



ILD

INDIA LEASE DEVELOPMENT LIMITED

26th

**Annual Report
2010 - 2011**



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 Sixth (26th) Annual General Meeting of the Shareholders of India Lease Development Limited will be held at The Executive Club, 439, Village Shahoorpur, P.O.Fatehpur Beri, New Delhi-110030 on Thursday the 29th September, 2011 at 1.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 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 Rajiv Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Arun Mitter, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration. M/s S.N.Dhawan & Co., Chartered Accountants, (ICAI Firm Reg. No.000050N) retires and are eligible for re-appointment. Certificate under Section 224(1B) of the Companies Act, 1956, has been obtained from them.

SPECIAL BUSINESS

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

AS A SPECIAL RESOLUTION**5. Alteration of Articles of Association**

“Resolved that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act.1956, Articles of the Association of the Company be and is hereby altered by inserting the following two new Articles i.e. 71(a) and 98(a) after existing Articles 71 and Articles 98 respectively :-

71(a) Participation in General Meeting(s) of the Members through electronic mode

- (a) Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the provisions of applicable rules, regulations, circulars, guidelines, notifications etc as may be specified by the Ministry of Corporate Affairs(MCA,)Security & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act.1956 or by the rules, regulations etc, made there under or the Listing Agreement with Stock Exchanges, from time to time, allow the member(s) of the company to participate in the General Meeting(s) of the Members through any type of electronic mode like video conferencing etc. and the members so participating shall be deemed to be present in such General Meeting(s) for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.
- (b) For conducting the aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules , regulations, circulars, notifications, guidelines etc. issued/to be issued from time to time by Ministry of Corporate Affairs(MCA), Security & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority(ies) in this regard.

98(a) Participation in Meeting(s) of Directors through electronic mode

- (a) Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs(MCA), Security & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act,1956 or by the rules, regulations, etc made there under or the Listing Agreement with Stock Exchanges , from time to time, the Director(s) may participate in the meeting(s) of the Board or any Committee of the Directors through

any type of electronic mode like video conferencing etc and the Director(s) so participating shall be deemed to be present in the meeting for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.

- (b) For conducting aforesaid meetings, the company shall follow the procedure specified under the applicable laws for the time being in force, and the rules, regulations, circulars, notifications, guidelines etc issued/ to be issued from time to time by Ministry of Corporate Affairs(MCA), Security & Exchange Board of India(SEBI), Stock Exchanges or any other competent authority(ies) in this regard.

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

Place : **New Delhi**
Date : **August 25, 2011**

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

Recently, Ministry of Corporate Affairs, Government of India, as part of its Green Initiative in the Corporate Governance, came up with a series of circulars, thereby allowing use of electronic modes in convening and conducting the Board and Shareholders meetings of the Companies.

With a view to implement the green initiative in the Company and in order to ensure maximum participation of shareholders and Board of Directors in the General and Board Meetings respectively, the Board of Directors of the Company have decided to make enabling provisions in the Articles of Association of the Company for adopting electronic modes like video conferencing and other modern electronic systems in conducting Board and General Meetings of the Company.

The new Articles in the Articles of Association will facilitate holding Board and General Meetings vide electronic mode and will ultimately result in effective and larger participation of Directors and Shareholders in the affairs of the company and strengthening Corporate Governance norms in the Company.

Considering the benefits attached with the use of electronic mode and to ensure the maximum participation of the Board of Directors and shareholders in their respective meetings, the Board recommends the alteration of Articles of Association as stated in the Special Resolution at Item No.5.

None of the Directors of the company is deemed to be concerned or interested in the resolution proposed at Item No.5 of the accompanying Notice.

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

Place : **New Delhi**
Date : **August 25, 2011**

Rohit Madan
Manager & Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST FORTY EIGHT HOURS (48 HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Register of Members and Share Transfer Books of the company will remain closed from Monday, the 26th September, 2011 to Thursday, the 29th September, 2011 (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 Extn, New Delhi-110055.

Further Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the company/Registrars and 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 hold 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 25, 2011

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 Rajiv Gupta
Age & Date of Birth : 65 years (13-08-1946)
Qualification : B.E.(IIT. Delhi.)

Experience in specific financial areas

Mr. Rajiv Gupta is a Graduate in Engineering from IIT, Delhi. He has business experience and all around knowledge on issues concerning Hire Purchase, Leasing, Corporate Finance, Taxation and Administration. His continued association with the company is considered absolutely necessary.

Other Directorships

The Motor & General Finance Ltd, Jayabharat Credit Ltd, MGF Services Ltd, Bahubali Services Ltd, Associated Traders & Engineers Ltd, Upper India Hire Purchase Companies Association Ltd, Cards Services India Pvt Ltd, MGF Securities Pvt. Ltd, Ram Prakash & Company Pvt. Ltd, MGF Estates Pvt. Ltd, Local Goods Carriers Pvt. Ltd.

Committee Membership**India Lease Development Ltd**

Audit Committee
Remuneration Committee
Shareholders Grievance Committee

The Motor & General Finance Limited

Audit Committee
Remuneration Committee
Shareholders Grievance Committee
Shri. Rajiv Gupta holds **2,62,800** shares.

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

Name : Shri Arun Mitter
Age & Date of Birth : 49 years (27-11-1962)
Qualification : B.Com. ACA

Experience in specific financial Areas

Shri. Arun Mitter, is a qualified Chartered Accountant. He has extensive business experience in general and financial management of corporate bodies. He has acquainted himself in the field of Hire Purchase and Leasing. His continued association with the company is considered necessary in the interest of the Company.

Other Directorships

The Motor & General Finance Ltd, MGF Development Ltd, Jayabharat Credit Ltd, MGF Automobiles Ltd, MGF Motors Ltd, Upper India Hire Purchase Co. Assoc Ltd, MGF Services Ltd, Bahubali Services Ltd, Paramba International Ltd, Technofab Engineering Ltd, Discovery Holdings Pvt, Ltd, Omega Motors Pvt Ltd, Kerala Cars Pvt. Ltd. MGF Auto Sales Pvt Ltd, MGF Vehicles Sales Pvt Ltd, MGF Projects Pvt Ltd, MGI (India) Pvt Ltd, Capital Vehicles Sales Pvt Ltd, Ram Prakash & Co. Pvt Ltd, MGF Infotech Pvt. Ltd, Cards Services India Pvt. Ltd, Dove Promoters and Entertainment Pvt Ltd, Meta Dor Technologies Pvt Ltd, MGF Metro Mall Pvt Ltd, MGF Securities Pvt Ltd, Nanny Infrastructure Pvt Ltd, Deep Hospitality Pvt. Ltd.

Committee Memberships :**India Lease Development Ltd**

Audit Committee
Remuneration Committee
Shareholders Grievance Committee

Jayabharat Credit Ltd

Audit Committee
Shareholders Grievance Committee

Bahubali Services Ltd

Audit Committee
Shri. Arun Mitter 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, 2011
Time, Day and Venue	: 1.00 P.M. Thursday at The Executive Club 439, Village Shahoorpur, P.O.Fatehpuri Beri, New Delhi- 110 030.
Day and Date of Book Closure	: Monday, the 26 th September, 2011 to Thursday, the 29 th September, 2011 (Both days inclusive)
Shares Listed At	: The Stock Exchange, Mumbai Phirozjeebhoy 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 2011-12.

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 Sixth (26th) Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2011 are summarised below for your consideration:-

(Rs. In Lacs)

	Year ended 31 st March, 2011	Year ended 31 st March, 2010
Profit/ (Loss) before taxation, interest, depreciation and provisions	(206.33)	(67.56)
Interest	(0.10)	(0.47)
Depreciation including Impairment	(8.97)	(21.53)
Profit / (Loss) before provision for non performing assets & tax	(215.40)	(89.56)
Provision for non performing assets written back	572.58	92.31
Excess provision of income tax written back	31.65	-
Transferred to Statutory Reserves u/s 45-1C of the RBI Act, 1934	(77.76)	(0.55)
Net Profit	311.07	2.20
Balance brought forward from last year	(2326.78)	(2328.99)
Add accumulated losses brought forward from MGF Services Ltd (amalgamated on 29.04.2011)	(151.57)	-
Balance carried forward to Balance Sheet	(2167.28)	(2326.79)

REVIEW OF OPERATIONS

As already reported it is a 'Debt Free Company'. The company is focusing its attention in recovery of the dues from the customers. The management is confident that with the maximum recovery, the funds generated will be deployed to earn better yield on investments.

AMALGAMATION

In the last report shareholders were informed about the amalgamation of MGF Services Limited (MGFS). During the year under review erstwhile MGFS in pursuance to Honble' Delhi High Court Order passed u/s 391 to 394 of the Companies Act, 1956, was amalgamated with your company. Consequent to the amalgamation shares were allotted, as per the scheme, in the ratio of 3 (Three) equity shares of India Lease Development Limited (ILD) for every 2 (Two) equity shares of MGFS. The Paid Up Capital has increased from Rs. 10,20,03,000/- to 14,70,02,910. As the Honble' High Court's order was received after the close of the Financial Year, the new shares allotted consequent to amalgamation have been kept in "Shareholders' Suspense Account." Bombay Stock Exchange has given its approval for listing of the new equity shares allotted to the erstwhile shareholders of MGFS. However, trading permission will be allowed after receipt of confirmation letters from CDSL and/ or NSDL.

DIVIDEND

In view of accumulated losses, your Directors have not recommended any dividend for the year under review.

COMPANY'S CATEGORY

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

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

It has been suitably explained in para 2 of Schedule-14 Notes on Accounts.

Para 3(a)**Short fall in value of Long Term Investment**

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

Para 3(b)

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

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

Para 3(c)-Non Compliance of Prudential Norms

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

Observations in Annexure referred in paragraph 1 of the Auditor' Report (CARO)**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.

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 Director's Report.

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

The Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the applicable accounting standards;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs for the company as at the end of financial year ended 31st March, 2011 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, 2011 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 Rajiv Gupta, Chairman and Shri Arun Mitter, Director retire by rotation and being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

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

DEMATERIALISATION

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

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

AUDITORS

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

SECRETARIAL AUDIT

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.

GREEN INITIATIVE

In light of the above, those members, who desires to receive notice/documents including Annual Reports through e-mail, are requested to communicate their-email ID and changes thereto in the enclosed business reply envelope or log on to info@indialease.com to register yourself. You can also down load the registration form from Company's website <http://www.indialease.com>.

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

	31.03.11	31.03.10
a) Expenditure in Foreign Currency	-	-
I) Repayment of Foreign Currency Loan	-	-
ii) Interest on Foreign Currency Loan	-	-
iii) Travelling Expenses	-	-
b) Shares held by Non Residents		
Shareholders	11730	7100
No. of Shareholders	15	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 25, 2011

Rajiv Gupta
Chairman

ANNEXURE 'A' TO THE DIRECTORS REPORT

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Corporate Governance

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

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

2. Board of Directors ("Board")

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

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

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

2.2 Composition of the Board:

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

2.3 Board Meetings:

The meetings of the Board of Directors are scheduled well in advance and generally held at Registered Office i.e. MGF House, 4/17-B, Asaf Ali Road, New Delhi. 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, 2011, the Board of Directors met seven times on the following dates:

S.No.	Date of Meeting	Board Strength	No. of Directors present
1	13th May,2010	4	4
2	21st June,2010	4	4
3	13th August,2010	4	4
4	19th August, 2010	4	4
5	11th November, 2010	4	4
6	11th February, 2011	4	4
7	31st March, 2011	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, 2011	No. of Memberships in all Committees of the Board as on 31st March, 2011
1.	Shri Rajiv Gupta	7	7	NA*	12	11
2.	Shri Arun Mitter	7	7	Present	28	11
3.	Shri Sharad Aggarwal	7	7	NA*	12	5
4.	Shri M.K.Madan	7	7	Present	6	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

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 convener 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. To recommend Audit Fee Payable to the Statutory Auditors.
- 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, 2011 the Audit Committee met five times on the 12th May, 2010, 12th August, 2010, 18th August, 2010, 10th November, 2010, and 10th February, 2011.

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

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

The Company also has Share Transfer Committee.

3.2 Shareholders Grievances Committee:

This Committee is comprising of Sh. Rajiv Gupta, Sh. Arun Mitter and Sh. M.K.Madan as members. The committee look into the grievances and complaints of the shareholders like transfers/ transmission, splitting, consolidation of shares, non-receipt of balance sheets, non- receipt of dividend etc. and redress the same. No share(s) were pending for transfer as on 31st March, 2011.

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

During the year ended 31st March, 2011, the Shareholders' Grievances Committee met five times on 26rd April, 2010, 23rd July, 2010, 26th October, 2010, 21st January, 2011 and 31st March, 2011.

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, 2011

S.No	Nature of complaints	Received	Disposed
1.	Non receipt of dividend warrant(s)	Nil	Nil
2.	Non receipt of Balance Sheet/ Notices	10	10
3.	Non receipt of share certificates after transfer/demat	Nil	Nil
	Total	10	10

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

All the shareholders requests/complaints received during the financial year ended 31st March, 2011 by the company and/or registrars i.e. M/s Alankit Assignments Limited were replied / resolved to their satisfaction.

3.3 Remuneration Committee:

3.3(a) Membership:

This Committee is comprising of Sh. Rajiv Gupta, 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, 2011, the Remuneration Committee met once on 24th March, 2011.

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, 2011 Mr. Rohit Madan, Manager & Company Secretary, in accordance with the terms & conditions of his appointment was paid remuneration of Rs.6,89,440/-.

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, 2011 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.

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
23 rd	2008	29 th Aug, 2008	1.30 P.M.	NotApplicable
24 th	2009	17 th Sep, 2009	1.30 P.M.	Re-appointment of Manager & Company Secretary
25 th	2010	29 th Sep, 2010	2.00 P.M.	Donation to charitable institutions u/s. 293(1) (e) of the Companies Act, 1956.

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

6. Shareholder Information :

- 6.1 **Annual General Meeting** : 26th Annual General Meeting
Day & Date : Thursday, the 29th September, 2011
Time : 1.00 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, 2011 **Second week of August, 2011**
- Financial reporting for the half year ended 30th September, 2011 **Second week of November, 2011**
- Financial reporting for the nine months ended 31st December, 2011 **Second week of February, 2012**
- Financial reporting for the year ended 31st March, 2012 **Second week of May, 2012**

6.3 Means of Communication:

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

6.4 Date of Book Closure

Monday, the 26th September, 2011 to Thursday, the 29th September, 2011 (both days inclusive)

6.5(a) Registrar and Share Transfer Agents:

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

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

6.5(b) Under Demat and Physical Mode:

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

6.5(c) Nomination Facility:

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

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

6.6(a) Compliance Officer:

Shri Rohit Madan, Manager & Company Secretary

6.6(b) Address for Correspondence:

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

Ph: 011-41519433, 41520070

Website: www.indialease.com

Email: info@indialease.com

6.7 Listing on Stock Exchange:

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

The company confirms that it has paid the annual listing fees for 2011-2012 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 – 2010	10.00	7.51
May – 2010	9.93	7.68
June – 2010	9.79	7.50
July – 2010	9.92	8.25
August – 2010	11.19	8.37
September – 2010	17.94	10.00
October – 2010	12.60	10.65
November – 2010	13.30	10.50
December – 2010	11.50	9.20
January – 2011	10.57	8.08
February – 2011	9.89	8.12
March – 2011	8.97	7.28

6.12 Categories of Shareholding as on 31st March, 2011:

S.No	Category	No. of Shares held	% of Shareholding
A	Promoters	5772798	56.59
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	159302	1.56
	Indian Public	3513220	34.45
	NRIs/OCBs	11730	0.11
	Directors and Relatives	-	-
	Trusts	-	-
	Total	10200300	100.00

6.13 Distribution of Company's Shareholding as on 31st March 2011:

Category	Shareholders			No. of Shares(Rs. 10/- per share)			Percentage(%)		
	Physical	Demat	Total	Physical	Demat	Total	Physical	Demat	Total
Upto 5000	5355	3964	9319	869733	1050735	1920468	8.53	10.30	18.83
5001-10000	5	19	24	36000	157839	193839	0.35	1.55	1.90
10001-20000	1	10	11	16500	139623	156123	0.16	1.37	1.53
20001-30000	1	1	2	24000	24473	48473	0.24	0.24	0.48
30001-40000	0	3	3	0	108200	108200	0.00	1.06	1.06
40001-50000	0	3	3	0	144300	144300	0.00	1.41	1.41
50001-100000	0	1	1	0	78000	78000	0.00	0.76	0.76
100001-Above	0	13	13	0	7550897	7550897	0.00	74.03	74.03
Total	5362	4014	9376	946233	9254067	10200300	9.28	90.72	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 25, 2011

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 focusing its attention in recovery of the dues from the customers.

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, 2011	Year ended 31st March, 2010
Profit/ (Loss) before taxation, interest, depreciation and provisions	(206.33)	(67.56)
Interest	(0.10)	(0.47)
Depreciation including Impairment	(8.97)	(21.53)
Profit / (Loss) before provision for non performing assets & tax	(215.40)	(89.56)
Provision for non performing assets written back	572.58	92.31
Excess provision of income tax written back	31.65	-
Transferred to Statutory Reserves u/s 45I(C) of the RBI Act, 1934	77.76	(0.55)
Net Profit	311.07	2.20
Balance brought forward from last year	(2326.78)	(2328.99)
Add accumulated losses brought forward from MGF Services Ltd (amalgamated on 29.04.2011)	(151.57)	-
Balance carried forward to Balance Sheet	(2167.28)	(2326.79)

Risk and Concern

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

Human Resources

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

Disclaimer

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

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

We have examined the compliance of conditions of Corporate Governance by India Lease Development Limited having its Registered Office at MGF House, 4/17-B, Asaf Ali Road, New Delhi-110002 for the year ended 31st March,2011 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

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

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

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

S.K. Khattar
Partner
M. No.84993

Place : New Delhi
Date : August 25, 2011

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, 2011, 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 2010-11 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. I have accepted responsibility for establishing and maintaining internal controls for financial reporting.
5. I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
6. I have disclosed to the Auditors and the Audit Committee, deficiencies of which I am aware in the design or operation of the internal control systems.
7. I have taken the required steps to rectify these internal control deficiencies.
8. I further certify that:
 - a) There have been no significant changes in internal controls over financial reporting during the year.
 - b) There have been no significant changes in accounting policies during the year.
 - c) There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having a significant role in the company's internal control systems over financial reporting.

For INDIA LEASE DEVELOPMENT LIMITED

Place : New Delhi
Dated : August 25, 2011

(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, 2011.

For INDIA LEASE DEVELOPMENT LIMITED

Place : New Delhi
Dated : August 25, 2011

(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, 2011. 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 143 Register of Charges	Maintained
• Section 150 Register of Members 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

Company had applied to the Reserve Bank of India for change of its category from A to B. It has been granted Category B certificate i.e. Non banking financial Institution without accepting Public Deposit dated 2nd July, 2010.

- b. Register of Members is closed as per the Statutory Compliances;
- c. The Company conducted its 25th Annual General Meeting on 29th September, 2010 and has also conducted meeting of Equity shareholders on 20th November, 2010 as per the directions of The Hon'ble High Court for considering and approving the scheme of Amalgamation of M.G.F. Services Limited with India Lease Development Limited.
- d. Notices of Board Meeting and Committee Meetings are circulated mentioning therein place, day, hour of the meeting and the business to be transacted there at;
- e. All forms, returns, documents and resolution required to be filed with the Registrar of Companies are duly filed;
- f. Service of all Documents by the Company on its Members and Registrar of Companies is in time ;
- g. Remuneration and terms of appointment of Manager is in compliance with Schedule XIII of Companies Act, 1956
- 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 Hon'ble Delhi High Court had accorded its approval to the amalgamation scheme between MGF Services Limited and India Lease Development Limited vide its order dated 22nd March, 2011. However, the said order had been effective from 29th April, 2011.

- 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. In compliance of General Circular No: 32/2011 dated 31/05/2011, all the Directors have intimated there Permanent Account No. (PAN No.) to the Ministry of Corporate Affairs, New Delhi.
 - (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 that 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: 22nd August, 2011

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 March 31, 2011, 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, 2011. The Company has also discontinued fresh hire purchase / leasing business. The management is of the view that the realization of the assets will be sufficient to pay off its entire liabilities. In view of the above the accounts have been prepared on the assumption that the Company will continue as a going concern.*
3. Further to our comments in the Annexure referred to in paragraph 1, we report that:
 - a) *Provision for Rs.4.73 Lacs has not been made for diminution in the value of the long term permanent investments (Refer Note No.5)*
 - b) *Overdue charges on hire purchase/ lease rentals/ receivables/ loans against hypothecation and bills discounted respectively are accounted for on realization basis in view of significant uncertainties, instead of on accrual basis. (Refer to Accounting Policy 8 (e));*
 - c) *There is non-compliance of the provisions of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1998 with regard to maintenance of Capital Adequacy and Credit/Investment exposure in excess of the prescribed limits (Refer Note No. 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 those 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 3(a) & (b) above;
 - (e) On the basis of written representations received from the Directors, as at March 31, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at March 31, 2011 from being appointed as a Director, in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

We further report that, without considering the observations made in paragraphs 3 (b) & (c) above the effect of which could not be determined, had the observation made by us in paragraph 3(a) above been considered, the profit for the year would have been Rs.384.11 Lacs (as against the reported figure of Rs.388.84 Lacs) and the carry forward loss would have been Rs.2172.02 Lacs (as against the reported figure of Rs.2167.29 Lacs).

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes 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 March 31, 2011;
- (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
FRN No. 000050N

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

Place: New Delhi
Date : August 25, 2011

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, 2011

- l) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets *except for assets on lease and furniture and fixtures at offices.*
- (b) As per information and explanations given to us the fixed assets other than assets on lease have been physically verified by the management, during the year. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on such verification *except in the case of furniture and fixtures at offices wherein the physical balance not reconciled with the book balance (refer to our comments in (a) above). In respect of assets on lease, confirmations from lessees, as regards their physical existence, were not available.*
- (c) The Company has not disposed off a substantial part of its fixed assets during the year.
- ii) The Company does not have any inventory. Therefore, the provisions of clause 4(ii) (a), (b) & (c) of the Order are not applicable.
- iii) (a) The Company has granted, during the year, unsecured Inter Corporate Deposit to a company covered in the register maintained under Section 301 of the Companies Act, 1956. The Company had also granted an unsecured Inter Corporate Deposit in earlier years amounting to Rs.65.50 Lacs to a company which has since ceased to be covered under Section 301 of the Companies Act. The maximum amount involved during the year was Rs. 395.50 Lacs and the year-end balance of such deposits was Rs.395.50 Lacs.
- (b) In our opinion, the rate of interest, wherever charged, and other terms and conditions of such loans are not, prime facie, prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us, the Inter Corporate Deposit given during the year is repayable on demand. The repayment of interest is regular.
- (d) As explained to us, in respect of outstanding Inter Corporate Deposit granted in earlier years amounting to Rs. 65.50 Lacs, where from recoveries are not forthcoming, full provision has been made.
- (e) The Company has not taken any loan secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4(iii) (f) to (g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. As explained, there was neither purchase of inventories nor sale of goods and services during the year. During the course of our audit we have not come across any continuing failure to correct major weaknesses in the internal control systems.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time, except for items stated to be of a specialized nature where no comparison is possible.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii) The Company has an in-house internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us and according to the records produced before us, the Company is generally regular in depositing, with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax and any other material statutory dues applicable to it.
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, 2011 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 any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has no outstanding dues in respect of a financial institution or bank or debenture holders. Therefore, the provisions of clause 4(xi) of the Order are not applicable.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Order are not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is not a Chit Fund or Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- xiv) In our opinion the Company is not dealing or trading in shares, securities, debentures or other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable.
- xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable.
- xvi) The Company has not taken any term loans. Therefore, the provisions of clause 4(xvi) of the Order are not applicable.
- xvii) According to the information and explanations given to us, and an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money through public issue during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

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

Place: New Delhi
Date : August 25, 2011

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule No.	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	102,130,250	102,130,250
Share Capital Suspense	2	44,999,910	-
Reserves and Surplus	3	<u>125,326,676</u>	<u>111,772,728</u>
Total		<u>272,456,836</u>	<u>213,902,978</u>
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		93,227,931	129,576,609
Less: Accumulated Depreciation including Impairment		<u>91,568,980</u>	<u>126,757,620</u>
		1,658,951	2,818,989
Less: Accumulated Lease Adjustment		<u>1,658,951</u>	<u>742,790</u>
Net Block		-	2,076,199
Investments	5	19,053,414	6,333,554
Current Assets, Loans and Advances	6		
Lease Receivable		2,572,746	2,740,688
Sundry Debtors		43,434,228	93,928,392
Cash & Bank Balances		36,828,810	25,812
Loans And Advances		<u>87,997,975</u>	<u>71,193,894</u>
Total		<u>170,833,759</u>	<u>167,888,786</u>
Less : Current Liabilities & Provisions	7		
Current Liabilities		18,258,161	19,355,989
Provisions		<u>99,647,799</u>	<u>159,465,302</u>
		<u>117,905,960</u>	<u>178,821,291</u>
Net Current Assets		52,927,799	(10,932,505)
Profit & Loss Account		216,728,673	232,678,780
Less: General Reserve (as per contra)		<u>16,253,050</u>	<u>16,253,050</u>
		200,475,623	216,425,730
Total		<u>272,456,836</u>	<u>213,902,978</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
FRN No.000050N

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

Place : New Delhi
Dated : August 25, 2011

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, 2011

	Schedule No.	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
INCOME			
Income From Operations	8	13,078,551	2,681,812
Other Income	9	3,623,174	2,104,288
TOTAL		16,701,725	4,786,100
EXPENDITURE			
Personnel Expenses	10	5,382,836	4,640,895
Administrative & Other Expenses	11	31,951,629	6,901,356
Interest and Bank Charges	12	10,242	47,202
TOTAL		37,344,707	11,589,453
GROSS PROFIT/ (LOSS) BEFORE DEPRECIATION, PROVISIONS FOR TAXATION & OTHER PROVISIONS		(20,642,982)	(6,803,353)
Depreciation including Impairment		897,214	2,153,457
Excess Provision against Doubtful / Irrecoverable Assets written back		(57,258,847)	(9,231,967)
Excess Provision for Income Tax of earlier years written back		(3,164,857)	-
NET PROFIT		38,883,508	275,157
Less Transferred to Statutory Reserve		7,776,702	55,031
Net Profit after appropriations		31,106,806	220,126
Balance Brought Forward from Previous Year		(232,678,780)	(232,898,906)
Add accumulated Losses brought forward from MGF Services Limited		(15,156,699)	-
Balance Carried to Balance Sheet		(216,728,673)	(232,678,780)
Earnings Per Share (Refer to Note No. 16 of Schedule 14)			
(Rs per Equity Share of Rs 10/- each)			
Basic		2.65	0.03
Diluted		2.65	0.03

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
 FRN No.000050N

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

Place : New Delhi
Dated : August 25, 2011

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 31.03.2011 (Rs.)	As at 31.03.2010 (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: SHARE CAPITAL SUSPENSE

Pursuant to Scheme of Amalgamation
(Refer Note 15 Schedule 14)

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
44,99,991 (Previous Year Nil) Equity Shares of Rs.10/-each fully paid , to be issued pursuant to the scheme of Amalgamation of MGF Services Limited with the Company	44,999,910	-
	<u>44,999,910</u>	<u>-</u>

SCHEDULE - 3 : RESERVES AND SURPLUS

	As at 01.04.2010 (Rs.)	Addition on account of Amalgamation #	Additions during the year (Rs.)	Deductions/ Adjustment during the year (Rs.)	Deductions/ Adjustment on account of Amalgamation (Rs.)	As at 31.03.2011 (Rs.)
Share Premium	91,751,750		-	-		91,751,750
Statutory Reserve(u/s 45-1C of RBI Act)	20,020,978	4,434,638	7,776,702	-		32,232,318
General Reserve	16,253,050	16,342,518	-	16,253,050 *	14,999,910	1,342,608
	<u>128,025,778</u>	<u>20,777,156</u>	<u>7,776,702</u>	<u>16,253,050</u>	<u>14,999,910</u>	<u>125,326,676</u>

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

Reserves taken over Consequent to scheme of Amalgamation of M.G.F.Services Ltd with the Company

Schedules forming part of the Balance Sheet

Schedule -4: FIXED ASSETS

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As at 01.04.10 (Rs.)	Additions (Rs.)	Deductions/ Transfers (Rs.)	As at 31.03.11 (Rs.)	As at 31.03.10 (Rs.)	Additions on Amalgamation (Rs.)	Additions (Rs.)	Impairment (Rs.)	Deductions/ Transfers (Rs.)	As at 31.03.11 (Rs.)	As at 31.03.10 (Rs.)	As at 31.03.11 (Rs.)	As at 31.03.10 (Rs.)
Assets on lease													
Vehicle	84,683,618	-	27,383,506	57,300,112	83,940,828		476,443	-	27,181,775	64,616	64,616	742,790	
Machinery (M)	17,297,084	-	8,197,084	9,100,000	17,297,089		-	-	8,197,089	9,100,000	-	-	
TOTAL (A)	101,980,702	-	35,580,590	66,400,112	101,237,917		476,443	-	35,378,864	66,335,496	64,616	742,790	
Other Fixed Assets													
Land	760,000	-	-	760,000	-		-	-	-	-	760,000	760,000	
Electrical Fittings	-	1,631	-	1,631	-		132	-	-	132	1,499	-	
Airconditioning System	2,285,146	-	-	2,285,146	2,278,608		909	5,629	-	2,285,146	-	6,538	
Office Equipments	2,044,192	-	-	2,044,192	2,029,693		2,175	12,324	-	2,044,192	-	14,499	
Vehicles	7,272,272	-	858,219	6,414,053	6,108,708		290,35	-	776,412	5,622,647	791,406	1,163,564	
Computers	12,214,022	88,500*	-	12,302,522	12,178,399	69,413	21,884	15,000	-	12,284,696	17,826	35,623	
Furniture & Fixture	2,349,794	-	-	2,349,794	2,253,819		17,371	55,000	-	2,326,190	23,604	95,975	
Generator	670,481	-	-	670,481	670,481		-	-	-	670,481	-	-	
TOTAL (B)	27,595,907	90,131	858,219	26,827,819	25,519,708	69,413	332,822	87,953	776,412	25,233,484	1,594,335	2,076,199	
TOTAL (A) + (B)	129,576,609	90,131	36,438,809	93,227,931	126,757,625	69,413	809,265	87,953	36,155,276	91,568,980	1,658,951	2,818,989	
Previous Year	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	-	

*Acquired on Amalgamation consequent to the scheme of amalgamation of M.G.F.Services Ltd with the company

Schedules forming part of the Balance Sheet

SCHEDULE 5 : INVESTMENTS

	Face Value (Rs.)	Nos. 31.03.2010	No. Additions on Amalgamation	(U N I T S)		Nos. 31.03.2011	(V A L U E)	
				Nos. Additions	Nos. Deductions		As at 31.03.2011 (Rs.)	As at 31.03.2010
(A) LONG TERM INVESTMENTS :								
QUOTED - NON TRADE								
(1) EQUITY SHARES FULLLY PAID UP								
The Motor And General Finance Limited #,*	10	265,000	533,840*	-	-	798,840	15,786,170	6,180,271
Jay Bharat Credit Limited #,*	10	-	312,401*	-	-	312,401	3,128,160	-
							18,914,330	6,180,271
UNQUOTED								
MGF Services Limited*	10	277,803	-	-	277,803	-	-	-
Micronet Software Services (P) Ltd.	10	2,000	-	-	-	2,000	20,000	20,000
							20,000	20,000
(B) CURRENT INVESTMENTS								
(I) EQUITY SHARES FULLY PAID UP								
NON TRADE - QUOTED								
Goodyear India Limited	10	100	-	-	-	100	-	14,199
Indian Hotel Co. Limited	1	2,000	-	-	-	2,000	119,084	119,084
							119,084	133,283
GRAND TOTAL (A+B)							19,053,414	6,333,554
							(Rs. in Lacs)	
							Cost	Market Value

Notes:-

(1) Aggregate Value of Quoted Long Term Investments :	189.14	370.85
	(61.80)	(116.20)
(2) Aggregate Value of Quoted Current Investments :	1.19	2.33
	(1.33)	(1.70)
(3) Aggregate Value of Unquoted Investments :	0.20	-
	(0.20)	-

(b) * Companies under the same management.

Acquired on Amalgamation consequent to the scheme of amalgamation of M.G.F.Services Ltd with the company

Schedules forming part of the Balance Sheet

SCHEDULE 6 : CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
(A) CURRENT ASSETS		
1. Lease Receivables (As per AS-19)		
(Secured)		
(a) Outstanding for over six months*		
- Considered Doubtful	2,572,746	2,740,688
	<u>2,572,746</u>	<u>2,740,688</u>
* Includes: Value of Repossessed stock Rs.Nil 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 Doubtful*	42,603,715	78,193,520
Other Debts		
- Considered Goods	830,513	-
(b) Lease Rentals		
(Secured)		
Outstanding for over six months		
- Considered Doubtful	-	15,734,872
	<u>43,434,228</u>	<u>93,928,392</u>
*Includes: Value of Repossessed Stock Rs 27.34 lacs (Previous Year Rs. 32.06 lacs)		
3. Cash and Bank balances		
Cash and Cheques in Hand	32,388	25,812
With Scheduled Banks in		
- Current Accounts #	36,523,396	-
- in Fixed Deposits (under lien)#	273,026	-
	<u>36,828,810</u>	<u>25,812</u>

#Acquired on Amalgamation consequent to the scheme of amalgamation of MGF Services Limited with the Company.

Schedules forming part of the Balance Sheet

SCHEDULE 6 : (Contd.)

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
(B) Loans and Advances		
(Considered good unless otherwise stated)		
1. Loans :		
(Secured)		
Against Hypothecation of Vehicles, Plant & Machinery etc.		
- Considered Doubtful	20,866,318	24,391,678
(Unsecured)		
Inter Corporate Deposits		
-Considered Good	33,000,000	10,000,000
-Considered Doubtful	6,550,000	6,550,000
Interest Accrued and Due on Inter Corporate Deposits	953,625	526,870
2. Advances (Unsecured)		
Bills Discounted Recoverable		
-Considered Doubtful	14,781,072	17,541,572
Others		
-Considered Doubtful	8,970,356	9,223,709
Advance Income Tax/ Tax Deducted at Source	2,190,764	2,278,025
Sales Tax (paid under protest)	685,840	682,040
	87,997,975	71,193,894
SCHEDULE - 7 : CURRENT LIABILITIES AND PROVISIONS		
(A) CURRENT LIABILITIES		
Sundry Creditors (Refer Note No. 6)	1,463,103	1,522,192
Other Liabilities	5,193,839	5,770,946
Deposits and Sundry Advances from Hirers	161,425	86,119
Deposits and Sundry Advances from Lessees	11,439,794	11,575,571
Bank Book Overdraft	-	401,161
	18,258,161	19,355,989
(B) PROVISIONS		
Corporate Tax	-	3,164,857
Gratuity	1,987,771	1,468,063
Provision for Non Performing Assets as per RBI Norms	97,660,028	154,832,382
	99,647,799	159,465,302

Schedules forming part of the Profit & Loss Account

SCHEDULE - 8 : INCOME FROM OPERATIONS

	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
Hire-Purchase and Lease Charges (Net)	12,559,135	2,222,511
Interest Income	519,416	459,301
	13,078,551	2,681,812

* Net of Lease Equalisation charges **Rs. 10.14 Lacs** (Previous Year Rs.0.26 Lacs)

SCHEDULE - 9 : OTHER INCOME

Interest (Gross) (*)				
: Long Term Investments in Govt. Securities	-		82,883	
: Inter Corporate Deposits	1,208,947		585,411	
: Fixed Deposits with Banks	79,284		25,290	
: Others	246,495	1,534,726	27,774	721,358
Dividend from Non Trade Investments				
: Current Investments		1,876,147		4,600
Profit on sale of Non Trade-Current Investments		21,422		59,083
Profit on Sale of Assets		-		46,885
Other Receipts		190,879		158,623
Amount Written Back		-		1,113,739
		3,623,174		2,104,288

* Tax Deducted at Source **Rs. 1.26 Lacs** (Previous Year Rs. 0.64 Lacs)

Schedules forming part of the Profit & Loss Account

	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
SCHEDULE- 10 : PERSONNEL EXPENSES		
Salaries and Allowances	4,347,115	4,071,060
Contribution to Provident and Other Funds	406,357	351,024
Gratuity	519,708	113,266
Staff Welfare	109,656	105,545
	5,382,836	4,640,895
SCHEDULE -11: ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates and Taxes	249,458	242,998
Travelling Expenses	1,191,016	1,147,704
Printing and Stationery	367,684	363,236
Postage ,Telegrams & Telephone Expenses	442,248	498,078
Repairs and Maintenance	296,311	337,311
Advertisement	42,930	41,610
Legal and Professional	1,353,943	1,102,741
Insurance	74,685	81,643
Brokerage and Commission	-	5,200
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)	817,313	624,277
Amount Written Off / Debts Not Realized	21,415,416	38,600
Sundry Expenses	5,385,625	2,102,958
	31,951,629	6,901,356
SCHEDULE - 12 : INTEREST AND BANK CHARGES		
Interest paid		
- Public Deposits	-	5,480
- Inter Corporate Deposits	-	35,348
Bank Charges	10,242	6,374
	10,242	47,202

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 in 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.

11. 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.

12. 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.

13. 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

	31.03.2011	(Rs. in Lacs) 31.03.2010
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. 2004.75 lacs (after adjustment of profit for the year amounting to Rs. 388.83 Lacs) against the Paid Up Capital and Free Reserves amounting to Rs. 2724.56 Lacs, which results in positive net worth. The Company had liquidated the entire public deposits liability and made it a debt free company. In view of utilization of funds to liquidate the liabilities there has been no fresh exposure of business undertaken by the Company.</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>The net owned funds (NOF) although have become positive yet the Company could not comply with the Reserve Bank of India guidelines prescribed for Non Banking Financial Companies Prudential Norms (Reserve Bank Directions, 1988), with regard to (i) Maintenance of Minimum Capital Adequacy Ratio, (ii) the credit / investment exposures which have become in excess of prescribed limits.</p>	
4.	<p>The Company continues to hold the certificate issued by Reserve Bank of India in Category "B" as Non-Accepting Deposits Non Banking Finance Company</p>	
5.	<p>Long Term Investments are to be valued at cost in terms of Accounting Standard-13 "Accounting for Investments" issued by the Institute of Chartered Accountants of India and as recommended by Reserve Bank of India's guidelines, subject to provisions for diminution in value, other than temporary in nature. However, considering the long term nature and other related matters, investments in quoted companies amounting to Rs. 189.14 Lacs (Previous Year Rs. 61.80 Lacs) have been valued at cost and the temporary short fall of Rs. 4.73 Lacs (Previous Year Rs. Nil Lacs) has not been provided for.</p>	
6.	<p>There is no amount due to the Micro Small and Medium Enterprises in terms of "The Micro Small and Medium Enterprises Development Act, 2006"</p>	
7. 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>	
8. Deferred Taxation:		
<p>On a prudent and conservative basis, Deferred Tax Assets, due to timing differences, arising from Unabsorbed Depreciation, Business Loss and Provisions for Non Performing Assets have not been recognised in the absence of any certainty that sufficient future taxable income will be available in the foreseeable future against which the net Deferred Tax Assets can be realised.</p>		

9. Managerial Remuneration to Manager:

	31.03.2011	31.03.2010
Particulars	Manager	Manager
- Salary	595200	547200
- Contribution to Provident Fund	44640	41040
- Perquisites	49600	45600
Total	689440	633840

The remuneration paid to Manager (without any commission) is in accordance with the provisions of Schedule XIII to the Companies Act, 1956. Therefore computation of Net Profit under Section 198 of the Companies Act, 1956 is not applicable.

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

11. 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.

12. 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, (since amalgamated with the company w.e.f. April 29, 2011.)

Jayabharat Credit Limited.

(ii) Enterprises over which the Key Management Personnel are able to exercise significant influence:

MGF Automobiles Limited,

Bahubali Services Limited,

(iii) Key Managerial Personnel:

Shri Rajiv Gupta, Chairman,

Shri Arun Mitter, Director,

Shri Sharad Aggarwal, Director,

Shri M.K. Madan, Director

Shri Rohit Madan, Manager & Company Secretary

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
Interest received on ICD's	-	-	12.05	-
Remuneration Paid - Manager	-	-	-	6.89
Inter Corporate Deposits	330.00	-	-	-

13. 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)	25.72	-	25.72
- Not later than one year	-	-	-
- Later than one year but not later than five years	-	-	-
- Later than five years	-	-	-
Total	25.72	-	25.72
Less: Provision for uncollectible Lease Receivables	25.72	-	25.72
Total	0	-	0
b) Hire Purchase Receivables			
- Not later than one year	-	-	-
- Later than one year but not later than five years	434.33	-	434.33
- Later than five years	-	-	-
Total	434.33	-	434.33
Less: Provision for Uncollectible	426.34	-	426.34
Net	7.99	-	7.99
Grand Total	7.99	-	7.99

14. Lease Rentals in respect of office 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. 2.49 Lacs (Previous Year Rs.2.56 Lacs).
15. Disclosures as required under Accounting Standard – 14 (Accounting for Amalgamation)

MGF Services Limited hereinafter referred to MGF(S) have been amalgamated with India Lease Development Limited under Section 391 to 394 of the Companies Act, 1956.

The Hon'ble Delhi High Court vide its Order dated March 22, 2011 sanctioned the Scheme of Amalgamation which became effective from the Appointed Date i.e. 01.04.2009. The Company filed the Scheme of Amalgamation with the Registrar of Companies on 29th April, 2011, being the Effective Date.

Pursuant to Scheme:-

- i) Assets and Liabilities, Rights/Obligation of erstwhile MGF(S) have been vested with the company w.e.f. 01.04.2009. The Scheme has accordingly been given effect to in these accounts. The amalgamation has been accounted for under the 'Pooling of Interest Method' as prescribed for Accounting Standard (AS-14) "Accounting for Amalgamation" issued by The Institute of Chartered Accountants of India.

In accordance with the Scheme of Amalgamation, these financial statement includes Assets and Liabilities and the Reserves of the erstwhile MGF(S) as at March 22, 2011 and the results of operations for the year then ended. The difference between Net Book Value of the Assets over the Liabilities and Reserves taken over, less the consideration has been adjusted/ transferred against the General Reserves. The Break up is as follows.

Particulars	Amount in Rs.
Fixed Assets	11,452
Investments	12,734,059
Loans & Advances	23,252,357
Current Liabilities and provisions	(40,000)
Reserves & Surplus	(5,957,868)
Excess of Assets over Liabilities	30,000,000
Less :- Purchase consideration	44,999,910
Amount adjusted against General Reserve	(14,999,910)

- ii) The Company are to be issued to the shareholders of erstwhile MGF(S) in the ratio of 3(Three) Equity Shares of Rs. 10/- each in the Transferee Company for every 2(Two) Equity Shares of Rs. 10/- each in the transferor company with a rider that fraction if any, arising out of application of exchange ratio shall be ignored.
- iii) Pending allotment of 44,99,991 Equity Shares of Rs. 10/- each has been included in the 'Share Capital Suspense Account' as at March 31,2011.
- iv) In view of aforesaid amalgamation the figures of the current year are not comparable with previous year figures.

16. Earnings Per Share(E.P.S.)	31.03.2011	31.03.2010
Calculation of Basic / Diluted E.P.S.		
a) Net Profit for the year attributable To Equity Shareholders	Rs. 3,88,83,508	Rs.2,75,157
b) Weighted Average Number of Equity Shares*	1,47,00,291	10,200,300
c) Basic Earnings per share	2.65	0.03
d) Diluted Earnings per share	2.65	0.03
e) Nominal Value per share	Rs. 10/-	Rs.10/-

*Including number of shares to be issued under Share Capital Suspende.

17. 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 01.04.10	Additions/ Movement (Net of Adjustments)	Closing Balance 31.03.11
Provisions for Gratuity	14.68	5.19	19.87
Provisions for Non Performing Assets as per RBI guidelines	1548.12	(571.52)	976.60
Provisions for Income Tax	31.65	(31.65)	-
Provision for Diminution in value of Investment as per RBI norms.	0.20	(0.20)	-

(5) Break-up of Investments : (Net of Provisions)			
Current Investments :			
1. Quoted :			
(i) Shares : (a) Equity			1.19
(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			189.14
(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	669	303	972
Total			

(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	189	189
	(c) Other related parties		
	2. Other than related parties	2	2
	Total	191	191
(8)	Other information		
	Particulars	Amount	
	(I) Gross Non-Performing Assets		
	(a) Related parties	-	
	(b) Other than related parties	972	
	(ii) Net Non-Performing Assets		
	(a) Related parties	-	
	(b) Other than related parties	972	
	(iii) Assets acquired in satisfaction of debt	8	

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

A. Assumptions

Particulars	Gratuity	
	31.03.11	31.03.10
Discount Rate	8.10%	8.00%
Rate of Return on Plan Assets	0.00%	0.00%
Salary Escalation	10.00%	10.00%

B. Changes in Benefit Obligations

Particulars	Gratuity	
	31.03.11	31.03.10
Liability at beginning of the year	14,68,063	13,54,797
Interest Cost	1,17,445	1,01,610
Past Service Cost	3,51,092	-
Current Service Cost	1,57,671	1,28,940
Benefit Paid	NIL	NIL
Actuarial(gain)/ Loss on obligation	(1,06,500)	(1,17,284)
Liability at the end of the year	19,87,771	14,68,063

C. Fair Value of Plan Asset

Particulars	Gratuity	
	31.03.11	31.03.10
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	
	31.03.11	31.03.10
Current Service Cost	1,57,671	1,28,940
Past Services Cost	3,51,092	-
Interest Cost	1,17,445	1,01,610
Net Actuarial (gain)/ Loss for the period	(1,06,500)	(1,17,284)
Expenses Recognised in Profit & Loss account	5,19,708	1,13,266

E. Balance Sheet Reconciliation

Particulars	Gratuity	
	31.03.11	31.03.10
Opening Net Liability	14,68,063	13,54,797
Expenses charged to Profit & Loss account	5,19,708	1,13,266
Benefit Paid	-	-
Closing Liability as at 31.03.11	19,87,771	14,68,063

20. Transactions in Foreign Currency:

	Year Ending 31.03.2011 Rs.	Year Ending 31.03.2010 Rs.
a) Expenditure in Foreign Currency Travelling Expenses	Nil	Nil
b) Shares held by non-resident Shareholders No. of Shareholders	11730 15	7100 12
c) Dividend paid during the year	Nil	Nil

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

As per our report of even date attached

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

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

For and on Behalf of the Board of Directors

Rajiv Gupta
Chairman

M.K.Madan
Director

Arun Mitter
Director

Rohit Madan
Manager &
Company Secretary

Place : New Delhi
Dated : August 25, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

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

	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) after Tax	38,883,508	275,157
Adjustments for :		
Depreciation	897,214	2,153,457
Lease Equilisation Charges	1,014,871	1,957,157
Interest Paid - Considered Separately	10,242	47,202
Provision for Non Performing Assets	(57,172,354)	(9,231,967)
Profit on Sale of Investments - Considered Separately	(21,422)	(59,083)
Loss on Sale of Investments - Considered Separately	-	38,600
Interest / Dividend Received - Considered Separately	(1,876,147)	(87,483)
	<u>(57,147,596)</u>	<u>(5,182,117)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(18,264,088)	(4,906,960)
Adjustments for :		
Current Assets	50,717,547	5,452,167
Current Liabilities	(618,120)	(3,009,675)
(Increase)/Decrease in Net Current Assets/Liab.	<u>50,099,428</u>	<u>2,442,491</u>
CASH GENERATED FROM OPERATIONS	31,835,340	(2,464,469)
Interest Paid	10,242	47,202
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	31,825,098	(2,511,671)
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition/Sale of Investments (Net)	35,621	4,946,411
Purchase of Fixed Assets	(1,631)	(34,631.50)
Sale of Fixed Assets	(160,213)	(3,503,010)
Interest / Dividend Received	1,876,147	87,483
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	1,749,924	1,496,252
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Public Deposits / Other Loans (Net)	-	(889,884)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	-	(889,884)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	33,575,021	(1,905,303)
Cash and Cash Equivalents at the Beginning of the Year	25,812	1,931,115
Cash acquired on amalgamation	3,227,977	-
Cash and Cash Equivalents at the Close of the Year	<u>36,828,810</u>	<u>25,812</u>
Component of Cash and Cash Equivalents at the Close of the Year		
Cash and Cheques in Hand	32,388	25,812
With Banks in Current Account	36,523,396	-
With Banks in Deposit Account	273,026	-
	<u>36,828,810</u>	<u>25,812</u>

Note:

1. Previous year's figures have been regrouped/ rearranged wherever considered necessary to compare with this year's figures.
2. Current year figures does not includes non cash items acquired on Amalgamation consequent to the scheme of amalgamation of M.G.F.Services Ltd with the company

As per our report of even date attached

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

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

For and on Behalf of the Board of Directors

Rajiv Gupta
Chairman

M.K.Madan
Director

Arun Mitter
Director

Rohit Madan
Manager &
Company Secretary

Place : New Delhi
Dated : August 25, 2011

BALANCE SHEET ABSTRACT AND COMPANYS' GENERAL BUSINESS PROFILE

I Registration Details State Code
 Registration No.

Balance Sheet Date `

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

Public Issue Right Issue

Bonus Issue Private Placement

III Position of Mobilisation & Deployment of funds (Rs. 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 (Rs. 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

For and on Behalf of the Board of Directors

Rajiv Gupta
 Chairman

Arun Mitter
 Director

M.K.Madan
 Director

Rohit Madan
 Manager &
 Company Secretary

Place : New Delhi
 Dated : August 25, 2011

BRANCH OFFICES

BANGALORE

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12, Museum Road,
Bangalore – 560001
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Sankar Mochan Mandir,
Tara Devi, Shimla,
Himachal Pradesh
Ph: 0177-2832512

LUDHIANA

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

IMPORTANT COMMUNICATION NEEDING YOUR ATTENTION**MCA's Green Initiative for Paperless Communications**

The Ministry of Corporate Affairs(MCA), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies after considering the relevant sections of the Information Technology Act,2000, for legal validity of compliances under Companies Act,1956 through electronic mode. The MCA has vide its Circular No. 17/2011 dated April 21,2011 and 18/2011 dated April 29,2011, provided that a company would have complied with Section 53 of the companies Act,1956, if the service of documents has been made through electronic mode, provided the company has obtained the e-mail addresses of its members for sending the notice/documents through e-mail by giving an advance opportunity to every member to register his/her e-mail address and changes therein from time to time with the company. In cases where any member has not registered his/her email address with the company, the service of documents etc will be effected by other modes of service as provided in Section 53 of the Companies Act,1956.

In light of the above, those members, who desires to receive notice/documents including Annual Reports through e-mail, are requested to communicate their-email ID and changes thereto in the enclosed business reply envelope or log on to info@indialease.com to register yourself. You can also down load the registration form as under, from our website <http://www.indialease.com> .

INDIA LEASE DEVELOPMENT LIMITED

**Regd Office: MGF HOUSE,4/17-B, ASAF ALI ROAD,
NEW DELHI-110002**

Form for registering e-mail ID for receiving documents/notices by electronic mode

(With reference to the Circular No.17/2011 dated 21st April,2011 and 18/2011 dated 29th April, 2011 issued by Ministry of Corporate Affairs, Govt of India)

To

The Company Secretary,
India Lease Development Limited
MGF House, 4/17-B,
Asaf Ali Road,
New Delhi-110002

I agree to receive all documents/notices from the company in electronic mode. Please register my-email ID in your records for sending communication through e-mail. The required details are as under:-

Folio No. (For Physical Shares) :

DP ID / Client ID :

PAN No. :

Name of 1st Registered holder :

Name of Joint holder(s) :

Registered address :

Email ID :

Date:

Signature of First Holder



NET COPY

INDIA LEASE DEVELOPMENT LIMITED

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

ADMISSION SLIP

Folio No.\Client ID No.\DP ID No.

Name of the Member (s)
(in Block Letters)

I/We hereby record my/our presence at the 26th Annual General Meeting of **India Lease Development Limited** on Thursday, the 29th September, 2011 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 at 1.00 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 26th Annual General Meeting of the company to be held on Thursday, the 29th September, 2011 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 at 1.00 P.M. and/or at any adjournment thereof.

Signed this.....day of.....2011.

Signature.....

Affix
Re.1.00
Revenue
Stamp

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

(ii) A Proxy need not be a Member.

BOOK POST

If undelivered, please return to :

India Lease Development Limited

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