

ILD



Annual Report
2009-2010

INDIA LEASE DEVELOPMENT LIMITED



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

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NOTICE

NOTICE is hereby given that the Twenty Fifth (25th) 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 Wednesday the 29th September, 2010 at 2.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Sharad Aggarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri M.K.Madan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration. M/s S.N.Dhawan & Co., Chartered Accountants, retires and are eligible for re-appointment. Certificate under Section 224(1B) of the Companies Act, 1956, has been obtained from them.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass with or without modification(s),if any, the following resolution as an ordinary resolution:-**

DONATION TO CHARITABLE INSTITUTIONS

"Resolved that consent under Section 293(1)(e) be and is hereby accorded to the Board of Directors of the company to contribute from time to time in any financial year to any charitable and other funds not directly relating to the business of the company or welfare of its employees, any amount according to which will, in any financial year, may exceed Rs. 50,000/- or 5% of its average net profit as determined in accordance with the provision of Section 349 and 350 during the three financial years immediately preceding, whichever is greater".

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

Place : New Delhi
Date : August 19, 2010

Rohit Madan
Manager & Company Secretary

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 5**

The company is authorized by its articles to make contributions to charitable and other funds not directly relating to the business of the company or the welfare of its employees. By virtue of Section 293(1)(e) of the Companies Act, 1956, the maximum limit upto which such contributions can be made in any financial year is Rs.50,000/- or 5 % of the company's average net profits determined in accordance with section 349 and 350 of the Companies Act, 1956, during the three financial years immediately preceding, whichever is greater. Section 293(1)(e) permits such contributions in excess of these limits with the consent of the shareholders. Your Board seeks shareholders approval to make any contributions in a financial year upto a limit of Rs.50,000 or 5% of the company's average net profits determined in the aforesaid manner, whichever is greater.

Your Directors commend the resolution under Item No.5 for approval of the shareholders.

None of the Directors is concerned or interested in the resolution.

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY 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 Friday the 24th September, 2010 to Wednesday the 29th September, 2010 (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 Registrars and Transfer Agents, M/s Alankit Assignments Limited, having their office at 2E/21, Alankit House, Jhandewalan Extension, 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 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) In accordance with the provisions of Section 205(5) of the Companies Act, 1956, the Company has already transferred Unclaimed Dividend declared for the financial year ended 31st March, 2000 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, Those shareholders who have so far not claimed their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, NCT of Delhi and Haryana, CGO Complex, Paryavaran Bhawan, Lodhi Road, New Delhi-110003.
 - (ii) In view of the Section 205C of the Companies Act, 1956 read with Investors Education and Protection Fund (Awareness and Protection of the Investors) Rules, 2003, no dividend has been declared after 2000 and as such, there are no unclaimed dividend which is required to be deposited/transferred.
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.

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

Place : **New Delhi**
Date : **August 19, 2010**

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 Sharad Aggarwal
Age & Date of Birth : 44 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 Pvt Ltd, Sterling Hotels Pvt Ltd, Jay Vee Leatherite Pvt Ltd, Knit Foulds Pvt Ltd, K.F.Beltings Pvt Ltd, Hamilton Land Developers Pvt Ltd, Atlantic Land Developers Pvt Ltd, Jazz Foods Pvt Ltd, Makro Lease Pvt Ltd.

Committee Membership

India Lease Development Ltd

Audit Committee
Remuneration Committee

The Motor & General Finance Limited

Audit Committee
Remuneration Committee
Shareholders Grievance Committee
Shri. Sharad Aggarwal holds Nil shares.

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

Name : Shri M.K.Madan
Age & Date of Birth : 66 years (27-2-1944)
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 Purchase Companies Association Ltd, MGF Services Ltd, Bahubali Services Ltd, Jayabharat Credit Ltd.

Committee Memberships :

India Lease Development Ltd

Audit Committee
Remuneration Committee
Shareholders Grievance Committee

Jayabharat Credit Ltd

Audit Committee
Shareholders Grievance Committee
Remuneration Committee

Shri. M.K.Madan holds Nil shares

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	: 29 th September, 2010
Time, Day and Venue	: 2.00 P.M. Wednesday at The Executive Club 439, Village Shahoorpur, P.O.Fatehpuri Beri, New Delhi- 110 030.
Day and Date of Book Closure	: Friday the 24 th September,2010 to Wednesday the 29 th September, 2010 (both days inclusive)
Shares Listed At	: The Stock Exchange, Mumbai 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 2010-11.

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 Fifth (25th) Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2010 are summarised below for your consideration:-

(Rs. In Lacs)

	Year ended 31 st March, 2010	Year ended 31 st March, 2009
Profit/ (Loss) before taxation, interest, depreciation and provisions	(67.56)	68.02
Interest	(0.47)	(22.17)
Depreciation including Impairment	(21.53)	(32.49)
Profit / (Loss) before provision for non performing assets & tax	(89.56)	13.36
Provision for non performing assets written back	92.31	67.47
Fringe benefit tax	-	(2.88)
Transferred to Statutory Reserves u/s 45I(C) of the RBI Act, 1934	(0.55)	(15.59)
Net Profit	2.20	62.36
Balance b/fd from last year	(2328.99)	(2391.35)
Balance c/fd to Balance Sheet	(2326.79)	2328.99

REVIEW OF OPERATIONS

The company's main thrust is to consolidate its existing operations and in doing so it is concentrating in recovery of dues from the customers. It is a 'Debt Free Company'. 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, your directors have not recommended any dividend for the year under review.

DEPOSITS AND CHANGE OF CATEGORY

There are no outstanding liability towards public deposits. Reserve Bank of India vide its certificate dated 2nd July, 2010 have confirmed the change of category from "A" i.e. Deposit Accepting Non Banking Finance Company to category "B" i.e. 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 Schedule-14 Notes on Accounts.

Para 3(a)

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 8(c) of accounting policy, overdues are consistently accounted for only on realisation basis.

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

In view of negative net worth, this has a consequential effect which, inter-alia, means non compliance of the provisions of RBI's 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)**c) Para (i)(a) & (b)-Quantitative details of assets on lease**

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

d) Para 8 of Schedule 14- Notes to Accounts

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

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

REPORT ON CORPORATE GOVERNANCE

A detailed report on Corporate Governance together with Management Discussions and Analysis Report has been included separately in Annexure 'A' and 'B' respectively which forms part of the Directors' 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, 2010 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, 2010 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 Sharad Aggarwal, Director and Shri M.K.Madan, 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.

DEMATERIALIZATION

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.

AMALGAMATION

Your Board has accorded its approval subject to its sanction u/s 391 to 394 of Companies Act, 1956 by the Hon'ble High Court of Delhi to the proposed scheme of amalgamation of MGF Services Limited with your company. The necessary application to the appropriate authorities in this regard, is being moved. Further Reserve Bank of India and Stock Exchange, Mumbai have given the in principle approval to the above proposed scheme of amalgamation.

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

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

COMPLIANCE BY THE COMPANY

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

	31.03.10	31.03.09
a) Expenditure in Foreign Currency	-	-
I) Repayment of Foreign Currency Loan	-	-
ii) Interest on Foreign Currency Loan	-	-
iii) Travelling Expenses	-	-
b) Shares held by Non Resident		
Shareholders	7100	4901
No. of Shareholders	12	12

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 19,2010

Rajiv Gupta
 Chairman

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

We have examined the compliance of conditions of Corporate Governance by **India Lease Development Limited** having its Registered Office at MGF House, 4/17-B, Asaf Ali Road, New Delhi-110002 for the year ended 31st March, 2010 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
Firm Reg. No. 000050N

S.K. Khattar
Partner
M. No.84993

Place : New Delhi
Date : August 19, 2010

25th

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. The notice confirming the meeting and the detailed agenda is sent at least seven days in advance to all the Directors.

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

During the year ended 31st March, 2010, the Board of Directors met eleven times on the following dates:

S.No.	Date of Meeting	Board Strength	No.of Directors present
1	24 th April,2009	4	4
2	30 th April,2009	4	4
3	28 th May,2009	4	4
4	31 st July,2009	4	4
5	13 th August, 2009	4	4
6	28 th August, 2009	4	4
7	30 th October, 2009	4	4
8	26 th November, 2009	4	4
9	29 th January, 2010	4	4
10	18 th February, 2010	4	4
11	31 st March, 2010	4	4

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, 2010	No. of Memberships in all Committees of the Board as on 31st March, 2010
1.	Shri Rajiv Gupta	11	11	NA*	13	11
2.	Shri Arun Mitter	11	11	Present	28	11
3.	Shri Sharad Aggarwal	11	11	NA*	11	5
4.	Shri M.K.Madan	11	11	Present	5	6

* NA- Not attended

**Includes Directorship in Private and Public Limited Companies

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

2.3(c) Remuneration to Directors:

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

3. Committees of the Board:

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

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

The Company also has Share Transfer Committee.

3.1 Audit Committee:

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

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

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

3.1(c) During the year ended 31st March, 2010 the Audit Committee met nine times on the 29th April, 2009, 27th May, 2009, 30th July, 2009, 12th August, 2009, 27th August, 2009, 29th October, 2009, 25th November, 2009, 28th January, 2010, 17th February, 2010.

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	9	9
2.	Shri Arun Mitter	9	9
3.	Shri Sharad Aggarwal	9	9
4.	Shri. M.K.Madan	9	9

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, splitting, consolidation of shares, non-receipt of balance sheets, non- receipt of dividend etc. and redress the same.

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

During the year ended 31st March, 2010, the Shareholders' Grievances Committee met five times on 23rd April, 2009, 20th July, 2009, 22nd October, 2009, 19th January, 2010 and 31st March, 2010.

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	5
2.	Shri Arun Mitter	5	5
3.	Shri. M.K.Madan	5	5

3.2(b) Details of Investors complaints received during the year ended 31st March, 2010

S.No	Nature of complaints	Received	Disposed
1.	Non receipt of dividend warrant(s)	1	1
2.	Non receipt of Balance Sheet/ Notices	3	3
3.	Non receipt of share certificates after transfer/demat	3	3
	Total	7	7

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

All the shareholders requests/complaints received during the financial year ended 31st March, 2010 by the company and/or registrar i.e. M/s Alankit Assignments Limited were replied / resolved to their satisfaction.

3.2(d) Number of shares pending for transfer:

No share(s) were pending for transfer as on 31st March, 2010.

3.3 Remuneration Committee:

3.3(a) Membership:

This Committee is comprising of Sh. Rajiv Gupta, 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, 2010, the Remuneration Committee met once on 30th March, 2010.

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, 2010 Mr. Rohit Madan, Manager & Company Secretary, in accordance with the terms & conditions of his appointment was paid remuneration of Rs.6,33,840/-.

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, 2010 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 meeting. 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

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

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

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
22 nd	2007	28 th Sep, 2007	1.30 P.M.	Special Resolution of shifting of Statutory Records u/s 163 of the Companies Act, 1956, confirmation of re-appointment and appointment of Manager under the Companies Act, 1956.
23 rd	2008	29 th Aug, 2008	1.30 P.M.	Not Applicable
24 th	2009	17 th Sep, 2009	1.30 P.M.	Re-appointment of Manager

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

6. Shareholder Information :

- 6.1 **Annual General Meeting** : 25th Annual General Meeting
Day & Date : Wednesday, the 29th September, 2010
Time : 2.00 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, 2010 **By the end of 31st July, 2010**
- Financial reporting for the half year ended 30th September, 2010 **By the end of 31st October, 2010**
- Financial reporting for the nine months ended 31st December, 2010 **By the end of 31st January, 2011**
- Financial reporting for the year ended 31st March, 2011 **By the end of 30th April, 2011**

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.
- Company has its own website and all vital information relating to the company is displayed on the web site. Address of the website is www.indialease.com

6.4 Date of Book Closure

Friday the 24th September, 2010 to Wednesday, the 29th September, 2010 (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 and Deposits. Nomination Forms are available at the Registered Office i.e. MGF House, 4/17-B, Asaf Ali Road, New Delhi-110002. Those interested in getting the facility of nominations may write to the Company Secretary for a copy of the prescribed Nomination Form.

- 6.6 The under noted officials of the company have been designated for speedy redressal of 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 (BSE).

The company confirms that it has paid the annual listing fees for 2010-2011 to the Stock Exchange where the shares of the company were listed during the year.

The Stock Exchange, Mumbai
Phiroze Jee Jee Bhoy Towers
Dalal Street,
Mumbai – 400001
Ph: 022-22721233-34, Fax : 022-22721072
Email id: isc@bse.com.

6.8 Stock Code of the Company:

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

6.9 ISIN No. for the Company's

Equity shares in Demat Form: INE 333C01013

6.10 Depository Connectivity: NSDL and CDSL
6.11 Market Price Data: (As obtained from BSE)

Month & Year	High	Low
April – 2009	10.47	8.20
May – 2009	10.50	9.05
June – 2009	10.38	7.45
July – 2009	9.11	7.20
August – 2009	10.40	8.86
September – 2009	9.78	8.80
October – 2009	11.00	8.70
November – 2009	10.49	8.41
December – 2009	10.20	8.21
January – 2010	10.60	9.05
February – 2010	9.99	9.06
March – 2010	10.00	7.62

6.12 Categories of Shareholding as on 31st March, 2010:

S.No	Category	No. of Shares held	% of Shareholding
A	Promoters	5756117	56.43
B	Non Promoter Holding		
	Mutual Funds and UTI	-	-
	Banks, Financial Institutions, Insurance Companies(Central/State Government Institutions/Non Government Institutions)	743250	7.29
C	Others		
	Private Corporate Bodies	222536	2.18
	Indian Public	3471297	34.03
	NRIs/OCBs	7100	0.07
	Directors and Relatives	-	-
	Trusts	-	-
	Total	10200300	100.00

6.13 Distribution of Company's Shareholding as on 31st March 2010:

Category	Shareholders			No. of Shares(Rs. 10/- per share)			Percentage(%)		
	Physical	Demat	Total	Physical	Demat	Total	Physical	Demat	Total
Upto 5000	5517	3998	9515	902241	1161546	2063787	8.85	11.39	20.23
5001-10000	5	26	31	36000	206603	242603	0.35	2.03	2.38
10001-20000	1	9	10	16500	123759	140259	0.16	1.21	1.38
20001-30000	1	1	2	24000	25344	49344	0.24	0.25	0.48
30001-40000	0	3	3	0	108200	108200	0.00	1.06	1.06
40001-50000	0	4	4	0	185700	185700	0.00	1.82	1.82
50001-100000	0	1	1	0	78000	78000	0.00	0.76	0.76
100001-Above	0	12	12	0	7332407	7332407	0.00	71.88	71.88
Total	5524	4054	9578	978741	9221559	10200300	9.60	90.40	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 19, 2010

RAJIV GUPTA
CHAIRMAN

ANNEXURE 'B' TO THE DIRECTOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS:
NBFC- INDUSTRY STRUCTURE AND BUSINESS DEVELOPMENTS**Industry Overview:**

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

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

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

Outlook on opportunities, threats, risks and concerns:

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

Internal control System and adequacy

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

Financial

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

(Rs. In Lacs)

	Year ended 31st March, 2010	Year ended 31st March, 2009
Profit /(Loss) before Taxation, Interest, Depreciation and Provisions	(67.56)	68.02
Interest	(0.47)	(22.17)
Depreciation including Impairment	(21.53)	(32.49)
Profit / (Loss) before Provision for Non Performing Assets & Tax	(89.56)	13.36
Provision for non performing assets written back	92.31	67.47
Fringe Benefit Tax	-	(2.88)
Transferred to Statutory Reserves u/s 45I(C) of the RBI Act, 1934	(0.55)	(15.59)
Net Profit	2.20	62.36
Balance b/fd from last year	(2328.99)	(2391.35)
Balance c/fd to Balance Sheet	(2326.79)	2328.99

Risk and Concern

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

Human Resources

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

Disclaimer

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

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

I, Arun Mitter, Chief Executive Officer (CEO) & Chief Financial Officer (CFO) hereby certify that for the financial year ended 31st March, 2010, 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 2009-10 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

(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, 2010.

For INDIA LEASE DEVELOPMENT LIMITED

(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 had undertaken Secretarial Audit of **M/s INDIA LEASE DEVELOPMENT LIMITED** having registered office at MGF House, 4/17-B, Asaf Ali Road, New Delhi for the financial year ended 31st March, 2010. The report is being submitted on the basis of examination of registers, records and documents produced before me and according to the information and explanation given by the company. The registers and records are being maintained under 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, 1997;
 - o The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 1992;
 - The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made under the Act, and;
 - The Listing Agreement with Bombay Stock Exchange Limited;
 - 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 58 A and deposit Rules, 1975 Register of deposit	Maintained
• Section 143 Register of charges	Maintained
• 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 Annual General Meeting on 17th September, 2009,
- 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 in time;
- f. Service of all Documents by the Company on its Members and Registrar of Companies is in time ;
- g. Remuneration and terms of appointment of Manager is in compliance with all the statutory compliances;
- h. 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. The Company's Board has accorded its approval to the proposed amalgamation scheme between MGF Services Limited and India Lease Development Limited, and for which all necessary applications are being moved with different statutory bodies;
- 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;
 - n. All borrowings are duly noted in the Statutory Registers.
 - o. The Contracts entered into and on behalf of the company are duly undertaken under the Common Seal of the Company;
 - p. Balance Sheet and Profit & Loss Account are prepared in compliance with the Part I and Part II of Schedule VI of the Act;
 - q. 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, 1997 with regard to the disclosure and maintenance of record required under the regulations.
 - (c) The provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.

Place: New Delhi
Date: 02/08/2010

Anjali Yadav
Practising Company Secretary
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 31st March, 2010, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India, in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose, in the Annexure, a statement on the matters specified in paragraphs 4 & 5, of the said Order.
2. *Attention is drawn to Note No. 2 of Schedule-14 "Notes to Accounts", regarding the accumulated losses of the Company as at March 31, 2010 having exceeded its networth. The Company has also discontinued fresh hire purchase / leasing business. The management is of the view that the realization of the assets will be sufficient to pay off its entire liabilities. In view of the above the accounts have been prepared on the assumption that the Company will continue as a going concern.*
3. *Further to our comments in the Annexure referred to in paragraph 1, we report that:*
 - a) *Overdue charges on hire purchase/ lease rentals/ receivables/ loans against hypothecation and bills discounted respectively are accounted for on realization basis in view of significant uncertainties, instead of on accrual basis. (Refer to Accounting Policy 8 (e));*
 - b) *There is non-compliance of the provisions of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1998 with regard to maintenance of Capital Adequacy and Credit/Investment exposure in excess of the prescribed limits (Refer Note No. 3.)*
4. We further report that:-
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - (c) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to our comments in our paragraphs 2 above;
 - (e) On the basis of written representations received from the Directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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, the said accounts read with the Significant Accounting Policies and Notes to Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- (b) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

(S. K. Khattar)
Partner
(M. No. 84993)

Place: New Delhi
Date : August 19, 2010

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON ACCOUNTS OF INDIA LEASE DEVELOPMENT LIMITED FOR THE YEAR ENDED 31ST MARCH, 2010

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for *assets on lease and furniture and fixtures at offices*.
- (b) As per information and explanations given to us the Other Fixed Assets have been physically verified by the management, during the year. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on such verification *except in the case of furniture and fixtures at offices wherein the physical balance not reconciled with the book balance (refer to our comments in (a) above)*. In respect of Assets on Lease, confirmations from lessees, as regards their physical existence, were not available.
- (c) According to the information and based on the explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.
- ii) The Company does not have any inventory. Therefore, the provisions of clause 4(ii) (a), (b) & (c) of the Order are not applicable.
- iii) (a) The Company has granted Inter Corporate Deposits to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 165.50 Lacs and the year end balance of such deposits was Rs.165.50 Lacs
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not, prime facie, prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us, one Inter Corporate Deposits given during the year is repayable on demand and during the year the Company has not made any demand recovered this amount. The repayment of interest is regular.
- (d) As explained to us, in respect of outstanding Inter Corporate Deposits granted in earlier years amounting to Rs. 65.50 Lacs as at 31st March 2010, where from recoveries of principal/ interest are not forthcoming, full provision has been made.
- (e) The Company has taken unsecured Inter Corporate Deposits from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.23 Lacs and year end balance is Rs.11.50 Lacs.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and the terms and conditions on which these loans have been taken from companies covered in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company.
- (g) According to the information and explanations given to us, such Inter Corporate Deposits are repayable on demand and during the year there was no demand for repayment.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of the business with regard to purchase of fixed assets. As explained, there was neither purchase of inventories nor sale of goods and services during the year. During the course of our audit we have not come across any continuing failure to correct major weaknesses in the internal control systems.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time, except for items stated to be of a specialized nature where no comparison is possible.
- vi) In our opinion and according to the information and explanation given to us, the Company has complied with the directions issued by Reserve Bank of India and the provisions of Section 58A and Section 58AA of the Companies Act, 1956 and the Companies Acceptance of Deposit Rules, 1975 with regard to Deposits accepted from the public. We have been informed by the Company that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or any other Tribunal.
- vii) The Company has an internal audit system. However, functioning thereof (including extent of coverage) needs to be strengthened to make it commensurate with the size and nature of its business.

- viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us and according to the records produced before us, the Company is generally regular in depositing, with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax and any other material statutory dues applicable to it.
- Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax were in arrears as at 31st March, 2010 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax and Service Tax which have not been deposited on account of any dispute, other than the following:-

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

- x) The accumulated losses of the Company are more than 50% of the net worth of the Company. The Company has not incurred cash loss during the financial year covered by our audit. However in the immediately preceding financial year the Company had incurred cash losses. .
- xi) Based on our examination of the records and according to the information and explanations given to us the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Order are not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is not a Chit Fund or Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- xiv) In our opinion the Company is not dealing or trading in shares, securities, debentures or other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable.
- xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable.
- xvi) The Company has not taken any term loans. Therefore, the provisions of clause 4(xvi) of the Order are not applicable.
- xvii) According to the information and explanations given to us, and 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
Firm Reg. No.000050N

(S. K. Khattar)
Partner
(M. No. 84993)

Place: New Delhi
Date : August 19, 2010

BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule No.	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	102,130,250	102,130,250
Reserves and Surplus	2	111,772,728	111,717,697
		<u>213,902,978</u>	<u>213,847,947</u>
Loan Funds			
Unsecured Loans	3	-	889,884
Total		<u>213,902,978</u>	<u>214,737,831</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	129,576,609	135,388,506
Less: Depreciation including Impairment		<u>126,757,620</u>	<u>130,434,941</u>
		2,818,989	4,953,565
Less: Accumulated Lease Adjustment		<u>742,790</u>	<u>2,304,394</u>
Net Block		2,076,199	2,649,171
Investments			
Current Assets, Loans and Advances	5	6,333,554	11,259,482
Interest Accrued on Government Securities	6	-	-
Lease Receivable		2,740,688	2,829,788
Sundry Debtors		93,928,392	97,161,784
Cash & Bank Balances		25,812	1,931,115
Loans And Advances		<u>71,193,894</u>	<u>73,323,568</u>
Total		<u>167,888,786</u>	<u>175,246,255</u>
Less : Current Liabilities & Provisions	7		
Current Liabilities		19,355,989	22,478,930
Provisions		<u>159,465,302</u>	<u>168,584,003</u>
		178,821,291	191,062,933
Net Current Assets		(10,932,505)	(15,816,678)
Profit & Loss Account		232,678,780	232,898,906
Less: General Reserve (as per contra)		<u>16,253,050</u>	<u>16,253,050</u>
		<u>216,425,730</u>	<u>216,645,856</u>
Total		<u>213,902,978</u>	<u>214,737,831</u>
Significant Accounting Policies	13		
Notes to Accounts	14		
The Schedules referred to above form an integral part of the Accounts			

As per our report of even date attached

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

(S. K. Khattar)
Partner
M. No. 84993

Place : New Delhi
Dated : August 19, 2010

For and on Behalf of the Board of Directors

Rajiv Gupta
Chairman

M.K.Madan
Director

Arun Mitter
Director

Rohit Madan
Manager &
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Schedule No.	Year Ended 31.03.2010 (Rs.)	Year Ended 31.03.2009 (Rs.)
INCOME			
Income From Operations	8	2,681,812	7,683,942
Other Income	9	2,104,288	14,888,062
TOTAL		4,786,100	22,572,004
EXPENDITURE			
Personnel Expenses	10	4,640,895	4,504,398
Administrative & Other Expenses	11	6,901,356	11,264,757
Interest and Bank Charges	12	47,202	2,216,883
TOTAL		11,589,453	17,986,038
GROSS PROFIT/ (LOSS) BEFORE DEPRECIATION, PROVISIONS FOR TAXATION & OTHER PROVISIONS		(6,803,353)	4,585,966
Depreciation including Impairment		2,153,457	3,249,208
Provision for Non Performing Assets (NPAs)		(9,231,967)	(6,746,896)
Fringe Benefit Tax		-	288,207
NET PROFIT / (LOSS)		275,157	7,795,447
Less Transfer to Statutory Reserve		55,031	1,559,089
Net Profit /(Loss) after appropriations		220,126	6,236,358
Balance Brought Forward from Previous Year		(232,898,906)	(239,135,264)
Balance Carried to Balance Sheet		(232,678,780)	(232,898,906)
Earnings Per Share (Refer to Note No. 13 of Schedule 14)			
(Rs per Equity Share of Rs 10/- each)			
Basic		0.03	0.76
Diluted		0.03	0.76
Significant Accounting Policies	13		
Notes to Accounts	14		

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

As per our report of even date attached

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

(S. K. Khattar)
Partner
M. No. 84993

Place : New Delhi
Dated : August 19, 2010

For and on Behalf of the Board of Directors

Rajiv Gupta
Chairman

M.K.Madan
Director

Arun Mitter
Director

Rohit Madan
Manager &
Company Secretary

SCHEDULE 1 TO 14 ANNEXED TO AND FORMING PART OF ACCOUNTS

Schedules forming part of the Balance Sheet

SCHEDULE - 1: SHARE CAPITAL

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Authorised		
1,50,00,000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed and Fully Paid Up		
- 1,02,00,300 (Previous Year 1,02,00,300) Equity Shares of Rs.10/- each fully paid up for cash.	102,003,000	102,003,000
Add: Shares Forfeited (Amount paid up)	127,250	127,250
	<u>102,130,250</u>	<u>102,130,250</u>

SCHEDULE - 2 : RESERVES AND SURPLUS

	As at 01.04.2009 (Rs.)	Additions during the year (Rs.)	Deductions/ Adjustment during the year (Rs.)	As at 31.03.2010 (Rs.)
Share Premium	91,751,750	-	-	91,751,750
Statutory Reserve(u/s 45-1C of RBI Act)	19,965,947	55,031	-	20,020,978
General Reserve	16,253,050	-	16,253,050	-
	<u>127,970,747</u>	-	16,253,050	<u>111,772,728</u>

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

SCHEDULE - 3 : LOAN FUNDS

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
UNSECURED LOAN		
- Public Deposits	-	889,884
	<u>-</u>	<u>889,884</u>

Schedules forming part of the Balance Sheet

Schedule -4: FIXED ASSETS

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.09 (Rs.)	Additions (Rs.)	Deductions/ Transfers (Rs.)	As at 31.03.10 (Rs.)	As at 01.04.09 (Rs.)	Additions (Rs.)	Impairment (Rs.)	Deductions/ Transfers (Rs.)	As at 31.03.10 (Rs.)	As at 31.03.10 (Rs.)	As at 31.03.09 (Rs.)	
Assets on lease												
Vehicle	90,530,147	-	5,846,529	84,683,618	88,225,747	1,545,854	-	5,830,773	83,940,828	742,790	2,304,400	
Machinery (M)	17,297,084	-	-	17,297,084	17,297,089	-	-	5	17,297,084	-	(5)	
TOTAL (A)	107,827,231	-	5,846,529	101,980,702	105,522,836	1,545,854	-	5,830,778	101,237,912	742,790	2,304,395	
Other Fixed Assets												
Land	760,000	-	-	760,000	-	-	-	-	-	760,000	760,000	
Airconditioning System	2,285,146	-	-	2,285,146	2,277,552	1,056	-	-	2,278,608	6,538	7,594	
Office Equipments	2,037,692	6,500	-	2,044,192	2,027,449	2,244	-	-	2,029,693	14,499	10,243	
Vehicles	7,272,272	-	-	7,272,272	5,560,540	443,168	105,000	-	6,108,708	1,163,564	1,711,732	
Computers	12,185,890	28,132	-	12,214,022	12,143,474	24,925	10,000	-	12,178,399	35,623	42,416	
Furniture & Fixture	2,349,794	-	-	2,349,794	2,232,609	21,210	-	-	2,253,819	95,975	117,185	
Generator	670,481	-	-	670,481	670,481	-	-	-	670,481	-	-	
TOTAL (B)	27,561,275	34,632	-	27,595,907	24,912,105	492,603	115,000	-	25,519,708	2,076,199	2,649,170	
TOTAL (A) + (B)	135,388,506	34,632	5,846,529	129,576,609	130,434,941	2,038,457	115,000	5,830,778	126,757,620	2,818,989	4,953,565	
Previous Year	148,572,953	-	13,184,447	135,388,506	139,336,815	3,041,208	208,000	12,151,081	130,434,941	4,953,565	-	

Schedules forming part of the Balance Sheet

SCHEDULE 5 : INVESTMENTS

	Face Value (Rs.)	(UNITS)				(VALUE)	
		Nos. 31.03.2009	Nos. Additions	Nos. Deductions	Nos. 31.03.2010	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
(A) LONG TERM INVESTMENTS :							
QUOTED - NON TRADE							
(1) GOVERNMENT SECURITIES							
7.59 % GOI Stock 2016	100	20,800	-	20,800	-	-	2,109,707
							<u>2,109,707</u>
(2) EQUITY SHARES FULLY PAID UP							
The Motor And General Finance Limited*10	265,000	-	-	265,000	6,180,271	6,180,271	
					<u>6,180,271</u>	<u>6,180,271</u>	
UNQUOTED							
MGF Services Limited*	10	277,803	-	277,803	-	-	2,777,620
Micronet Software Services (P) Ltd.	10	2,000	-	-	2,000	20,000	20,000
					<u>20,000</u>	<u>2,797,620</u>	
(B) CURRENT INVESTMENTS							
(I) EQUITY SHARES FULLY PAID UP							
NON TRADE							
QUOTED							
Essel Packaging Limited #	10	200	-	200	-	-	24,780
Goodyear India Limited	10	100	-	-	100	14,199	14,199
Gujarat Industrial Power Limited #	10	100	-	100	-	-	6,937
HDC Ltd #	10	50	-	50	-	-	3,600
Indian Hotel Co. Limited	1	2,000	-	-	2,000	119,084	119,084
Narmada Cements Limited #	2	50	-	50	-	-	1,333
						<u>133,283</u>	<u>169,934</u>
DEBENTURES							
Debentures of HDC Limited # (Rs 10/- each)	10	50	-	50	50	-	1,950
						<u>-</u>	<u>1,950</u>
GRAND TOTAL (A+B)						6,333,554	11,259,482

(Rs. in Lacs)

	Cost	Market Value
(a) (1) Aggregate Value of Government Securities :	-	-
	(21.10)	(21.11)
(2) Aggregate Value of Quoted Long Term Investments :	61.80	116.20
	(61.80)	(52.34)
(3) Aggregate Value of Quoted Current Investments :	1.33	2.33
	(1.70)	(0.89)
(4) Aggregate Value of Unquoted Investments :	0.20	-
	(27.98)	-

(b) * Companies under the same management.

(c) # Shares/Debentures costing to Rs.38,600/- which are stated to be misplaced and not traceable and against which provision was made in previous years, have been written off during the year.

Schedules forming part of the Balance Sheet

SCHEDULE 6 : CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
(A) CURRENT ASSETS		
1. Lease Receivables (As per AS-19)		
(Secured)		
(a) Outstanding for over six months*		
- Considered Doubtful	2,740,688	2,778,255
(b) Others		
- Considered Doubtful	-	51,533
	2,740,688	2,829,788
* Includes: Value of Repossessed stock Rs. 1.76 Lacs (Previous year Rs. 1.76 Lacs)		
2. Sundry Debtors		
Hire purchase business		
(a) Instalments receivable from Hirers:		
(Secured by vehicles, plant & machinery etc. under hire purchase agreement)		
Outstanding for over six months		
- Considered Good	-	1,136,258
- Considered Doubtful*	78,193,520	79,246,513
	78,193,520	80,382,771
(b) Lease Rentals		
(Secured)		
Outstanding for over six months		
- Considered Doubtful	15,734,872	16,779,013
	15,734,872	16,779,013
	93,928,392	97,161,784
* Includes: Value of Repossessed stock Rs 32.06 lacs (Previous Year Rs. 31.11 lacs)		
3. Cash and Bank balances		
Cash and Cheques in Hand	25,812	88,687
With Scheduled Banks in		
-Current Accounts	-	1,842,428
	25,812	1,931,115

Schedules forming part of the Balance Sheet

SCHEDULE 6 : (Contd.)

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
(B) Loans and Advances		
(Considered good unless otherwise stated)		
1. Loans :		
(Secured)		
Against Hypothecation of Vehicles, Plant & Machinery etc.		
- Considered Good	-	3,256,675
- Considered Doubtful	<u>24,391,678</u>	<u>33,329,904</u>
	24,391,678	36,586,579
(Unsecured)		
Inter Corporate Deposits		
-Considered Good	10,000,000	-
-Considered Doubtful	<u>6,550,000</u>	<u>6,550,000</u>
	16,550,000	6,550,000
Interest Accrued and Due on Inter Corporate Deposits	526,870	
2. Advances (Unsecured)		
Bills Discounted Recoverable		
-Considered Doubtful	17,541,572	17,541,572
Others		
-Considered Doubtful	9,223,709	9,494,742
Advance Income Tax/ Tax Deducted at Source	2,278,025	2,468,635
Sales Tax (paid under protest)	682,040	682,040
	<u>71,193,894</u>	<u>73,323,568</u>

SCHEDULE - 7 : CURRENT LIABILITIES AND PROVISIONS

(A) CURRENT LIABILITIES

Sundry Creditors (Refer Note No. 4)	1,522,192	1,514,666
Other Liabilities	5,770,946	5,718,027
Deposits and Sundry Advances from Hirers	86,119	107,415
Deposits and Sundry Advances from Lessees	11,575,571	11,734,525
Interest Accrued but not due on Loans and Deposits	-	146,901
Bank Book Overdraft	401,161	2,995,334
Charges in advance included in Hire Purchase Business		
- Insurance premium	-	249,226
- Hire purchase charges	-	12,836
	<u>19,355,989</u>	<u>22,478,930</u>

(B) PROVISIONS

Corporate Tax	3,164,857	3,164,857
Gratuity	1,468,063	1,354,797
Provision for Non Performing Assets as per RBI Norms	<u>154,832,382</u>	<u>164,064,349</u>
	<u>159,465,302</u>	<u>168,584,003</u>

Schedules forming part of the Profit & Loss Account**SCHEDULE - 8 : INCOME FROM OPERATIONS**

	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
Hire-Purchase and Lease Charges (Net)	2,222,511	5,772,402
Interest Income	459,301	1,911,540
	<u>2,681,812</u>	<u>7,683,942</u>

* Net of Lease Equalisation charges **Rs. 0.26 Lacs** (Previous Year Rs. 1.29 Lacs)

SCHEDULE - 9 : OTHER INCOME

Interest (Gross) (*)				
: Long Term Investments in Govt. Securities	82,883		1,429,016	
: Others	638,475	721,358	112,370	1,541,386
Dividend from Non Trade Investments				
: Long Term	-		530,000	
: Current Investments	4,600	4,600	35,224	565,224
Profit on sale of Non Trade-Current Investments		59,083		5,266,111
Profit on Sale of Assets		46,885		
Other Receipts		158,623		7,515,341
Amount Written Back		1,113,739		-
		<u>2,104,288</u>		<u>14,888,062</u>

* Tax Deducted at Source **Rs. 0.64 Lacs** (Previous Year Rs. 0.23 Lacs)

SCHEDULE- 10 : PERSONNEL EXPENSES

Salaries and Allowances	4,071,060	3,874,367
Contribution to Provident and Other Funds	351,024	335,336
Gratuity	113,266	168,169
Staff Welfare	105,545	126,526
	<u>4,640,895</u>	<u>4,504,398</u>

Schedules forming part of the Profit & Loss Account**SCHEDULE -11: ADMINISTRATIVE AND OTHER EXPENSES**

	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
Rent, Rates and Taxes	242,998	286,975
Travelling Expenses	1,147,704	1,315,372
Printing and Stationery	363,236	482,237
Postage ,Telegrams & Telephone Expenses	498,078	626,603
Repairs and Maintenance	337,311	319,334
Advertisement	41,610	45,637
Legal and Professional	1,102,741	1,390,798
Insurance	81,643	106,501
Brokerage and Commission	5,200	12,800
Auditor's Remuneration		
- Audit Fee	225,000	225,000
- Tax Audit	30,000	30,000
- Certification and Other Services	60,000	60,000
Loss on sale of Repossessed Assets (Net)	624,277	2,661,025
Loss on sale of Non Trade-Long Term Investment	-	456,041
Amount Written Off	38,600	-
Sundry Expenses	2,102,958	3,246,434
	6,901,356	11,264,757

SCHEDULE - 12 : INTEREST AND BANK CHARGES

Interest paid on :

- Public Deposits	5,480	2,216,883
- Inter Corporate Deposits	35,348	-
Bank Charges	6,374	-
	47,202	2,216,883

SCHEDULE- 13: SIGNIFICANT ACCOUNTING POLICIES**1. 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.

2. Fixed Assets

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

3. Investments

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

4. Repossessed Vehicles

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

5. 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.

6. Depreciation

- (i) Depreciation on office equipments and generators, owned by the Company, is provided on written down value method at the rate, as per the Income Tax Act, 1961. Depreciation on other owned assets, are provided on written down value method, at rates prescribed under Schedule XIV to the Companies Act 1956.
- (ii) Assets given on lease prior to 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.

7. Classification of Assets and Provisioning

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

8. Revenue Recognition

- a) Finance Charges on hire purchase/ loans against hypothecation contracts and income from finance lease transactions are computed using Internal Rate of Return Method which ensures a constant periodic rate of return on net finance amount outstanding.
- b) Lease Rentals are accounted for as per terms of lease agreements. However, in compliance of the Guidance Note on "Accounting for Leases" issued by the Institute of Chartered Accountants of India, and applicable to transactions entered into prior to 01.4.2001, the differential between the Capital Recovery Component comprised (based on the Internal Rate of Return Method) in the lease rentals and the depreciation referred to in Para 6(ii) above, (for all assets acquired on or beginning from 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.

9. Retirement Benefits

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

10. Deferred Tax

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

11. Impairment of Assets

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

12. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Contingent liability is disclosed in the case of

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

Contingent Assets are neither, recognised nor disclosed.

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

SCHEDULE – 14: NOTES TO ACCOUNTS

	31.03.2010	(Rs. in Lacs) 31.03.2009
1. Contingent Liabilities		
Demands (including for interest and penalty) raised by Sales Tax Authorities on the Company not provided for being disputed and in appeal (from A.Y. 1992-1993 to A.Y. 2003-2004). In terms of agreement with the parties, tax, if any, crystallized will be to their account.	117.98	117.98
2. Going Concern		
<p>The accumulated losses as at the close of the year amount to Rs. 2164.25 Lacs (after adjustment of profit for the year amounting to Rs. 2.75 Lacs) against the Paid Up Capital and Free Reserves amounting to Rs. 2139.02 Lacs, which continue to result in negative 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.</p> <p>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.</p>		
3.		
<p>In view of negative net worth it has a consequential effect of non compliance of the Reserve Bank of India's guidelines prescribed for Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 with regard to (i) Maintenance of minimum Capital Adequacy Ratio. (ii) The credit/investment (including investment in real estates) exposures which had become in excess of prescribed limits.</p>		
4.		
<p>The Company has not received information from vendors regarding their status under "The Micro Small and Medium Enterprises Development Act, 2006" and hence disclosure relating amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.</p>		
5. Current Taxation:-		
(a)		
<p>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 .</p>		
(b)		
<p>Income Tax assessments of the Company have been made up to and including the Assessment Year 2007-08. 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.</p>		
6. Deferred Taxation:		
<p>On a prudent and conservative basis, Deferred Tax Asset, due to timing differences, arising from Unabsorbed Depreciation, Business Loss and Provisions for Non Performing Assets have not been recognised in the absence of any certainty that sufficient future taxable income will be available in the foreseeable future against which the net Deferred Tax Assets can be realised.</p>		

7. Managerial Remuneration to Manager:

	31.03.2010	31.03.2009
Particulars	Manager	Manager
- Salary	547200	499200
- Contribution to Provident Fund	41040	37440
- Perquisites	45600	41600
- Gratuity	-	-
Total	633840	578240

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

8. Balance in parties accounts whether in debit or in credit are subject to confirmation.**9. Segment Reporting**

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

10. Related Party Disclosures

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

a) List of Related Parties

(As identified and certified by the management)

(i) Under common control:

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

(ii) Key Managerial Personnel:

Shri Rajiv Gupta, Director,
Shri Arun Mitter, Director,
Shri Sharad Aggarwal, Director,
Shri M.K. Madan, Director
Shri Rohit Madan, Manager & Company Secretary

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

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

b) Details of transactions entered into with related parties:

(Rs. In Lacs)

Particulars	Under Common Control	Key Managerial Personnel	Enterprises over which the Key management personnel is able to exercise significant influence	Relative of Director
Commission Paid	-	-	-	-
Interest received on ICD's	-	-	5.85	-
ICD's given	-	-	100	-
Purchases of Fixed Assets	-	-	-	-
Interest paid on Fixed deposits	-	-	-	-
Interest paid on ICD	0.35	-	-	-
Remuneration Paid - Manager	-	-	-	6.34
Deposits accepted/Renewal	-	-	-	-
Closing balances:	-	-	-	-
Deposits	-	-	-	-
Interest Payable	-	-	-	-
Inter Corporate Deposits	11.50	-	-	-

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

(Rs. In Lacs)

	Gross investment in finance lease (1)	Unearned finance income (2)	Present value of Future lease/ Hire purchase receivables (3) = (1) - (2)
a) Lease Receivables (In respect of transactions after 1.4.2001)			
- Not later than one year	27.40	-	27.40
- Later than one year but not later than five years	-	-	-
- Later than five years	-	-	-
Total	27.40	-	27.40
Less: Provision for uncollectible Lease receivables	26.03	-	26.03
Total	1.37	-	1.37
b) Hire Purchase Receivables			
- Not later than one year	-	-	-
- Later than one year but not later than five years	781.93	-	781.93
- Later than five years	-	-	-
Total	781.93	-	781.93
Less: Provision for uncollectible	771.38	-	771.38
Net	10.55	-	10.55
Grand Total	10.55	-	10.55

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

13. Earnings Per Share(E.P.S.)	31.03.2010	31.03.2009
Calculation of Basic / Diluted E.P.S.		
a) Net Profit/Loss for the year attributable To Equity Shareholders	Rs.2,75,157	Rs. 77,95,447
b) Weighted Average Number of Equity Shares	10,200,300	10,200,300
c) Basic Earnings per share	0.03	0.76
d) Diluted Earnings per share	0.03	0.76
e) Nominal Value per share	Rs.10/-	Rs. 10/-

14. Contingent Liabilities & Provisions

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

(Rs. In Lacs)

Particulars	Opening Balance 01.04.09	Additions/ Movement (Net of Adjustments)	Closing Balance 31.03.10
Provisions for Gratuity	13.54	1.14	14.68
Provisions for Non Performing Assets as per RBI guidelines	1639.60	(91.48)	1548.12
Provisions for Income Tax	31.65	-	31.65
Provision for Diminution in value of Investment as per RBI norms.	1.03	(0.83)	0.20

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

(Rs. in lacs)

		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 Rs. Nil lacs. Previous Year Rs Nil Lacs)	-	-
	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 Rs. Nil lacs. Previous year Rs Nil Lacs)	-	-
	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		468.02
(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		185
	b) Operating lease		-
	(ii) Stock on hire including hire charges under sundry debtors:		
	a) Assets on hire		782
	b) Repossessed Assets		32
	(iii) Hypothecation loans counting towards EL/HP activities		
	a) Loans where assets have been repossessed		-
	b) Loans other than (a) above		244
(5)	Break-up of Investments : (Net of Provisions) Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity		1.33
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (Share Application money)		-
	1. Unquoted :		
	(i) Shares : (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (please specify)		-

Long Term investments :			
1. Quoted :			
(i) Shares :	(a) Equity		61.80
	(b) Preference		-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)			-
2. Unquoted :			
(i) Shares :	(a) Equity		0.20
	(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	1211	438
	Total		1649
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	62	62
	(c) Other related parties		
2.	Other than related parties	1	1
	Total	63	63
(8) Other information			
Particulars			Amount
(I)	Gross Non-Performing Assets		1549
	(a) Related parties		-
	(b) Other than related parties		1549
(ii)	Net Non-Performing Assets		1549
	(a) Related parties		-
	(b) Other than related parties		1549
(iii)	Assets acquired in satisfaction of debt		8

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

A. Assumptions

Particulars	Gratuity	
	31.03.10	31.03.09
Discount Rate	8.00%	7.50%
Rate of Return on Plan Assets	0.00%	0.00%
Salary Escalation	10.00%	10.00%

B. Changes in Benefit Obligations

Particulars	Gratuity	
	31.03.10	31.03.09
Liability at beginning of the year	13,54,797	11,86,628
Interest Cost	1,01,610	94,930
Current Service Cost	1,28,940	1,30,904
Benefit Paid	NIL	NIL
Actuarial(gain)/ Loss on obligation	(1,17,284)	(57,665)
Liability at the end of the year	14,68,063	13,54,797

C. Fair Value of Plan Asset

Particulars	Gratuity	
	31.03.10	31.03.09
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	
	31.03.10	31.03.09
Current Service Cost	1,28,940	1,30,904
Interest Cost	1,01,610	94,930
Net Actuarial (gain)/ Loss for the period	(1,17,284)	(57,665)
Expenses Recognised in Profit & Loss account	1,13,266	1,68,169

E. Balance Sheet Reconciliation

Particulars	Gratuity	
	31.03.10	31.03.09
Opening Net Liability	13,54,797	11,86,628
Expenses charged to Profit & Loss account	1,13,266	1,68,169
Benefit Paid	-	-
Closing Liability as at 31.03.10	14,68,063	13,54,797

17. Transactions in Foreign Currency:

	Year Ending 31.03.2010 Rs.	Year Ending 31.03.2009 Rs.
a) Expenditure in Foreign Currency Travelling Expenses	Nil	Nil
b) Shares held by non-resident Shareholders No. of Shareholders	7100 12	4901 12
c) Dividend paid during the year	Nil	Nil

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

As per our report of even date attached

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

(S. K. Khattar)
Partner
M. No. 84993

Place : New Delhi
Dated : August 19, 2010

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, 2010

Prepared pursuant to Clause 32 of the listing agreement with the stock exchange.

	For the Year Ended 31.03.2010	For the Year Ended 31.03.2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) after Tax	275,157	7,795,447
Adjustments for :		
Depreciation	2,153,457	3,249,208
Lease Equalisation Charges	1,957,157	2,874,413
Interest Paid - Considered Separately	47,202	2,216,883
Provision for Non Performing Assets	(9,231,967)	(6,746,896)
Profit on Sale of Investments - Considered Separately	(59,083)	(5,266,111)
Loss on Sale of Investments - Considered Separately	38,600	456,041
Interest / Dividend Received - Considered Separately	(87,483)	(1,994,240)
	<u>(5,182,117)</u>	<u>(5,210,702)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(4,906,960)	2,584,745
Adjustments for :		
Current Assets	5,452,167	37,924,899
Current Liabilities	(3,009,675)	(16,681,279)
(Increase)/Decrease in Net Current Assets/Liab.	2,442,491	21,243,620
CASH GENERATED FROM OPERATIONS	(2,464,469)	23,828,365
Interest Paid	47,202	2,216,883
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(2,511,671)	21,611,482
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition/Sale of Investments (Net)	4,946,411	28,131,580
Purchase of Fixed Assets	(34,632)	-
Sale of Fixed Assets	(3,503,010)	(4,948,358)
Interest / Dividend Received	87,483	1,994,240
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	1,496,252	25,177,462
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Working Capital Limits from Banks	-	-
Increase/(Decrease) in Public Deposits / Other Loans (Net)	(889,884)	(48,962,143)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(889,884)	(48,962,143)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,905,303)	(2,173,200)
Cash and Cash Equivalents at the Beginning of the Year	1,931,115	4,104,315
Cash and Cash Equivalents at the Closing of the Year	25,812	1,931,115
	1,905,303	2,173,200

Note:

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

As per our report of even date attached

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

(S. K. Khattar)
Partner
M. No. 84993

 Place : New Delhi
Dated : August 19, 2010

For and on Behalf of the Board of Directors

Rajiv Gupta
Chairman

M.K.Madan
Director

Arun Mitter
Director

Rohit Madan
Manager &
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANYS' GENERAL BUSINESS PROFILE

I Registration Details State Code
 Registration No.

Balance Sheet Date `

II Capital Raised during the year
 (Amounts in Rs.Thousands)

Public Issue Right Issue

Bonus Issue Private Placement

III Position of Mobilisation & Deployment of funds (Amount in Thousands)

Total Liabilities Total Assets

SOURCES OF FUNDS

Paid-up Capital Reserves & Surplus

Secured Loans Unsecured Loans

APPLICATION OF FUNDS

Net Fixed Assets Investments

Net Current Assets Profit & Loss Account

IV Performance of Company (Amount in Thousands)

Turnover including Other Income Total Expenditure

Profit/(Loss) before Tax Profit/(Loss) after Tax

Dividend Rate %

V Generic Names of Three Principal Products of the Company

Item code No. (ITC Code)

Product Description

BRANCH OFFICES

Bangalore

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

Chandigarh

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

Shimla

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

Ludhiana

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

25th

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 25th Annual General Meeting of **India Lease Development Limited** on Wednesday, the 29th September, 2010 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 at 2.00 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.....

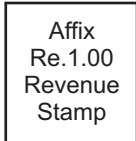
.....of.....or, failing

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

as my /our proxy to attend and vote for me/us on my /our behalf at the 25th Annual General Meeting of the company to be held on Wednesday, the 29th September, 2010 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 at 2.00 P.M. and/or at any adjournment thereof.

Signed this.....day of.....2010.

Signature.....



- 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.