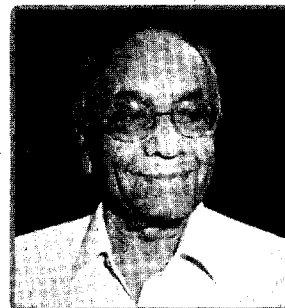


ILD

20th
ANNUAL REPORT
2004-2005

INDIA LEASE DEVELOPMENT LIMITED

A True Karmayogi**(15.08.1915 - 20.08.2005)****TRIBUTE**

We record with profound sorrow, the passing away of Shri Ved Prakash Gupta, Ex-Chairman, in the early hours of morning on Saturday, the 20th August, 2005. His passing away, marks the end of an era. The void created by his passing cannot be filled.

Born on 15th August, 1915, he took to his family business at a very young age after his graduation from St. Stephens College in 1934 alongwith his brother. Under his leadership MGF Group of Companies became leading Non-Banking Finance Companies in India. He had over 70 years of rich experience in Hire Purchase and Lease Financing.

He was the doyen of automobiles financing in India. Recognising his vast experience and farsightedness, he was nominated as a member of Dhotre and Shah Committees constituted by Reserve Bank of India which formulated the effective regulations for NBFCs in India. He remained President & Chairman of Hire Purchase and Leasing Associations of the country for a number of years and had contributed significantly to the growth of the said associations and was the Founder Member of Federation of Indian Hire Purchase Association.

A stickler for discipline and a firm believer in ethical business practices, he had an uncompromising commitment to customer service and employee welfare.

He had conviction that even the common man can become self reliant and his this vision made thousand of families directly or indirectly self reliant.

He was known for his unassuming generosity and donated endless amounts not only to known but also to needy persons. Numeral social and religious institutions received liberal donations for noble causes. On account of his dedicated services to various sections of society, particularly of the poor and backward classes, he was revered by all. He was a totally selfless person who looked after many charitable institutions.

Shri Ved Prakash Gupta will always be remembered for his human values and strong principles. His working and values on which the MGF Group has been built have left behind proud legacies, which will be a guiding force for all times to come.

INDIA LEASE DEVELOPMENT LIMITED

ILD

BOARD OF DIRECTORS

SHRI LALIT GUPTA

Wholetime Director

SHRI RAJIV GUPTA

Director

SHRI ARUN MITTER

Director

SHRI SHARAD AGGARWAL

Director

SHRI M. K. MADAN

Director

MANAGER

SHRI BHARAT GUPTA

BANKERS

PUNJAB NATIONAL BANK

STATE BANK OF INDIA

CONTENTS

	Page Nos.
Notice	4-8
Directors' Report	9-20
Auditors' Report	21-23
Balance Sheet	24
Profit & Loss Account	25
SCHEDULES:	
1. Share Capital	26
2. Reserve and Surplus	26
3. Loan Funds	26
4. Fixed Assets	27
5. Investments	28-30
6. Current Assets, Loans and Advances	31-32
7. Current Liabilities and Provisions	33
8. Miscellaneous Expenditure	33
9. Other Income	34
10. Personnel Expenses	34
11. Administrative and Other Expenses	34
12. Interest	34
13. Accounting policies and notes	35-40
Balance Sheet Abstract & Company's	
General Business Profile	41
Cash Flow Statement	42
Proxy	43

REGISTERED OFFICE :

401 - 406, Indraprakash Bulding,
 21 Barakhamba Road, New Delhi - 110 001.
 Phone : 23325135, 23713514 Fax : 23716573
 E-mail : info@indialease.com
 Website : www.indialease.com

REGISTRAR AND SHARE TRANSFER AGENTS :

M/s. Alankit Assignment Limited
 101A-104, Anarkali Complex,
 Jhandewalan Extension, New Delhi-110055
 Phones : 011-23513512-15
 Email : alankit@alankit.com Website : www.alankit.com

INDIA LEASE DEVELOPMENT LIMITED

NOTICE

NOTICE is hereby given that the Twentieth (20th) Annual General Meeting of the Shareholders of India Lease Development Limited will be held at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110030 on Thursday, the 8th December, 2005 at 11.30.A.M. to transact the following business:

ORDINARY BUSINESS.

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Rajiv Gupta, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Shri Arun Mitter, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of twentieth annual general meeting until the conclusion of twenty first annual general meeting. In terms of section 190 of the Companies Act, 1956, special notice has been received under section 225(1) of the said Act from a member proposing the following **Ordinary Resolution:-**

Resolved that M/s S.N.Dhawan & Co., Chartered Accountants, C-37 Connaught Place, New Delhi be and are hereby appointed as Auditors of the Company to hold office from the conclusion of twentieth annual general meeting until the conclusion of twenty first annual general meeting in place of M/s Khanna & Annadhanam, Chartered Accountants, being the retiring auditors, on such remuneration as may be fixed by the Board.

SPECIAL BUSINESS

5. AS A SPECIAL RESOLUTION

Appointment of a Director

Resolved that Shri M.K. Madan, appointed to fill up the vacancy caused by the resignation of Shri Ved Prakash Gupta as an Additional Director under Section 260 of the Companies Act, 1956 read with Articles 88(a) of the Articles of Association and who holds office upto the date of ensuing Annual General Meeting of the Company, and is eligible for appointment and in respect of whom the company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director be and is hereby appointed a Director of the Company.

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

Place : New Delhi
Date : 12th November, 2005

Rajiv Gupta
Director

Registered Office:

401-406, Indraprakash Building,
21, Barakhamba Road, New Delhi - 110 001.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS (48 HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.
2. Register of Members and Share Transfer Books of the Company remained closed from Wednesday, the 28th September, 2005 to Friday, the 30th September, 2005 (both days inclusive).
3. In terms of Section 205A of the Companies Act, 1956, the company has already transferred unclaimed dividend declared up to the financial year ended 31st March, 1996 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (transferred to General Revenue Account of the Central Government) Rules, 1978. Prior to such transfer the company had individually informed the shareholders concerned about the particulars of the unclaimed dividend remaining unencashed.

Shareholders who have a valid claim to the unclaimed dividends referred to above may claim the same from Registrar of Companies, NCT Delhi and Haryana, Block B, 2nd Floor, Paryavaran Bhawan, CGO Complex, Lodhi Estate, New Delhi - 110003.

Further in view of the amended section 205-C of the Education & Protection Fund (Awareness and Protection of the Investors) Rules, any money transferred by the company to the unpaid dividend account remaining unclaimed for a period of seven years from the date of such transfer shall be transferred by the company to a Fund Called the

INDIA LEASE DEVELOPMENT LIMITED

ILD

Investor Education and Protection Fund (the fund) set-up by the Central Government.

Unclaimed dividend pertaining to financial year 1996-1997 and 1997-1998 have already been transferred to the above fund. Further the unclaimed dividend for the financial year 1999-2000 shall become due for transfer to the fund in October, 2007. No claim, shall, lie thereafter, against the fund or the company in respect of such amounts transferred. Shareholders are requested to verify their records and send claims, if any, for the relevant years before the respective amounts become due for transfer to the fund. The claim may be sent to the Registered Office of the company or to its Registrar and Transfer Agents, M/s Alankit Assignments Ltd.

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing directly to Company at its Registered Office or to the Company's Registrar and Transfer Agents, M/s Alankit Assignments Limited having their office at 101A-104, Anarkali Complex, Jhandewalan Extn. New Delhi - 110055 immediately. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

4. Pursuant to the directions of the Securities & Exchange Board of India (SEBI), trading in the shares of your company is in compulsory dematerialized form for all investors. Members who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and their certificates through Depository Participant(s) with whom they have dematerialized account, to the Company's Registered Office.
5. Persons holding shares in the identical names in different folios are requested to apply for consolidation of the said folios and send relevant shares certificate.
6. Members attending the meeting are requested to complete the enclosed Attendance Slip and deliver the same at entrance of the meeting place.
7. Members are requested :-
 - a) To bring their copies of Annual Report and Attendance Slip at the time of meeting;
 - b) To quote their Folio No(s) in all correspondence.

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

Place : New Delhi
Date : 12th November, 2005

Rajiv Gupta
Director

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 AND THE NATURE OF THE CONCERN OR INTEREST OF DIRECTORS UNDER SECTION 302 READ WITH SECTION 173 OF THE COMPANIES ACT, 1956.

Item No.5

Shri M.K. Madan is a qualified Chartered Accountant and Company Secretary. He is presently working as Vice President & Company Secretary with The Motor & General Finance Limited, the flagship company of MGF Group. He has varied experience in the field of finance, taxation, secretarial and other allied corporate affairs. His induction on the Board shall further strengthen the Board. He was coopted as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 to fill up the vacancy caused by resignation of Shri Ved Prakash Gupta, at the Board Meeting held on May 21, 2005. Pursuant to the provisions of the Companies Act, 1956 (hereinafter referred to as "the Act") and Clause 88(a) of the Articles of Association of the Company he will hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offers himself for appointment.

The company has received a notice in writing from a member together with requisite deposit proposing his candidature as a Director liable to retire by rotation in terms of Section 257 of the Companies Act, 1956. The Board recommends the resolution for your approval.

Disclosure of Interest

Shri M.K. Madan may be deemed to be concerned or interested in the passing of the above resolution. None of the other Directors is concerned or interested in the above resolution. This may be considered as an abstract and memorandum pursuant to Section 302 of the Companies Act, 1956.

For India Lease Development Limited

Place : New Delhi
Date : 12th November, 2005

Rajiv Gupta
Director

INDIA LEASE DEVELOPMENT LIMITED**LISTING REQUIREMENTS**

As required under Clause 49(VI) of the Listing Agreement, given below are the details of the Director(s) who retire by rotation and are eligible for re-appointment.

(a) Director being appointed by rotation (Resolution at Item No.2)

Name	: Mr. Rajiv Gupta
Age & Date of Birth	: 59 years (13-08-1946)
Qualification	: B.E.(IIT. Delhi)
Experience in specific Financial Areas	: Mr. Rajiv Gupta is a graduate in Engineering from IIT, Delhi. He has extensive business experience and all around knowledge on issues concerning hire purchase, leasing, corporate finance and administration. His continued association with the company as its helmsman is concerned absolutely necessary.
Other Directorships	: Jayabharat Credit Ltd, MGF Services Ltd, MGF Securities Ltd, Upper India Hirepurchase Companies Association Ltd, Associated Traders & Engineers Ltd, MGF Motors Ltd, MGF Automobiles Ltd, MGF Developments Ltd, Janata Cinemas Properties & Finance Ltd, Jayabharat Automobiles Ltd, Ram Prakash & Company Pvt Ltd, Gee Gee Holdings Pvt Ltd, Discovery Esates Pvt Ltd, Grosvenor Estates Pvt Ltd, Discovery Holdings Pvt Ltd, Columbia Holdings Pvt Ltd, Kerala Cars Pvt Ltd, Capital Vehicles Sales Pvt Ltd, MGF Metro Mall Pvt Ltd and MGF Estates Pvt Ltd .

Committee Membership:

1. **India Lease Development Ltd.**
 - Audit Committee
 - Remuneration Committee
 - Investment Committee
 - Shareholders Grievance Committee
 - Share Transfer Committee
 - Asset Liability Management Committee
2. **Jayabharat Credit Ltd**
 - Audit Committee
 - Shareholders Grievance Committee
3. **The Motor & General Finance Ltd.**
 - Audit Committee
 - Remuneration Committee
 - Shareholders Grievance Committee
 - Share Transfer Committee
 - Asset Liability Management Committee.

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

Name	: Arun Mitter
Age & Date of Birth	: 43 years(27-11-1962)
Qualification	: B.Com.ACA
Experience in specific Financial Areas	: Mr. Arun Mitter, a qualified Chartered Accountant, has extensive business experience in general and financial management of corporate bodies. He has acquainted himself in the field of Hire purchase and Leasing. His continued association with the company is considered necessary in the interest of the company.
Other Directorships	: Jayabharat Credit Ltd, MGF Automobiles Ltd, MGF Motors Ltd, Janata Cinemas Properties & Finance Ltd, Grosvenor Estates Pvt Ltd, Discovery Holdings Pvt Ltd, NAP Sales Pvt Ltd, Omega Motors Pvt Ltd, Kerala

Bahubali Services Ltd, Jayabharat Automobiles Ltd, MGF Developments Ltd, Upper India Hire Purchase Co Assoc Ltd, MGF Auto Sales Pvt Ltd, MGF Vehicles Sales Pvt Ltd, MGF Projects Pvt Ltd, Paramba International Ltd, MGI(India)Pvt Ltd & MGF Services Ltd.

Committee Memberships**: 1. India Lease Development Ltd**

Audit Committee
Remuneration Committee
Investment Committee
Shareholders Grievance Committee
Share Transfer Committee

2. The Motor & General Finance Ltd

Audit Committee
Shareholders Grievance Committee
Remuneration Committee
Asset Liability Management Committee

c) Appointment of Director (Resolution at Item No. 5)

Name : Shri M.K. Madan
Age & Date of Birth : 61 years (27.2.1944)
Qualification : B.com. FCA, ACS
Experience in Specific Financial Areas : Shri M.K. Madan is a qualified Chartered Accountant and Company Secretary.

Other Directorship

Report : Janata Cinemas Properties & Finance Ltd, Upper India Hire Purchase Co. Assoc Ltd, NAP Sales Pvt Ltd, Omega Motors (P) Ltd.

Committee Membership**: 1. India Lease Development Ltd**

Audit Committee
Remuneration Committee
Investment Committee
Shareholders Grievance Committee
Share Transfer Committee

SHAREHOLDERS INFORMATION

Head Office & Registered Office : 401-406, Indraprakash Building
21, Barakhamba Road,
New Delhi-110001

Internet Facility

E-mail : info@indialease.com

Company's Website : www.indialease.com

Telephone Nos. : 23325135, 23713514

Fax : 011-23716573

Date of Annual General Meeting : 8th December, 2005

Time, Day and Venue : 11.30 A.M., Thursday at
The Executive Club,
439, Village Shahoorpur,
P.O. Fatehpuri Beri,
New Delhi-110030

Day and Date of Book Closure : Wednesday, the 28th September, 2005 to
Friday, the 30th September, 2005
(both days inclusive)

Shares Listed At : The Stock Exchange, Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001.

The Company confirms that it has paid the Annual Listing Fees to the above Stock Exchange for the year 2005-2006.

NOMINATION FACILITY

Shareholders are eligible to file their nominations against Shareholdings and Deposits. Nomination forms are available at the Registered Office i.e. 401-406 Indraprakash Building, 21, Barakhamba Road, New Delhi-110001. Those interested in getting the facility of nomination may write to the Company Secretary for a copy of the prescribed Nomination Form.

DIRECTORS' REPORT TO THE MEMBERS

1. Your Directors present the Twentieth (20th) Annual Report together with the Audited Statement of Accounts of the company for the year ended 31st March, 2005.

2. **Financial Results**

The Financial Results of the Company for the year ended 31st March, 2005 are summarised below for your consideration.

(Rs. In Lacs)

Particulars	Year ended 31st March, 2005	Year ended 31st March, 2004
Profit before Taxation, Interest, Depreciation and Provisions	167.72	390.01
Interest	(330.21)	(372.68)
Depreciation	(166.99)	(258.71)
Profit / (Loss) before Provision of Non Performing Assets & Tax	(329.48)	(241.38)
Provision for non performing assets	(98.08)	(64.74)
Income tax paid for earlier years	(5.66)	-
Provision for diminution in value of investments written back	44.40	59.87
Total	(388.82)	(246.25)
Balance b/fd from last year	(1007.87)	(761.62)
Balance c/fd to Balance Sheet	(1396.69)	(1007.87)

3. **Review of Operations**

During the year under review the company continued to face competition from private sector banks and low cost large players including multinational companies. The Company focused its business on financing of commercial vehicles and construction equipments, being the sectors offering better returns. Additional resources from banks at cheaper costs continued to be a constraint affecting the Company's ability to target higher disbursements. It continued with its efforts to borrow at lower costs and further reduced the interest rates offered on Public Deposits. In the current financial year the company is making efforts to consolidate its operations to bring a turnaround.

4. **Dividend**

In view of the losses suffered by your company, your Directors are unable to recommend any dividend.

5. **Public Deposits**

In terms of broad policy guidelines outlined in its credit policy, Reserve Bank of India, suggested the NBFC's to reduce their dependance on public deposits and place more reliance on bank funds. In view of the above and to further reduce its borrowing costs, the company effected reduction in interest rates on public deposits.

As at 31st March, 2005 the Public Deposits held were at Rs 1990.02 Lakhs as compared to Rs 2239.87 Lakhs in the previous year. There were no overdue deposits, however, there were 264 unclaimed deposits of Rs 42.21 Lakhs as at 31st March, 2005. Out of these 236 unclaimed deposits aggregating to Rs 38.14 lakhs 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 specified percentage of public deposits as liquid assets. The credit rating of MA-(Minus) indicating 'adequate safety' assigned by ICRA continues to remain in force.

6. **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 13 to the Notes to the Accounts, which form part of the annual accounts.