

*24<sup>th</sup>*

*Annual Report*

*2008-2009*

***ILD***

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**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.*

## 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

## BANKERS

BANK OF INDIA

### REGISTERED OFFICE :

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

PHONE:011- 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:011-42541953-63

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**NOTICE**

NOTICE is hereby given that the Twenty Fourth (24<sup>th</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 Thursday the 17<sup>th</sup> September, 2009 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, 2009 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 resolution:-

5. **AS A SPECIAL RESOLUTION****RE-APPOINTMENT OF MANAGER**

“Resolved that Mr. Rohit Madan, on the recommendation of Remuneration Committee, by cancelling the existing agreement, be and is hereby re-appointed as Manager under the Companies Act, 1956 for a period of Three (3) years from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2012 on the terms and conditions as set out in the agreement entered into between the Company and Mr. Rohit Madan subject to the condition that Board of Directors of the Company be and are hereby authorized to vary/amend/alter the terms and conditions of his appointment as they may deem fit and which is acceptable to Mr. Rohit Madan but in no case, remuneration payable including minimum remuneration shall exceed the limits laid down in 1(A) of Section II of Part II of Schedule XIII of the Companies Act, 1956 or any other amendment made thereto.

**Remuneration including perquisites****SALARY**

Basic Salary Rs. 28,500/- with annual increments of Rs. 2,500/- in the grade of Rs. 28,500-2,500-33,500

**PERQUISITES**

In addition to salary, Mr. Rohit Madan shall be entitled to the following perquisites.

**Category ‘A’****Housing (I)**

Free unfurnished residential accommodation at the expense of the Company, the monetary value of which as evaluated under Rule 3 of the Income Tax Rules, 1962 shall not exceed 20% of the salary per month.

**OR**

**Housing (II)**

In case the accommodation is owned by the Company, 20% of the salary of Manager or as may be permissible according to law amended from time to time shall be deducted by the company.

**OR**

**Housing (III)**

In case, no accommodation is provided by the Company, Manager shall be entitled to House Rent Allowance @ 60% of basic salary in lieu of residential accommodation at the expense of the Company.

**ALLOWANCES**

20% of Basic Salary

**Other Perquisites**

Medical expenses for the Manager and his family calculated at one month's salary in a year or three month's salary over a period of three years.

Personal Accident Insurance premium not to exceed Rs. 4000/- per annum.

**Explanations:**

Family shall mean the spouse, dependent children and dependant parents of Mr.Rohit Madan.

**Category 'B'**

The following perquisites shall also be allowed and they will not be included in the computation of the ceiling on perquisites.

Company's contribution to Provident Fund @ 12% of the Salary or at such other rate as per the laws applicable in this behalf from time to time and further Superannuation Fund or Annuity Fund, if applicable, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at the rate not exceeding 15 days salary including for each completed year of service in accordance with the Company's rules.

**Category 'C'**

Provision of Car and free Telephone/Communication facilities at the residence for business purpose.

Gross Salary including perquisites, as stated above, payable to Manager, shall not exceed Rs. 75,000/- per month.

The Board of Directors on the recommendation of the Remuneration Committee of the Company may vary/ or revise the remuneration and perquisites including the monetary value thereof to Mr. Rohit Madan, Manager within the permissible limits under the provisions of the Companies Act, 1956 or any statutory amendments thereof from time to time and settle any question or difficulty in connection therewith or incidental thereto.

**MINIMUM REMUNERATION**

In any financial year, during the currency of tenure of the appointee as Manager, the company has no profits or its profits are inadequate, it may pay remuneration by way of salary, allowances not exceeding limits as stated above and as is prescribed under 1(A) of Section II of Part II of Schedule XIII of the Companies Act, 1956 or as may be amended by the Central Government from time to time.

**OTHER CONDITIONS:**

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.

Notwithstanding anything to contrary contained above, either party shall be entitled to terminate appointment giving not less than one calendar month's notice in writing, in this behalf to the other party without the necessity of showing any cause, and on the expiry of the period of such notice the appointment shall stand terminated.

By order of the Board  
For India Lease Development Limited

Place: New Delhi

Date : August 13, 2009

Rohit Madan  
Manager & Company Secretary

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 AND THE NATURE OF CONCERN OR INTEREST OF DIRECTORS UNDER SECTION 302 READ WITH 173 OF THE COMPANIES ACT, 1956.****ITEM NO. 5**

The Board of Directors, on the recommendation of the Remuneration Committee at its meeting held on 30<sup>th</sup> March, 2009 have, by cancelling the existing agreement, reappointed Mr. Rohit Madan as Manager & Company Secretary under the Companies Act, 1956 for a period of three (3) years from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2012 on the terms and conditions as set out in the agreement entered between the Company and Mr. Rohit Madan subject to the condition that the Board of Directors of the Company be and are hereby authorised to vary/amend/alter the terms and conditions of his appointment as they may deem fit and which is acceptable to Mr. Rohit Madan but in no case the remuneration payable including minimum remuneration shall exceed the limit laid down in 1(A) of Section II of Part II of Schedule XIII of the Companies Act, 1956 or any other amendment made thereto:

Terms and conditions of appointment and remuneration are given in the resolution.

**MEMORANDUM OF INTEREST OF DIRECTOR**

Mr. Rohit Madan is concerned or interested in his re-appointment and remuneration payable to him. Mr. M.K.Madan, being related to him is also deemed to be concerned or interested in his re-appointment. He did not participate in the meeting when the aforesaid resolution was considered by the Board. None of other Directors is concerned or interested in the passing of the above resolution.

**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 will remain closed from Monday, the 14<sup>th</sup> September, 2009 to Thursday, the 17<sup>th</sup> September, 2009 (Both days Inclusive).
3. The agreement referred to hereinabove in item no. 5 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 1.30 p.m. upto the date of Annual General Meeting.
4. 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.
5. 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).
6. **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 31<sup>st</sup> March, 2000 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) 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 2000, as such, there are no unclaimed dividend which is required to be deposited/transferred.
7. 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.
  - 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 13, 2009

**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>	:	63 years (13-8-1946)
<b>Qualification</b>	:	B.E.(IIT, Delhi)

**Experience in specific financial areas**

Shri 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.

**Other Directorships**

The Motor & General Finance Ltd, Jayabharat Credit Ltd, MGF Services Ltd, Bahubali Services Ltd, Cards Services India Pvt. Ltd, Upper India Hire Purchase Companies Association Ltd, MGF Securities Pvt. Ltd, Associated Traders & Engineers Ltd, Ram Prakash & Company Pvt Ltd, Gee Gee Holdings Pvt Ltd, Grosvenor Estates Pvt Ltd, MGF Estates Pvt Ltd.

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

Audit Committee  
Remuneration Committee  
Shareholders Grievance Committee

**The Motor & General Finance Limited**

Audit Committee  
Remuneration Committee  
Shareholders Grievance Committee

**Jayabharat Credit Ltd**

Audit Committee  
Shareholders Grievance Committee

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

**Name** : Shri Arun Mitter  
**Age & Date of Birth** : 47 years (27-11-1962)  
**Qualification** : B.Com. ACA

**Experience in specific financial areas**

Shri Arun Mitter is a qualified Chartered Accountant. He has extensive business experience in general and financial management. His continued association with the Company is considered necessary in the interest of the Company.

**Other Directorships**

The Motor & General Finance Ltd, Jayabharat Credit Ltd, MGF Automobiles Ltd, MGF Motors Ltd, Grosvenor Estates Pvt Ltd, Discovery Holdings 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, MGF Services Ltd, Cards Services India Pvt Ltd, Dove Promoters and Entertainment Pvt Ltd, Gee Gee Holdings Pvt Ltd, Meta Dor Technologies Pvt Ltd, MGF Metro Mall Pvt Ltd, MGF Securities Pvt. Ltd.

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

Audit Committee  
Remuneration Committee  
Shareholders Grievance Committee  
Share Transfer Committee

**The Motor & General Finance Limited**

Audit Committee  
Remuneration Committee  
Shareholders Grievance Committee  
Share Transfer Committee

**SHAREHOLDERS INFORMATION**

<b>Head Office &amp; Registered Office</b>	:	MGF House 4/17-B, Asaf Ali Road, New Delhi- 110 002
<b>E-mail</b>	:	<b>info@indialease.com</b>
<b>Company's Website</b>	:	<b>www.indialease.com</b>
<b>Telephone Nos.</b>	:	011-41519433, 011-41520070
<b>Fax</b>	:	011-41503479
<b>Date of Annual General Meeting</b>	:	17 <sup>th</sup> September, 2009
<b>Time, Day and Venue</b>	:	1.30 P.M. Thursday at The Executive Club 439, Village Shahoorpur, P.O.Fatehpuri Beri, New Delhi- 110 030.
<b>Day and Date of Book Closure</b>	:	Monday, the 14 <sup>th</sup> September, 2009 to Thursday 17 <sup>th</sup> September, 2009 (Both days inclusive)
<b>Shares Listed At</b>	:	The Stock Exchange, Mumbai Phiroze JeeJeebhoy 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 2009-10.

**NOMINATION FACILITY**

Shareholders are eligible to file their nominations against shareholdings. 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 Fourth (24<sup>th</sup>) Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31<sup>st</sup> March, 2009 are summarised below for your consideration:-

	Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
Profit/ (Loss) before Taxation, Interest, Depreciation and Provisions	68.02	(6.65)
Interest	(22.17)	(78.94)
Depreciation including Impairment	(32.49)	(55.22)
Profit / (Loss) before Provision for Non Performing Assets & Tax	13.36	(140.81)
Provision for non performing assets	67.47	(386.94)
Fringe Benefit Tax	(2.88)	(2.26)
Transferred to Statutory Reserves u/s 45IC of the RBI Act, 1934	(15.59)	-
Net Profit/(Loss)	62.36	(530.01)
Balance b/fd from last year	(2391.35)	(1861.34)
Balance c/fd to Balance Sheet	2328.99	2391.35

### REVIEW OF OPERATIONS

As on the date of this report the company's liability towards public deposits and banks stands paid and it has become a 'Debt Free Company'. Further in consolidating its existing operations the main thrust is to realize the dues of the earlier business transacted and the management is confident that with the maximum recovery, it would be able to generate sufficient funds to pay off the other liabilities.

### DIVIDEND

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

### PUBLIC DEPOSITS

During the year there were no fresh acceptance/ renewals of Public Deposits. As at 31<sup>st</sup> March, 2009 outstanding Public Deposits was only Rs. 8.9 Lacs as against Rs.498.52 Lacs in the Previous Year. There were no overdue deposits, as at 31<sup>st</sup> March, 2009. The Company has complied with all the requirements of Reserve Bank of India's norms/ guidelines/ directions in maintaining specified percentage of liquid assets.

### RATING

As on date, in view of total payment of Public Deposits, ICRA, the rating agency, has since withdrawn the rating.

## 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)

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. Confirmation from some lessees has been received.

##### d) Para 8 of Schedule 14- 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' respectively which forms part of the Director's Report.

### DIRECTOR'S RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT,1956.

The Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the applicable accounting standards;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs for the company at the end of financial year ended 31<sup>st</sup> March, 2009 and of the Profit of the Company for that period;
- iii) The Directors have taken proper and sufficient care 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;
- iv) The statement of accounts for the year ended 31<sup>st</sup> March,2009 have been prepared on a Going Concern Basis.

### DIRECTORS

In accordance with the requirements of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Shri Rajiv Gupta, Director and Shri Arun Mitter, Director retire by rotation and being eligible, offer themselves for re-appointment.