

37th Annual Report



2010 . 2011



FIRST LEASING COMPANY OF INDIA LIMITED

To dream the impossible dream
To fight the unbeatable foe
To bear with unbearable sorrow
To run where the brave dare not go

JOE DARION (1972)



FIRST LEASING

COMPANY OF INDIA LIMITED

37TH ANNUAL REPORT 2010 - 2011

BOARD OF DIRECTORS

Dr. A.C. MUTHIAH (CHAIRMAN)

Mr. FAROUK IRANI (MANAGING DIRECTOR)

MAHARAJ JAI SINGH

Mr. A. SATISH KUMAR

COMPANY SECRETARY

Mr. N. KUMAR

**STATUTORY AUDITORS
& TAX AUDITORS**

SARATHY & BALU

Chartered Accountants

No. 6 (Old No. 27)

XI Avenue, Ashok Nagar,

Chennai - 600 083

INTERNAL AUDITOR

M.K. DANDEKER & CO.,

Chartered Accountants

2nd Floor, 138, Angappa Naicken Street

Chennai - 600 001

REGISTERED OFFICE

749, Anna Salai

Chennai 600 002

Website : www.firstleasingindia.com

e-mail : firstleasing@firstleasingindia.com



FIRST LEASING COMPANY OF INDIA LIMITED

Regd. Office : 749, Anna Salai, Chennai - 600 002.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY SEVENTH ANNUAL GENERAL MEETING OF FIRST LEASING COMPANY OF INDIA LIMITED WILL BE HELD AT SATHGURU GNANANANDHA HALL, (NARADA GANA SABHA) NEW NO. 314 (OLD NO. 254) T T K ROAD, ALWARPET, CHENNAI 600018 ON FRIDAY THE 23RD SEPTEMBER 2011 AT 3.00 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March 2011 and Balance Sheet as at that date and Cash flow statement for the year ended 31st March 2011 and report of directors and auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Maharaj Jai Singh, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

By Order of the Board

Place : Chennai

Date : 11th August 2011

N KUMAR

Company Secretary

NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER. THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.
- 2) Members are requested to notify immediately any change in their address to the Company or to its Registrars and Share Transfer Agent, M/s. Cameo Corporate Services Limited, Subramanian Buildings, 1 Club House Road, Chennai 600002. Members whose shareholdings are in demat form are requested to send the intimation to their respective Depository Participant (DP).
- 3) Dividend if approved in the meeting will be paid to the shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of shares held in electronic form and as members in the Register of Members as on 23rd September 2011.
- 4) Pursuant to Section 205A(5) of the Companies Act, 1956, the amount of dividend which remains unclaimed for a period

of seven years shall be transferred by the Company to the Investor Education and Protection Fund. Shareholders who have not encashed the dividend warrants for the year ended 31st March 2004 and / or any subsequent years are requested to make their claim to the Company.

- 5) The Register of Members and Share Transfer books of the Company will remain closed from 16th September 2011 to 23rd September 2011 (both days inclusive) for the purpose of payment of Dividend.
- 6) The members are requested to opt for National Electronic Clearing Service (NECS) facility for receiving dividend amount directly to their bank account. Wherever NECS facility is not available, the members are requested to provide latest bank account details for credit of dividend amount to their bank account so as to avoid fraudulent / loss in postal transit of dividend warrants. To facilitate this process, shareholders holding shares in electronic mode may provide the details to their Depository Participant and members holding shares in physical mode may provide bank details to the Company or Registrar and Share Transfer Agents.
- 7) Members who are desirous of availing nomination are requested to contact the Registrar and Share Transfer Agent in respect of shares held in physical form and the respective Depository Participant in respect of shares held in dematerialised form.
- 8) As part of "Green Initiative" in Corporate Governance, The Ministry of Corporate Affairs vide its circulars No. 17/2011 dated 21st April 2011 and 18/2011 dated 29th April 2011 has permitted paperless compliance by recognising the communications through Electronic Mode to the shareholders under the Companies Act, 1956. In order to receive the Notice / Annual Report etc. by Electronic Mode, the shareholders who have not registered their e-mail addresses are requested to register their e-mail address with the Depository Participant (in case the shares are held in dematerialised form) or with the Company's share Transfer Agent (in case the shares are held in physical form).
- 9) Maharaj Jai Singh, who retires by rotation at the ensuing Annual General Meeting holds 3,844 equity shares of Rs.10/- each in the capital of the Company.

By Order of the Board

Place: Chennai

Date : 11th August 2011

N KUMAR

Company Secretary

REPORT OF THE DIRECTORS

A REVIEW OF THE COMPANY'S PERFORMANCE OVER FISCAL 2011:

First Leasing achieved a cash profit for fiscal 31st March 2011 of Rs.105.47 Crores versus Rs.77.65 Crores the preceding year whilst Profit After Tax reached Rs.70.75 Crores against Rs.34.87 Crores, last fiscal, a 103% increase. This unprecedented profit was sourced by a successful sale of CARE shares for Rs.54 Crores which First Leasing bought some 18 years back for Rs.25 lakhs and offcourse represents Non Recurring Income. FLCI decisively completed this sale although market speculators suggested CARE share prices could climb higher, but by doing so, FLCI saved itself Rs.13 Crores i.e., the fall in this share's value over the succeeding three months. FLCI continues to closely monitor its expense accounts despite the consideration that in the preceding year FLCI reduced 'interest paid' from Rs.103.79 Crores to Rs.93 Crores a reduction of Rs.10.79 Crores. The current fiscal, troubled by high headline inflation was dotted with interest rate hikes. Our best efforts enabled us restrict increase in interest paid to Rs.11.88 Crores for the fiscal despite the fact that we had to substantially increase our bank debt, (which offcourse carried a higher interest cost) to achieve asset growth, in the hundred crore plus category. If we were compelled to apply the normal cash credit rate of 13% for the additional borrowings, then incremental interest cost would have risen to Rs.14.43 Crores but we held it at Rs.11.88 Crores, through diligent management of the Treasury function, which kept the average cost of borrowings down to 9.4% against 9.2% the preceding year, despite the multiplicity of interest rate hikes. By doing so FLCI saved Rs.3 Crores of interest expense.

FLCI expanded General Reserves from Rs.241.61 Crores to a high of Rs.307.16 Crores in fiscal 2011 so that the overall networth of the company climbed to Rs.307.16 Crores providing adequate creditor cushion to safeguard credit facilities.

FLCI additionally was compelled to set aside by an RBI directive a significant Rs.3.85 Crores provision for Standard Assets i.e., a provision of 0.25% on the "performing lease credit portfolio" (on which rentals are regularly received) over and above normal NPA provisions.

Since almost a hundred percent of our Credit Receivables are current, we paid an unexpectedly surprising price for taking considered credit decisions, via a massive provision of Rs.3.85 Crores which in its turn led to a significant ballooning of "operating expenses" by Rs.3.85 Crores.

CONTINGENT LIABILITIES

A review of the company's contingent liabilities demonstrates that FLCI's Management effectively addressed aggressive revenue centric tax demands of Rs.44.28 Crores. By fiscal year end we successfully reduced contingent liability from Rs.44.28 to Rs.21.31 Crores.

The foregoing robust result enables First Leasing to continue its unbroken 36 year dividend payment record to declare a 20% dividend which on a tax adjusted basis converts to a return of 26.49%.

	(Rs. in Lacs) 2011	(Rs. in Lacs) 2010
APPROPRIATIONS		
Profit for the year	7,075.09	3,487.05
Surplus brought forward from previous year	8,189.93	6,146.32
Statutory Reserve	(1,415.00)	(699.00)
Income Tax of earlier years	11.45	(2.49)
Total	13,861.47	8,931.88
From which the following appropriations are made :-		
General Reserve	531.00	262.00
Dividend	455.81	410.23
Corporate Tax on dividend	75.71	69.72
Surplus in Profit and Loss Account	12,798.95	8,189.93
Total	13,861.47	8,931.88

REGULATION OF NBFCs:

The Company has complied with applicable regulations as per Reserve Bank of India Directions to NBFCs. Capital Adequacy Ratio stood at 19.38% (16.75%) as at 31st March 2011 as against the minimum requirement of 12% stipulated by RBI. Net Non Performing Assets as at 31st March 2011 stood at Nil (0.04%).

DIVIDEND:

The Board of Directors have recommended a Dividend of Rs.2.00 per share of Rs.10 each on the Equity Shares (20%) free of tax for the year ended 31st March 2011.

PUBLIC DEPOSITS:

The Company held, as on 31st March 2011, 886 matured deposits aggregating Rs. 378.55 Lacs. Subsequent movements in these deposits are as follows:

Particulars	No. of Accounts	(Rs. in lacs)
		Amount
Deposits repaid to date	92	22.13
Deposits renewed	126	28.81

We are yet to receive disposition instructions on the residual Rs. 327.61 Lacs. Steps are continuously being taken to arrange for repayment/ renewal of these deposits.

DIRECTORATE:

Maharaj Jai Singh, Director of the Company, retires by rotation at this Annual General Meeting and being eligible offer himself for re-election.

AUDITORS:

The Statutory Auditors M/s. Sarathy & Balu, Chartered Accountants, Chennai (FRN- 03621S), retire at the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors recommend their re-appointment to hold the office as statutory auditors till the conclusion of the next Annual General Meeting. The Auditors have confirmed that the re-appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The firm has successfully undergone the Peer Review Process by Peer Review Board (PRB) of the Institute of Chartered Accountants of India, New Delhi. The firm holds a valid certificate issued by the Peer Review Board of the said Institute.

CORPORATE GOVERNANCE:

A report on Corporate Governance forms part of this report and a certificate from the Auditors of your Company regarding compliance of conditions of the Corporate Governance is attached to this report. A Management Discussion and Analysis Report also forms part of this report.

UNCLAIMED SHARE CERTIFICATES:

In compliance with clause 5A II of the Listing Agreement, the Company has initiated the process in respect of the unclaimed shares and the Company is in the process of sending first reminder to the shareholders whose shares remain unclaimed with the Company. All such shareholders who are in the receipt of the letter may write to the Registrar and Transfer Agent with the correct details to enable them to verify and re-send the share certificate.

RATING:

CREDIT RATING AWARDED BY CARE:

- PR1 (+) (Highest Safety) for Commercial Papers
- PR1 (+) (Highest Safety) for Short Term Debentures
- Care "AA" Long Term Debentures
- Care AA+(FD) for Fixed Deposits
- Care "AA" Long Term Bank facilities



REPORT OF THE DIRECTORS (Contd.)

PROVISION ON STANDARD ASSETS:

As per Reserve Bank of India Directive, the Company has provided 0.25% on Standard Assets aggregating Rs. 385.32 Lacs (previous year Rs. Nil) in the accounts for the year ended 31st March 2011.

INFORMATION AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988:

During the year under review, there is no information required to be stated relating to Energy Conservation and Technology absorption.

Foreign currency expenditure amounting to Rs. 15,418.82 Lacs was incurred during the year under review. The Company does not have any Foreign Exchange earnings.

PARTICULARS AS PER THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975:

Particulars of Employees in terms of requirement under Section 217(2A) of the Companies Act, 1956 are set out in the Annexure forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the section 217(2AA) of the Companies Act, 1956 the Board of Directors confirms:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

2. That the directors had selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period.
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

The Directors wish to thank the Bankers, Financial Institutions, Customers and Employees for their assistance and support extended to the Company during the year under review.

For and on behalf of the Board

Place : Chennai
Date : 5th May 2011

A C MUTHIAH
Chairman

ANNEXURE TO DIRECTORS' REPORT

Statement of particulars of employees pursuant to the Provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975

Name	Age	Qualifications / No. of years of Experience	Date of Employment	Designation and Nature of Duties	Remuneration Received (Rs. in Lacs)	Last employment held
Mr. Farouk M. Irani	70	Mr. Irani was a Senior Officer of First National City Bank in 1973 when he left the Bank after ten years. Mr. Irani studied leasing in Hong Kong and Singapore and spent a further six months developing the leasing concept for acceptability to Indian Companies. Mr. Irani introduced Corporate Leasing to India in 1973 when he got First Leasing Company of India Limited operational Over the last 37 years Mr. Irani functioned as the Company's CEO / President / Managing Director and grew First Leasing Company of India Limited from a fledgling startup Company to one of India's Premier Leasing operations. Mr. Irani authored a widely acclaimed book entitled, "Inside Leasing" and has been honoured by being invited to address the World Leasing Convention on six separate occasions at Washington, Sydney, San Francisco, Istanbul, Dublin, Hong Kong and the Asian Leasing and Finance Association in Taipei and Taiwan. Mr. Irani was invited by the World Bank to address a Seminar on Rejuvenation of the Leasing Industries in Indonesia. Mr. Irani is the Chairman of the Association of Leasing & Financial Services Companies and has shouldered this responsibility for the last Eighteen years.	September 10, 1973	Managing Director - Entrusted with substantial powers of management including Managerial functions and all functions relating to its day to day affairs.	Rs. 177.95	Senior Officer - First National City Bank

Note : 1. Remuneration includes Salary, Commission, Medical Expenses, Leave Travel Allowance, Motor Car Expenses and contribution to Provident Fund.
2. The nature of the employment of Managing Director is contractual.
3. Mr. Farouk Irani is not related to any Directors of the Company.

REPORT OF THE DIRECTORS (Contd.)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS :

First Leasing was incorporated 37 years back as the First Leasing Company in India. Today, Leasing is an essential part of the financial systems and provides an important source of funds for every sector of the Indian Economy, right from Consumer Finance related transactions to equipment for the Pharmaceutical, Automobile, Softwares and Telecommunication Industries etc. Leasing is used as an additional source of capital for financing the capital assets of industries which enables them to reduce the earlier dependence on working capital resources. Leasing helps entrepreneurs to reduce their cost substantially as they do not have to set aside amount towards for capital assets. These funds can be used for investment with high returns or as Working Capital.

Leasing provided a route for accessing finance to business which promotes domestic production, economic growth and job creation. Leasing Industries have created many job opportunities in rural areas of our Country. An effective Leasing industries improves the prospects for investment in many sectors particularly in capital intensive industries.

Non-Banking Financial Companies are integral part of Indian Finance System. There is a substantial growth in the industry particularly developing countries like India. However, Leasing Industries face financial and regulatory challenges which must be addressed so as to promote its growth.

Globalization of the Indian economy brought several Non-Banking Financial Companies into the market resulting in more intensive competition. The Reserve Bank of India has taken several steps including reducing risks weightage and provisioning norms for Loans given to Non-Banking Financial Companies so as to help them survive in the current liquidity crises.

Non-Banking Financial Companies play an important role in the financial sectors due to better consumer service, continuous reduction of non performing assets (NPA) and with their focused operations relating to their products and costumers.

First Leasing with its 37 years of successful experience respond to these market development by adopting safe credit policies and procedures and prudent asset and liability management instead of attempting to force growth.

OPPORTUNITIES & THREATS :

The Leasing Industry holds immense potential. The growing Indian Economy will continue to provide several growth opportunities for the financial services industries in India. A positive development in the industry adding to the conviction that the Leasing Industry has good future prospects is that Indian Industry is shedding its conservative attitude of preference for asset ownership and increasingly moving towards leased equipment.

There has been huge demand for Lease financing in respect of consumer goods and infrastructure sectors as compared to other markets. Leasing may be only source of financing as access to capital market or bank loans is difficult for small and medium size companies with unproven track records.

First Leasing Company of India Limited with its 37 years of Track records has been able to run its business operations in a profitable manner and generate adequate funds to meet its financial obligations to banks and other credit grantors.

The Non-Banking financial Companies continue to face competition from the local and multinational players in the market. The Leasing Industry grew despite several constraints. These problems relate to the inadequacy of funding , insufficient tax benefits, multiplicity of taxes and the absence of specific legislation governing lease transactions. Frequent changes in law affect leasing operations substantially. The matching of the lease duration with the assets intended life are the most important criteria to minimise the lease risk. The interest rates volatility affect operating costs, expenses and profitability of leasing industry. The indiscriminate entry of new companies into the industry evidenced a need for regulating the functioning of the Industry and the Reserve Bank of India imposed certain restrictions. For the growth of leasing industries the Government promotion particularly tax incentives is necessary.

Large professionally managed independent leasing companies with good brand image are alone expected to succeed and grow. The leasing market has not developed commensurate with growth of leasing companies. This has let to severe competition and as a result many leasing companies lacking in profession expertise were forced to exit.

SEGMENT WISE PERFORMANCE :

The Company is engaged in financial activities viz. providing lease assistance, Hire Purchase Financing and Loans. The Company is also engaged in Wind Power Generation. However the requirement to furnish segment wise performance will not be applicable.

THE FUTURE

Inflation continues to trouble the Indian economy despite the fact that todote Reserve Bank of India raised interest rates 11 times. This higher cost of money has already begun to impact demand for cars, apartments and property. Capital expenditure in the automobile and other key sectors have already reported down turns in the business press.

Given high price levels for petroleum in global markets the US government propose to pass legislation to favour the production of smaller cars that guarantee greater mileage per gallon of petrol, which development will most likely retain the demand for credit assistance to the Indian auto sector, especially the small car parts manufacturing component that has visibly grown in recent years



REPORT OF THE DIRECTORS (Contd.)

so that India today is one of the leading manufacturers of car parts for small cars.

Fortunately the recent debate on whether or not the world economy will deflate and suffer a second dip of recession is likely to lead to a drop in the cost of petrol and hopefully should enable the country expand exports and build foreign currency reserves. Also given the acute shortage of admission opportunities in Medical, Engineering and Commerce Colleges highlighted by a high pass mark of 95% we expect a resurgent demand for more Educational Institutions. Similarly India's demagogic dividend and the recent trend of a significant percentage of population emerging as "workers" should also lead to a growth in aggregate demand. Despite the possibility of GDP growth falling to 8% or even 7% it will remain significantly higher than the 1 or 2% achieved in many countries of the Western World and should support economic and commercial growth. The foregoing represents hopeful opportunities to expand our business.

RISKS AND CONCERNS:

The Company through its risk management system has clearly identified the external and internal risk affecting its business operations. External risk may arise because of the fluctuation in the interest rate in the financial market, frequent change in government policies especially in tax matters and periodically from economic downturns which affects the cash flow capacity of customers to remit Rentals etc.

EXTERNAL RISK IS ADDRESSED AS FOLLOWS:

- An Effective Credit appraisal system
- A carefully defined credit policy that focuses on the most credit worthy prospects
- Flexible structuring to meet customer needs
- Sovereign risk/Central Government related transactions
- Continuing and close communication with legal counsel

Internal risk is monitored by adopting effective internal control systems and procedures.

The Company has put in place a Risk Management Committee as per the Guidelines on Corporate Governance issued by the Reserve

Bank of India to monitor Risk Management Systems so as to ensure that the risk parameters are within the defined limits.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has put in place adequate internal controlling system commensurate with the size of the company and nature of its business. The Internal Control Systems and the procedures have been repeatedly fine tuned and improved upon in line with business changes. The Company has also established Standard Operating Procedures for all its functional areas. The internal controls and audit systems are being reviewed periodically by the management and Audit Committee and steps are taken as part of continuous improvement.

FINANCIAL PERFORMANCE :

- The Company's Total income has increased from Rs. 190.82 Crores to Rs. 233.35 Crores representing an increase of 22.29% over the preceding year.
- Interest Expense increased by Rs. 11.88 Crores due to increase in borrowings.
- The operating expenses have increased from Rs. 19.81 Crores to Rs. 22.64 Crores.
- First Leasing's Cash Profits after tax rose to Rs. 105.48 Crores an increase of Rs. 27.83 Crores over the preceding year.
- The Company's Net profit was subjected to two tax bites (i.e.) current Tax of Rs. 20.77 Crores and Deferred Tax of Rs. 11.12 Crores in spite of which the Company registered a Net Profit of Rs. 70.75 Crores.

HUMAN RESOURCES

The Company is managed by a professional team under the guidance of the Managing Director. Frequent meetings are arranged to upgrade the knowledge of the employees and to strengthen their managerial capabilities.

There are no material financial and commercial transactions in which the management have personal interest that may represent a potential conflict of interest.

REPORT ON CORPORATE GOVERNANCE

Your company is furnishing the report on Corporate Governance for Tenth Financial year in succession. The Board of Directors are happy to state that your Company has been conforming with all applicable mandatory requirements stipulated in the listing agreement from time to time.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

First Leasing's philosophy on code of Corporate Governance is to :-

- Ensure benefits to all stakeholders and creation of shareholders wealth.
- Maintain transparency with professionalism.
- Comply with all statutory regulations.
- Maintain steady growth.
- Ensure responsibility and accountability.
- Maintain a sound system of management control.

The Company believes that by adhering to its philosophy it can attain higher growth in business and optimize profitability.

1. BOARD OF DIRECTORS :

a) Composition & Category :

The Board at present comprises of four Directors. All the Directors excepting the Managing Director are Non Executive Directors. The Chairman is a Non Executive Director and one-half of the Board comprises of Independent Directors which is as per the requirement of Listing Agreement.

b) Attendance of each director at the Board Meetings and the last Annual General Meeting :

Name of the Director	Position	No. of Board Meetings attended (out of 5 held)	Attendance at last Annual General Meeting	Category
Dr. A.C. Muthiah	Chairman	5	Present	Non-Executive-Promoter
Mr. Farouk Irani	Managing Director	5	Present	Executive-Promoter
Maharaj Jai Singh	Director	5	Present	Independent and Non-Executive
Mr. A. Satish Kumar	Director	5	Present	Independent and non-Executive

c) Number of other Boards/Committees where the Director is a member or Chairperson / Vice Chairperson :

Name of the Director	No. of Directorships			No. of Chairmanship/ Membership held in Committees of Companies*	
	Chairman	Vice Chairman	Director	Chairman	Member
Dr. A.C. Muthiah	5	1	-	-	-
Mr. Farouk Irani	-	-	1	-	2
Maharaj Jai Singh	-	-	3	2	1
Mr. A. Satish Kumar	-	-	5	-	2

* Excluding Private Limited Companies and section 25 Companies.

d) Number of Board Meetings held with dates :

The number of Board meetings held during the year from 01st April 2010 to 31st March 2011 is 5. The dates of meeting are given below:

1.	4 th May 2010
2.	29 th July 2010
3.	23 rd September 2010
4.	3 rd November 2010
5.	28 th January 2011

The time gap between any two meetings did not exceed four months.

The compliance report in respect of laws applicable to the Company has been periodically reviewed by the Board of Directors of the Company.

e) Code of Conduct :

The Company has framed and adopted the Code of Business Conduct and Ethics for Directors and Senior Management which has been approved by the Board of Directors at its meeting held on 29th December 2005. This Code is applicable to the Directors and Senior Management personnel of the Company. The Code has also been posted on the Web Site of the Company.

2. DISCLOSURES REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS :

RE-APPOINTMENT :

At the ensuing Annual General Meeting, Maharaj Jai Singh, Director, retiring by rotation, is proposed to be re-appointed. Brief particulars of the Director are as under:

Maharaj Jai Singh is a non executive Director of the Company. He did his Bachelor of Arts degree from Cambridge University. He has vast experience in the field of Corporate Finance and Administration. Presently, he is the Chairman of Federation of Indian Chambers of Commerce & Industry (FICCI) - Rajasthan State Council and the Senior Vice President of Rajasthan Chamber of Commerce and Industry and is a Steward of Indian Polo Association.

Names of Companies in which Maharaj Jai Singh holds Directorship :-

First Leasing Company of India Limited	S.M.S Investment Corporation Private Limited
Bhawani Agro Farms Private Limited	Rambagh Palace Hotels Private Limited
Ramgarh Lodge Private Limited	Sawai Madhopur Lodge Private Limited
Taurus Asset Management Company of India Limited	Raj West Power Limited

Maharaj Jai Singh is a member of Audit Committee in the following Companies :

- First Leasing Company of India Limited
- Taurus Asset Management Company of India Limited

SHAREHOLDING:

Maharaj Jai Sing holds 3,844 equity shares of Rs.10/- each in the capital of the Company.

3. AUDIT COMMITTEE :

a) BRIEF DESCRIPTION OF TERMS OF REFERENCE :

The terms of reference of the Audit Committee are in accordance with those specified in Clause 49 of the Listing Agreement as amended from time to time and also conform to the requirements of Section 292A of the Companies Act, 1956.



REPORT ON CORPORATE GOVERNANCE (Contd.)

b) COMPOSITION, NAMES OF MEMBERS AND CHAIRPERSON :

Audit Committee comprises of three members viz. :

1. Maharaj Jai Singh
2. Mr. Farouk Irani
3. Mr. A. Satish Kumar

Except Mr. Farouk Irani, the other two are non-executive and independent directors. Maharaj Jai Singh is the Chairman of the Audit Committee.

c) MEETINGS AND ATTENDANCE DURING THE YEAR AND DATES :

No. of Audit Committee meetings held during the year 01 st April 2010 to 31 st March 2011	Dates of the meetings
4	4 th May 2010 29 th July 2010 3 rd November 2010 28 th January 2011

The attendance of each member of the committee is given below :

Name of the Director	No. of Audit Committee Meetings attended
Mr. Farouk Irani	4
Maharaj Jai Singh	4
Mr. A. Satish Kumar	4

The Internal Auditors and Statutory Auditors attend the Audit Committee Meetings of the Company. The responsibility of the Audit Committee includes review of quarterly and Annual Financial Results and interaction with Statutory and Internal Auditors and heads of Finance function regarding Internal Control Systems etc.

4. REMUNERATION TO DIRECTORS :

No remuneration is paid to Non Executive Directors. However a sitting fee of Rs 10,000/- is paid to all Directors except Managing Director for each meeting and such payment is in accordance with provisions of the Companies Act, 1956. However no sitting fee is paid to the Non-Executive Directors for attending other Committee Meetings.

None of the Directors has been given any Stock option during the year under review. No Sitting fee is paid to Managing Director.

Details of remuneration paid to Mr. Farouk Irani, Managing Director is as follows:

Particulars	Amount (Rs.in Lacs.)
Salary	64.79
Commission	103.47
Contribution to Provident Fund & Others	7.77
Value of Perquisites	1.92
Total	177.95

The nature of the employment of Managing Director is contractual. The terms of the contract do not contain any provision for payment of severance fees other than normal entitlements.

Sitting Fees paid to Non-Executive Directors are as detailed below.

Name of the Director	Sitting Fees (in Rs.)
Dr. A.C. Muthiah	50,000
Maharaj Jai Singh	50,000
Mr. A. Satish Kumar	50,000

The details of equity shares held by Non Executive Directors are as follows:

S. No.	Name of the Director	No. of Shares	% of paid up capital
1	Dr. A.C. Muthiah	1,64,223	0.72
2	Maharaj Jai Singh	3,844	0.02
3.	Mr. A. Satish Kumar	NIL	NIL

5. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE : COMPOSITION, NAMES OF THE MEMBERS AND CHAIRPERSON :

The Committee consists of the following Directors viz.

1. Maharaj Jai Singh
 2. Mr. Farouk Irani
 3. Mr. A. Satish Kumar
- Maharaj Jai Singh, Non-Executive Director is the Chairman of the Committee.
 - Mr. N Kumar, Company Secretary, is the Compliance Officer.
 - The Committee held four meetings during the year.
 - Number of shareholders' complaints received from 1st April 2010 to 31st March 2011 - 29.
 - Number of Complaints resolved to the satisfaction of shareholders - 29.
 - Number of Complaints un resolved - Nil.
 - No Complaints pending for a period exceeding one month.

SHARE TRANSFER COMMITTEE :

The power to approve the transfers, transmissions etc. in respect of shares in physical form is entrusted by the Board of Directors to Share Transfer Committee of the Company. Share Transfer Committee considers all the requests for transfer, transmission, consolidation, split, issue of duplicate certificates once in a fortnight and after the Committee gives its approval in the meeting, physical share certificates are despatched by Registered post.

However, the shares in Electronic form are being transferred through the respective Depository Participants of the seller / buyer through the share registry maintained by the Company's Registrar and Share Transfer Agent. Details of share transfers are placed before the Share Transfer Committee.

REGISTRAR & TRANSFER AGENT :

M/s. Cameo Corporate Services Limited, Subramanian Buildings, No.1 Club House Road, Chennai - 600 002 are the Registrar and Transfer Agent of the Company w.e.f 1st April 2003. The Company has renewed their appointment for a further period of two years from 31st March 2011 to 30th March 2013.

REPORT ON CORPORATE GOVERNANCE (Contd.)

6. GENERAL BODY MEETINGS :

Location and time where last three Annual General Meetings held:

Date of AGM	Time	Location
23 rd September 2010	3.00 p.m.	Sathguru Gnananandha Hall, New No. 314 (Old No. 254), T.T.K. Road Alwarpet, Chennai - 600 018
24 th September 2009	3.00 p.m.	Sathguru Gnananandha Hall, New No. 314 (Old No. 254), T.T.K. Road Alwarpet, Chennai - 600 018
29 th September 2008	3.00 p.m.	Sathguru Gnananandha Hall, New No. 314 (Old No. 254), T.T.K. Road Alwarpet, Chennai - 600 018

The Chairman of the Audit Committee was present at all the above Annual General Meetings except at the Annual General Meeting held on 29th September 2008.

A) DETAILS OF SPECIAL RESOLUTIONS PASSED IN LAST THREE ANNUAL GENERAL MEETINGS :

AGM held on 29 th September 2008	No Special resolution was passed
AGM held on 24 th September 2009	No Special resolution was passed
AGM held on 23 rd September 2010	No Special resolution was passed

B) DETAILS OF SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT :

During the year ended 31st March 2010 and also during the year ended 31st March 2011, there was no resolution passed by the members of the Company through Postal Ballot. At the ensuing Annual General Meeting also, no resolution is proposed to be passed by Postal Ballot.

7. DISCLOSURES :

During the year there were no materially significant related party transactions with the promoters, directors or the Management or relatives which have potential conflict with the interests of the Company at large. The details of transactions with the related parties for the year 2010-2011 are disclosed in the Notes on Accounts forming part of the Annual Report.

There are no instances of non-compliance by the Company and no penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

The Company has complied with all the requirements of the listing agreement with the Stock Exchanges as well as regulations and guidelines of SEBI from time to time.

The Company has no Subsidiary as on 31st March 2011.

8. ACCOUNTING STANDARDS :

The Company has complied with all applicable Accounting Standards in the preparation of Financial Statements.

9. CEO / CFO CERTIFICATION :

As required by Clause 49 (V) of the Listing Agreement, the Managing Director and the Chief Financial Officer of the Company have given necessary certificate to the Board.

10. NON-MANDATORY REQUIREMENTS : REMUNERATION COMMITTEE :

A Remuneration Committee has been in place to recommend to the Board the remuneration package payable for the Managing Director of the Company. The Remuneration Committee met once on 4th May 2010.

The Committee at present comprises of following Directors as members:

1. Maharaj Jai Singh
2. Mr. A. Satish Kumar

Maharaj Jai Singh is the Chairman of the Remuneration Committee.

WHISTLE BLOWER POLICY :

The Company at present does not have a Whistle Blower Policy. However, all the employees of the Company have free access to meet senior level Management personnel and report on any points of concern.

The Company is in the process of evaluating ways and means for implementation of the other non mandatory requirements as per Annexure I D of the Clause 49 of the Listing Agreement over a period of time.

11. MEANS OF COMMUNICATION :

The half-yearly, quarterly & Annual financial results of the Company are published in newspapers both in English and in Regional language. The results in English version are published in "Financial Express" and the results in Tamil version are published in "Makkal Kural".

The results are also displayed in the Company's website viz., www.firstleasingindia.com

No presentation has been made to Analysts / Institutional Investors.

12. A MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF THE REPORT OF DIRECTORS.

13. GENERAL SHAREHOLDER INFORMATION :

a) 37th AGM is scheduled to be held on	Friday, 23 rd September 2011 3.00 p.m. at Sathguru Gnananandha Hall 254, T.T.K Road, Alwarpet, Chennai-600 018.
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b) FINANCIAL CALENDAR - FOR THE YEAR 2011 - 2012 :

First Quarter results will be published	On or before 14 th August 2011
Second Quarter results will be published	On or before 14 th November 2011
Third Quarter results will be published	On or before 14 th February 2012
Results for the year ending 31 st March 2012 will be published	On or before 30 th May 2012

c) Dates of Book Closure :	From 16 th September 2011 to 23 rd September 2011 (both days inclusive)
d) Date of Posting of Annual Report	Between 25 th August 2011 and 29 th August 2011.
Date of payment of Dividend	On or before 22 nd October 2011.

e) THE EQUITY SHARES OF THE COMPANY ARE LISTED IN THE FOLLOWING STOCK EXCHANGES

Name of Stock Exchange	Stock Code	Date of Payment of Listing Fees 2010-2011
Madras Stock Exchange Ltd.	FLS (Physical Form) INE 492B01019 (D-mat)	27 th April 2010
Bombay Stock Exchange Ltd.	500145	27 th April 2010
National Stock Exchange of India Ltd.	FIRSTLEASE	27 th April 2010



REPORT ON CORPORATE GOVERNANCE (Contd.)

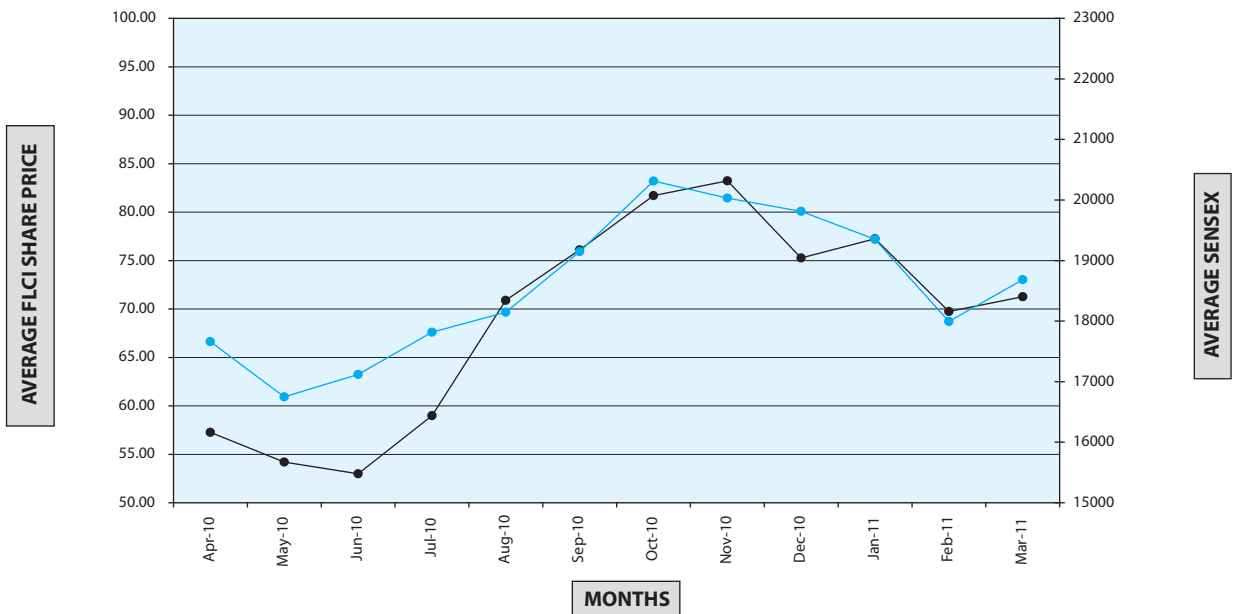
f) Market Price Data :

STOCK MARKET DATA FOR THE PERIOD FROM 1 st APRIL 2010 TO 31 st MARCH 2011												
BOMBAY STOCK EXCHANGE LTD.							NATIONAL STOCK EXCHANGE OF INDIA LTD.					
	SHARE PRICE			SENSEX			SHARE PRICE			NIFTY		
MONTH	HIGH (Rs.)	LOW (Rs.)	SHARE PRICE AVERAGE	HIGH	LOW	SENSEX AVERAGE	HIGH (Rs.)	LOW (Rs.)	SHARE PRICE AVERAGE	HIGH	LOW	NIFTY AVERAGE
April 2010	62.40	52.15	57.28	18,047.86	17,276.80	17,662.33	62.20	52.50	57.35	5,399.65	5,161.90	5,280.78
May 2010	60.40	48.00	54.20	17,536.86	15,960.15	16,748.51	60.00	48.00	54.00	5,278.70	4,786.45	5,032.58
June 2010	55.00	51.00	53.00	17,919.62	16,318.39	17,119.01	55.80	50.20	53.00	5,366.75	4,961.05	5,163.90
July 2010	66.00	52.00	59.00	18,237.56	17,395.58	17,816.57	65.25	51.85	58.55	5,477.50	5,225.60	5,351.55
August 2010	82.90	58.90	70.90	18,475.27	17,819.99	18,147.63	83.00	58.85	70.93	5,549.80	5,348.90	5,449.35
September 2010	82.20	70.00	76.10	20,267.98	18,027.12	19,147.55	82.40	68.50	75.45	6,073.50	5,403.05	5,738.28
October 2010	93.40	70.00	81.70	20,854.55	19,768.96	20,311.76	93.70	70.70	82.20	6,284.10	5,937.10	6,110.60
November 2010	94.40	72.05	83.23	21,108.64	18,954.82	20,031.73	95.50	73.00	84.25	6,338.50	5,690.35	6,014.43
December 2010	85.95	64.60	75.28	20,552.03	19,074.57	19,813.30	86.00	64.00	75.00	6,147.30	5,721.15	5,934.23
January 2011	86.50	68.00	77.25	20,664.80	18,038.48	19,351.64	85.90	66.30	76.10	6,181.05	5,416.65	5,798.85
February 2011	75.00	64.50	69.75	18,690.97	17,295.62	17,993.30	75.80	65.10	70.45	5,599.25	5,177.70	5,388.48
March 2011	75.55	67.00	71.28	19,575.16	17,792.10	18,683.63	75.00	67.30	71.15	5,872.00	5,348.20	5,610.10

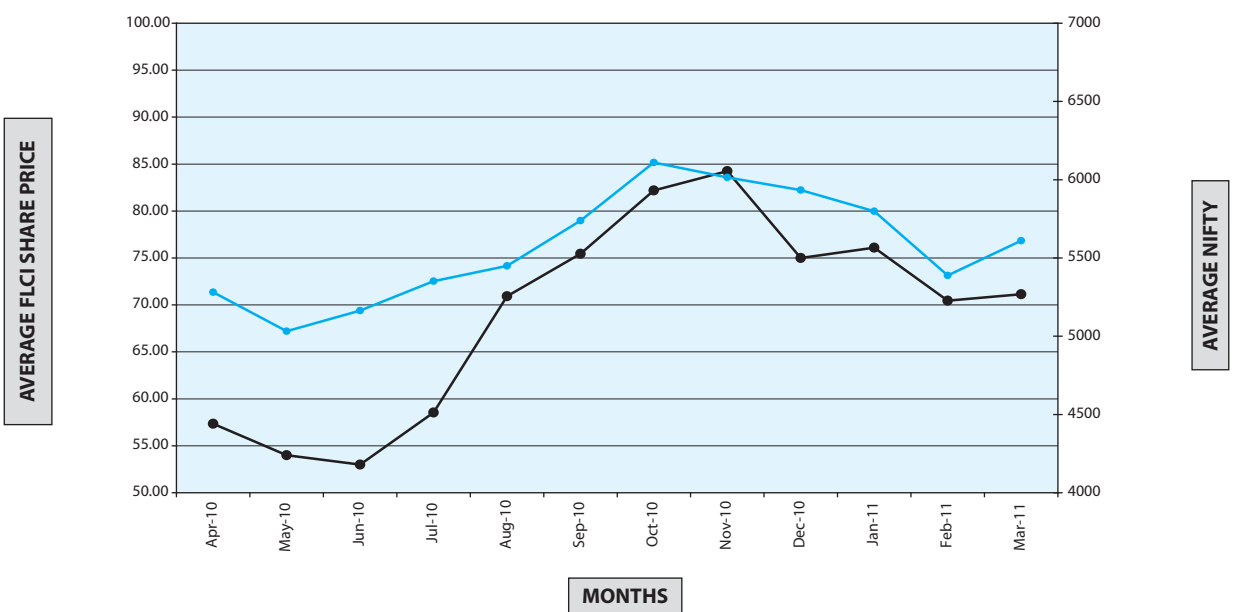
REPORT ON CORPORATE GOVERNANCE (Contd.)

FLCI SHARE PRICE MOVEMENTS

FLCI SHARE PRICE MOVEMENTS - BOMBAY STOCK EXCHANGE LTD.



FLCI SHARE PRICE MOVEMENTS - NATIONAL STOCK EXCHANGE OF INDIA LTD.



— Share Price Average — Index Average



REPORT ON CORPORATE GOVERNANCE (Contd.)

h) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2011 :

Shareholding of Nominal value of Rs.	Equity Shareholders		Equity shares	
	Number	% to Total	(in Rs.)	% to Total
(1)	(2)	(3)	(4)	(5)
10-5,000	21,763	90.20	2,80,03,360	12.29
5,001-10,000	1,274	5.28	1,00,71,950	4.42
10,001-20,000	541	2.24	80,98,330	3.55
20,001-30,000	190	0.79	48,39,800	2.12
30,001-40,000	76	0.31	27,71,310	1.22
40,001-50,000	69	0.29	32,63,680	1.43
50,001- 1,00,000	97	0.40	70,84,630	3.11
1,00,001 and above	119	0.49	16,37,73,000	71.86
Total	24,129	100.00	22,79,06,060	100.00

i) SHAREHOLDING PATTERN AS ON 31ST MARCH 2011:

Particulars	No. of Shares	% on Equity Capital
Promoters	62,18,035	27.28
Foreign Institutional Investors and Non-Resident Indians	9,93,382	4.36
Banks, Financial Institutions and Mutual Funds	6,590	0.03
Private Corporate Bodies	80,54,976	35.34
Public	75,17,623	32.99
Total	2,27,90,606	100.00

j) PLANT LOCATION :

WIND POWER PROJECTS AT :

Rajasthan		Maharashtra		Gujarat	
Village	Soda & Mada	Village	Ghatnandre	Village	Suthri
Tehsil	Fatehgarh	Tehsil	Kovthe Mahankal	Tehsil	Abdasa
District	Jaisalmer	District	Sangli	District	Kutch
State	Rajasthan	State	Maharashtra	State	Gujarat

k) DEMATERIALIZATION OF SHARES & LIQUIDITY :

As on 31st March 2011, 1,71,14,981 equity shares being 75.10% of total equity shares issued have been dematerialized. Shares of the Company are actively traded in National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. and hence have good liquidity.

ADDRESS FOR CORRESPONDENCE :

Company	Registrar & Transfer Agent
First Leasing Company of India Limited Secretarial Department 749, Anna Salai, Chennai 600 002 E-mail address: share@flcindia.com For redressal of Investor Complaints : investors@flcindia.com	Cameo Corporate Services Ltd. "Subramanian Building" No.1, Club House Road, Chennai - 600 002 E-mail address: cameo@cameoindia.com

There are no outstanding GDRs / ADRs / Warrants or any convertible instruments issued by the Company.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF FIRST LEASING COMPANY OF INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by First Leasing Company of India Limited for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the 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 agreements.

We state that no investor grievance is pending for a period exceeding one month against the Company, as per the records maintained by the Company which were presented to 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 Sarathy & Balu
Chartered Accountants
FRN-03621S

CA. V. BALASUBRAMANYAN

Partner

Membership No: 18444

Place : Chennai
Date : 5th May 2011

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To

The Shareholders of First Leasing Company of India Limited

Pursuant to clause 49(1) (D) (ii) of the Corporate Governance Report, I hereby declare that all the Board Members and the Senior Management Personnel have affirmed the compliance with the Code of Conduct for the year ended 31st March 2011.

Place : Chennai
Date : 5th May 2011

FAROUK IRANI
Managing Director



REPORT OF THE AUDITORS

To the Members of First Leasing Company of India Ltd.

1. We have audited the attached Balance Sheet of **First Leasing Company of India Limited**, ('the Company') as at 31st March 2011, the Profit and Loss Account and 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.
2. 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 disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government, in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent they are applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
 - ii) 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;
 - iii) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.
 - v) On the basis of written representations received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi) The question of provision / payment of cess under section 441 A of the Companies Act 1956, does not arise as the said section is yet to be notified;
 - vii) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon attached thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - b) in the case of the Profit and Loss Account, of the Profit, of the Company, for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows of the Company, for the year ended on that date.

For SARATHY & BALU
Chartered Accountants
FRN - 03621S

CA. V. BALASUBRAMANYAN
Partner
M.No. 18444

Place : Chennai
Date : 5th May 2011

Annexure to the Auditors' Report

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets other than assets on lease have been physically verified by the Management at reasonable intervals during the year. We have been informed that no material discrepancy was noticed on such physical verification.
- (c) During the year, the Company has not disposed off substantial part of fixed assets, which would affect its status as going concern.
- (ii) The Company does not have any inventory, except the stock on hire, the legal ownership of which is to be transferred to the hirers on receipt of the last instalment from them. The above said stocks on hire have been physically verified by the Management during the year. In our opinion, the frequency of verification of the same is reasonable.
- (iii) (a) As the Company has not granted any loan, secured or unsecured to companies, firms or other parties listed in the registers maintained under section 301 of the Act, the question of reporting on rate of interest, other terms and conditions, regularity in repayment of the principal, interest and details of overdue amounts of loans granted does not arise.
- (b) The Company has not taken any secured loan from any Director or their relative, listed in the register maintained under section 301 of the Act. However the Company has taken Deposit aggregating to Rs. 977.85 Lacs from two Directors. In our opinion the rate of interest and other terms and conditions of the above deposit are not prima-facie prejudicial to the interest of the Company.
- (iv) 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 with regard to purchase of Fixed assets and sale of goods and services. In our opinion, there is no continuing failure to correct major weaknesses in the internal control system.
- (v) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements, the particulars of which need to be entered in the register maintained under section 301 of the Act.
- (vi) The Company has accepted deposits from public. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the directions issued by the Reserve Bank of India.
- (vii) In our opinion, the company has an internal audit system, managed by a firm of Chartered Accountants appointed by the Management, which is commensurate with its size and nature of business.
- (viii) The Central Government has prescribed maintenance of Cost records under Section 209 (1) (d) of the Act, in respect of business relating to Electricity generated from wind power by the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima-facie, the prescribed accounts and records have been generally made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) According to the records of the company and information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed Statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other Statutory dues wherever applicable. We are informed that the provisions of Employees State Insurance Act and Central Excise Act are not applicable to the Company.
- (b) According to the records of the Company and information and explanations given to us, there is disputed Sales Tax demand from different States for a sum aggregating to Rs. 1224.41 Lacs against which the appeals are pending (Before AACs and Commissioners - Rs. 893.80 Lacs: Tribunals - Rs. 235.74 Lacs: Revisional Board - Rs. 20.79 Lacs and High Courts - Rs. 74.08 Lacs).
- According to the records of the Company and information and explanations given to us, there are disputed Income Tax demands for a sum of Rs. 1879.12 Lacs, in respect of which appeals are pending before Income tax Appellate Tribunal (Rs. 391.20 Lacs) and the High Court of Madras (Rs. 1487.92 Lacs). The Company has paid a sum of Rs. 955.51 Lacs, under protest.
- According to the records of the Company and information and explanations given to us, there is disputed Fringe Benefit Tax for a sum of Rs. 22.58 Lacs, which has not been deposited, against which a writ petition is pending before High Court of Madras and a stay has been granted.
- (x) The Company does not have any accumulated losses, as at the end of the year. The company has not incurred 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 not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- (xiv) In our opinion and according to the information and explanations given to us, the Company does not deal/trade in shares, securities, debentures and other investments.
- (xv) According to the information given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on 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 investment.
- (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 Act.
- (xix) According to information and explanations given to us and the records examined by us, securities / charges have been created in respect of the debentures issued.
- (xx) During the period covered by our audit the company had not raised any money by public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under report.

For SARATHY & BALU
Chartered Accountants
FRN - 036215

CA. V. BALASUBRAMANYAN

Partner

M.No. 18444

Place : Chennai

Date : 5th May, 2011



BALANCE SHEET AS AT 31ST MARCH 2011

(Rs. in Lacs)

	Schedule		As at 31 st March 2011		As at 31 st March 2010
SOURCES OF FUNDS :					
Share holders' Funds :					
(a) Share Capital	A	2,279.06		2,279.06	
(b) Reserves and Surplus	B	28,437.00	30,716.06	21,881.98	24,161.04
Loan Funds :					
(a) Secured Loans	C	87,738.87		81,182.73	
(b) Unsecured Loans	D	28,921.10	1,16,659.97	24,359.08	1,05,541.81
Deferred Tax Liability			10,439.89		9,327.92
Total			1,57,815.92		1,39,030.77
APPLICATION OF FUNDS :					
Fixed Assets					
(a) Gross Block	E	3,714.30		18,961.05	
(b) Less : Depreciation		1,580.96		16,410.19	
(c) Net Block		2,133.34		2,550.86	
Add: Capital work in progress		327.38		-	
			2,460.72		2,550.86
Investments	F		920.63		941.83
Current Assets, Loans and Advances					
(a) Interest accrued	G	62.70		97.14	
(b) Stock on Hire		1,23,145.02		1,09,420.66	
(c) Net Lease Investment		19,991.96		19,152.80	
(d) Sundry Debtors		1,466.21		1,616.49	
(e) Cash and Bank Balances		1,926.91		1,212.00	
(f) Other Current Assets		534.68		1,025.90	
(g) Loans and Advances		13,493.52		9,793.35	
		1,60,621.00		1,42,318.34	
Less : Current Liabilities and Provisions	H	6,186.43		6,780.26	
Net Current Assets			1,54,434.57		1,35,538.08
Total			1,57,815.92		1,39,030.77
NOTES ON ACCOUNTS	M				

Notes in Schedule M are an integral part of this Balance Sheet and should be read in conjunction therewith.

For and on behalf of the Board

L. SIVARAMAKRISHNAN
Chief Financial Officer

N.KUMAR
Company Secretary

FAROUK IRANI
Managing Director

A. C. MUTHIAH
Chairman

This is the Balance Sheet referred to in our Report of even date

For SARATHY & BALU
Chartered Accountants
FRN -03621S

CA. V. BALASUBRAMANYAN
Partner
M.No. 18444

Place : Chennai
Date : 5th May 2011

FIRST LEASING COMPANY OF INDIA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in Lacs)

	Schedule	March 2011	March 2010
Income from Finance Operations	I	17,412.75	18,381.45
Income from Windmill Operations		274.60	390.89
Other Income	J	5,647.86	309.78
		23,335.21	19,082.12
Operating Expenses	K	2,263.50	1,980.69
Interest	L	10,524.14	9,336.06
Total		12,787.64	11,316.75
Profit before Depreciation		10,547.57	7,765.37
Less: Depreciation (vide Note No. 1(c))		283.51	2,485.57
Profit after Depreciation		10,264.06	5,279.80
Less: Provision for Taxation			
- Current Tax		2,077.00	920.00
- Deferred Tax		1,111.97	872.75
Profit for the year		7,075.09	3,487.05
Less: Transfer to Statutory Reserve		1,415.00	699.00
		5,660.09	2,788.05
Add/Less: Income Tax of Earlier Years		11.45	(2.49)
		5,671.54	2,785.56
Add: Surplus brought forward from previous year		8,189.93	6,146.32
Profit available for appropriation		13,861.47	8,931.88
APPROPRIATIONS			
Transfer to :			
General Reserve		531.00	262.00
Proposed Dividend :			
On Equity shares @ Rs. 2.00 per Share of Rs. 10/- each		455.81	410.23
Add : Dividend Distribution Tax		75.71	69.72
		531.52	479.95
Surplus in Profit and Loss a/c		12,798.95	8,189.93
Total		13,861.47	8,931.88
Number of Equity Shares		2,27,90,606	2,27,90,606
Basic and Diluted Earnings per share of Rs.10/- each		31.04	15.30
NOTES ON ACCOUNTS	M		

Notes in Schedule M are an integral part of this Profit & Loss Account and should be read in conjunction therewith.

For and on behalf of the Board

L. SIVARAMAKRISHNAN
Chief Financial Officer

N.KUMAR
Company Secretary

FAROUK IRANI
Managing Director

A. C. MUTHIAH
Chairman

This is the Profit & Loss Account referred to in our Report of even date

For SARATHY & BALU
Chartered Accountants
FRN -03621S

CA. V. BALASUBRAMANYAN
Partner
M.No. 18444

Place : Chennai
Date : 5th May 2011



SCHEDULES

SCHEDULE A

SHARE CAPITAL

AUTHORISED

2,75,00,000 (2,75,00,000) Equity Shares of Rs.10/- each
25,00,000 (25,00,000) Preference shares of Rs.100/- each

Total

ISSUED, SUBSCRIBED AND PAID-UP:

2,27,90,606 (2,27,90,606) Equity Shares* of Rs.10/- each

Total

*(includes

- (1) 96,643 Equity shares allotted as fully paid to debenture holders of First Series who exercised their option for conversion.
- (2) 25,00,000 Equity Shares of Rs. 10/- each allotted as fully paid to Debenture holders of Fourth Series, as part of terms of issue.
- (3) 20,64,000 Equity Shares of Rs. 10/- each allotted as fully paid to Debenture holders of Eighth Series as part of terms of issue.
- (4) 10,00,000 Equity Shares allotted as fully paid to the Shareholders of 10% Cumulative Convertible Preference Shares on conversion of their shares into Equity Shares and
- (5) 1,74,202 Equity Shares allotted as fully paid-up by way of Bonus Shares by Capitalisation of General Reserve).

(Rs. in Lacs)

	2011		2010
	2,750.00		2,750.00
	2,500.00		2,500.00
	<u>5,250.00</u>		<u>5,250.00</u>
	2,279.06		2,279.06
	<u>2,279.06</u>		<u>2,279.06</u>

SCHEDULE B

RESERVES AND SURPLUS

CAPITAL REDEMPTION RESERVE (As per last Balance Sheet)
SECURITIES PREMIUM (As per last Balance Sheet)
DEBENTURE REDEMPTION RESERVE (As per last Balance sheet)
Less : Transfer to General Reserve
STATUTORY RESERVE (As per last Balance Sheet)
Add : Transfer from Profit and Loss account
GENERAL RESERVE (As per last Balance Sheet)
Add: Amt. Transfer from Deb.Redemption Res.
Add: Transfer from Profit and Loss account
CONTINGENCY RESERVE (As per last Balance Sheet)
PROFIT & LOSS A/C
Surplus in Profit and Loss a/c

Total

	2011		2010
	300.00		300.00
	2,777.79		2,777.79
	281.40		281.40
	<u>281.40</u>		
	5,974.95	5,275.95	
	<u>1,415.00</u>	<u>699.00</u>	5,974.95
	7,389.95		
	4,157.91	3,895.91	
	<u>281.40</u>	-	
	<u>531.00</u>	<u>262.00</u>	4,157.91
	4,970.31		200.00
	200.00		200.00
	<u>12,798.95</u>		<u>8,189.93</u>
	<u>28,437.00</u>		<u>21,881.98</u>

SCHEDULE C

SECURED LOANS

DEBENTURES* - (vide note No. 3)

(Secured by charge on specified fixed assets and hire rentals receivables)

*Includes Rs. Nil (Rs. 118 Lacs) issued to Director / Relatives

OTHER LOANS

From Banks

(Secured by hypothecation of Plant and Machinery, other assets, Book debts and Assignment of hire rentals and Company's Fixed Deposits with Banks)

From Financial Institutions

(Term Loans secured by hypothecation of Equipment hired out and assignment of rentals thereof)

Total

	4500.00		1,618.00
	82,139.87	76,605.74	
	<u>1,099.00</u>	<u>83,238.87</u>	<u>79,564.73</u>
	<u>87,738.87</u>	<u>2,958.99</u>	<u>81,182.73</u>

SCHEDULE D

UNSECURED LOANS

Fixed Deposits
(Includes Rs.977.85 Lacs (Rs.91.00 Lacs) due to two Directors)

Debentures - Unsecured

LOANS AND ADVANCES

(a) From Banks / Institutions*

(b) Short Term Deposits from Companies*

* Due within one year from the Balance Sheet date.

Total

	6,217.52		5,664.08
	-		10,500.00
	18,530.58		6,100.00
	<u>4,173.00</u>		<u>2,095.00</u>
	<u>28,921.10</u>		<u>24,359.08</u>



SCHEDULES (Contd.)

SCHEDULE E

SCHEDULE OF FIXED ASSETS

(Rs. in Lacs)

Description of Assets	Gross Block				DEPRECIATION			Net Block	
	As on 01.04.2010	Additions	Deletions	As on 31.03.2011	Dep as on 01.04.2010	Additions	Deletions	WDV as on 31.03.2011	WDV as on 31.03.2010
OWNED ASSETS:									
Free hold:									
Land*	380.23	23.11	-	403.34	0			403.34	380.23
Building	7.66	0.00	-	7.66	2.17	0.27	0	5.22	5.49
Factory Building	1,044.14	0.00	-	1,044.14	264.39	77.98	0	701.77	779.75
Plant and Machinery	25.00	0.00	24.96	0.04	22.32	0.01	22.29	0.00	2.68
Wind Mill	2,590.00	0.00	530.00	2,060.00	1,309.92	178.06	372.72	944.74	1,280.08
Air-conditioners	10.40	0.00	1.81	8.59	3.81	0.84	1.33	5.27	6.59
Office Equipments	171.73	11.60	109.44	73.89	152.63	10.87	108.67	19.06	19.10
Furniture and Fittings	119.57	0.13	95.84	23.86	98.95	1.80	85.08	8.19	20.62
Automobiles	85.89	15.15	30.26	70.78	38.71	10.75	18.22	39.54	47.18
Lease Hold:									
Land**	32.00	0.00	10.00	22.00	22.86	2.93	10.00	6.21	9.14
Total	4,466.62	49.99	802.31	3,714.30	1,915.76	283.51	618.31	2,133.34	2,550.86
Add: Capital Work in Progress								327.38	Nil
								2,460.72	
Previous Year	19,971.60	37.48	1,048.03	18,961.05	14,898.40	2,485.57	973.78	2,550.86	5,073.20

* Includes cost of 517.05 Sq.Ft. of Undivided Share of Land in proportionate to 1,822 Sq.Ft. of an apartment.

** Amortisation based on Lease period Considered.



SCHEDULES (Contd.)

SCHEDULE F

INVESTMENTS – (LONG TERM-NON TRADE)

A. UNQUOTED

a) In Bodies Corporate

In Equity Shares of Rs.10/- each fully paid

(i) Credit Analysis and Research Limited

(ii) Catholic Syrian Bank Ltd.

In Equity Shares of Rs.10/- each fully paid

Catholic Syrian Bank Ltd

b) Others

7.46% of Government of India Bonds - 2017 Series

6.05% of Government of India Bonds - 2019 Series

6.01% of Government of India Bonds - 2028 Series

7.40% of Government of India Bonds - 2012 Series

6.25% of Government of India Bonds - 2018 Series

Total

SCHEDULE G

CURRENT ASSETS, LOANS AND ADVANCES

(A) CURRENT ASSETS

Interest Accrued

Stock on Hire under Hire Purchase agreements

(At agreement values less amounts received - Net of Unmatured Finance Charges)

Net Lease Investment

SUNDRY DEBTORS [Note 5]

UNSECURED - CONSIDERED GOOD

Debts outstanding for a period exceeding 6 months

Other Debts

CASH AND BANK BALANCES

Cash in hand

BANK BALANCES WITH SCHEDULED BANKS

Current Accounts *

Deposit Accounts **

OTHER CURRENT ASSETS

Advanced to Suppliers (pending receipt of Invoices)

Total C/O.

(Rs. in Lacs)

Nos.	2011	Nos.	2010
-	-	2,95,000	25.00
100	0.14	100	0.14
4,000	4.80	4,000	1.00
1	58.78	1	58.78
1	106.24	1	106.24
1	103.23	1	103.23
1	569.25	1	569.25
1	78.19	1	78.19
	920.63		941.83
	62.70		97.14
	1,23,145.02		1,09,420.66
	19,991.96		19,152.80
470.28		751.85	
995.93	1,466.21	864.64	1,616.49
5.30		5.45	
1,211.67		354.69	
709.94	1,926.91	851.86	1,212.00
	534.68		1,025.90
	1,47,127.48		1,32,524.99

SCHEDULES (Contd.)

		(Rs. in Lacs)	
	Total B/F.	2011	2010
		147,127.48	1,32,524.99
B) LOANS AND ADVANCES			
(i) Loans - (Secured Considered good)			
Loans including loan on deposit	6,129.68		2,877.83
(ii) Advances			
ADVANCES RECOVERABLE IN CASH OR			
IN KIND OR FOR VALUE TO BE RECEIVED			
UNSECURED-CONSIDERED GOOD			
Advance & Other payment of Income Tax	3,176.00		2,740.39
Other Advances	4,103.27		4,100.04
Other Deposits	84.57	13,493.52	75.09
		<u>9,793.35</u>	
Total		1,60,621.00	1,42,318.34
* Includes Balances towards Unclaimed Dividend Account Rs.55.63 Lacs (Rs. 53.52 Lacs)			
** Includes Rs. 79.49 Lacs (Rs. 70.57Lacs) held towards Bank Guarantees			
SCHEDULE H			
CURRENT LIABILITIES AND PROVISIONS			
(A) CURRENT LIABILITIES			
Sundry Creditors (Note 6)		1,807.46	2,804.92
Interest accrued but not due on loans		586.31	357.93
Unclaimed Deposits*		378.56	396.86
Unclaimed Dividends*		55.63	53.52
Unclaimed Interest on Deposits*		15.36	19.58
* These figures do not include any amounts, due & outstanding, to be credited to Investor Education and Protection Fund.			
(B) PROVISIONS			
Contingent Provision against Standard Assets*	385.32		
Provision for Non-Performing Assets	349.27		633.66
Provision for Taxation	2,077.00		2,033.84
Proposed Dividend including Tax on Dividend	531.52	3,343.11	479.95
Total		6,186.43	6,780.26
*Created in terms of NBFC Prudential Norms (Reserve Bank) Directions, 2007			
SCHEDULE I			
INCOME FROM FINANCE OPERATIONS			
Lease Rentals	4,269.41		7,505.61
(Tax Deducted at Source Rs. 262.28 Lacs (Rs.440.23 Lacs))			
Finance Charges-HP	12,229.32		10,186.65
Interest on Loan	820.67		593.86
(Tax Deducted at Source Rs. 38.70 Lacs (Rs.49.94 Lacs))			
Recovery - Written off Accounts	14.97		27.47
Others	78.38		67.86
Total		17,412.75	18,381.45
SCHEDULE J			
OTHER INCOME			
Dividends Received		14.75	10.00
Interest (Gross)		133.23	145.36
(Tax deducted at source Rs. 9.07 Lacs (Rs. 9.62 Lacs))			
Profit on Sale of Investments		5,342.21	-
Profit on Sale of assets		-	1.72
Rent received (Tax deducted at source Rs.4.59 Lacs (Rs. 20.05 Lacs))		154.66	149.13
Miscellaneous		3.01	3.57
Total		5,647.86	309.78



SCHEDULES (Contd.)

SCHEDULE K

OPERATING EXPENSES

		2011		2010
Employee Cost *				
Salary	252.71		155.89	
Contribution to Provident Fund & Gratuity Fund	15.71		14.41	
Staff Welfare Expenses	40.21	308.63	35.15	205.45
Electricity Charges		7.97		7.50
Rent		49.68		43.67
Rates and Taxes		176.58		6.01
Insurance		8.71		7.80
Printing and Stationery		8.93		7.92
Bank Charges		333.27		281.60
Repairs and Office Maintenance		47.07		41.87
Travelling and Conveyance		38.15		38.46
Postage, Telegrams and Telephones		30.99		36.58
Directors' Sitting Fees		1.50		2.20
Service Charges		295.16		256.70
Brokerage on Deposits		13.99		19.32
Audit Fees				
For Audit, including quarterly reviews	14.28		11.77	
For Taxation to Tax Auditors	2.21		2.00	
For Certification of Statements and others	1.45		2.01	
Reimbursement of Expenses	1.35	19.29	1.17	16.95
Donations		20.52		20.53
Legal and Consultancy Fees		106.81		97.02
Loss on Sale of Assets		71.54		29.69
Foreign Exchange Rate Difference		176.57		481.51
Miscellaneous Expenses		97.32		118.83
Provision on Standard Assets		385.32		-
Bad Debts Written Off	349.88		922.41	
Less: Provision for Non-Performing Assets Reversed	284.38	65.50	661.33	261.08
Total		2,263.50		1,980.69

* Includes Rs. 177.95 Lacs (Rs. 90.48 Lacs) paid to Managing Director.

SCHEDULE L

INTEREST

SECURED LOANS

On Debentures *	736.84		1,503.63	
On Institutional Term Loans	247.91		493.02	
On Bank Loans	7,576.72	8,561.47	5,241.20	7,237.85

UNSECURED LOANS

On Fixed Deposits **	572.01		460.00	
On Others	1,390.66	1,962.67	1,638.21	2,098.21
Total		10,524.14		9,336.06

* Includes Rs. 2.28 Lacs (Rs.34.40 Lacs) paid to Directors

** Includes Rs. 69.09 Lacs (Rs.3.15 Lacs) paid to a Director

SCHEDULES (Contd.)

SCHEDULE M**NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011****1) SIGNIFICANT ACCOUNTING POLICIES :****(a) ACCOUNTING CONVENTION:**

The financial statements are prepared under historical cost convention and in accordance with the generally accepted accounting principles in India.

The Company follows prudential norms for income recognition and provisioning for non-performing assets as prescribed by Reserve Bank of India for Non-Banking Financial Companies from time to time.

(b) REVENUE RECOGNITION:

- (i) Income from Hire Purchase transactions is accounted, based on the Internal Rate of Return.
- (ii) In respect of lease transactions, income is recognised on the basis of constant periodic return accruing, on the net investment in lease, as required by the Accounting Standard AS 19.
- (iii) Interest income on loans is recognised on accrual basis, as stipulated in the contract.
- (iv) The Company follows prudential norms for income recognition and provisioning for non-performing assets, as prescribed by Reserve Bank of India for Non-Banking Finance Companies from time to time and accordingly the income from Non Performing Assets are recognized as and when received.
- (v) Dividend income is accounted when the right to receive the income is established.
- (vi) Income from electricity generated by Wind Mills and Rental Income from immovable properties are recognised on accrual basis.

(c) (i) FIXED ASSETS:

Fixed assets are carried at historical cost with accumulated depreciation stated separately. Cost includes purchase price and attributable cost of bringing the asset to its working condition for the intended purpose. Assets which are of no utility value are eliminated from the books of account on disposal or when discarded.

(ii) DEPRECIATION:

Depreciation on assets has been provided on the written down value method, at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets costing Rs.5,000/- or less, have been fully depreciated in the year of Purchase.

(d) INVESTMENTS:

Investments which are long term in nature are stated at cost, with provision where necessary for diminution, in the value of investments. On the disposal of specified investment, the difference between the carrying amount and the net sale proceeds is charged / credited to the Profit and Loss Account. This is in tune with the Reserve Bank of India directions for Non Banking Finance Companies.

(e) STOCK ON HIRE:

Stock on Hire under Hire Purchase Agreements are stated at Agreement Values less amounts received and net of unmatured finance charges.

(f) NET INVESTMENT IN LEASE :

The assets under Leases are shown as receivables at values equal to net investment in such Leases.

(g) RETIREMENT BENEFITS:

The Employers contribution towards P.F. accounts of the Employees are made as per the Fund rules through an independent Trust. The leave accrued has to be encashed within the calendar year and hence there is no accrued leave to be provided for, except in the case of the Managing Director who is entitled to encash the accrued leave only at the end of the tenure.

The Company contributes to a Gratuity Fund, which has taken a group policy with Life Insurance Corporation of India (the LIC) for future payments of gratuity as determined on actuarial basis, using the 'Projected Unit Credit Method', by the LIC. The Premium thereon has been determined to cover the liability under the scheme in respect of the employees of the company, as at the end of their anticipated future service with the Company.



SCHEDULES (Contd.)

SCHEDULE M

NOTES ON THE ACCOUNTS (CONTD.)

Gratuity (Defined Benefit Plan with LIC)

(Rs. in Lakhs)

	31.03.2011	31.03.2010
1. Change in present value of obligation		
Present value of obligation as at beginning of the year	33.52	31.74
Interest cost	2.68	2.54
Current Service Cost	0.75	0.66
Benefits Paid	(2.48)	(1.11)
Actuarial loss on obligation	1.00	(0.31)
Present value of obligation as at end of the year	35.47	33.52
2. Change in the fair value of the Plan Assets		
Fair value of plan assets at beginning of the year	35.09	32.28
Expected return on plan assets	3.06	2.92
Contributions	0.00	1.00
Benefits Paid	(2.48)	(1.11)
Actuarial gain / (loss) on plan assets	0.00	0.00
	35.67	35.09
3. Actual return on Plan Assets		
Expected return on plan assets	3.06	2.92
Actuarial gain / (loss) on plan assets	0	0
Return on Plan Assets	3.06	2.92
4. Amount recognised in the Balance Sheet		
Liability at the end of the year	35.47	33.52
Fair value of Plan Assets at the end of the year	(35.67)	(35.09)
(Asset) / Liability recognised in the Balance Sheet	(0.20)	(1.57)
5. Actuarial gain/loss recognised		
Actuarial loss on obligation	1.00	(0.31)
Actuarial gain / (loss) on plan assets	0	0
Actuarial Gain Recognised in the year	1.00	(0.31)
6. (Income) / Expenses recognised in the Profit & Loss Account		
Current Service Cost	0.75	0.66
Interest cost	2.68	2.54
Expected return on plan assets	(3.06)	(2.92)
Actuarial Gain Recognised in the year	1.00	(0.31)
Expenses to be recognised in the Profit & Loss Account	1.37	(0.03)
7. Reconciliation of the liability recognised in the Balance Sheet		
Opening net asset	(0.49)	(0.54)
Contribution	0.00	1.00
Expenses	1.37	(0.03)
Closing Net (Asset)/Liability	1.86	(0.49)
8. Principal Assumptions		
Discount rate	8%	8%
Salary Escalation	5.00%	4.50%
Attrition rate	1-3%	1-3%
Expected return on Plan Assets	8%	8%

(h) FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date / at the forward contract rate on the date of the transaction. Liabilities which are payable in foreign currencies are translated at exchange rates prevailing on the date of the Balance Sheet and the loss or gain arising on such transactions is recorded in the Profit and Loss Account. In the case of forward contracts, the exchange difference, arising between the rate on the transaction date and the forward contract rate is recognised over the period of the contract. There are no outstanding position as at 31st March 2011. The Company has not used the forward contracts for speculation or trading purposes.

2) ACCOUNTING STANDARDS:

(a) AS-17 - Segment Reporting:

The Company is primarily engaged in Hire Purchase/Lease Finance. There is no reportable segment other than primary segment, in terms of the above accounting standard.

SCHEDULES (Contd.)

(b) AS-18 - Related Party Disclosures:

- (i) List of Related party where control exists:
Key Management Personnel: Mr. Farouk Irani – Managing Director
- (ii) Related Party Transactions
Remuneration - Rs. 177.95 Lacs (Rs. 90.48 Lacs)
Interest paid on Fixed Deposits - Rs. 54.77 Lacs (Rs. Nil)

(c) AS-19 - Leases:

- (1) Leases:
 - (i) Aggregate of Minimum lease payments - Rs. 26,089.71 Lacs (Rs. 24,855.26 Lacs)
 - (ii) Net carrying amount - Rs. 19,991.96 Lacs (Rs. 16,787.44 Lacs)
 - (iii) Maturity pattern of Gross / Net receivable:

Particulars	Gross (Rs. in Lacs)	Net (Rs. in Lacs)
Not later than 1 year	8,125.20 (7,764.26)	6,268.56 (5,782.96)
Later than 1 year and not later than 5 years	17,964.51 (15,443.57)	13,723.40 (11,750.19)
Later than 5 years	0.00 (1,647.43)	0.00 (1,619.65)

- (iv) Unearned Finance income - Rs. 6,097.75 Lacs (Rs. 5,702.46 Lacs)
- (v) All initial direct costs are recognised as expenses in the Profit and Loss account at the inception of the lease.
- (vi) Accumulated provision for uncollectible minimum lease payments receivable - Rs. 181.88 Lacs (Rs. 45.80 Lacs).
- (2) Stock on Hire:
 - (i) Aggregate of Minimum Hire Rentals - Rs 1,37,192.38 Lacs (Rs. 1,20,041.75 Lacs)
 - (ii) Net carrying amount - Rs. 1,23,145.02 Lacs (Rs. 1,09,420.66 Lacs)
 - (iii) Maturity pattern of Gross / Net receivable:

Particulars	Gross (Rs. in Lacs)	Net (Rs. in Lacs)
Not later than 1 year	54,856.57 (49,187.20)	48,414.74 (43,315.97)
Later than 1 year & Not later than 5 years	82,335.81 (70,854.55)	74,730.28 (66,104.69)
Later than 5 years	Nil	Nil

- (iv) Unearned Finance income - Rs. 14,047.36 Lacs (Rs. 10,621.09 Lacs)
- (v) Accumulated provision for uncollectible hire payments receivable is Rs. 167.39 Lacs (Rs. 193.20 Lacs)

(d) AS-20 - Earnings per share:

Particulars	As at 31.03.2011	As at 31.03.2010
Net Profit attributable to Equity Shareholders	Rs. 7,075.09 (Lacs)	Rs. 3,487.05 (Lacs)
Number of equity shares	2,27,90,606	2,27,90,606
Earnings in rupees per share of Rs.10/- each	31.04	15.30

(e) AS-22 - Accounting for Taxes on Income:

Rs. 1,111.97 Lacs (Rs. 872.75 Lacs) is recognised towards the current year provision, arising out of timing differences, as per the Accounting Standard - 22.

Deferred Tax:

The major components of deferred tax assets and liabilities arising on account of timing differences are:

Component	Liability (Rs.in Lacs)	Asset (Rs. in Lacs)
Depreciation	1,903.34 (1,039.47)	Nil (Nil)
Income Recognition	514.62 (903.64)	1,305.99 (1,070.36)
Total	2,417.96 (1,943.11)	1,305.99 (1,070.36)
Net Deferred Tax Liability	1,111.97 (872.75)	

(f) AS-28 - Impairment of Assets

Assets have been reviewed at Balance Sheet date for impairment, as per the above Accounting Standard.

(g) AS-29 - CONTINGENT LIABILITIES & ASSETS:

S. No.	Particulars	31.03.2011 (Rs. in Lacs)	31.03.2010 (Rs.in Lacs)
(i)	Estimated amount of contracts remaining to be executed on Capital Account/Lease & H.P. Disbursement not provided for	620.72	12.92



SCHEDULES (Contd.)

(ii) Claims against the Company not acknowledged as debts:

Tax Demands against the Company not acknowledged as Debts:

- (a) Income Tax demand of Rs. 1,879.12 Lacs (Rs. 3,467.77 Lacs) against the Company in respect of which appeals have been preferred and are pending with Appellate Authorities. However the Company has paid under protest Rs. 955.91 Lacs (Rs. 789.92 Lacs) and balance demand has been stayed by the Appellate Authorities. Based on expert legal opinion, the Company is of the view that it has fair chances of success in the appeal and entitled for refund of the amount paid.
- (b) Interest Tax demand of Rs. 48.93 Lacs (Rs. 48.93 Lacs) has been contested in appeal proceedings. The Company has paid Rs. 39.13 Lacs (Rs. 39.13 Lacs). The Company is of the view that it has a fair chance of success in the appeal and hence no provision has been made for the balance amount of Rs. 9.80 Lacs in the books of account.
- (c) Liability towards Fringe Benefit Tax of Rs. 22.58 Lacs (Rs. 22.58 Lacs) has not been provided for in the accounts as the Company has challenged the validity of such a levy before the Hon'ble High Court of Madras. There is no liability to be provided in this regard with effect from 01.04.2009 in view of the repeal of the levy.
- (d) Sales Tax demands of various states aggregating to Rs.1,224.41 Lacs (Rs. 888.77 Lacs) have been contested before different Appellate Authorities including the Hon'ble Supreme Court. These demands have been stayed by respective Appellate Authorities. The company is confident of successful outcome in the appeals and in the event of any liability arising the same would devolve upon the ultimate hirers / lessees and hence no provision has been made in the books of account. The Company has furnished Bank Guarantees amounting to Rs. 49.17 Lacs (Rs. 46.15 Lacs) and its own guarantee of Rs.51.53 Lacs (Rs. 344.98 Lacs).

3) LOAN FUNDS

(a) DEBENTURES :

The following is the list of Privately placed debentures outstanding, along with the due dates of redemption and other particulars:

Secured Debenture Outstanding as on 31st March 2011

Series	Face Value (Rs. in Lacs)	No of Debentures	Total Value (Rs. in Lacs)	Date of Redemption
254	10.00	150	1,500.00	10 th October 2011
271	10.00	110	1,100.00	15 th September 2011
273	10.00	100	1,000.00	30 th June 2011
274	10.00	90	900.00	30 th September 2011
Secured Debentures as at 31st March 2011			4,500.00	

(b) Unsecured Loans:

i. Commercial Papers:

The maximum amount outstanding at any point of time, during the year is Rs. 20,000 Lacs (Rs. 20,000 Lacs) and the outstanding as at 31st March 2011 is Rs. 14,500 Lacs (Rs. 5,000 Lacs)

ii. Public Deposit:

As per the directions of the Reserve Bank of India, the Company has created a floating charge in favour of IDBI Trusteeship Services Ltd., the Trustee, on the Statutory Liquid Assets maintained by the Company.

4) CURRENT ASSETS :

In the opinion of the Board of Directors, all Current Assets, Loans and Advances will have value, on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the accounts.

5) SUNDRY DEBTORS :

Confirmation of balances from Sundry Debtors are being obtained.

6) SUNDRY CREDITORS INCLUDE :

i. Amount due to Managing Director – Rs. 103.47 Lacs (Rs. 142.64 Lacs)

ii. The Company has no outstanding dues to any Small Scale Industrial unit as defined in Industries (Development & Regulation) Act, 1951.

iii. In terms of sec.22 of the Micro, Small Medium Enterprises Development Act, 2006, there are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at 31st March 2011. The information has been determined on the basis of the information available with the Company. Hence the question of furnishing additional information as per the said Act does not arise.

iv. Confirmation of balances from Sundry Creditors are being obtained.

SCHEDULES (Contd.)

7) (a) MANAGING DIRECTOR'S REMUNERATION

Salary	
Commission	
Contribution to Provident Fund & others	
Perquisites	

Total

(b) Net Profit Computation u/s 349 /199 of the Companies Act.

**Managing Director's Commission

Profit as per Profit and Loss Account

Add: Managing Director's Remuneration

Depreciation

Sitting Fees to Directors

Loss on sale of assets

Less: Depreciation u/s 350 of the Companies Act, 1956

Profit on Sale of Assets

Profit on Sale of Investment

Net Profit under Sec.349 /199 of the Companies Act, 1956

Commission @ 2% of the above

The total remuneration as stated in Note 7 (a) above is within the limits under the Companies Act, 1956.

(Rs. in Lacs)	(Rs. in Lacs)
31.03.2011	31.03.2010
64.79	53.99
103.47	16.20
7.77	6.48
1.92	13.81
177.95	90.48
10,264.07	5,279.80
177.95	90.48
283.51	2,485.57
1.50	2.20
71.54	29.69
10,798.57	7,887.74
283.51	324.14
0.00	1.72
5,342.20	0.00
5,172.86	7,561.88
103.47	151.24

8) Value of imports by Company during the year calculated on CIF basis:

Capital Goods- (Leased Assets)

- 9) Expenditure in foreign currency during the year on account of Travel,
Subscription to Books & Journals
Amounts remitted during the year in foreign currency

31.03. 2011 (Ind. Rs. in Lacs)	31.03.2010 (Ind. Rs. in Lacs)
1,939.46	911.51
Rs.5.48 Lacs	(Rs. 11.58 Lacs)
Rs. 15,413.34 Lacs	(Rs. 31,429.38 Lacs)

- 10) The figures in the brackets relate to the year ended 31st March 2010 which have been re-classified wherever necessary to conform to classification for the current period.

Signatures to Schedules A to M

For and on behalf of the Board

L. SIVARAMAKRISHNAN
Chief Financial Officer

N. KUMAR
Company Secretary

FAROUK IRANI
Managing Director

A. C. MUTHIAH
Chairman

For Sarathy & Balu
Chartered Accountants
FRN-03621S

CA. V.BALASUBRAMANYAN
Partner
M. No. 18444

Place : Chennai
Date : 5th May 2011



BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

PART - IV

I. Registration Details

Registration No. 6 4 2 3 of 1 9 7 3 State Code 0 1 8

Balance Sheet Date 3 1 0 3 2 0 1 1
Date Month Year

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

Public Issue Rights Issue
N I L N I L
Bonus Issue Private Placement
N I L N I L

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

Total Liabilities Total Assets
— — 1 5 7 8 1 5 9 2 — — 1 5 7 8 1 5 9 2
Sources of Funds Paid-Up Capital Reserves & Surplus
— — — 2 2 7 9 0 6 — — 2 8 4 3 7 0 0
Secured Loans Unsecured Loans
— — 8 7 7 3 8 8 7 — — 2 8 9 2 1 1 0
Deferred Tax Liability
— — 1 0 4 3 9 8 9
Application of Funds Net Fixed Assets Investments
— — — 2 4 6 0 7 2 — — — — 9 2 0 6 3
Net Current Assets Misc. Expenditure Accumulated Losses
— 1 5 4 4 3 4 5 7 N I L N I L

IV. Performances of the Company (Amount in Rs. Thousands)

Turnover and other income Total Expenditure
— — 2 3 3 3 5 2 1 — — 1 3 0 7 1 1 5
Profit / Loss Before Tax (+) Profit / Loss After Tax (+)
— — 1 0 2 6 4 0 6 — — — 7 0 7 5 0 9
Earnings per share in Rs. Dividend rate %
— — — — 3 1 . 0 4 2 0 . 0 0

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

Item Code No. Product Description
(a) N A L E A S E
(b) N A H I R E P U R C H A S E
(c) N A L O A N

For and on behalf of the Board

L. SIVARAMAKRISHNAN
Chief Financial Officer

N. KUMAR
Company Secretary

FAROUK IRANI
Managing Director

A. C. MUTHIAH
Chairman

Place : Chennai
Date : 5th May 2011

For Sarathy & Balu
Chartered Accountants
FRN-036215
CA. V. BALASUBRAMANYAN
Partner
M. No. 18444

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in Lacs)

A) CASH FLOW FROM OPERATING ACTIVITIES		2011		2010
Profit before taxation as per Profit and Loss Account		10,264.07		5,279.80
Adjustments for:				
Depreciation	283.51		2,485.57	
Foreign Exchange Loss	176.57		481.51	
Interest Expenditure	10,524.14		9,336.06	
Bad Debts written off	349.88		922.41	
Loss on Sale of Assets	71.54		29.69	
Rent Received	(154.66)		(149.13)	
Provision for Standard Assets	385.32		-	
Provision for Non Performing Assets	(284.39)		(661.33)	
Dividend Income	(14.75)		(10.00)	
Interest Income	(133.23)		(145.36)	
Foreign Exchange Income	-		-	
Profit on Sale of Investments	(5,342.20)		-	
Profit on Sale of Assets	-		(1.72)	
		<u>5,861.73</u>		<u>12,287.70</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		16,125.80		17,567.50
Changes in Working Capital				
Net Stock on Hire	(13,724.37)		(13,922.71)	
Lease Investment Account	(839.17)		(2,365.36)	
Receivables	150.28		957.23	
Debts Written off	(349.88)		(922.41)	
Loans and Advances	(3,251.85)		(671.90)	
Other Advances and Deposits	(448.31)		(193.50)	
Current Liabilities	(972.43)		775.13	
		<u>(19,435.73)</u>		<u>(16,343.52)</u>
Cash generated from Operations		(3,309.93)		1,223.98
Increase in Advance for assets purchase		491.05		(465.92)
Interest Paid		(10,299.98)		(10,099.55)
Income Tax Paid (Net)		(2,065.54)		(922.49)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		(15,184.40)		(10,263.98)
B) CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets (Own)	(377.37)		(37.48)	
Sale of Assets (Own and Lease)	112.45		46.29	
Sale / (purchase) of Investments	5,363.41		-	
Bank Fixed Deposits	141.93		33.50	
Interest Received	167.66		451.21	
Rent Received	154.66		149.13	
Dividend Received	14.75		10.00	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		5,577.49		652.65
C) CASH FLOW FROM FINANCING ACTIVITIES :				
Dividends Paid (Including Unclaimed Dividends)	(477.84)		(480.15)	
Short Term Loan from Banks (net)	5,357.56		12,433.68	
Proceeds from Borrowings	5,030.58		(5,572.81)	
Repayments of Borrowings	553.44		1,618.77	
NET CASH USED IN FINANCING ACTIVITIES (C)		10,463.74		7,999.49
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		856.83		(1,611.84)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		360.14		1,971.98
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,216.97		360.14
Components of cash and cash Equivalent balances				
Cash and Cheques in Hand		5.30		5.45
Current Accounts with Banks		1,211.67		354.69

For and on behalf of the Board

L. SIVARAMAKRISHNAN

Chief Financial Officer

N. KUMAR

Company Secretary

FAROUK IRANI

Managing Director

A.C. MUTHIAH

Chairman

AUDITORS CERTIFICATE

We have examined the attached Cash Flow Statement of First Leasing Company of India Limited for the year ended 31st March 2011. The Statement has been prepared by the Company in accordance with the Accounting Standard (AS) 3 on Cash Flow Statement and in compliance with the requirements of listing agreements entered into with Stock Exchanges and is based on and derived from the audited accounts of the Company for the year ended 31st March 2011.

Previous year figures have been regrouped / reclassified wherever necessary to conform to classification of the current period.

For SARATHY & BALU
Chartered Accountants
FRN -03621S
CA. V.BALASUBRAMANYAN
Partner
M.NO.18444

Place : Chennai
Date : 5th May 2011



SCHEDULE TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2011
(As required in terms of Paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies
Prudential Norms (Reserve Bank) Directions, 2007)

(Rs. in lacs)

PARTICULARS	PRINCIPAL	INTEREST ACCRUED BUT NOT DUE	AMOUNT OUTSTANDING	AMOUNT OVERDUE
LIABILITIES SIDE				
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :				
(a) Debentures : Secured	4,500.00	337.98	4,837.98	-
Unsecured	-	-	-	-
(other than falling within the meaning of public deposits*)	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	1,099.00	8.11	1,107.11	-
(d) Inter-corporate loans and borrowing	8,203.58	21.44	8,225.02	-
(e) Commercial Paper	14,500.00	-	14,500.00	-
(f) Public Deposits	6,217.52	218.78	6,436.30	-
(g) Other Loans - Working Capital Loan from Banks	82,139.87	-	82,139.87	-
Total	1,16,659.97	586.31	1,17,246.28	-
(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a) In the form of unsecured Debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. Debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	6,217.52	218.78	6,436.30	-
Interest accrued but not paid - Nil				

PARTICULARS	AMOUNT OUTSTANDING
ASSETS SIDE	
(3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below):	
(a) Secured	6,149.93
(b) Unsecured	3,747.62
(4) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial Lease	21,992.85
(b) Operating Lease	-
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	1,23,145.02
(b) Repossessed Assets	-
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
(5) Break-up of Investments:	
Current Investments:	
1. Quoted :	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted:	
(i) Shares (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

FIRST LEASING COMPANY OF INDIA LIMITED

		(Rs. in Lacs)	
PARTICULARS		AMOUNT OUTSTANDING	
Long Term Investments :			
1. Quoted :			
(i) Shares: (a) Equity		-	
(b) Preference		-	
(ii) Debentures and Bonds		-	
(iii) Units of mutual funds		-	
(iv) Government Securities		-	
(v) Others (please specify)		-	
2. Unquoted:			
(i) Shares (a) Equity		4.94	
(b) Preference		-	
(ii) Debentures and Bonds		-	
(iii) Units of mutual funds		-	
(iv) Government Securities		915.69	
(v) Others (please specify)		-	
Total		920.63	
(6) Borrower group-wise classification of assets, financed as in (3) and (4) above :			
Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	1,50,938.53	3,747.62	1,54,686.15
Total	1,50,938.53	3,747.62	1,54,686.15
(7) Investor group-wise classification of all investment (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	-	-	
(c) Other related parties	-	-	
2. Other than related parties	920.63	920.63	
Total	920.63	920.63	
(8) Other information			
Particulars		Amount	
(i) Gross Non-Performing Assets			
(a) Related parties		-	
(b) Other than related parties		349.27	
(ii) Net Non-Performing Assets			
(a) Related parties		-	
(b) Other than related parties		-	
(iii) Assets acquired in satisfaction of debt		-	

L. SIVARAMAKRISHNAN
Chief Financial Officer

N. KUMAR
Company Secretary

FAROUK IRANI
Managing Director

For and on behalf of the Board
A.C. MUTHIAH
Chairman

Place : Chennai
Date : 5th May 2011

For SARATHY & BALU
Chartered Accountants
FRN-03621S
CA. V.BALASUBRAMANYAN
Partner
M. No. 18444



37 YEARS TRACK RECORD

(Rs. in Lacs)

Year	Gross Revenue	Net Profit	Cash Profit	Total Asset Footings	Reserves and Surplus	Dividends (%)	Intrinsic value of each share (Rs.)
1974	8.46	2.35	4.23	64.05	2.35	–	10.94
1975	19.84	6.77	10.30	89.21	4.26	18	11.70
1976	27.11	8.90	14.20	119.10	8.68	18	13.47
1977	36.03	9.37	18.67	164.17	13.49	18	15.40
1978	47.69	16.48	28.01	181.44	24.26	18	17.25
1979	62.72	22.58	40.34	238.18	35.25	19	18.83
1980	95.34	37.43	68.47	305.66	63.64	19	22.70
1981	133.34	48.04	89.78	464.51	101.70	20	30.34
1982	202.76	71.46	130.54	745.91	161.44	20	40.95
1983	279.82	90.04	163.77	1,102.50	211.44	20	31.78 *
1984	388.42	114.67	234.34	1,797.22	298.40	21	33.47
1985	597.02	139.31	324.06	2,587.71	396.58	21	40.64
1986	920.08	238.01	503.99	4,874.99	732.29	30	29.19 §
1987	1,352.19	238.24	690.18	6,128.16	822.41	25 •	31.63
1988	1,800.50	301.10 ★	1,020.93	7,860.94	848.90	26 @	23.47
1989	2,573.36	353.83	1,449.51	11,040.92	929.85	26	24.76
1990	3,301.57	457.98	1,908.01	13,189.72	903.19	28	26.47
1991	3,698.47	501.77	2,005.35	15,122.71	1,165.13	28	27.56
1992	4,564.10	610.68	2,168.29	20,334.49	1,646.26	30	27.94
1993	5,783.61	763.24	2,799.53	24,734.50	1,964.87	32	33.49
1994	7,617.85	1,028.18	3,951.75	30,988.14	2,462.82	35	39.07
1995	9,826.94	1,398.84	5,094.17	33,728.78	3,407.33	35	33.53
1996	11,207.61	1,400.40	5,963.36	34,996.35	5,045.14	32	34.63 **
1997	11,772.85	1,404.38	6,378.77	39,431.43	5,250.96	32	33.80 ***
1998	12,989.57	1,475.34	6,951.65	45,957.63	6,148.64	25	37.75
1999	14,131.12	1,858.37 &	7,675.64	53,816.62	7,419.72	25	44.26 ****
2000	15,590.27	1,656.90	7,592.79	64,655.82	8,493.50	25	50.10
2002*	18,923.86	1,787.90	7,842.68	71,013.55	9,716.65	26.67	55.86
2003	13,618.01	1,910.95	5,462.44	54,636.94	11,174.70	20	62.73
2004	11,848.97	2,157.50	4,843.12	61,780.66	13,028.91	20	67.16
2005	10,952.46	2,410.26	4,112.29	72,562.92	14,863.60	22.50	75.22
2006	11,649.72	2,710.84	4,338.55	79,982.44	16,989.73	22.50	84.55
2007	13,041.59	2,536.06	5,378.69	91,651.12	13,526.31	22.50	69.35
2008	15,868.27	3,095.80	6,726.97	1,08,913.94	16,025.83	22.50	80.32
2009	19,101.66	3,354.91	7,128.73	1,26,192.26	18,877.37	18.00	92.83
2010	19,082.12	3,487.05	7,765.37	1,39,030.77	21,881.98	18.00	106.01
2011	23,335.21	7,075.09	10,547.57	1,57,815.92	28,437.00	20.00 ⁶	134.77

* After a Bonus Issue of 1 : 3 and a Public Issue of 5,47,464 Equity Shares.
 § After a Rights Issue of 24,80,699 Equity Shares.
 • Dividend of 30% in 1986 was in lieu of a Bonus Issue and represented a one time payment.
 & Accordingly, dividend of 25% in 1987 represented a natural progression over the dividend declared in earlier years.
 ★ Includes write back of Investment Allowance Reserves [utilised] plus Development Rebate.
 @ On an enhanced capital issue of Rs. 6.29 crores versus Rs. 3.79 crores for the previous year.

** After conversion of warrant and CCP of 60,00,000 Equity Shares.
 *** After rights issue and private placement of 64,27,598 Equity Shares.
 β As recommended by the Board of Directors.
 **** After private placement of 20,00,000 Equity Shares.
 6 Including an Extra-Ordinary income of Rs. 3.5 crores in respect of disinvestment of shareholding in FIAM Ltd.
 ♦ For a period of sixteen months (from 01.12.2000 to 31.03.2002)



Dr A C Muthiah
CHAIRMAN



Mr Farouk Irani
MANAGING DIRECTOR



Maharaj Jai Singh
DIRECTOR



Mr A Satish Kumar
DIRECTOR

It always seems
impossible
until it's done.

NELSON MANDELA