

16TH ANNUAL REPORT 2000-2001



ILD

India Lease Development Limited

INDIA LEASE DEVELOPMENT LIMITED**BOARD OF DIRECTORS****DIRECTORS**

Shri Ved Prakash Gupta (Chairman)

Shri Lalit Gupta

Shri Rajiv Gupta

MANAGER

Shri Bharat Gupta

AUDITORS

Khanna & Annadhanam, Chartered Accountants, New Delhi

BANKERS

Punjab National Bank

State Bank of India

REGISTERED OFFICE

4th Floor, Indraprakash Building,
21, Barakhamba Road, New Delhi-110 001.
Phone : 3325135, 3713514 Fax : 3716573

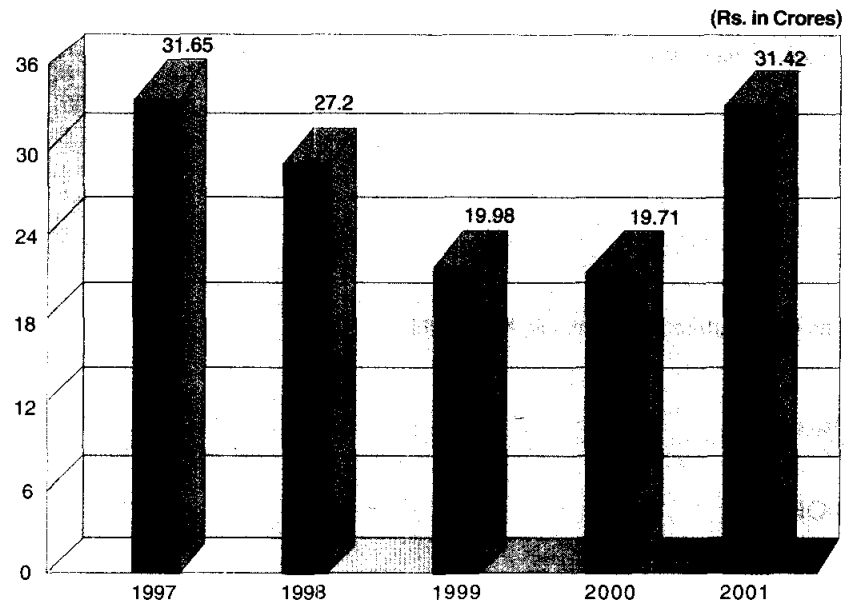
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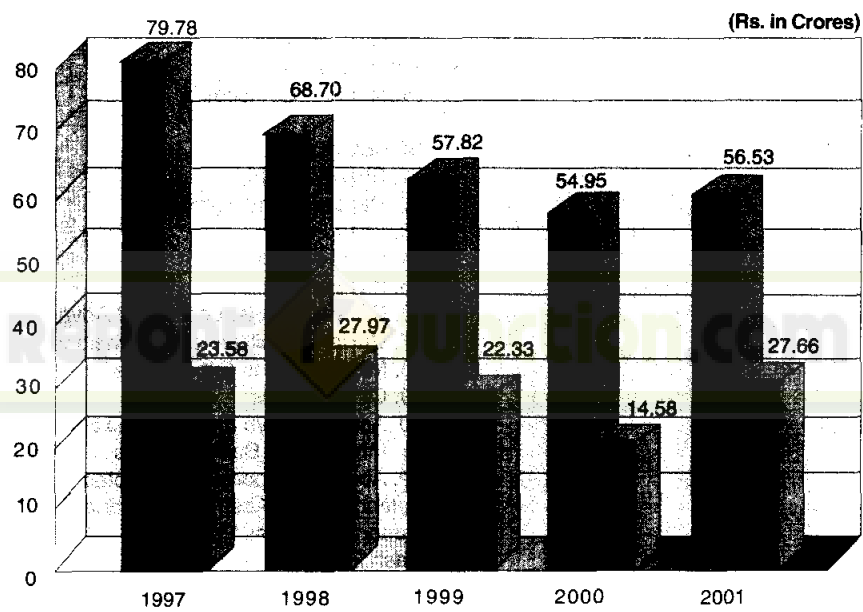
INDIA LEASE DEVELOPMENT LIMITED

ILD

DISBURSEMENT



GROSS LEASED ASSETS/STOCK ON HIRE



INDIA LEASE DEVELOPMENT LIMITED



DIRECTORS' REPORT TO THE MEMBERS

1. Your Directors have pleasure in presenting the Sixteenth Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2001.

2. **FINANCIAL RESULTS**

The financial results of the Company for the year ended 31st March, 2001 are summarised below for your consideration.

Particulars	(Rs. in Lakhs)	
	Year ended 31st March, 2001	Year ended 31st March, 2000
Profit before Taxation, Interest & Depreciation	1162.75	1653.23
Less: Interest	446.24	468.93
Depreciation	742.18	733.66
(Loss)/Profit before provision of Non Performing Assets & Tax	(25.67)	450.64
Less : Provision for Tax : Corporate Tax	—	53.00
: Tax for earlier years	—	8.39
Provision for Non Performing assets	219.96	131.09
Provision for Diminution in value of Investments	199.95	—
Add : Balance brought forward from last year	48.16	(54.49)
: Transfer From Debenture Redemption Reserve	—	50.00
: Investment Allowance Reserve (utilised) Written back	—	27.55
: Excess provision for Dividend written back	—	1.31
: Excess provision for Income Tax written back	68.72	—
Balance Profit/(Loss)	(328.70)	282.53
Less : Appropriation :		
Interim Dividend	—	153.01
Tax on Proposed Dividend	—	16.83
Statutory Reserve (u/s 45-1c of RBI Act)	—	51.63
General Reserve	—	12.91
Balance carried to Balance Sheet	(328.70)	48.15

In view of the loss on account of provisioning as per RBI Prudential Norms, your Directors do not recommend a Dividend for the Current Year.

3. **BUSINESS AND FUTURE PROSPECTS**

During the year, Company continued to expand its business geographically with its focus being North India. Despite indifferent market conditions and pressure on margins, the Company made higher disbursements. The resources of new business were raised from internal accruals and increase in public deposits which continued to rise despite lowering of interest rates by the Company. The Company met all its repayment obligations well within time. At the close of the year, the Gross Stock on Hire was at Rs. 2766 lacs as compared to Rs. 1458 lacs in the previous year. The Gross Leased Assets increased to Rs. 5654 lacs at the end of the year as compared to Rs. 5496 lacs last year. The uptrend in disbursements shall reflect on the profitability of the Company in the future. To fund its future expansion the Company shall continue to raise additional resources from depositors, bankers and financial institutions. With the insurance sector being opened for private sector, large corporate houses are entering the business. The field is being opened for doing insurance intermediation i.e. acting as Corporate Agents, Brokers, and Third Party Administrators. Your Directors intend to tap this potential and for this new company(s) may have to be promoted. The new entities shall be regulated by IRDA (Insurance Regulatory and Development Authority) set up by Government of India. The new entities shall operate as subsidiary(s) of your Company so that benefits of new venture(s) will accrue to the existing Company.

INDIA LEASE DEVELOPMENT LIMITED**4 PUBLIC DEPOSITS**

During the year the Public Deposits of the Company increased and were at Rs. 1738 lacs as compared to Rs. 1358 lacs as at 31st March, 2000. There were no overdue Deposits, however there were 189 unclaimed deposits for Rs. 25 lacs as at 31st March, 2001. The board has initiated appropriate steps to renew/repay the unclaimed deposits. Out of the unclaimed deposits, 43 deposits aggregating to Rs. 6 lacs were renewed/repaid till the date of this report. The Company has complied with all the requirements of Reserve Bank of India Directions to maintain the specified percentage of Public Deposits as liquid assets. The Credit Rating of MA- (minus) indicating Adequate Safety assigned by ICRA on 23rd May, 2000 continues to remain in force.

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

Your Directors state that the annual accounts of the Company have been prepared in conformity, in all material respects, with the generally accepted accounting standards in India and supported by reasonable and prudent judgements and statements so as to give a true and fair view of the state of affairs of the Company and of the results of the operations of the Company. Significant accounting policies followed and other disclosures are appearing in Schedule 12 to the Notes to the Accounts which form part of the annual accounts.

These financial statements of the Company have been audited by M/s. Khanna & Annadham, Chartered Accountants. A reference may be made to their report dated 10th May, 2001 to the members containing information as per requirement under the Manufacturing and Other Companies (Auditors' Report) Order, 1988 attached with these annual accounts.

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. The internal audit control system of the Company is monitored by an independent firm of Chartered Accountants duly appointed for this purpose which encompasses the examination and evaluation of the adequacy and effectiveness of the system. An Audit Committee of the Directors of the Company has also been constituted. Internal Auditors, Audit Committee Members and Statutory Auditors have full and free access to all the information and records considered necessary to carry out the assigned responsibilities. The issues raised from time to time are suitably acted upon and followed up at different levels of Management.

In the opinion of the Board, the Company is in a position to carry on its business in the foreseeable future and, accordingly, the financial statements have been prepared on the basis of a going concern.

6. DEMATERIALISATION OF SHARES

Pursuant to the directions of the Securities & Exchange Board of India (SEBI), effective 26th February, 2001 trading in the Company's scrips in dematerialized form has been made compulsory for all investors. Dematerialised form of trading would facilitate quick transfers and save stamp duty on transfer of shares. However, members are free to keep the shares in physical form or to hold the shares with a 'Depository Participant' in demat form. The Shares once dematerialised can also be rematerialized at any time. For this purpose the Company has appointed M/s. Alankit Assignment Limited as their Registrars. The specific ISIN No. allotted to the Company by NSDL and CDSL is INE 333C01013.

7. LISTING WITH STOCK EXCHANGES

As per the requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the Company hereby declares that the listing for its shares continued throughout the year with the following Exchanges and the listing fee due till date stands paid:

1. The Delhi Stock Exchange Association Ltd., 3/1, Asaf Ali Road, New Delhi-110 002.
2. The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
3. The Madras Stock Exchange, 11, Second Line Beach, Chennai-600 001.

8. AUDITORS' REPORT

Observations made in the Auditors' report as dealt with in the notes to the accounts at appropriate places and being explanatory need no further clarifications. In terms of RBI Directions the Auditor's submitted a separate report to the Board of Directors. The observations made by them were general in nature and require no specific comment.

INDIA LEASE DEVELOPMENT LIMITED**9. DIRECTORS**

In accordance with the requirement of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Shri Ved Prakash Gupta and Shri Lalit Gupta, Directors retire by rotation and being eligible offer themselves for re-appointment. The nomination of Shri P.K. Gupta from the Company's Board was withdrawn by Punjab National Bank consequent to his leaving the Bank. The Board of Directors wish to place on record sincere appreciation of Mr. P.K. Gupta's contribution towards the Company.

10. AUDITORS

The Auditors of your Company M/s. Khanna & Annadhanam, Chartered Accountants, retire at the close of forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

11. PARTICULARS OF EMPLOYEES

There were no employees in receipt of remuneration within the limits prescribed under Section 217(2A) of the Companies Act, 1956, as amended and as such no statement is furnished.

12. THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE RECEIPT OF BOARD OF DIRECTORS) RULES, 1988.

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

a) Technology	Not applicable	
b) Conservation of Energy	Not applicable	
c) Transactions in Foreign Currency		
	This Year	Previous Year
	Rs.	Rs.
a) Expenditure in Foreign Currency		
i) Repayment of Foreign Currency Loan	—	1,90,94,636
ii) Interest on Foreign Currency Loan	—	15,97,821
iii) Travelling Expenses	6,03,870	4,01,735
b) Shares held by non-resident Shareholders	11,29,500	11,29,500
No. of Shareholders	5	5

13. ACKNOWLEDGEMENTS

Your Directors wish to thank all our valued clients, bankers, shareholders and depositors for their continued support. The Directors also wish to express their sincere appreciation to all the staff members for their contribution to the performance of the Company.

By Order of the Board
For INDIA LEASE DEVELOPMENT LIMITED

Sd/-
(Ved Prakash Gupta)
Chairman

Place : New Delhi
Dated : 10th May, 2001

INDIA LEASE DEVELOPMENT LIMITED**AUDITORS' REPORT**

We have audited the attached Balance Sheet of India Lease Development Limited as at 31st March, 2001 and also the Profit and Loss account of the Company for the year ended on that date, annexed thereto, and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we refer to :-
 - (i) Accounting Policy 7(c) with regard to accounting of overdue charges on hire purchase/ lease receivable and bills discounted respectively, on cash basis;
 - (ii) Financial Note No. 5 regarding provisions having not been made for short fall in value of long term investments of Rs. 30.03 lacs for reasons explained there in.

Subject to paragraphs 2(i) and 2(ii) above ;
- 3.1 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;
- 3.2 In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books; and the Profit and Loss account and Balance Sheet dealt with by this report are in agreement with the books of account.
- 3.3 In our opinion, the Profit and Loss account and Balance Sheet comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- 3.4 On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2001 from being appointed as a director in terms of clause(g) of subsection (1) of section 274 of the Companies Act, 1956.
- 3.5 Subject to our foregoing remarks, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i) In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2001
 - and
 - ii) In the case of the Profit and Loss account, of the Loss of the Company for the year ended on that date

For KHANNA & ANNADHANAM
Chartered Accountants

Place : New Delhi
Date : 10th May, 2001

Sd/-
(K.A.BALASUBRAMANIAN)
Partner

INDIA LEASE DEVELOPMENT LIMITED**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. Management has carried out physical verification of "Other Fixed Assets" during the year and no discrepancies have been noticed. For Assets on Lease, Management has sent confirmation letters as regards their Physical existence as at 31.03.2001 but these were received in a few cases only.
2. None of the fixed assets have been revalued during the year.
3. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies act, 1956 or from Companies under the same management within the meaning of Section 370 (1-B) of the Companies Act, 1956, where the rate of interest and the terms and conditions are prima-facie prejudicial to the interest of the Company.
4. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies act, 1956 or to Companies under the same management within the meaning of Section 370 (1-B) of the Companies Act, 1956, where the rate of interest and the terms and conditions are prima-facie prejudicial to the interest of the Company. Loans granted to other parties includes Rs. 15.30 Lacs which is doubtful of recovery in respect of which full provision has been made.
5. (a) In respect of monies due under hire purchase transactions, where installments are not received as stipulated, on the basis of the information and explanations given to us, we are of the opinion, that reasonable steps have been taken by the Company for their recovery,
(b) In respect of interest free loans and advances in the nature of Loans given to staff, the repayment of principal is generally in accordance with the originally stipulated terms.
6. In our opinion and according to the information and explanation 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 the purchase of plant and machinery, equipments and other assets. The Company being a hire purchase/ lease Company, the question of sale of goods doesn't arise.
7. In our opinion and according to the information and explanation given to us, the Company has complied with the directions issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956, and rules framed thereunder, with regard to deposits from the public.
8. Internal audit was carried out by a firm of Chartered Accountants during the year which is commensurate with the size and nature of the business of the Company.
9. According to the records of the Company examined by us provident fund and ESI dues have been regularly deposited with the appropriate authorities during the year.
10. According to the information and explanations given to us, no undisputed amount payable in respect on income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as at 31.03.2001 for period of more than six months from the date they became payable.
11. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.
12. According to the information and explanations given to us, the provisions of special statutes applicable to Chit Fund, Nidhi or benefit society are not applicable to the Company.
13. According to the information and explanations given to us, the Company has not granted any Loans and advances on the basis of security by way of pledge of Shares, debentures and other securities.
14. The Company is not dealing or trading in Shares, Securities, Debentures and other investments.
15. The Sick Industrial Companies (Special Provisions) act, 1985 is not applicable to the Company.

For KHANNA & ANNADHANAM
Chartered Accountants

Place : New Delhi
Date : 10th May, 2001

Sd/-
(K.A.BALASUBRAMANIAN)
Partner

INDIA LEASE DEVELOPMENT LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2001

	SCHEDULE NO.	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)
SOURCES OF FUNDS			
Shareholders Funds			
Capital	1	10,21,30,250	10,21,30,250
Reserves and Surplus	2	10,99,33,608	14,44,07,596
		21,20,63,858	24,65,37,846
Loan Funds	3		
Secured Loans		13,56,79,055	12,14,42,147
Unsecured Loans		19,98,28,840	14,49,18,515
		33,55,07,895	26,63,60,662
Total Liabilities		54,75,71,753	51,28,98,508
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		60,23,36,687	57,25,09,326
Less: Depreciation		18,09,80,318	15,94,66,363
Net Block		42,13,56,369	41,30,42,963
Less: Acc. Lease Adjustment		7,39,43,869	8,06,22,232
		34,74,13,500	33,24,20,731
Assets Pending Lease		---	6,21,631
Investments	5	6,42,66,052	7,64,41,585
Current Assets, Loans and Advances	6		
Current Assets		38,87,78,848	30,00,21,824
Loans And Advances		3,08,91,758	3,64,42,076
Total		41,96,70,606	33,64,63,900
Less: Current Liabilities & Provisions	7		
Current Liabilities		27,99,53,148	19,91,96,274
Provisions		96,57,172	3,73,46,693
Total		28,96,10,320	23,65,42,967
Net Current Assets		13,00,60,286	9,99,20,933
Miscellaneous Expenditure (to the extent not written off or adjusted)		26,20,228	34,93,628
Profit & Loss Account Balance		3,28,70,139	
Less: General Reserve (Adjusted as per Contra)		2,96,58,452	32,11,687
		32,11,687	---
Total Assets		54,75,71,753	51,28,98,508
Accounting Policies and Notes to Accounts	12		
The Schedule referred to above form an integral part of the Accounts			
As per our report of even date attached		For and on behalf of the Board	
For KHANNA & ANNADHANAM		VED PRAKASH GUPTA	
Chartered Accountants		Chairman	
(K.A.BALASUBRAMANIAN)		LALIT GUPTA	
Partner		RAJIV GUPTA	
		Directors	
Place : New Delhi		BHARAT GUPTA	
Dated : 10th May, 2001		Manager	