

20TH ANNUAL REPORT  
2010-2011

**JAGSONPAL**  
FINANCE & LEASING LTD.

# JAGSONPAL

FINANCE & LEASING LTD.

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## Board of Directors

J.S. Kochhar - Chairman  
K.P.S. Kochhar - Managing Director  
Davinder Bir Kochhar  
Gurmeet Singh  
Gurpreet Singh  
Om Prakash Tiwari

## Company Secretary

Sumit Kumar Ghosh

## Bankers

Dena Bank  
Punjab & Sind Bank  
Canara Bank  
Vijaya Bank  
Axis Bank

## Statutory Auditors

P.P. Thukral & Co.  
Chartered Accountants  
42, GF, World Trade Centre  
Babar Road  
New Delhi-110001

NO GIFT WILL BE DISTRIBUTED TO ANY SHAREHOLDER EITHER AT THE VENUE OF THE A.G.M. OR AT THE REGISTERED OFFICE OF THE COMPANY.

## Regd. Office:

REGD. OFFICE: D-45, GROUND FLOOR  
PAMPOSH ENCLAVE, GREATER KAILASH PART-I  
NEW DELHI- 110048  
Website: [www.jagsonpal.co.in](http://www.jagsonpal.co.in)

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# JAGSONPAL

FINANCE & LEASING LTD.

## NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of Jagsonpal Finance & Leasing Ltd, will be held on Friday, 30th September, 2011 at 9:00 A.M. at Khasra No. 498/499, Village Ghitorni, New Delhi - 110 030, to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit & Loss Account for the year ended on that date, Auditors' Report and Director's Report thereon.
2. Mr. Jagmohan Singh Kochhar, Director of the Company retires at the ensuing Annual General Meeting who offers himself for re-appointment.
3. Mr. Om Parkash Tiwari, Director of the Company retires at the ensuing Annual General Meeting who offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. M/s. P.P.Thukral & Co., Chartered Accountants, Statutory Auditors of the Company, retire at this Annual General Meeting and being eligible, offer themselves for re-appointment.

By Order of the Board

(J.S. KOCHHAR)

Chairman

Place : New Delhi

Date : 28.06.2011

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED

OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.

2. Shareholders/Proxyholders are requested to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
3. Members desiring any information as regards accounts are requested to write to the Company at an early date at D-45, Ground Floor, Pamposh Enclave, Greater Kailash - I, New Delhi - 110048, so as to enable the Management to keep the information ready.
4. The Register of Members will remain closed from 23rd September to 30th September 2011 (both days inclusive).
5. Profile of Mr. Jagmohan Singh Kochhar, the Director retiring by rotation. Mr. Jagmohan Singh Kochhar a pharmacist has over 45 years of experience in the field of Finance, Pharmaceuticals, Banking, Investment, Corporate Laws etc. He has considerable experience in this business.
6. Profile of Mr. Om Parkash Tiwari, the Director retiring by rotation. Mr. Om Parkash Tiwari, Director joined the Board on 30.12.2005. Mr. Om Parkash Tiwari is a M.A in Political Science from Gorakhpur, U.P. University. He has vast experience in this business. Mr. Om Parkash Tiwari is a member of Audit Committee and other committees of the Company. None of the Directors except Mr. Om Parkash Tiwari is interested in the resolution. Directors recommend passing of the ordinary resolution.

By Order of the Board

(J.S. KOCHHAR)

Chairman

Place : New Delhi

Date : 28.06.2011

Regd. Office : D-45, Ground Floor, Pamposh Enclave, Greater Kailash, Part - I, New Delhi - 110 048.

# JAGSONPAL

FINANCE & LEASING-LTD.

## DIRECTORS' REPORT

Your Directors present the 20th Annual Report of the Company together with Audited Accounts for the year ended on 31st March, 2011.

## FINANCIAL RESULTS:

	(Rs. Lacs)	
	Current Year	Previous Year
Gross Income	9.84	14.61
Gross Profit/(Loss)	(1.54)	4.61
Depreciation & Impairment	0.26	0.26
Profit/(Loss) before tax	(1.80)	4.35
Profit/(Loss) after tax	(1.80)	3.75
Brought forward from the previous year	(327.37)	(331.12)
Profit available for appropriation	(328.93)	(327.37)

## REVIEW OF PERFORMANCE AND BUSINESS PROSPECTS

During the year, the Company has incurred/suffered a loss of Rs. 1.80 lacs before tax as against the profit of Rs. 4.35 lacs in the previous year. Efforts are also being made to improve the performance by exploring new avenues of business which are likely to arise with the passage of time.

## DIVIDEND

Directors recommended no dividend.

## FIXED DEPOSITS

During the year, the Company has neither accepted nor invited any deposits and there are no deposits which are either overdue or unclaimed as on March 31st, 2011.

## DIRECTOR

Mr. Jagmohan Singh Kochhar, Director retires at the ensuing Annual General Meeting and board recommends his appoint/re-appointment.

Mr. Om Parkash Tiwari, Director retires at the ensuing Annual General Meeting and board recommends his appoint/re-appointment.

## AUDITORS & AUDITORS' REPORT

M/s. P.P. Thukral & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting. The Company has received confirmation from M/s. P.P. Thukral & Co., Chartered Accountants, to the effect that their appointment, if made, will be within the limits as prescribed in Section 224 of the Companies Act, 1956. Members attention is invited on Notes on Accounts forming part of Report & Balance Sheet. The Notes are self explanatory.

## PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING

Information to be given pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars) Rules, 1988 are not applicable since there is no such activity being followed by the Company.

Foreign Exchange Earnings	Rs. Nil
Foreign Exchange Outgo	Rs. Nil

## PERSONNEL

This information as required by section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, be taken as nil and complied with.

## CORPORATE GOVERNANCE

A separate report on Corporate Governance forms a part of Annual Report alongwith the Auditors Certificate on its compliance of the conditions of Corporate Governance as also a Management Discussion & Analysis Report Pursuant to Clause 49 of the Listing Agreement are annexed hereto.

## DIRECTORS RESPONSIBILITY STATEMENT 217(2AA)

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, Your Directors state:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) That Your Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding

the assets of your Company and for preventing and detecting fraud and other irregularities;

- (iv) That your Directors have prepared the annual accounts on a going concern basis.

The Audit Committee of your company meets periodically to review the performance, functions and scope of statutory auditor's functions etc.

## ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Bankers, our Valued customers, and Shareholders during the year under review.

for and on behalf of the  
Board of Directors

Place : New Delhi  
Date : 28.06.2011

(J. S. KOCHHAR)  
Chairman

## CORPORATE GOVERNANCE REPORT

As per the requirement for providing a Report on Corporate Governance Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, your Directors present the Company's Report on Corporate Governance as under :

### 1) Philosophy on Code of Governance

The Board of Directors believe in managing the Company's affairs efficiently and in a responsible manner. The Company envisages the attainment of a high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally.

### 2) Board of Directors

The business of the Company is managed by the Board of Directors. The Board formulates the strategy and regularly reviews the performance of the Company against previously agreed objectives. The Chairman and Managing Director along with the senior executives manage the day to day operations of the Company.

The Current Board Comprises of Six Directors including a Chairman, (Promoter) Managing Director (Promoter) and four Non-Executive Directors (out of which one is relative of the Promoter). Thus as required under the Listing Agreement with Stock Exchanges, more than one third of the Directors are independent.

None of the Directors holds Chairmanship of more than 5 Committees or membership in more than 10 Committees of Public Limited Companies.

The constitution of the Board and the number of Directorships and Committee Memberships held in other companies as on date are given below :-

Name of Director	Category	No. of Directors in other Companies	No. of Committee held in other Companies Chairman/Member
Jagmohan Singh Kochhar Chairman	Promoter & Executive Director	2	Nil
Kanwarpal Singh Kochhar Managing Director	Promoter & Executive Director	Nil	Nil
Gurmeet Singh	Non-promoter Independent Non-Executive Director	Nil	Nil
Gurpreet Singh	Non-Promoter Independent Non-Executive Director	Nil	Nil
O P Tiwari	Non-Promoter Independent Non-Executive Director	Nil	Nil
Davinder Bir Kochhar	Non-Promoter Independent Non-Executive Director	Nil	Nil

#### Attendance Record of the Directors

The Board of Directors met five times during the financial year 2010-2011. The interval between any two successive meetings did not exceed four months. Board Meetings were held on 30.04.10, 31.07.10, 06.08.10, 30.10.10 & 31.01.11. The attendance record of all Directors at Board meetings and the last Annual General Meeting (AGM) during the year 2010-11 is as under :-

Name of Director	No. of Board Meeting Attended	Attendance at Last AGM held on 30.9.2010
Jagmohan Singh Kochhar Chairman	5	Yes
Kanwarpal Singh Kochhar Managing Director	5	Yes
Davinder Bir Kochhar	5	Yes
Gurmeet Singh	5	Yes
Gurpreet Singh	5	Yes
Om Parkash Tiwari	5	Yes

## INFORMATION PLACED BEFORE THE DIRECTORS

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. The Board also periodically reviews compliance reports of all laws applicable to the company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. All information, which required to be placed before the Board of Directors under Clause 49 of the listing agreements with stock exchanges, has been duly placed before the Board of Directors during the year.

### Audit Committee

The Committee consists of four Non-Executive Independent Directors viz. Mr. Gurmeet Singh, Mr. Gurpreet Singh, Mr. Om Parkash Tiwari & Mrs. Davinder Bir Kochhar. The Chairman of the Committee is Mr. Gurmeet Singh. These members have the requisite financial, accounting, administrative and management expertise. Senior Manager (Internal Audit) along with the Internal Auditors, Statutory Auditors and the respective unit heads and the unit finance chiefs are invitees at the meetings of the Committee.

The powers and role of the Audit Committee are as specified in clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. However, the board terms of reference of the Committee including:

- to review the company's financial reporting process and its financial statements.
- to review the accounting and financial policies and practices and compliance with applicable accounting standards.
- to review the efficacy of the internal control mechanism, monitor risk management policies adopted by the company and its units and ensure compliance with regulatory guidelines.
- to review reports furnished by the internal and statutory auditors and ensure that suitable action is taken.
- to examine the accounting and disclosure aspects of all significant transactions.
- to review with management the annual, quarterly & half yearly financial statements including review of qualifications, if any, in the audit report before submission to the Board.
- to recommend appointment of external and internal auditors and fixation of audit fees.
- to seek legal or professional advice, if required.

### Meetings & Attendance

The Audit Committee met five times during the financial year 2010-2011 on 30.04.10, 31.07.10, 06.08.10, 30.10.10 & 31.01.11. The attendance of each Audit Committee Member is as under:

Name of the Member	No. of Meetings Attended
Mr. Gurmeet Singh	5
Mr. Gurpreet Singh	5
Mr. Om Parkash Tiwari	5
Mrs. Davinder Bir Kochhar	5

### RISK MANAGEMENT

The Company has devised a formal Risk Management Framework for risk assessment and minimisation. Further, the Company assesses the risk management framework every year. The scope of the Audit Committee includes review of Company's financial and risk management policies.

### POSTAL BALLOT

The provisions related to postal ballot will be complied as per the provisions of the Companies Act, 1956 as and when situation may arise.

## COMPLIANCE WITH LAWS

As required under clause 49 of the listing agreement, for the financial year 2010-11, the Company has submitted to the BSE, DSE, LSE & ASE, quarterly compliance reports signed by the Compliance Officer of the Company, confirming compliance with the mandatory requirements of the said Clause.

## CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the Securities & Exchange Board of India (Prevention of Insider Trading) Regulations, 1992, the company has framed a code of conduct for prevention of insider trading by Company insiders in line with other.

### 4) Share Transfer/Transmission Committee.

The Committee consists of three Non-Executive Independent Directors viz. Mr. Gurmeet Singh, Mr. Gurpreet Singh and Mr. Om Prakash Tiwari. Mr. Om Prakash Tiwari is acting as Chairman of the Committee. Mr. Sumit Kumar Ghosh, Company Secretary has been designated as the Compliance Officer. The Committee is responsible for approval of share transfer/transmission, approval of requests for dematerialisation/rematerialisation of shares and other related activities.

### Meetings & Attendance

The Share Transfer/Transmission/rematerialised Committee met Six times during the financial year 2010-2011 on 31.05.2010, 30.08.2010, 22.09.2010, 30.11.2010, 15.12.2010, 30.12.2010. The attendance of each Committee Member is as under :

Name of the Member	No. of Meetings Attended
Mr. Gurmeet Singh	6
Mr. Gurpreet Singh	6
Mr. Om Prakash Tiwari	6

### 5) Investors' Grievance Committee

The Committee consists of two Non-Executive Independent Directors viz. Mr. Gurmeet Singh and Mr. Gurpreet Singh. Mr. Gurmeet Singh is acting as Chairman of the Committee. Mr. Sumit Kumar Ghosh, Company Secretary has been designated as the Compliance Officer. The Committee is responsible for redressal of shareholders and investors grievances such as non-receipt of transferred/transmitted share certificates/balancesheet etc. There is no grievance pending for any transfer/transmission.

### 6) Remuneration Committee

No remuneration is being paid to any of Directors and to Audit Committee Members.

### 7) General Body Meetings

The details of Annual General Meetings held in last 4 years are as under :-

A. G. M.	DAY & DATE	VENUE
16th	Saturday, 29th September, 2007	Ghitorni, New Delhi.
17th	Monday, 29th September, 2008	Ghitorni, New Delhi.
18th	Tuesday, 29th September, 2009	Ghitorni, New Delhi.
19th	Thursday, 30th September, 2010	Ghitorni, New Delhi



**8) Disclosures :**

There is no, significant or material, related party transaction.

Details of Non-Compliance by the Company, Penalties, Stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets.

Trading of the Company's shares have been suspended w.e.f. 21.12.2004 by the Bombay Stock Exchange due to alleged non compliance of Clause 51 of the Listing Agreement. The company has complied with all requirements of the Bombay Stock Exchange and have answered every communication received from them and is making a consistent effort to get the shares of the company re-listed on the Bombay Stock Exchange.

**Code of Conduct for Directors and Senior Executives**

In line with the amended Clause 49 of the Listing Agreement which came into effect from 1st January, 2006 and amended, the Company adopted a Code of Conduct for its Directors and Senior Executives.

**MD/CFO certification**

As required by the Clause 49 of the Listing Agreement, the Managing Director certifies the financial statement and the cashflow statement for the period ended 31.3.2011 are enclosed at the end of this report.

**9) Means of Communication**

The quarterly and half yearly unaudited financial results, and the annual audited financial results of the Company were sent to all the Stock Exchanges where its equity shares are listed, The same were published in The Financial Express (English) and Jansatta (Hindi) newspapers.

**10) General Shareholder Information**

**Annual General Meeting**

Day, Time & Time	Friday, 30th September 2011 at 9.00 A.M.
Venue	Khasra No. 498/499, Village Ghitorni, New Delhi-110030
Dates of Book Closure	23rd September, 2011 to 30th September 2011 (both days inclusive)

**Listing on Stock Exchanges**

The Company's entire equity share capital comprising of 5500400 equity shares of Re.10 each is listed at the following Stock Exchanges :

Sl. No.	Name of Stock Exchanges
1.	Mumbai Stock Exchange
2.	Delhi Stock Exchange
3.	Ludhiana Stock Exchange
4.	Ahmedabad Stock Exchange

The Company has paid listing fees for the Financial Year 2010-2011 to above the aforesaid Stock Exchanges.

## Stock Price Data/Stock Performance: Year 2010-2011

Market Price Data (Rs.)

STOCK CODE (BSE) - 530601 Value in Rs.

Month	Bombay Stock Exchange (BSE)	
	High	Low
April, 2010	Nil	Nil
May, 2010	Nil	Nil
June, 2010	Nil	Nil
July, 2010	Nil	Nil
August, 2010	Nil	Nil
September, 2010	Nil	Nil
October, 2010	Nil	Nil
November, 2010	Nil	Nil
December, 2010	Nil	Nil
January, 2011	Nil	Nil
February, 2011	Nil	Nil
March, 2011	Nil	Nil

Nil means no transaction during the period.

### Registered Office

JAGSONPAL FINANCE & LEASING LTD, D-45, Ground Floor, Pamposh Enclave, Greater Kailash -I,  
New Delhi - 110 048.

### Share Transfer Agents

Mas Services Ltd.

T-34, 2nd Floor Okhla Industrial Area Phase-II, New Delhi-110020

Tel : (011) 26387281, 26387282, 26387283, Fax : (011) 26387384, Email : info@masserv.com, www.masserv.com

All dematerialization requests and other communications regarding change of address, and queries related to investor services may be sent at the above address to Mr. Swarn Mangla.

### Share Transfer System

The share transfer/transmission committee of the Board does the approval of transfer of shares in the physical mode. The committee meets frequently for approving share transfers and other related activities. The shares for transfer received in physical mode, are transferred expeditiously. The share certificates duly endorsed are returned immediately to the shareholders. Confirmation in respect of the requests for dematerialisation of shares is sent to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

# JAGSONPAL

FINANCE & LEASING LTD.

Distribution of Schedule as on 31.03.2011  
Nominal Value of each share Rs. 10

Numbers of Shareholders	% to Total	Share Holding of Nominal Value of Rs.	No. of Shares	Amount in Rs.	% to Total
4713	90.635	1 TO 5000	681087	6810870	12.382
226	4.346	5001 TO 10000	181118	1811180	3.293
119	2.288	10001 TO 20000	174758	1747580	3.177
50	0.962	20001 TO 30000	127530	1275300	2.319
15	0.288	30001 TO 40000	52870	528700	0.961
11	0.212	40001 TO 50000	53100	531000	0.965
24	0.462	50001 TO 100000	182225	1822250	3.313
42	0.808	100001 AND ABOVE	4047712	40477120	73.589
5200	100.000	TOTAL	5500400	55004000	100.000

TOTAL SHARE HOLDERS IN NSDL	855	TOTAL SHARES IN NSDL	3584308
TOTAL SHARE HOLDERS IN CDSL	271	TOTAL SHARES IN CDSL	83253
TOTAL SHARE HOLDERS IN PHY	4076	TOTAL SHARES IN PHY	1832839
TOTAL SHARE HOLDERS	5202	TOTAL SHARES	5500400

(2 Holders are common in demat and physical)

Shareholding Pattern (as on 31.3.2011) :

Category	No. of Shares	% Holding
* PROMOTERS/DIR/RELATIVES	3077010	55.941
BANKS	1600	0.029
NRIS	500100	9.092
BODIES CORPORATE	80456	1.573
PUBLIC	1835234	33.365
Total	5500400	100.000

\* Associates not related to promoters but shown in above clause.

Dematerialisation of Shares & Liquidity :

The Company's equity shares are compulsorily traded in the demat form with effect from 26.02.2001. The Company entered into an Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of shares. As on 31.03.2011, 66.67% of total equity share capital of the Company had been dematerialised. The ISIN allotted by NSDL/CDSL is INE582C01015.

Green Initiative

As a part of Green Initiative in Corporate Governance undertaken by the Ministry of Corporate Affairs (MCA), Government of India through its circular Nos. 17/2011 & 18/2011 dated April 21 & 29, 2011 respectively, has allowed Companies to send official documents to their shareholders in electronic form.

Recognizing the said circular issued by MCA and also as an active partaker to reduce carbon footprint, your Company proposes to send the Annual Report for the year ended March 31, 2011 in electronic form to the email address provided by you through the Depositories.

Following the MCA directives, the Annual Report in an easily accessible format will be made available on your Company website, [www.jagsonpal.co.in](http://www.jagsonpal.co.in). We will also notify the date of Annual General Meeting and the date of uploading of the Annual Report in the Company's website in National and regional newspapers.

We are confident that you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such Initiative.

**Address for Correspondence**

Please contact the Compliance officer of the company at the following address regarding any questions or concerns:

Mr. Sumit Kumar Ghosh, Compliance Officer & Company Secretary  
Jagsonpal Finance & Leasing Ltd., D-45, Ground Floor,  
Pamposh Enclave, Greater Kailash - I, New Delhi - 110 048  
Tel : 011- 41633812, Fax : 011- 26238849  
Email Id : jagfn@airtelmail.in, Website: www.jagsonpal.co.in

**MD/CFO CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT**

To : The Board of Directors of Jagsonpal Finance & Leasing Ltd., Delhi

I, Kanwarpal Singh Kochhar, Managing Director of Jagsonpal Finance & Leasing Ltd. have reviewed the financial statements and cash flow statement for the year ended 31st March, 2011 and to the best of our knowledge and belief, certify that:

1. Based on information and knowledge, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and/or applicable laws and regulations;
3. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of company's code of conduct;
4. The undersigned is responsible for establishing and maintaining internal controls, and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors:
  - a) significant changes in internal controls during the year.
  - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place : New Delhi  
Dated : 28.06.2011

**Kanwarpal Singh Kochhar**  
Managing Director

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

We have examined the compliance of conditions of Corporate Governance by Jagsonpal Finance & Leasing Ltd for the period ended on 31.3.2011 as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited 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 state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the shareholders/investors Grievance Committee.

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 P. P. THUKRAL & CO.  
Chartered Accountants

(Suresh Sethi)  
Partner  
Membership No. 89318  
F.R.N.: 000632N

**DECLARATION BY THE CHAIRMAN**

To,  
The Members of  
Jagsonpal Finance & Leasing Ltd.

In compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges relating to Corporate Governance, I confirm that, on the basis of confirmations/declarations received, all the Directors and senior management personnel of the company have complied with the Code of Conduct framed by the Company.

For Jagsonpal Finance & Leasing Ltd.  
(J.S. Kochhar)  
Chairman

Place : New Delhi  
Date : 28.06.2011

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRIES STRUCTURE & DEVELOPMENT

Due to the present business scenario it has become extremely competitive & difficult to carry on with business associated with NBFC's Companies in any significant manner. The Management is looking for the appropriate time to re enter this business as soon as the business climate & economy improve.

#### Opportunities & Threats

The Company is facing tough competition in its lending business from large NBFC's & Banks. It is difficult to continue with leasing & Hire Purchase activity. The Company's main income is from stock market related operations and since the market is extremely volatile it offer ample opportunities to make meaningful investments/profits. However returns on these investments are intricately related with external factors and market conditions.

#### SegmentWise or Product wise Performance

The Company main activity is sale & purchase of equity and trading in commodities and has negligible lending /hire purchase business and performance is as per market conditions.

### OUTLOOK

With the world economy looking up and the recession receding, India is poised for rapid growth over the next decade, which augurs well for the economy in general and would likewise benefit the Company.

### RISKS AND CONCERNS

The Company faces no extraordinary risk of bad debts, however, the returns on investments are dependent on overall market conditions.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal control to ensure accuracy of accounting records, compliance with all laws & regulations and Compliance with all rules & guidelines prescribed by management. The Audit Committee of Board reviews the scope and observations of the internal audit on regular basis.

### PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(Rs. Lacs)

	Current Year	Previous Year
Gross Income	9.84	14.61
Gross Profit/(Loss)	(1.54)	4.61
Depreciation & Impairment	0.26	0.26
Profit/(Loss)before tax	(1.80)	4.35
Profit/(Loss) after tax	(1.80)	3.75
Brought forward from the previous year	(327.37)	(331.12)
Profit available for Appropriation	(328.93)	(327.37)

This year the Company has managed not to make a profit and has suffered a small loss.

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company has adequate competent staff to carry out the day to day operations. In addition in order to ensure greater accountability efficiency the company imparts regulate training to its employees.

## AUDITORS' REPORT

The Shareholders,  
JAGSONPAL FINANCE & LEASING LTD,  
New Delhi.

1. We have audited the attached Balance Sheet of JAGSONPAL FINANCE & LEASING LTD ("the Company") as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the period ended on that date both 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.
2. We carried out our examinations 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 also 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 my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, 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 and 5 of the said Order, to the extent applicable.

Further to our comments in the Annexure referred to in paragraph 3, we report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper Books of Account as required by law have been kept by the Company so far as it appears from our examination of those books.
- iii) The Balance Sheet and Profit & Loss Account and cash flow statement is in agreement with the Books of Account.
- iv) In our opinion, the Balance Sheet and Profit & Loss Account and cash flow statement dealt by this report comply with the Accounting Standards under sub section (3C) of section 211 of the Companies Act, 1956.
- v) None of Directors is disqualified as on 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; and

- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts comply and 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 Company's state of affairs as on 31st March, 2011, and,
  - b) In the case of the Profit & Loss Account, of the loss of the company for the period ended as on that date; and
  - c) In the case of Cash flow statement, of the cash flows for the period ended on that date.

for P. P. THUKRAL & CO.  
Chartered Accountants

Place : New Delhi  
Dated : 28<sup>th</sup> June, 2011

(Suresh Sethi)  
Partner  
Membership No. 89318  
F.R.N. 000632N

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (3) of our report of even date)

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) As explained, the fixed assets except leased assets have been physical verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification.
2. As explained to us the company is not having inventory, therefore provisions on relating to physical verification of inventory and record maintenance are not applicable.
3. In our opinion, the company has neither granted nor taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted/taken any loans, secured or unsecured, to/from parties listed in the registers maintained under Section 301 of the Companies Act, 1956 clauses iii(b), iii(c) and iii(d) of paragraph 4 of the order are not applicable.
4. In our opinion and according to 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. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control.
5. As explained to us there has not been any transaction during the year that need to be entered in the register maintained under section 301 of the Companies Act

# JAGSONPAL

FINANCE & LEASING LTD.

- 1956 and exceeding during the year to Rs. 5,00,000 or more in respect of each such party.
6. In our opinion, and according to the information and explanations given to us, the Company has not accepted any public deposit therefore the provisions of Sections 58 A and 58 AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the company.
  7. In our opinion, the internal Audit system is commensurate with the size of the company and the nature of its business.
  8. As per explanations the provision of section 209 (1) (d) regarding maintenance of cost records are not applicable to the company.
  9. According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, which are outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
  10. (a) The Company has been in existence since 20.2.91  
(b) The accumulated losses of the company are more than half of its net worth.  
(c) The company made a cash loss of Rs. 1.80 lacs during current year as against a cash profit of Rs. 4.35 lacs during the proceedings financial year.
  11. According to the information and explanations given to us the company has not defaulted in repayment of dues to any financial institutions or bank or debenture holder during the year.
  12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the order are not applicable to the company.
  14. The Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other investments, are held in the name of the company or are in process of being transferred in the company's name.
  15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
  16. The company has not obtained any term loans that were not applied for the purpose for which these were raised.
  17. Based on the information and explanations given to us, and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment, and vice versa.
  18. According to the information and explanations given to us no preferential allotment of shares has been made by the company to companies, firms or other

parties listed in the register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures. Hence the requirements of clause (xix) of paragraph 4 of the Order is not applicable to the company.
20. The company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, during the year, no fraud by the company has been noticed or reported.

for P. P. THUKRAL & CO.  
Chartered Accountants

Place : New Delhi  
Dated : 28<sup>th</sup> June, 2011

(Suresh Sethi)  
Partner  
Membership No.: 89318  
F.R.N. 000632N

## AUDITORS' REPORT AS PER NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT (RESERVE BANK) DIRECTIONS, 1998

As required by Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1998 issued by Reserve Bank of India, Department of Financial Companies in exercise of the powers conferred by Sub Section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, we hereby report on the matters specified in paragraphs 3 and 4 of the said Directions :-

- 1) The Company has been granted registration as per section 45IA of the Reserve Bank of India Act, 1934.
- 2) During the year the company has neither invited nor accepted public deposit and Board resolution have been passed to this effect.
- 3) As there are no deposits with company and matter of any non payment/overdue does not arise.
- 4) The Company has complied with the prudential norms on income recognition, accounting standards, asset classification, provisioning for bad and doubtful debts, and concentration of credit/investments as specified in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial Companies prudential Norms (Reserve Bank) Directions, 1998 except for the norms for valuation of long term investments.
- 5) The company has furnished to the Reserve Bank of India, within the stipulated period the relevant returns and statements as applicable to it.
- 6) The rest of the matters as specified in Sub-Paragraph (C) & (D) of Paragraph 3 of the Non Banking Financial Companies Auditor's Report (Reserve Bank), Directors, 1998 are not applicable.

for P. P. THUKRAL & CO.  
Chartered Accountants

Place : New Delhi  
Dated : 28<sup>th</sup> June, 2011

(Suresh Sethi)  
Partner  
Membership No.: 89318  
F.R.N. 000632N



## BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	AMOUNT (RS.) AS AT 31.03.11	AMOUNT (RS.) AS AT 31.03.10
<b>SOURCES OF FUNDS</b>			
Share Capital	1	55,004,000.00	55,004,000.00
		<u>55,004,000.00</u>	<u>55,004,000.00</u>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	2		
Gross Block		3,512,549.61	3,512,549.61
Less : Depreciation & Impairment		3,471,990.02	3,445,595.49
Net Block		<u>40,559.59</u>	<u>66,954.12</u>
Investments	3	1,95,396.62	2,195,396.62
Current Assets, Loans & Advances			
Stocks	4	1,88,58,169.32	1,33,44,239.12
Sundry debtors	5	587,914.00	587,914.00
Cash & Bank Balances	6	8,02,636.20	19,67,868.41
Loans and advances	7	61,58,136.90	93,79,159.08
		<u>2,64,06,856.42</u>	<u>2,52,79,180.61</u>
Less : Current Liabilities & Provisions			
Current Liabilities	8	3,50,712.00	3,36,027.00
Provisions	9	24,45,520.38	32,02,713.38
Net Current Assets		<u>2,36,10,624.04</u>	<u>2,17,40,440.23</u>
Profit & Loss A/c	10	3,11,57,419.75	3,10,01,209.03
<b>Total</b>		<u><b>55,004,000.00</b></u>	<u><b>55,004,000.00</b></u>

Significant Accounting Policies 12  
 Notes to the Accounts 13  
 Schedule 1 - 13 form an integral part of the Accounts.

As per our report of even date attached.  
 for P.P. THUKRAL & CO.  
 Chartered Accountants

**SURESH SETHI**  
 Partner  
 Membership No. 89318  
 F.R.N. 000632N  
 Place: New Delhi  
 Dated: 28th June, 2011

**J.S. KOCHHAR**  
 Chairman

**OM PRAKASH TIWARI**  
 Directors

**SUMIT KUMAR GHOSH**  
 Company Secretary

**K.P.S. KOCHHAR**  
 Managing Director

**DAVINDER BIR KOCHHAR**  
 Director  
**GURMEET SINGH**  
 Director  
**GURPREET SINGH**  
 Director

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	AMOUNT (RS.) YEAR ENDED 31.03.11	AMOUNT (RS.) YEAR ENDED 31.03.10
<b>INCOME</b>			
Income from Operations		7,12,245.94	1,310,280.70
Other Income		2,72,467.10	1,51,227.63
		<u>9,84,713.04</u>	<u>14,61,508.33</u>
<b>EXPENDITURE</b>			
Establishment, Administration & other expenses	11	11,38,040.97	9,99,989.05
		<u>11,38,040.97</u>	<u>999,989.05</u>
Profit(Loss) before tax & depreciation		(1,53,327.93)	4,61,519.28
Depreciation		26,394.53	26,394.53
Profit(Loss) before tax		(1,79,722.46)	4,35,124.75
Provision for tax		0.00	60,000.00
Profit(Loss) after tax		(1,79,722.46)	3,75,124.75
Balance brought forward		(3,27,37,209.03)	(3,31,12,333.78)
Balance available for Appropriations		<u>(3,29,16,931.49)</u>	<u>(3,27,37,209.03)</u>
<b>APPROPRIATIONS</b>			
Transfer to Statutory Reserve		0.00	0.00
Add : Provision in written back		23,511.74	0.00
Loss Carried to Balance Sheet		(3,28,93,419.75)	(3,27,37,209.03)
Significant Accounting Policies	12		
Notes to the Accounts	13		
Schedule 1 - 13 form an integral part of the Accounts.			

As per our report of even date attached,  
for P.P. THUKRAL & CO.  
Chartered Accountants

**SURESH SETHI**  
Partner  
Membership No. 89318  
F.R.N. 000632N  
Place: New Delhi  
Dated: 28th June, 2011

**J.S. KOCHHAR**  
Chairman

**OM PRAKASH TIWARI**  
Directors

**SUMIT KUMAR GHOSH**  
Company Secretary

**K.P.S. KOCHHAR**  
Managing Director

**DAVINDER BIR KOCHHAR**  
Director  
**GURMEET SINGH**  
Director  
**GURPREET SINGH**  
Director

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## SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	AS AT 31.03.11 (Rs.)	AS AT 31.03.10 (Rs.)
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
75,00,000 Equity Shares of Rs. 10 each (Previous Year 75,00,000 Equity Shares of Rs. 10 each)	75,000,000.00	75,000,000.00
<b>ISSUED &amp; SUBSCRIBED:</b>		
55,00,400 Equity Shares of Rs. 10 each (Previous Year 55,00,400 Equity Shares of Rs. 10 each)	55,004,000.00	55,004,000.00
<b>PAID UP.</b>	<b>55,004,000.00</b>	<b>55,004,000.00</b>

## SCHEDULE - 2 : FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS AT 01.04.10	ADDITIONS	DELETIONS	AS AT 31.03.11	AS AT 01.04.10	TRANSFER/ ADJUSTMENT	FOR THE YEAR	AS AT 31.03.11	AS AT 31.03.11	AS AT 31.03.10
<b>OWN ASSETS</b>										
Office Eqt. & Appl.	315,150.80	0.00	0.00	315,150.80	315,150.00	0.00	0.00	315,150.80	0.00	0.00
Furniture & Fixtures	423,668.20	0.00	0.00	423,668.20	356,714.08	0.00	26,394.53	383,108.61	40,559.59	66,954.12
Computers	291,650.00	0.00	0.00	291,650.00	291,650.00	0.00	0.00	291,650.00	0.00	0.00
Airconditioner	182,460.00	0.00	0.00	182,460.00	182,460.00	0.00	0.00	182,460.00	0.00	0.00
Cycles	1,115.00	0.00	0.00	1,115.00	1,115.00	0.00	0.00	1,115.00	0.00	0.00
	1,214,044.00	0.00	0.00	1,214,044.00	1,147,089.88	0.00	26,394.53	1,173,484.41	40,559.59	66,954.12
<b>LEASED ASSETS</b>										
Motor Vehicles	2,298,505.61	0.00	0.00	2,298,505.61	2,298,505.61	0.00	0.00	2,298,505.61	0.00	0.00
	2,298,505.61	0.00	0.00	2,298,505.61	2,298,505.61	0.00	0.00	2,298,505.61	0.00	0.00
<b>TOTAL</b>	<b>3,512,549.61</b>	<b>0.00</b>	<b>0.00</b>	<b>3,512,549.61</b>	<b>3,445,595.49</b>	<b>0.00</b>	<b>26,394.53</b>	<b>3,471,990.02</b>	<b>40,559.12</b>	<b>66,954.12</b>
<b>PREVIOUS YEAR</b>	<b>3,512,549.61</b>	<b>0.00</b>	<b>0.00</b>	<b>3,512,549.61</b>	<b>3,419,200.96</b>	<b>0.00</b>	<b>26,394.53</b>	<b>3,445,595.49</b>	<b>66,954.12</b>	<b>-</b>

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FINANCE & LEASING LTD.

PARTICULARS	AS AT 31.03.11 (Rs.)	AS AT 31.03.10 (Rs.)
<b>SCHEDULE - 3 : INVESTMENTS *</b>		
A. Unquoted	25,625.00	25,625.00
B. Quoted	169,771.62	169,771.62
C. Mutual Fund	0.00	20,00,000.00
TOTAL	<u>1,95,396.62</u>	<u>21,95,396.62</u>
* Details as per Note No. 8 of Notes to the accounts.		
<b>SCHEDULE - 4 : STOCKS</b>		
Stock in Trade (Shares)	1,88,58,169.32	1,33,44,239.12
TOTAL	<u>1,88,58,169.32</u>	<u>1,33,44,239.12</u>
<b>SCHEDULE - 5 : SUNDRY DEBTORS</b>		
Unsecured:		
Less than six months	0.00	0.00
More than six months	587,914.00	587,914.00
TOTAL	<u>587,914.00</u>	<u>587,914.00</u>
<b>SCHEDULE - 6 : CASH AND BANK BALANCES</b>		
Cash balance in hand	23,749.02	1,28,605.02
Balance with Scheduled Banks:		
Current accounts	7,78,887.18	18,39,263.39
TOTAL	<u>8,02,636.20</u>	<u>17,67,868.41</u>
<b>SCHEDULE - 7 : LOANS AND ADVANCES</b>		
Unsecured, considered good		
Loans	14,76,353.00	60,02,270.00
Advances recoverable in cash or in kind or for value to be received	43,65,629.90	20,13,605.82
Staff Advances	3,00,000.00	0.00
Advance income tax	16,154.00	7,63,283.26
TOTAL	<u>61,58,136.90</u>	<u>93,79,159.08</u>

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FINANCE & LEASING LTD.

PARTICULARS	AS AT	AS AT
	31.03.11	31.03.10
	(Rs.)	(Rs.)
<b>SCHEDULE - 8 : CURRENT LIABILITIES</b>		
Sundry Creditors	55,106.00	66,587.00
Lease Deposits	180,113.00	180,113.00
Expenses Payable	1,14,493.00	89,327.00
<b>TOTAL</b>	<b>3,50,712.00</b>	<b>3,36,027.00</b>
<b>SCHEDULE - 9 : PROVISIONS</b>		
Provision for Income Tax	0.00	8,12,000.00
Provision for Doubtful Debts	2,251,674.38	2,251,674.38
Provision for Gratuity	1,93,846.00	1,39,039.00
<b>TOTAL</b>	<b>24,45,520.38</b>	<b>32,02,713.38</b>
<b>SCHEDULE - 10 : PROFIT &amp; LOSS ACCOUNT</b>		
General Reserve	1,736,000.00	1,736,000.00
Profit & Loss Account	(3,28,93,419.75)	(3,27,37,209.03)
<b>TOTAL</b>	<b>(3,11,57,419.75)</b>	<b>(3,10,01,209.03)</b>
<b>SCHEDULE - 11 : ESTABLISHMENT, ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Salaries and Other Staff Benefits	6,94,973.00	5,83,366.00
Travelling & Conveyance	52,557.00	41,227.00
Staff Welfare	13,855.00	12,212.00
Telephone & Postage	60,533.00	63,285.00
Office Maintenance	8,659.00	19,842.00
Printing & Stationery	3,269.00	1,444.00
Fees & Taxes	10,776.04	7,061.00
Bank Charges	2,520.43	1,253.48
Annual General Meeting Expenses	48,661.00	43,791.00
Payment to Auditors :		
- Audit Fees	10,000.00	7,500.00
- Tax Audit Fees	10,000.00	7,500.00
- Other Matters	0.00	10,000.00
- Certification Charges	10,000.00	10,000.00
Advertisement & Publicity	32,899.00	31,167.00
Annual Listing Fees	92,558.00	83,697.00
Depository expenses	36,810.83	37,648.25
Professional expenses	6,618.00	0.00
Misc expenses	1,350.00	1,243.67
STT	42,001.67	37,751.65
<b>TOTAL</b>	<b>11,38,040.97</b>	<b>9,99,969.05</b>

**SCHEDULE - 12**

**SIGNIFICANT ACCOUNTING POLICIES.**

**1) Revenue Recognition**

- a) Revenue is being recognized in accordance with the Guidance Note on accrual basis of accounting issued by the Institute of Chartered Accountants of India. As per the Prudential Norms prescribed by the Reserve Bank of India with regard to Income Recognition (as amended till 31.1.98) no Income has been recognized on Non Performing Assets as defined in the said guidelines.
- b) Income from dividends on shares is accounted for on receipt basis.
- c) Casual & Incomes of Non-recurring nature are accounted for on Receipt Basis.
- d) FIFO method has been adopted with regard to valuations and Income of shares and securities.

**2) Valuation of Assets**

- a) Fixed Assets are stated at cost less depreciation. The carrying amount of fixed assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. There is no impairment of assets during the year as stated by management.
- b) Investments in quoted securities are classified as long term or short term depending upon the intention to be sold the same. In terms of the prudential norms of the Reserve Bank of India, the long term investments are valued at cost.
- c) Stock in Trade of Shares/securities is valued at FIFO. As per past practice, the Company has valued its Closing Stock of Shares/Debentures at "Cost Price" instead of "Scrip wise lower of Cost or Market Price".

**(3) Depreciation**

Depreciation is charged on assets on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

**(4) Employment Benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. The company recognizes termination benefits as a liability and an expense when the enterprise has a present obligation as a result of a past event. The provision for the gratuity has been made in the books of accounts as per gratuity act.

**SCHEDULE - 13**

**NOTES TO THE ACCOUNTS**

- 1) The accounts are prepared on the basis of historical costs, as a going concern and are consistent with the generally accepted Accounting Principles and are in accordance with mandatory Accounting Standards specified u/s 211(3C) of Companies Act, 1956.
- 2) Receivables and payables are subject to analysis and confirmation by the parties.
- 3) In the opinion of the management, the Current Assets, Loans & Advances have a value on realization in ordinary course of business at least equal to the amount at which they are stated.
- 4) No remuneration has been paid to Directors.
- 5) There has been no related Party Transaction.
- 6) The Cases where court proceedings have been initiated the provision for Bad Debts has already been provided in earlier years.
- 7) The provisions for Doubtful debts in respect of dues from its debtors has already been made in earlier years.
- 8) Details of Investments referred to in Schedule-3 (Long Term)

	Nos. of Shares/Units	Cost Price	Market Value
<b>A UNQUOTED:</b>			
Jay Vinyls Ltd	500	10,225.00	0.00
Rom Industries Ltd	500	15,400.00	0.00
<b>B. QUOTED</b>			
Siddha Venture Ltd (Previous known as IFB Securities Ltd.)	1200	6,320.00	1,800.00
Penta Media Graphics Ltd.	220	1,63,451.62	330.00
<b>Total (A+B)</b>		<b>1,95,396.62</b>	<b>2,130.00</b>

9) Additional information as required by Para 3 of Part II of Schedule VI to the Companies Act, 1956 is as under:

Share/Securities		(Amount in Lacs)			
Particulars	Units	Current Year		Previous Year	
		Qty.	Amount	Qty	Amt (Rs.)
A) Opening Stock	No.	262420	133.44	508235	180.54
B) Purchases*	No.	96506	83.30	107078	108.55
C) Closing Stock	No.	342126	188.58	262420	133.44
D) Sales*	No.	16800	28.16	352893	155.65

\* Includes Bonus, Merger, Split of shares etc.

	Current Year	Previous Year
10) Contingent Liability:	Nil	Nil
11) Payment & Provision for Auditors relating to:		
Audit Fees	20000	15000
Certificate charges	10000	10000
Other Matters	Nil	10000
12) In respect of car shown in balance sheet the lease period is over and amount receivable is disputed and the company has filed cases against lessee.		
13) In view of the cumulative losses incurred by the Company no provision for deferred tax liability is needed, as required by the Accounting Standard 22, 'Accounting for Taxes on Income' (AS22), issued by the Institute of Chartered Accountants of India.		
14) Segment Reporting		
1) During the year no leasing or hire purchasing activity carried out.		
2) As on date the company's operations are confined to interest on loans, trading of shares securities & commodities, old investment and old recovery of dues from its customers.		

# JAGSONPAL

FINANCE & LEASING LTD.

## Segment Disclosures :

	<i>Income from Operation</i>	<i>Other Income</i>	<i>Total (Rs. in '000)</i>
i) Segment Revenue			
Income from Operation/	712	272	984
Other Income			
Unallocate Expenses*			1138
ii) Segment Results			
Profit/(Loss) before Tax &			
Extraordinary items			(154)
Less: Interest			00
Provision for Tax			00
Net Profit after Tax &			
Extraordinary items			(154)
iii) Segment Assets	120		
iv) Segment Liabilities	180		
v) Capital Expenditure	0		
vi) Depreciation/Amortisation on Asset	26		

\* The Expenses cannot be bifurcated into segments.

## 15) Earning per share

### 2010-2011

1. Profit/(Loss) after Tax	Rs. (1.80) Lacs
2. Number of Shares	5500400
3. EPS	Rs. (0.03)

16) Expenditure in Foreign Currency	Rs. Nil.
Income in Foreign Currency	Rs. Nil.

17) Previous year's figures have been regrouped and recast wherever necessary.

As per our report of even date attached

for P.P.THUKRAL & CO.  
Chartered Accountants

(Suresh Sethi)  
Partner  
Membership No. 89318  
F.R.N. 000632N

Place: New Delhi.  
Dated: 28<sup>th</sup> June, 2011



# JAGSONPAL

FINANCE & LEASING LTD.

	2009-2011 Amount (Rs)	2008-2010 Amount (Rs)
<b>A. Cash flow from operating activities :</b>		
Net profit before tax and extraordinary items	(1,79,722)	4,35,125
Adjustments for:		
Depreciation	26,395	26,395
Loss on sale of investment	3,11,431	-
Provision for Gratuity	54,807	38,366
Operating profit before working capital changes	2,12,910	4,99,885
Adjustments for:		
Trade and other receivables	24,73,893	(34,22,532)
Inventories	(55,13,930)	47,09,975
Trade payables	14,685	24,313
Cash generated from operations	(28,12,442)	18,11,642
Interest paid	0	0
Direct taxes paid	(41,359)	(20,658)
Net cash from operating activities      Total (A)	<u>(28,53,801)</u>	<u>17,90,984</u>
<b>B. Cash flow from investing activities :</b>		
Purchase of fixed assets	0	0
Sale of fixed assets	0	0
Purchase of investment	(76,00,000)	0
Sale of investments	92,88,569	0
Net cash used in investing activities      Total (B)	<u>(11,65,232)</u>	<u>17,90,984</u>
<b>C. Cash flow from financing activities :</b>		
Proceeds from bank borrowings and public deposits	0	0
Net cash from financing activities      Total (C)	<u>0</u>	<u>0</u>
Net changes in cash and cash equivalents      Total (A)+(B)+(C)	<u>(11,65,232)</u>	<u>17,90,984</u>
Cash and cash equivalents as at 31.3.2010 (Opening Balance)	19,67,868	1,76,885
Cash and cash equivalents as at 31.3.2011 (Closing Balance)	8,02,636	19,67,868

Place : New Delhi  
Dated : 28th June, 2011

### AUDITORS' CERTIFICATE

We have verified the attached Cash Flow Statement of Jagsonpal Finance & Leasing Ltd., for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 28th June 2011 to the members of the Company.

for P.P. THUKRAL & CO,  
Chartered Accountants

SURESH SETHI  
Partner

Membership No. 89318  
F.R.N. 000532N

Place: New Delhi  
Dated: 28th June, 2011

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

## Balance Sheet Abstract and Company's General Profile

### I. Registration Details Balance Sheet abstract and a Company's General Profile

Registration No.   -      State Code   (Refer Code List)

Balance sheet Date

Date                      Month                      Year

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

Public Issue	Right Issue
<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	Private Placement
<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="4"/>	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="4"/>
Source of Funds	Reserve & Surplus
Paid up Capital	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="4"/>	Unsecured Loans
Secured Loans	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Investments
Application of Funds	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="5"/>
Net Fixed Assets	Misc. Expenditure
<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="4"/> <input type="text" value="1"/>	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Net Current Assets	
<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="1"/>	
Profit & Loss A/c	
<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="7"/>	

### IV. Performance of Company (Amount in Thousands)

Turnover	Total Expenditure
<input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="4"/>	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="4"/>
Profit/Loss Before Tax	Profit/Loss After Tax
<input type="text" value="√"/>	<input type="text" value="√"/>
<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/>	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/>
Earning per Share in Rs.	Dividend @ %
<input type="text" value="√"/>	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
<input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="3"/>	

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

Item Code No. (ITC Code)	NOT AVAILABLE
Product Description	HIRE PURCHASE
Item Code (ITC Code)	NOT AVAILABLE
Product Description	LEASING
Item Code (ITC)	NOT AVAILABLE
Product Description	INTEREST

**JAGSONPAL FINANCE & LEASING LIMITED**

REGD. OFFICE: D-45, GROUND FLOOR, PAMPOSH ENCLAVE,  
GREATER KAILASH PART - I, NEW DELHI- 110048

**ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING**  
(to be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Jagsonpal Finance & Leasing Ltd.

I hereby record my presence at the 20th Annual General Meeting of the shareholders of Jagsonpal Finance & Leasing Limited at Khasra No. 498/499, Village Ghitorni, New Delhi - 110 030 at 9.00 a.m. on Friday, 30th September, 2011.

Regd. Folio No.

Shares

Sl No.

D.P. ID No.\*

Client ID No.\*  
(if dematerialised)

NAME AND ADDRESS OF THE SHAREHOLDER

\_\_\_\_\_  
Signature of Shareholder/Proxy/Representative (Please Specify)

\* Applicable for investors holding shares in electronic form.

**JAGSONPAL FINANCE & LEASING LIMITED**

REGD. OFFICE: D-45, GROUND FLOOR, PAMPOSH ENCLAVE,  
GREATER KAILASH PART - I, NEW DELHI- 110048

**PROXY FORM**

DP. Id \*

No. of Share(s) held

Client Id \*

Master Folio No.

I/We \_\_\_\_\_

of \_\_\_\_\_ being a Member/Members of  
Jagsonpal Finance & Leasing Ltd, hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy  
in my/our absence to attend and vote for me/us, and on my/our behalf, at the 20th Annual General Meeting of the  
Company, to be held on Friday, the 30th September, 2011 and at any adjournment thereof.

As WITNESS my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Signed by the said \_\_\_\_\_

Regd Folio No \_\_\_\_\_

Revenue  
Stamp

\* Applicable for investors holding shares in electronic form.

Note: This proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than forty eight hours before the time for holding the meeting.

To

Book Post


If undelivered, please return to:

**Jagsonpal Finance & Leasing Limited**

D-45, Ground Floor, Pamposh Enclave, Greater Kailash Part-I  
New Delhi - 110 048