>(9,619,380)</u>	<u>30,114,948</u>
CASH GENERATED FROM OPERATIONS	(13,755,867)	7,944,986
Direct taxes paid/excess provision written back	-	3,164,857
Interest Paid	-	10,242
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(13,755,867)	4,790,371
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition/Sale of Investments (Net)	(24,459,217)	(12,769,594)
Purchase of Fixed Assets	(16,650)	(90,131)
Sale of Fixed Assets	(259,829)	(2,003,704)
Interest / Dividend Received	2,225,217	1,876,147
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(22,510,479)	(12,987,282)
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital	-	44,999,910
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	-	44,999,910
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(36,266,346)	36,802,998
Cash and Cash Equivalents at the Beginning of the Year	36,828,810	25,812
Cash acquired on amalgamation	-	-
Cash and Cash Equivalents at the Close of the Year	562,464	36,828,810
Component of Cash and Cash Equivalents at the Close of the Year		
Cash and Cheques in Hand	65,166	32,388
With Banks in Current Account	175,598	36,523,396
With Banks in Deposit Account	321,700	273,026
	<u>562,464</u>	<u>36,828,810</u>

Note:

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

As per our report of even date attached

For and on Behalf of the Board of Directors

 For **S.N.Dhawan & Co.**
Chartered Accountants
FRN No.000050N

Rajiv Gupta
Chairman

Arun Mitter
Director

(S. K. Khattar)
Partner
M. No. 084993

M.K.Madan
Director

Rohit Madan
Manager &
Company Secretary

Place : New Delhi
Dated : August 23, 2012

Notes forming part of the financial statements for the year ended 31 March 2012**1. SIGNIFICANT ACCOUNTING POLICIES****i) Accounting Convention**

The financial statements have been prepared under the historical cost convention, as per provisions of the Companies Act, 1956 and after taking into account the applicable guidelines issued by the Reserve Bank of India to Non Banking Financial Companies from time to time and in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

ii) Fixed Assets

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

iii) Investments

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

iv) Repossessed Vehicles

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

v) Assets given under finance lease

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

vi) Depreciation

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

vii) Classification of Assets and Provisioning

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

viii) Revenue Recognition

- a) Finance Charges on hire purchase/ loans against hypothecation contracts and income from finance lease transactions are computed using Internal Rate of Return Method which ensures a constant periodic rate of return on net finance amount outstanding.
- b) Lease Rentals are accounted for as per terms of lease agreements. However, in compliance of the Guidance Note on "Accounting for Leases" issued by the Institute of Chartered Accountants of India, and applicable to transactions entered into prior to 1.4.2001, the differential between the Capital Recovery Component comprised (based on the Internal Rate of Return Method) in the lease rentals and the depreciation referred to in Para 6(ii) above, (for all assets acquired on or beginning from 1st April, 1995 from accounting year 1995-96 and in respect of

assets acquired upto 1.4.1995 prospectively from the accounting year 1996-97) is carried to "Lease Equalisation" in the Profit & Loss Account.

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

ix) Retirement Benefits

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

x) Deferred Tax

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

xi) Impairment of Assets

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

xii) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Contingent liability is disclosed in the case of

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

Contingent Assets are neither, recognised nor disclosed.

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

(Amount in ₹)

Particulars	As at 31st March 2012	As at 31st March 2011
2 : SHARE CAPITAL		
Authorised		
1,50,00,000 (Previous Year 1,50,00,000)		
Equity shares of ₹ 10 each	<u>150,000,000</u>	150,000,000
Total	<u>150,000,000</u>	<u>150,000,000</u>
Issued subscribed & paid-up		
1,47,00,291 (Previous Year 1,02,00,300)		
Equity shares of ₹ 10 each fully paid up	147,002,910	102,003,000
Add:- shares forfeited (fully paid up)	<u>127,250</u>	<u>127,250</u>
Total	<u>147,130,160</u>	<u>102,130,250</u>
2.a) Share capital suspense		
Nil (previous year 44,99,991) Equity Shares of ₹ 10/-each fully paid up	-	44,999,910
(Issued pursuant to the scheme of Amalgamation of MGF Services Limited with the Company)		
Total	<u>-</u>	<u>44,999,910</u>

2.b) The Company has one class of Equity Shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

	As at 31st March 2012		As at 31st March 2011	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
2.c) The reconciliation of the number of shares outstanding is set out below:				
Equity Share				
Shares outstanding at the beginning of the year	10,200,300	102,003,000	10,200,300	102,003,000
Shares issued during the year	4,499,991	44,999,910	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u>14,700,291</u>	<u>147,002,910</u>	10,200,300	102,003,000
	No. of shares	%age of holding	No. of shares	%age of holding
2.d) Details of shares held by shareholders holding more than 5% shares at the year end				
The Motor & General Finance Limited	4,608,840	31.35	3,273,840	32.10
Bahubali Services Limited	1,778,870	12.10	841,000	8.24
Ram Prakash & Co. Private Limited	1,444,360	9.83	-	-
Punjab National Bank	742,950	5.05	742,950	7.28
Ashok Vishwanathan	-	-	581,144	5.70
	<u>8,575,020</u>	<u>58.33</u>	5,438,934	53.32

(Amount in ₹)

Particulars	As at 31st March 2012	As at 31st March 2011
3 : RESERVES AND SURPLUS		
Securities Premium Account		
At the beginning of the year	91,751,750	91,751,750
Add: On issue of Shares	-	-
Less: Utilised for issue of Bonus Shares	-	-
At the end of the year	91,751,750	91,751,750
Statutory Reserve (U/s 45 1C Reserve Bank of India Act)		
Opening balance	32,232,318	20,020,978
Additions during the year	3,189,948	7,776,702
Addition on account of amalgamation with MGF Services Limited	-	4,434,638
Less :- Deduction	-	-
Closing balance	35,422,266	32,232,318
General Reserve		
Opening balance	17,595,658	16,253,050
Addition on account of amalgamation with MGF Services Limited	-	16,342,518
Deduction/adjustment on account of amalgamation	-	14,999,910
Less :- Deduction	-	-
Closing balance	17,595,658	17,595,658
Surplus/(Deficit) in the statement of Profit & Loss		
Balance as at the beginning of the year	(216,728,673)	(232,678,780)
Add: accumulated lossess brought forward from MGF services Limited	-	(15,156,699)
Profit/(Loss) for the year	15,949,739	38,883,508
Less: Transfer to statutory reserve	3,189,948	7,776,702
Closing balance	(203,968,882)	(216,728,673)
Total	(59,199,208)	(75,148,947)

(Amount in ₹)

Particulars	As at 31.03.2012	As at 31.03.2011
4 : LONG TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Gratuity	2,002,058	1,899,717
Provision for Non performing assets	79,522,541	97,660,028
Total	81,524,599	99,559,745
5 : TRADE PAYABLES		
Trade payables	1,354,813	1,159,470
Total	1,354,813	1,159,470
6 : OTHER CURRENT LIABILITIES		
Other liabilities	4,979,720	5,435,719
TDS payable	48,765	61,808
Bank book overdraft	2,661,496	-
Deposits and advances from hirers	85,700	161,425
Deposits and advances from lessees	11,439,739	11,439,739
Total	19,215,420	17,098,691
7 : SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Gratuity	101,856	88,054
Total	101,856	88,054
8 : FIXED ASSETS		
a) Tangible Assets		
Assets on lease		
Gross Block	51,934,451	66,400,112
Less: Depreciation/Impairment	51,934,451	66,335,496
	-	64,616
Less:- Accumulated Lease Adjustment	-	64,616
Net Block	-	-
Other Fixed Assets		
Gross Block	25,924,235	26,827,819
Less: Depreciation/Impairment	24,687,265	25,233,484
	1,236,970	1,594,335
Less:- Accumulated Lease Adjustment	1,236,970	1,594,335
Net Block	-	-

FIXED ASSETS AS ON 31ST MARCH, 2012

8 a. Details of Fixed assets

(Amount in ₹)

Particulars	GROSS BLOCK						DEPRECIATION					NET BLOCK	
	As at 01.04.2011	Additions	Withdrawals and adjustments	As at 31st March, 2012	Upto 01.04.2012	For the year	Withdrawals and adjustments	Impairment	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011		
Assets on Lease													
Vehicle	57,300,112	-	5,365,660	51,934,452	57,235,496	35,534	5,336,579	-	51,934,451	-	64,616	-	
Machinery	9,100,000	-	9,100,000	-	9,100,000	5	9,100,005	-	-	-	-	-	
TOTAL (A)	66,400,112	-	14,465,660	51,934,452	66,335,496	35,539	14,436,584	-	51,934,451	-	64,616	-	
Land	760,000	-	-	760,000	-	-	-	-	-	760,000	760,000	-	
Building	-	-	-	-	-	-	-	-	-	-	-	-	
Improvements in Building	-	-	-	-	-	-	-	-	-	-	-	-	
Improvements to Leasehold Building	-	-	-	-	-	-	-	-	-	-	-	-	
Temporary wooden structure	-	-	-	-	-	-	-	-	-	-	-	-	
Electrical Fittings	1,631	-	-	1,631	132	272	-	1,227	1,631	-	1,499	-	
Airconditioning System	2,285,146	-	-	2,285,146	2,285,146	-	-	-	2,285,146	-	-	-	
Office Equipments	2,044,192	-	-	2,044,192	2,044,192	-	-	-	2,044,192	-	-	-	
Vehicles	6,414,053	-	831,734	5,582,319	5,622,647	203,256	705,163	-	5,120,740	461,580	791,406	-	
Computers	12,302,522	16,650	88,500	12,230,672	12,284,696	4,838	78,077	3,823	12,215,280	15,390	17,826	-	
Furniture & fixture	2,349,794	-	-	2,349,794	2,326,190	4,272	-	19,331	2,349,793	-	23,604	-	
Generator	670,481	-	-	670,481	670,481	-	-	-	670,481	-	-	-	
TOTAL (B)	26,827,819	16,650	920,234	25,924,235	25,233,484	212,638	783,240	24,381	24,687,263	1,236,970	1,594,335	-	
TOTAL (A) + (B)	93,227,931	16,650	15,385,894	77,858,687	91,568,980	248,177	15,219,824	24,381	76,621,714	1,236,970	1,658,951	-	
Previous Year	129,576,609	90,131	36,438,809	93,227,931	126,757,625	878,678	36,155,276	87,953	91,568,980	1,658,951	-	-	

(Amount in ₹)

Particulars	As at 31st March 2012		As at 31st March 2011	
	At Cost	Market Value	At Cost	Market Value
9 : NON CURRENT INVESTMENTS				
Long Term				
Non - Trade Investments (valued at cost)				
Investment in Equity Instrument (Quoted)	18,914,330	30,995,041	18,914,330	37,085,413
Investment in Equity Instrument (Unquoted)	20,000	-	20,000	-
Total	18,934,330	30,995,041	18,934,330	37,085,413

NAME OF SHARES	Face Value	As On 1st April 11 No(s)	Additions During the year No(s)	Deductions During the year No(s)	As at 31st March 2012	As on 31st March 2012	As on 31st March 2011
Long Term - (at cost)							
Equity Shares fully paid up:							
Quoted non trade							
The Motor & General Finance Limited	10	798,840	-	-	798,840	15,786,170	15,786,170
Jayabharat Credit Limited #	10	312,401	-	-	312,401	3,128,160	3,128,160
Unquoted non trade							
Micronet Software Services (P) Ltd.	10	2,000	-	-	2,000	20,000	20,000
Total						18,934,330	18,934,330

(Amount in ₹)

Particulars	As at 31st March 2012	As at 31st March 2011
10 : LONG TERM LOANS & ADVANCES		
i) Loans		
Secured - considered doubtful (Against Hypothecation of Vehicles, Plant & Machinery etc.)	15,212,742	20,866,318
Bills discounted recoverable considered doubtful	13,202,364	14,781,072
Advances recoverable in cash or kind		
considered good	564,552	800,500
considered doubtful	8,169,856	8,169,856
Total	37,149,513	44,617,746
11 : OTHER NON CURRENT ASSETS		
Unsecured - Considered Good		
Advance income tax/ tax deducted at source	2,561,410	2,190,764
Sales tax (paid under protest)	685,840	685,840
Total	3,247,250	2,876,604

(Amount in ₹)

Particulars	As at 31st March 2012		As at 31st March 2011	
	At Cost	Market Value	At Cost	Market Value
12 : CURRENT INVESTMENTS				
Investment in Equity Shares (Quoted)	119,084	128,000	119,084	204,500
Investment in Mutual Funds (Quoted)	24,459,217	24,459,217	-	-
Total	24,578,301	24,587,217	119,084	204,500

(valued at cost or market price whichever is less)

Details of scrip wise

NAME OF SHARES	Face Value	As On 1st April 11 No(s)	Additions During the year No(s)	Deductions During the year No(s)	As at 31st March 2012	As on 31st March 2012	As on 31st March 2011
Investment in Equity Shares (Quoted)							
Indian Hotel Co. Limited	1	2,000	-	-	2,000	119,084	119,084
						<u>119,084</u>	<u>119,084</u>
Investment in Mutual Funds (Quoted)							
Religare Credit Opportunities Fund Institutional	10.00	-	1,042,131	-	1,042,131	10,424,333	-
HDFC High Interest Fund	10.00	-	801,962	460,106	341,856	3,620,877	-
Religare Fixed Maturity Series IX Plan F 13	10.00	-	250,000	-	250,000	2,615,150	-
Kotak Hybrid Fixed Term Plan Series	10.00	-	260,000	-	260,000	2,629,354	-
DWS Premier Bond Fund Premium Plus	10.00	-	513,240	-	513,240	5,169,503	-
Total		-	2,867,333	460,106	2,407,227	24,459,217	-

(Amount in ₹)

Particulars	As at 31.03.2012	As at 31.03.2011
13 : TRADE RECEIVABLES		
i) Lease Receivable (As per AS-19)		
Secured - outstanding for a period exceeding six months		
Considered doubtful	-	2,572,746
	-	<u>2,572,746</u>
ii) Hire Purchase Business		
(Secured by vehicles, plant & machinery under hire purchase agreement)		
Instalments receivables from hirers outstanding for a period exceeding six months		
Considered doubtful	35,225,742	42,603,715
Other debts - Considered good	786,978	830,513
	<u>36,012,720</u>	<u>43,434,228</u>

(Amount in ₹)

Particulars	As at 31.03.2012	As at 31.03.2011
14 : CASH & CASH EQUIVALENTS		
Cash in hand	65,166	32,388
Balances with Bank		
In current accounts	175,598	36,523,396
In fixed deposits (under lien with sales tax department)	321,700	273,026
Total	562,464	36,828,810
15 : SHORT TERM LOANS & ADVANCES		
Inter corporate deposits		
Secured		
considered good *	61,000,000	33,000,000
considered doubtful	6,550,000	6,550,000
Total	67,550,000	39,550,000
* includes given to related party MGF Development Limited	61,000,000	33,000,000
16 : OTHER CURRENT ASSETS		
Interest accrued on Inter Corporate Deposits (Recoverable from related party MGF Development Limited)	2,093,062	953,625
Total	2,093,062	953,625

(Amount in ₹)

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
17 : REVENUE FROM OPERATIONS		
Hire Purchase Income	1,635,045	7,765,021
Lease Income	1,365,761	4,794,114
Interest Income	614,356	519,416
Total	3,615,162	13,078,551
18 : OTHER INCOME		
Interest Income		
Inter corporate deposits	4,481,250	1,208,947
Fixed deposits/margin money	65,378	58,680
Income tax refund	9,030	199,069
Others	20,490	68,030
Dividend income from non current investments	1,200,260	1,599,680
Dividend income from current investments	1,024,957	276,467
Profit on sale of assets	-	86
Profit on sale of current investment	-	21,336
Bad debts recovered	2,071,567	80,700
Other income	3,801	110,179
Total	8,876,733	3,623,174
19 : EMPLOYEE BENEFIT EXPENSES		
Salaries & allowances	5,199,879	4,347,115
Gratuity	140,518	519,708
Contribution to provident fund and other funds	409,780	406,357
Staff welfare	84,813	109,656
Total	5,834,990	5,382,836
20 : OTHER EXPENSES		
Rent rates and taxes	126,958	249,458
Travelling & conveyance	1,091,216	1,191,016
Printing & stationery	366,873	367,684
Postage & telephone	477,908	442,248
Legal & professional expenses	1,701,162	1,353,943
Repair & maintenance	215,121	296,311
Advertisement expenses	66,101	42,930
Insurance	69,650	74,685
Bank charges	-	10,242
Auditors remuneration		
Audit fee	225,000	225,000
Tax audit fee	30,000	30,000
Certification	60,000	60,000
Miscellaneous expenses	2,500,704	3,101,631
Rebate allowed	1,463,228	2,283,994
Loss on sale of fixed assets	178,174	817,313
Total	8,572,095	10,546,455

21. Going Concern

The accumulated losses as at the close of the year amounts to ₹ 186,373,224 (after adjustment of general reserve) against the Paid-Up Capital and other Reserves amounting to ₹ 274,304,176 which results in positive net worth. The Company had liquidated the entire public deposits liability and made it a debt free company. In view of utilization of funds to liquidate the liabilities there has been no fresh exposure of business undertaken by the Company.

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

22. The net owned funds (NOF) although have become positive yet the Company could not comply with the Reserve Bank of India guidelines prescribed for Non Banking Financial Companies Prudential Norms (Reserve Bank Directions, 1988), with regard to (i) Maintenance of Minimum Capital Adequacy Ratio, (ii) the credit / investment exposures which have become in excess of prescribed limits.
23. The Company continues to hold the certificate issued by Reserve Bank of India in Category "B" as Non-Accepting Deposits Non Banking Finance Company.
24. Non Current Long Term Investments are to be valued at cost in terms of Accounting Standard-13 "Accounting for Investments" issued by the Institute of Chartered Accountants of India and as recommended by Reserve Bank of India's guidelines, subject to provisions for diminution in value, other than temporary in nature. However, considering the long term nature and other related matters, investments in quoted company amounting to ₹ 3,128,160 (Previous Year ₹ 3,128,160) have been valued at cost and the temporary short fall of ₹ 332,171 (Previous Year ₹ 472,752) has not been provided for.
25. There is no amount due to the Micro Small and Medium Enterprises in terms of "The Micro Small and Medium Enterprises Development Act, 2006"

26. Current Taxation:-

- (a) Provision for Income Tax for the year has not been considered necessary in view of the accumulated carried forward of losses and unabsorbed depreciation available for set off under the Income Tax Act, 1961 and Rules made thereunder .
- (b) Income Tax Assessments of the Company have been made up to and including the Assessment Year 2008-09. The Company's appeals for certain years are pending in respect of certain disallowances made. In view of the favorable appellate orders for earlier years, the Company expects decisions in respect of the pending matters in its favour and no provision has, therefore, been made considering the taxes already paid are more than sufficient to meet the liability, if any, upon finalization of assessment.

27. Deferred Taxation:

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

28. Managerial Remuneration to Manager:

(Amount in ₹)

Particulars	31.03.2012	31.03.2011
- Salary	643,200	595,200
- Contribution to Provident Fund	48,240	44,640
- Perquisites	53,600	49,600
Total	745,040	689,440

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

30. Segment Reporting

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

31. Related Party Disclosures

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

a) List of Related Parties

(As identified and certified by the management)

(i) Under common control:

The Motor and General Finance Limited,
Jayabharat Credit Limited.

(ii) Enterprises over which the key management personnel are able to exercise significant influence:

MGF Development Limited
MGF Automobile Limited,
Bahubali Services Limited,

(iii) Key Managerial Personnel:

Shri Rajiv Gupta, Chairman,
Shri Arun Mitter, Director,
Shri Sharad Aggarwal, Director,
Shri M.K. Madan, Director
Shri Rohit Madan, Manager & Company Secretary (relative of Director)

b) Details of transactions entered into with related parties:

(Amount in ₹)

Particulars	Under Common Control	Key Managerial Personnel	Enterprises over which the Key Management Personnel is able to exercise significant influence	Relative of Director
Interest received on ICD's	-	-	4,481,250	-
Remuneration Paid - Manager	-	-	-	745,040
Inter Corporate Deposits including interest accrued	63,093,062	-	-	-

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

(Amount in ₹)

	Gross investment in finance lease (1)	Unearned finance income (2)	Present value of Future lease/ Hire purchase receivables (3) = (1) - (2)
a) Lease Receivables (In respect of transactions after 1.4.2001)	-	-	-
- Not later than one year	-	-	-
- Later than one year but not later than five years	-	-	-
- Later than five years	-	-	-
Total -	-	-	-
Less: Provision for uncollectible Lease receivables	-	-	-
Total	0	-	0
b) Hire Purchase Receivables	-	-	-
- Not later than one year	-	-	-
- Later than one year but not later than five years	36,012,720	-	36,012,720
- Later than five years	-	-	-
Total	36,012,720	-	36,012,720
Less: Provision for uncollectible	35,301,086	-	35,301,086
Net	711,634	-	711,634
Grand Total	711,634	-	711,634

33. Lease Rental in respect of offices premises taken on operating lease are charged to the Profit and Loss account on a straight-line basis over the lease term. The rentals charged during the year aggregate to ₹ 126,958 (Previous Year ₹ 249,458).

34. Earnings Per Share(E.P.S.)	31.03.2012	31.03.2011
Calculation of Basic / Diluted E.P.S.		
a) Net Profit for the year attributable To Equity Shareholders	₹ 15,949,739	₹ 38,883,508
b) Weighted Average Number of Equity Shares	14,700,291	14,700,291
c) Basic Earnings per share	1.08	2.65
d) Diluted Earnings per share	1.08	2.65
e) Nominal Value per share	₹ 10/-	₹ 10/-

35. **Contingent Liabilities & Provisions**

a) Contingent Liability	31.03.2012	31.03.2011
Demands (including for interest and penalty) raised by Sales Tax Authorities on the Company not provided for being disputed and in appeal (from A.Y.1992-1993 to A.Y. 2003-2004). In terms of agreement with the parties, tax, if any, crystallized will be to their account.	Nil	11,798,000

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

(Amount in ₹)

Particulars	Opening Balance 01.04.11	Additions/ Movement (Net of Adjustments)	Closing Balance 31.03.12
Provisions for Gratuity (current and non current)	1,987,771	1,16,143	21,03,914
Provisions for Non Performing Assets as per RBI guidelines	97,660,027	(18,137,487)	79,522,541

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

	Amount Outstanding	Amount Overdue
(1) Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:		
a) Debentures : Secured	-	-
: Unsecured (other than falling within the meaning of public deposits)	-	-
b) Deferred Credits	-	-
c) Term Loans	-	-
d) Inter-corporate loans and borrowing	-	-
e) Commercial Paper	-	-
f) Public Deposits including accrued interest (includes unclaimed deposits ₹ Nil. Previous Year ₹ Nil)	-	-
g) Other Loans (specify nature) from Banks	-	-

(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	-	-
	b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	c) Other public deposits (includes unclaimed deposits of ₹ Nil. Previous year ₹ Nil)	-	-
	Assets side :		
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]	Amount outstanding	
	a) Secured	-	
	b) Unsecured	94,827,083	
(4)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		
	(i) Lease assets including lease rentals under sundry debtors after reducing net book value of leased assets.	-	
	a) Financial lease	-	
	b) Operating lease	-	
	(ii) Stock on hire including hire charges under sundry debtors:	36,012,720	
	a) Assets on hire	-	
	b) Repossessed Assets	-	
	(iii) Hypothecation loans counting towards EL/HP activities		
	a) Loans where assets have been repossessed		
	b) Loans other than (a) above	15,212,742	
(5)	Break-up of Investments : (Net of Provisions)		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	119,084	
	(b) Preference		
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	24,459,217	
	(iv) Government Securities	-	
	(v) Others (Share Application money)	-	
	2. Unquoted :		
	(i) Shares : (a) Equity	-	
	(b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government Securities	-	
	(v) Others (please specify)	-	

	Long Term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity		18,914,330
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (please specify)		-
	2. Unquoted :		
	(i) Shares : (a) Equity		20,000
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (please specify)		-
(6)	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :		
	Category	Amount	
		Secured	Unsecured
			Total
	1. Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	51,225,462	28,486,771
	Total	51,225,462	79,712,233
(7)	Investor group-wise classification of all investments (current and non current long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	18,914,330	18,914,330
	(c) Other related parties		
	2. Other than related parties	24,618,301	24,618,301
	Total	43,532,631	43,532,631
(8)	Other information		
	Particulars	Amount	
	(i) Gross Non-Performing Assets		
	(a) Related parties		-
	(b) Other than related parties		79,712,233
	(ii) Net Non-Performing Assets		
	(a) Related parties		-
	(b) Other than related parties		79,712,233
	(iii) Assets acquired in satisfaction of debt		760,000

37. Disclosures as required under Accounting Standard-15 (Revised) "Employee Benefits" for Gratuity:

A. Assumptions

Particulars	Gratuity	
	31.03.12	31.03.11
Discount Rate	8.70%	8.10%
Rate of Return on Plan Assets	0.00%	0.00%
Salary Escalation	10.00%	10.00%

B. Changes in Benefit Obligations

Particulars	Gratuity	
	31.03.12	31.03.11
Liability at beginning of the year	1,987,771	1,468,063
Interest Cost	161,009	117,445
Past Service Cost	NIL	351,092
Current Service Cost	154,889	157,671
Benefit Paid	NIL	NIL
Actuarial(gain)/ Loss on obligation	(199,755)	(106,500)
Liability at the end of the year	2,103,914	1,987,771

C. Fair Value of Plan Asset

Particulars	Gratuity	
	31.03.12	31.03.11
Fair Value of Plan Assets at beginning of the year	Nil	Nil
Expected Return on Plan Assets	Nil	Nil
Contributions	Nil	Nil
Benefits Paid	Nil	Nil
Actuarial Gain / (Loss) on Plan Assets	Nil	Nil
Fair value of Plan Assets at the end of the year	Nil	Nil
Funded Status	Unfunded	Unfunded

D. Expenses recognised in the Profit & Loss Account

Particulars	Gratuity	
	31.03.12	31.03.11
Current Service Cost	154,889	157,671
Past Services Cost	NIL	351,092
Interest Cost	161,009	117,445
Net Actuarial (gain)/ Loss for the period	(199,755)	(106,500)
Expenses Recognised in Profit & Loss account	116,143	519,708

E. Balance Sheet Reconciliation

Particulars	Gratuity	
	31.03.12	31.03.11
Opening Net Liability	1,987,771	1,468,063
Expenses charged to Profit & Loss account	116,143	519,708
Benefit Paid	-	-
Closing Liability as at 31.03.12	2,103,914	1,987,771
Non current liability	2,002,058	1,899,717
Current liability	101,856	88,054

38. The financial statements have been prepared in line with requirements of revised Schedule VI of the Companies Act 1956, as introduced by Ministry of Corporate Affairs, from the financial year ended March 31, 2012. Accordingly, the assets and liabilities are classified between current and non current considering 12 months period as operating cycle. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Consequently, the Company has reclassified previous year figures to conform to this year's classification.

As per our report of even date attached

For **S.N.Dhawan & Co.**
Chartered Accountants
FRN No.000050N

(S. K. Khattar)
Partner
M. No. 084993

Place : New Delhi
Dated : August 23, 2012

For and on Behalf of the Board of Directors

Rajiv Gupta
Chairman

M.K.Madan
Director

Arun Mitter
Director

Rohit Madan
Manager &
Company Secretary

BRANCH OFFICES

BENGALURU

305, Raheja Chambers,
12, Museum Road,
Bengaluru – 560001
Ph: 09632407617
09902655711

SHIMLA

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

NET COPY

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



ADMISSION SLIP

Folio No.\Client ID No.\DP ID No.
Name of the Member (s)
(in Block Letters)

I/We hereby record my/our presence at the 27th Annual General Meeting of **India Lease Development Limited** on Thursday, the 27th September, 2012 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 at 1.30 P.M.

SIGNATURE OF THE MEMBER(S)/PROXY

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



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



PROXY FORM

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

I/We.....

of.....

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

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

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

as my /our proxy to attend and vote for me/us on my /our behalf at the 27th Annual General Meeting of the company to be held on Thursday, the 27th September, 2012 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 at 1.30 P.M. and/or at any adjournment thereof.

Signed this.....day of.....2012.

Signature.....

Affix
₹ 1.00
Revenue
Stamp

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

(ii) A Proxy need not be a Member.



BOOK POST

If undelivered, please return to :

India Lease Development Limited

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