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23rd

**Annual Report
2007-2008**

INDIA LEASE DEVELOPMENT LIMITED



Shri Ved Prakash Gupta

(15th August, 1915 - 20th August 2005)

A True Karmayogi.

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

BOARD OF DIRECTORS**SHRI RAJIV GUPTA**

Chairman

SHRI ARUN MITTER

Director

SHRI SHARAD AGGARWAL

Director

SHRI M. K. MADAN

Director

SHRI ROHIT MADAN

Manager & Company Secretary

AUDITORS

M/S S.N.DHAWAN & 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

	From - To
Notice	2-4
Directors' Report Including Corporate Governance	5-20
Auditors' Report	21-23
Balance Sheet	24
Profit & Loss Account	25
Schedules to Accounts	26-33
Accounting policies	34-35
Notes to Accounts	36-42
Cash Flow Statement	43
Balance Sheet Abstract	44
List of offices & Addresses	45
Proxy	47

INDIA LEASE DEVELOPMENT LIMITED**NOTICE**

NOTICE is hereby given that the Twenty Third (23rd) 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 29th August, 2008 at 1.30. P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 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 Sharad Aggarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri M.K.Madan, 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.

By order of the Board
For India Lease Development Limited

Place: New Delhi
Date : August 2, 2008

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 ATLEAST FORTY EIGHT HOURS (48 HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Register of Members and Share Transfer Books of the Company will remain closed from Monday, 25th August, 2008 to Friday, 29th August, 2008 (both days Inclusive).
3. 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, Registrars and Transfer Agents, M/s Alankit Assignments Limited, having their office at 2E/21, Alankit House, Jhandewalan Extn, New Delhi-110055.
4. 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).
5. **REGARDING UNCLAIMED DIVIDEND**
 - (i) In accordance with the provisions of Section 205(5) of the Companies Act, 1956, the Company has already transferred Unclaimed Dividend declared for the Financial Year ended 31st March, 1996 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, NCT of Delhi and Haryana, CGO Complex, Paryavaran Bhawan, Lodhi Road, 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, as no dividend has been declared after 1998 and as such, there are no unclaimed dividend which is required to be deposited.
6. Member(s) are requested:-
 - a) To bring their copy of annual report and attendance slip at the time of meeting.
 - b) To quote their registered Folio No(s)/ DPID/Client ID No. in all correspondence.

INDIA LEASE DEVELOPMENT LIMITED



- c) Members who held shares in dematerialised form are requested to bring their DPID/ Client ID numbers for easy identification of attendance at the meeting.

By order of the Board
For India Lease Development Limited

Place: New Delhi
Date : August 2, 2008

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)

Name : Shri Sharad Aggarwal
Age & Date of Birth : 42 years (24-11-1966)
Qualification : B.Com, ACA,LLB
Experience in specific functional areas : Shri Sharad Aggarwal is a qualified Chartered Accountant and also holds a law degree. His re-appointment will be quite useful to the company.
Other Directorships : The Motor & General Finance Ltd, Oaykay Forgings Pvt Ltd, Sterling Hotels Pvt Ltd, Jay Vee Leatherite Pvt Ltd, Knit Foulds Pvt Ltd, K.F.Beltings Pvt Ltd, Hamilton Land Developers Pvt Ltd, Atlantic Land Developers Pvt Ltd, Jazz Foods Pvt Ltd, Makro Lease Pvt Ltd
Committee Membership : India Lease Development Ltd
 Audit Committee

The Motor & General Finance Limited
 Audit Committee
 Remuneration Committee
 Shareholders Grievance Committee

Shri Sharad Aggarwal holds NIL Shares

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

Name : Shri M.K.Madan
Age & Date of Birth : 64 years (27-2-1944)
Qualification : B.Com.FCA, ACS
Experience in specific functional areas : Shri M.K.Madan is a qualified Chartered Accountant and Company Secretary, and his experience in finance and secretarial matters will be helpful to the Company.
Other Directorships : Janata Cinemas Properties & Finance Ltd, MGF Securities (P) Ltd, Upper India Hire Purchase Companies Association Ltd, NAP Sales Pvt Ltd, Omega Motors Pvt Ltd, MGF Services Ltd, Bahubali Services Ltd
Committee Memberships : India Lease Development Ltd
 Audit Committee
 Remuneration Committee
 Shareholders Grievance Committee
 Share Transfer Committee

Shri M.K.Madan holds NIL Shares

SHAREHOLDERS INFORMATION

Head Office & Registered Office	: MGF House 4/17-B, Asaf Ali Road, New Delhi- 110002
Internet Facility	
E-mail	: info@indialease.com
Company's Website	: www.indialease.com
Telephone Nos.	: 41519433, 41520070
Fax	: 41503479
Date of Annual General Meeting	: 29 th August, 2008
Time, Day and Venue	: 1.30 P.M. Friday at The Executive Club 439, Village Shahoorpur, P.O.Fatehpuri Beri, New Delhi- 110 030.
Day and Date of Book Closure	: Monday, the 25 th August, 2008 to Friday 29 th August, 2008 (both days inclusive)
Shares Listed At	: The Stock Exchange, Mumbai Phiroz jeejeephoy Towers, Dalal Street, Mumbai- 400 001.

The Company confirms that it has paid the Annual Listing Fee to the above Stock Exchange for the Year 2008-09.

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.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twenty Third (23rd) Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2008 are summarised below for your consideration:-

(Rs. In Lacs)

	Year ended 31 st March, 2008	Year ended 31 st March, 2007
Profit/ (Loss) before Taxation, Interest,		
Depreciation and Provisions	(6.65)	(35.27)
Interest	(78.94)	(155.87)
Depreciation including Impairment	(55.22)	(92.92)
Profit / (Loss) before Provision for Non Performing		
Assets & Tax	(140.81)	(284.06)
Provision for non performing assets	(386.94)	(138.29)
Fringe Benefit Tax	(2.26)	(2.32)
Total	(530.01)	(424.67)
Balance b/fd from last year	(1861.34)	(1436.67)
Balance c/fd to Balance Sheet	(2391.35)	(1861.34)

REVIEW OF OPERATIONS

Your Company is focusing its attention to pay off the liabilities towards Public Deposits. The bank's dues have been paid. As earlier reported efforts are continuing to realize the dues and the company is confident that with the maximum recovery, it would be able to generate sufficient funds to pay off the entire liabilities.

DIVIDEND

In view of accumulated losses, your directors have not recommended any dividend for the year under review.

PUBLIC DEPOSITS

Your company's endeavour is to ensure that borrowing costs are contained and to achieve this object there is no fresh acceptance/ renewals and instead the entire Public Deposits liabilities are being paid. As at 31st March, 2008 outstanding Public Deposits was Rs. 578.52 Lacs as compared to Rs. 1219.62 Lacs in the Previous Year. There were no overdue deposits, however, there were 143 Unclaimed Deposits Receipts aggregating to Rs 38.96 Lacs including interest accrued thereon as at 31st March, 2008. Out of these 79 Unclaimed Deposits Receipts aggregating to Rs. 21.90 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.

INDIA LEASE DEVELOPMENT LIMITED

AUDITORS' REPORT**INFORMATION AND EXPLANATIONS/OBSERVATIONS IN THE AUDITORS' REPORT.****A OBSERVATIONS IN THE MAIN AUDITORS' REPORT AND MANAGEMENT COMMENTS THEREOF.****Auditors' Observations****a) Para 2****On a Going Concern Basis**

It has been suitably explained in para 2 of Schedule-14 Notes on Accounts

Para 3(a)

- (i) Accounting of Overdue Charges on Hire-Purchase/ Lease Receivables and Bill discounted, Loans against hypothecation respectively, on realisation basis, in view of significant uncertainties thereof;

Overdues are consistently accounted for only on realisation basis.

b) Para 3(b)**Non Compliance of Prudential Norms**

In view of negative net worth, this has a consequential effect which, inter-alia, means non compliance of the provisions of RBI's norms as regards maintenance of Credit Adequacy Ratio (CAR), Credit/ Investments, etc

Observations in Annexure referred in paragraph 1 of the Auditor' Report(CARO)**c) Para(i)(a) & (b)****Quantitative details of assets on lease**

The management has since carried out physical verification of assets on lease. A few confirmation from lessees have since been received.

d) Para 9 of Schedule 14: of Notes to Accounts

Where the balances debit/credit are appearing, the same in the ordinary course of business, are at least equal to the amount at which they are stated and as such, no further comments are required.

In terms of RBI Directions, the Auditors have submitted a separate report to the Board of Directors. As the observations on account of negative net worth are general in nature viz, non meeting the requirement of capital adequacy and concentration of credit/investments, the same have been suitably explained hereinabove and have not been responded to separately.

REPORT ON CORPORATE GOVERNANCE

A detailed report on Corporate Governance together with Management Discussions and Analysis Report has been included separately in Annexure 'A' and 'B' which forms part of the Director's Report.

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 judgments 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 14 to the Notes to the Accounts, which form part of the 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. 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.

DIRECTORS

In accordance with the requirements of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Mr. Sharad Aggarwal, Director and Mr. M.K.Madan, Director retire by rotation and being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

There are no employees in receipt of remuneration which, inter-alia, requires the company to furnish the particulars of Employees as required by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees), Rules, 1975.

DEMATERIALISATION

Members who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and send their certificate through Depository Participants(s) with whom, they have dematerialized account, to the Company's Registrar and Transfer Agents, M/s Alankit Assignments Limited, 2E/21, Alankit House, Jhandewalan Extension, New Delhi-110055.

AUDITORS

M/s S.N. Dhawan & Co., Chartered Accountants, Auditors, retire and are eligible for re-appointment. A certificate under Section 224(1B) of the Companies Act, 1956, has been obtained.

SECRETARIAL AUDIT

In compliance of SEBI guidelines, Secretarial Audit is being carried out at the specified period. There were no adverse remarks in the Secretarial Audit Report. Secretarial Audit Report submitted by Practising Company Secretary is annexed separately.

COMPLIANCE BY THE COMPANY

The Company has complied with the requirements of the Stock Exchange, SEBI and Other statutory authorities on all matters relating to the Capital markets during the last three years. No penalties or strictures have been imposed on the company by the Stock Exchange or SEBI or any other statutory authorities relating to the above.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is available on the website of the Company i.e. www.indialease.com

E-mail ID FOR INVESTOR'S GRIEVANCES

In compliance of sub clause (f) to the Clause 47 of the Listing Agreement, the company has designated an e-mail address i.e. ildcomplaints@indialease.com of the grievance redressal division/compliance offer exclusively for the purpose of registering complaints by Investors.

NOMINATION FACILITY

In case, any of the members wish to avail facility of Nomination, they are requested to send the duly completed form to the Registrars of the Company and/or at the Registered Office of the Company.

CEO/CFO CERTIFICATION

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49(V) of the Listing Agreement.

CONSOLIDATION OF FOLIOS AND AVOIDANCE OF MULTIPLE MAILING

Members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to write to the Registrars and Share Transfer Agents indicating the folio numbers for consolidation of similar holdings under one folio.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO.

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 Being a finance company, the same is not applicable
 b) Conservation of Energy -do-
 c) Transactions in Foreign Currency

	This Year	Previous Year
a) Expenditure in Foreign Currency	-	-
i) Repayment of Foreign Currency Loan	-	-
ii) Interest on Foreign Currency Loan	-	-
iii) Travelling Expenses	-	-
b) Shares held by Non Resident		
Shareholders	5128	15674
No. of Shareholders	13	13

ACKNOWLEDGEMENTS

Directors place on record their thanks for the assistance and cooperation received from Banks and all other customers for their continued support and patronage.

Yours Directors also wish to place on record the dedicated and devoted services rendered by all personnel of the Company.

By Order of the Board
 For India Lease Development Limited

Place : New Delhi
Date : August 2, 2008

RAJIV GUPTA
 Chairman