

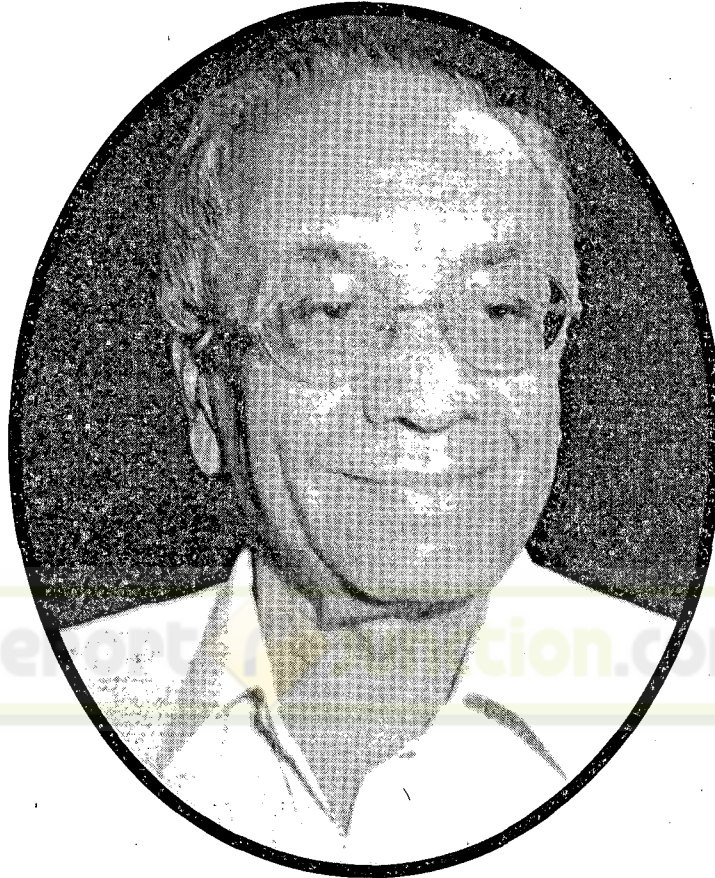


**22<sup>nd</sup>**

Report  [junction.com](http://www.reportjunction.com)

**Annual Report 2006-2007**

**INDIA LEASE DEVELOPMENT LIMITED**



**Shri Ved Prakash Gupta**

(15<sup>th</sup> August, 1915 - 20<sup>th</sup> August 2005)

**A True Karmayogi.**

*Your integrity, values and vision will continue to guide  
and inspire us for all our activities and future growth.*

INDIA LEASE DEVELOPMENT LIMITED

**BOARD OF DIRECTORS****SHRI RAJIV GUPTA**

Chairman

**SHRI ARUN MITTER**

Director

**SHRI SHARAD AGGARWAL**

Director

**SHRI M. K. MADAN**

Director

**SHRI ROHIT MADAN**

Manager &amp; Company Secretary

**BANKERS**

Punjab National Bank

**AUDITORS**

M/S S.N.DHAWAN &amp; CO.

CHARTERED ACCOUNTANTS

C-37, CONNAUGHT PLACE,

NEW DELHI-110 001

**REGISTERED OFFICE :**MGF HOUSE, 4/17-B, ASAF ALI ROAD,  
NEW DELHI-110 002.

Telephone Nos.: 41519433, 41520070

E-mail : info@indialease.com

Website : www.indialease.com

**REGISTRAR AND SHARE TRANSFER  
AGENTS :**M/S ALANKIT ASSIGNMENTS LIMITED  
ALANKIT HOUSE,  
2E/21, JHANDEWALAN EXTENSION,  
NEW DELHI-110 055.  
PHONE:011-421541953-63**INDEX**

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## INDIA LEASE DEVELOPMENT LIMITED

**NOTICE**

NOTICE is hereby given that the Twenty Second (22<sup>nd</sup>) 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 Friday, the 28<sup>th</sup> September, 2007 at 1.30. P.M. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup>, March, 2007 and the Profit and Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Rajiv Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Arun Mitter, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration. M/s S.N.Dhawan & Co., Chartered Accountants, retires and are eligible for re-appointment. Certificate under Section 224(1B) of the Companies Act, 1956, has been obtained from them.

**SPECIAL BUSINESS**

**TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTIONS:-**

**AS A SPECIAL RESOLUTION****5. SHIFTING OF STATUTORY RECORDS**

"RESOLVED THAT pursuant to the provisions of Section 163 and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and the Depositories Act, 1996, the approval of the members of the Company, be and is hereby accorded for keeping the Register of Members, Index of Members, Register of Debenture holders, Index of Debenture holders, other related books and/ or copies of all annual returns prepared under Section 159 together with the copies of the certificates and documents required to be annexed thereto under Section 161 and other applicable provisions of the Act, or any one or more of them, at the office of Alankit Assignments Limited, the Registrars and Share Transfer Agents of the Company, within the city of Delhi."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/ matters arising with respect to the above matter, as may be considered desirable or expedient by the Board in the best interest of the Company."

**AS A SPECIAL RESOLUTION****6. CONFIRMATION OF RE-APPOINTMENT OF MANAGER**

"Resolved that action of the Board be and is hereby confirmed and ratified for the re-appointment of Shri Bharat Gupta appointed u/s 269,310,311,312,317,388 read with Schedule XIII of the Companies Act, 1956, from 7<sup>th</sup> August, 2006 to 2<sup>nd</sup> September, 2006 and again from 19<sup>th</sup> October, 2006 to 25<sup>th</sup> December, 2006 on the terms and condition of his re-appointment detailed as under:

**Remuneration including perquisites**

1. Salary: Basic salary of Rs. 39000/- P.M with the proviso that annual increment(s) as may be decided by the Board from time to time.
2. Housing: House Rent Allowance shall be provided @ 35% of Basic Salary
3. Telephone: Telephone will be provided at the Company's expense for official purpose only.
4. Car: Car maintained by the Company shall be provided on Company's expense. In case personal Car for official purpose is used, expenses will be reimbursed.
5. Medical: For him and his Family as per the Rules of the Company from time to time.



**Other Items:**

- i Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, in accordance with the company's rules.
- ii Gratuity payable at the rate not exceeding 15 days salary including for each completed year of service in accordance with the company's rules.
- iii Leave Travel allowance for the Manager and his family once a year incurred in accordance with the company's rules.
- iv Ex-Gratia as per Company's Rules.

**Other Conditions:**

- a. He will be discharging the functions as 'Manager' of the Company within the meaning of Section 2(24) of the Companies Act, 1956 and will be responsible for the efficient working of the Company and subject to supervision, control and direction of the Board, and shall manage the affairs of the Company.
- b. Notwithstanding anything to the contrary contained above, either party shall be entitled to terminate the appointment giving not less than one calendar month's notice in writing, in that behalf to the other party without the necessity of showing any cause, and on the expiry of the period of such notice this appointment shall stand terminated.

**7 APPOINTMENT OF MANAGER**

"RESOLVED THAT pursuant to the provisions contained under Section 269,310,311,312,317,388 read with Schedule XIII of the Companies Act, 1956, and on the recommendation of the Remuneration Committee and on the basis of legal opinion received and placed on record, approval of the company be and is hereby accorded for the appointment of Mr. Rohit Madan as Manager as defined within the meaning of Section 2(24) of the Companies Act, 1956 for a period of three years from 26<sup>th</sup> December, 2006 to 25<sup>th</sup> December, 2009 besides his holding the position of Company Secretary, the appointment and remuneration of which was approved by the shareholders under Section 383-A and 314(1-B) of the Companies Act, 1956 by passing a Special Resolution at the Annual General Meeting held on 29<sup>th</sup> September, 2006.

"Further Resolved that no salary shall be payable to him in the said capacity as Manager, however, the remuneration as Company Secretary will be payable which has been approved by the shareholders under Section 383-A read with Section 314 (1-B) of the Companies Act, 1956.

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

Place: New Delhi

Date : 1<sup>st</sup> September, 2007

Rohit Madan  
Manager & Company Secretary

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS (48 HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, in respect of the Special Business under item No.5 to 7 is annexed thereto.
3. All documents referred to herein above and the Explanatory Statement are open for inspection at the Registered Office of the company on all working days except Saturdays, Sundays and Holidays between 11.00 A.M. and 1.00 P.M. upto the date of Annual General Meeting.
4. Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 21<sup>st</sup> September 2007, to Friday, the 28<sup>th</sup> September 2007 (Both Days Inclusive).
5. Trading in the shares of your company is in compulsory Demat mode. Members who have not yet got their shares dematerialized are requested to opt for the same in their own interest and send their certificates through Depository Participant(s) with whom they have dematerialised account to the Company's Registrars and Transfer Agents, M/s Alankit Assignments Limited, having their office at 2E/21, Alankit House, Jhandewalan Extn, New Delhi-110055.

6. Member(s) holding shares in the identical names in different folios are requested to apply for consolidation of the said Folios and send relevant share certificate(s).

**7. REGARDING UNCLAIMED DIVIDEND**

- (i) In terms of Section 205A of the Companies Act, 1956, the company has already transferred Unclaimed Dividend declared up to the financial year ended 31<sup>st</sup> March, 1997 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 the Registrar of Companies, NCT Delhi and Haryana, Block B, 2<sup>nd</sup> Floor, Paryavaran Bhawan, CGO Complex, Lodhi Estate, New Delhi-110003.

- (ii) Further in view of the Section 205C of the Companies Act, 1956 read with Investors Education and Protection Fund (Awareness and Protection of the Investors) Rules, 2003 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 Investors Education and Protection Fund ("The Fund") set up by the Central Government.

The Unclaimed Dividend for the Financial Year 1999-2000 was transferred on 22<sup>nd</sup> June, 2007 to the Investors Education & Protection Fund. As no dividend was declared thereafter, no amount will be required to be transferred to Investors Education & Protection Fund (IEPF).

8. Member(s) attending the meeting are requested to complete the enclosed attendance slip and deliver the same at entrance of the meeting place.

9. Member(s) are requested:-

- To bring their copy of Annual Report and Attendance Slip at the time of meeting.
- To quote their Registered Folio No(s)/Client ID/DPID in all correspondence.
- Members who held shares in dematerialised form are requested to bring their Registered Folio No(s)/Client ID/DPID numbers for easy identification of attendance at the meeting.

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

**Place: New Delhi**

**Date : 1<sup>st</sup> September, 2007**

**Rohit Madan**  
Manager & Company Secretary

**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**

As per the provisions of Section 163 of the Companies Act, 1956 (the Act), certain documents such as the Register and Index of Index of Members, Register and Index of Debenture holders, copies of Annual Returns prepared under Section 159 of the Act, together with copies of certificates/ documents required to be annexed under Section 160 and 161 of the Act are required to be kept at the Registered Office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of the Company is situated, with the approval of the shareholders by way of a Special Resolution and with intimation to the Registrar of Companies (ROC), in this regard.

M/s Alankit Assignments Limited, are the Registrars and Transfer Agents (RTA) of the Company. RTA is required to maintain the data/ records of the shareholders/ debenture holders at their office in addition to the maintenance of same at the Registered Office of the company. Approval of the members of the Company is required under Section 163 of the Act, for keeping the above stated documents and records at the office of RTA within the city of Delhi. A copy of the proposed Special Resolution will be sent to the Registrar of Companies, Delhi as required under Section 163 of the Companies Act, 1956.

None of the Directors is concerned or interested in this Resolution.

The Board of Directors of your Company recommend passing of the aforesaid Special Resolution.

**Item No. 6**

The terms of re-appointment of Mr. Bharat Gupta expired on 6<sup>th</sup> August, 2006. Mr. Bharat Gupta informed that it would not be possible for him to carry on the functions as Manager, appointed under the Companies Act, 1956 besides looking after the operations. He was requested to stay on which he unwillingly agreed to. The Board accordingly re-appointed him as Manager for a period of six months. However he again resigned as Manager on 2<sup>nd</sup> September, 2006 and continued as Vice President – Operations. His resignation was accepted by the Board. Pending finding a suitable person, he was again re-appointed as Manager for a period of six months from 19<sup>th</sup> October, 2006 to 25<sup>th</sup> December, 2006. He resigned from the Company on 25<sup>th</sup> December, 2006. The matter is being placed before the members for the ratification and confirmation of the re-appointment of Shri Bharat Gupta as Manager from 6<sup>th</sup> August, 2006 to 2<sup>nd</sup> September, 2006 and again from 19<sup>th</sup> October, 2006 to 25<sup>th</sup> December, 2006 together with the remuneration paid to him on the terms and conditions as set out in the resolution. The members are requested to confirm the action of the Board for the re-appointment and remuneration paid to Mr. Bharat Gupta for his holding the office of profit as Manager.

None of the directors is concerned or interested in the passing of the above resolution.

Mr. Bharat Gupta, although resigned, may be deemed to be concerned or interested in the above resolution.

**Item No.7**

With a view to comply with the provisions under Section 269 of the Companies Act, 1956, read with Schedule XIII of the Companies Act, 1956, vacancy caused by resignation of Mr. Bharat Gupta and on the basis of legal opinion received, the Board on the recommendation of Remuneration Committee considered the appointment of Mr. Rohit Madan as Manager under Sections 269, 310, 311, 312, 317, 388 read with Schedule XIII of the Companies Act, 1956. The shareholders at their meeting held on 29<sup>th</sup> September, 2006 had passed the resolution under Section 383-A and 314(1-B) of the Companies Act, 1956 of giving their approval for the appointment of Mr. Rohit Madan as Company Secretary and remuneration payable to him was also approved at the said meeting. For the appointment of Manager besides his holding office of Company Secretary, no salary shall be payable to him in the capacity as Manager.

An abstract of the agreement carrying the terms of his appointment as Manager has already been sent to the shareholders as required under Section 302 of the Companies Act, 1956.

**Disclosure of Interest**

Mr. Rohit Madan being an appointee and Mr. M.K.Madan, Director and related to him may be deemed to be concerned or interested in the passing of the above resolution.

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

**Place: New Delhi**  
**Date 1st September, 2007**

**Rohit Madan**  
**Manager & Company Secretary**

**LISTING REQUIREMENTS**

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

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

|   |   |
|---|---|
| <b>Name</b>                                   | : Shri Rajiv Gupta  |
| <b>Age &amp; Date of Birth</b>                | : 61 years (13-08-1946)   |
| <b>Qualification</b>                          | : B.E.(IIT. Delhi)  |
| <b>Experience in specific Financial Areas</b> | : Mr. Rajiv Gupta is a graduate in Engineering from IIT, Delhi. He has business experience and all around knowledge on issues concerning Hire Purchase, Leasing, Corporate Finance, Taxation and Administration. His continued association with the company is considered absolutely necessary. |
| <b>Other Directorships</b>                    | : The Motor & General Finance Limited, Jayabharat Credit Ltd, MGF Services Ltd, MGF Securities Ltd, Upper India Hire purchase Companies Association Ltd, Associated Traders & Engineers Ltd, MGF Motors Ltd, MGF Automobiles Ltd,   |



MGF Development Ltd, Janata Cinemas Properties & Finance Ltd, Jayabharat Automobiles Ltd, Ram Prakash & Company Pvt. Ltd, Gee Gee Holdings Pvt. Ltd, Discovery Estates 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, Bahubali Services Limited, Cards Services India Limited and MGF Estates Pvt. Ltd.

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

Audit Committee  
Remuneration Committee  
Investment Committee  
Shareholders Grievances Committee  
Share Transfer Committee

**The Motor & General Finance Limited**

Audit Committee  
Remuneration Committee  
Shareholders Grievance Committee  
Share Transfer Committee  
Asset Liability Management Committee

**Jayabharat Credit Limited**

Audit Committee  
Shareholders Grievances Committee

**b) Appointment of Director (Resolution No.3)**

**Name** : Shri Arun Mitter

**Age & Date of Birth** : 44 years(27-11-1962)

**Qualification** : B.Com.ACA

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

**Other Directorships**

: 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 Cars Pvt Ltd, Bahubali Services 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, Capital Vehicles Sales Pvt Ltd, Ram Prakash & Co Pvt Ltd, MGF Infotech Pvt Ltd, The Motor & General Finance Limited & MGF Services Ltd.

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

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

**The Motor & General Finance Limited**

Audit Committee  
Remuneration Committee  
Shareholders Grievance Committee  
Share Transfer Committee  
Asset Liability Management Committee

**Jayabharat Credit Limited**

Audit Committee  
Remuneration Committee



**SHAREHOLDERS INFORMATION**

|  |   |
|--|---|
| <b>Head Office &amp; Registered Office</b> | : MGF House,<br>4/17-B, Asaf Ali Road,<br>New Delhi- 110002   |
| <b>Internet Facility</b>                   |   |
| <b>E-mail</b>                              | : info@indialease.com   |
| <b>Company's Website</b>                   | : www.indialease.com  |
| <b>Telephone Nos.</b>                      | : 41519433, 41520070  |
| <b>Fax</b>                                 | : 41503479  |
| <b>Date of Annual General Meeting</b>      | : 28th September, 2007  |
| <b>Time, Day and Venue</b>                 | : 1.30 P.M. Friday at<br>The Executive Club<br>439, Village Shahoorpur,<br>P.O.Fatehpuri Beri,<br>New Delhi- 110 030. |
| <b>Day and Date of Book Closure</b>        | : Friday, the 21st September, 2007 to<br>Friday the 28th September, 2007<br>(both days inclusive)                     |
| <b>Shares Listed At</b>                    | : The Stock Exchange, Mumbai<br>Phiroz jeejeephoy Towers,<br>Dalal Street,<br>Mumbai- 400 001.                        |

The Company confirms that it has paid the Annual Listing Fee to the above Stock Exchange for the Year 2007-08.

**NOMINATION FACILITY**

Shareholders are eligible to file their nominations against Shareholdings and Deposits. Nomination forms are available at the Registered Office i.e. MGF House, 4/17-B, Asaf Ali Road, New Delhi-110 002. Those interested in getting the facility of nomination may write to the Company Secretary for a copy of the prescribed Nomination Form.



INDIA LEASE DEVELOPMENT LIMITED

## DIRECTORS' REPORT

Your Directors present the Twenty Second(22<sup>nd</sup>) Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2007.

### FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31<sup>st</sup> March, 2007 are summarised below for your consideration:-

(Rs. In Lacs)

|  | Year ended<br>31 <sup>st</sup> March, 2007 | Year ended<br>31 <sup>st</sup> March, 2006 |
|--|--|--|
| Profit/ (Loss) before Taxation, Interest,<br>Depreciation and Provisions | (35.27)                                    | 246.81                                     |
| Interest   | (155.87)                                   | (252.14)                                   |
| Depreciation including Impairment  | (92.92)                                    | (116.50)                                   |
| Profit / (Loss) before Provision for Non Performing<br>Assets & Tax      | (284.06)                                   | (121.83)                                   |
| Provision for non performing assets                                      | (138.29)                                   | 85.45                                      |
| Fringe Benefit Tax   | (2.32)                                     | (3.49)                                     |
| Provision for diminution in value of investments                         | -  | 0.11                                       |
| <b>Total</b>   | <b>(424.67)</b>                            | <b>(39.98)</b>                             |
| Balance b/fd from last year  | (1436.67)                                  | (1396.69)                                  |
| Balance c/fd to Balance Sheet  | (1861.34)                                  | (1436.67)                                  |

### REVIEW OF OPERATIONS

The Company's main thrust, at present, is to accelerate its efforts to realize the dues. The company is confident that with the maximum recovery, it would be able to generate sufficient funds to pay off the entire outstanding public deposits and bank in a shortwhile and thus pave a way to make it a 'Debt Free Company.'

### DIVIDEND

In view of accumulated losses your Directors are constrained not to recommend any dividend for the year under review.

### PUBLIC DEPOSITS

The company with a view to contain borrowing costs and to keep less dependence have reduced the Public Deposits. As at 31<sup>st</sup> March, 2007 outstanding Public Deposits was Rs. 1016.97 Lacs as compared to Rs. 1408.15 Lacs in the Previous Year. There were no overdue deposits, however, there were 563 Unclaimed Deposits Receipts aggregating to Rs 135.27 Lacs including interest accrued thereon as at 31<sup>st</sup> March, 2007. Out of these 296 Unclaimed Deposits Receipts aggregating to Rs 62.20 lacs, the same were renewed/repaid as on date of this report.

The Company has complied with all the requirements of Reserve Bank of India's norms/ guidelines/ directions in maintaining specified percentage of liquid assets. The Credit Rating of MA-(Minus) indicating 'adequate safety' assigned by ICRA continues to remain in force.

### AUDITORS' REPORT

The Auditors' observations in their report on audited accounts for the year ended 31<sup>st</sup> March, 2007, relates to (i) Accounting of Overdue Charges on Hire-Purchase/ Lease Receivables and Bill Discounting respectively, on realisation basis, in view of uncertainties thereof; (ii) Quantitative details and situation on fixed and physical verification of fixed assets at offices and confirmation from lessees (refer note (i) (a & b) of Paragraph 1 of the Auditors Report (CARO).

**Management's Comments on the above:** (i) Overdues are consistently accounted for only on realization basis (ii) The Management has since carried out physical verification of assets on lease and furniture and fixtures at offices. Confirmation from few lessees have since been received.