



INDIA LEASE DEVELOPMENT LIMITED

27th
Annual Report
2011-2012



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

BANKERS

BANK OF INDIA
KOTAK MAHINDRA BANK LTD

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 Seventh (27th) 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 27th September, 2012 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, 2012 and the Statement of Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri M.K.Madan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Sharad Aggarwal, 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, (ICAI FRN Reg. No.000050N) 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 MODIFICATION(S), THE FOLLOWING RESOLUTIONS:-

AS A SPECIAL RESOLUTION**5. REAPPOINTMENT OF MANAGER**

"Resolved that Mr. Rohit Madan, on the recommendation of the Recommendation Committee be and is hereby reappointed as Manager designated as Manager & Company Secretary under the Companies Act, 1956 for a period of three (3) years from 1st April, 2012 to 31st March, 2015 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 the Board of Directors of the company be and are hereby authorized to vary/amend/alter the terms and conditions of his re-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 Para 1(B) 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 ₹ 36,000/- with annual increment of ₹ 2,500/- in the grade of ₹ 36,000-2,500-41,500.

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.

Other 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 ₹ 4,000/- 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 ₹ 1,00,000/- 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 Part 1(b) 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, shall manage the affairs of the company.

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 of Directors
For **India Lease Development Limited**

Place : New Delhi
Date : August 23, 2012

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**

The Board of Directors, on the recommendation of the Remuneration Committee at its meeting held on 30th March, 2012 have, re-appointed Mr. Rohit Madan as Manager & Company Secretary under the Companies Act, 1956 for a period of three (3) years from 1st April, 2012 to 31st March, 2015 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 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(B) 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. This may also be considered as an abstract for his re-appointment in terms of Section 302 of the Companies Act, 1956.

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

Place : New Delhi
Date : August 23, 2012

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 the 24th September, 2012 to Thursday the 27th September, 2012 (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's Registrars and Share Transfer Agents, M/s Alankit Assignments Limited, having their office at 2E/21, Alankit House, Jhandewalan Extn, New Delhi-110055.

Further Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the company/Registrars and Share Transfer Agents.

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) All unclaimed dividends declared upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.
- (ii) Pursuant in to provisions of section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the Unclaimed or unpaid dividends for the financial years ended 31st March, 1996 to 31st March, 2000 to the Investor Education and Protection Fund the (IEPF) established by the Central Government.
- (iii) To receive faster communication of all shareholder communications, including Annual Report, the shareholders are requested to kindly register/update their email address with their respective Depository Participant where shares are held in electronic form. If, however, shares are held in physical form, holders are advised to register their email address with the company and/ or Registrar and Share Transfer Agents.

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.
- 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.

7. As per Circular No. 18/2011 on Green initiative, the company will send Annual Report along with other documents through e-mails to all members, who have registered their e-mail address with the depository and physical hard copies will be despatched to others. In case any member desire to get hard copy of Annual Report, they can write to Company at registered office address or e-mail at info@indialease.com.

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

Place : New Delhi
Date : August 23, 2012

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 M.K.Madan
Age & Date of Birth : 68 years (27-02-1944)
Qualification : B.Com, FCA, ACS

Experience in specific financial 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

MGF Securities Pvt. Ltd, Upper India Hire Purchaser Companies Association Ltd, Bahubali Services Ltd, Jayabharat Credit Ltd, VMR Promoters Pvt Ltd.

Committee Membership

India Lease Development Ltd

Audit Committee
Remuneration Committee
Shareholders Grievance Committee

Jayabharat Credit Ltd.

Audit Committee
Remuneration Committee
Shareholders Grievance Committee

Bahubali services Ltd.

Audit Committee
Shri. M.K.Madan holds Nil shares.

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

Name : Shri Sharad Aggarwal
Age & Date of Birth : 46 years (24-11-1966)
Qualification : B.Com, ACA, LLB

Experience in specific financial 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, Bahubali Services Ltd, Oaykay Forgings (P) Ltd, Sterling Hotels Pvt Ltd, Jay Vee Leatherite Pvt Ltd, Knit Foulds Pvt Ltd, K.F Beltings Pvt Ltd, Hamilton Land Developers (P) Ltd, Atlantic Land Developers (P) Ltd, Jazz Foods Pvt Ltd, Makro Lease Pvt Ltd, Indian Tools Technology Centre.

Committee Memberships :**India Lease Development Ltd**

Audit Committee

Remuneration Committee

Shareholders Grievance Committee

The Motor & General Finance Limited

Audit Committee

Remuneration Committee

Shareholders Grievance Committee

SHAREHOLDERS INFORMATION

Head Office & Registered Office	: MGF House 4/17-B, Asaf Ali Road, New Delhi- 110002
E-mail	: info@indialease.com
Company's Website	: www.indialease.com
Telephone Nos.	: 41519433, 41520070
Fax	: 41503479
Date of Annual General Meeting	: 27 th September, 2012
Time, Day and Venue	: 1.30 P.M. Thursday at The Executive Club 439, Village Shahoorpur, P.O. Fatehpuri Beri, New Delhi- 110 030.
Day and Date of Book Closure	: Monday, the 24 th September, 2012 to Thursday, the 27 th September, 2012 (Both days inclusive)
Shares Listed At	: Bombay Stock Exchange Limited, Phiroz jee jee bhoy 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 2012-13.

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 Seventh (27th) Annual Report together with the Audited Statement of Accounts of the company for the year ended 31st March, 2012.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2012 are summarised below for your consideration:-

(₹ In Lacs)

Particulars	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Profit/ (Loss) before taxation, interest, depreciation and provisions	(19.15)	(206.33)
Interest	-	(0.10)
Depreciation including Impairment	(2.72)	(8.97)
Profit / (Loss) before provision for non performing assets & tax	(21.87)	(215.40)
Provision for non performing assets written back	181.37	572.58
Excess provision of income tax written back	-	31.65
Profit/Loss for the year	159.50	388.83
Profit/Loss brought forward	(2167.28)	(2326.79)
Accumulated Losses brought forward from MGF Services Limited	-	(151.57)
Total Profit / Loss	(2007.78)	(2089.53)
Appropriations		
Transferred to Statutory Reserves u/s 45-IC of the RBI Act, 1934	(31.90)	(77.76)
Balance carried forward to Balance Sheet	(2039.68)	(2167.29)

REVIEW OF OPERATIONS

The company is focussing its attention in recovery of the dues from the customers. The management is confident that with the maximum recovery, the funds generated will be deployed to earn better yield on investments.

DIVIDEND

In view of accumulated losses, the Board does not recommended any dividend for the year under review.

COMPANY'S CATEGORY

The company continues to hold the certificate issued by Reserve Bank of India in Category "B" as Non Accepting Deposits Non Banking Finance Company.

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 Note-21 of Notes on Accounts

Para 3(a)**Shortfall in value of Long Term Investments**

In regard to shortfall, management is of the view that these investments are in associate company which is running satisfactorily on Going Concern basis, the diminution in value is not of permanent nature and as such no provision for the shortfall has been considered necessary.

Para 3(b)

Accounting of Overdue Charges on Hire-Purchase/ Lease Receivables and Bill Discounted, Loans against hypothecation respectively, are accounted for on realisation basis, in view of significant uncertainties instead of on accrual basis.

In accordance with para viii (e) of accounting policy, overdues are consistently accounted for only on realisation basis.

Para 3(c) - 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 prudential norms as regards maintenance of Credit Adequacy Ratio (CAR), Credit/ Investments, etc

Observations in Annexure referred in paragraph 1 of the Auditor' Report (CARO)**b) 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.

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.

DIRECTORS' 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 as at the end of financial year ended 31st March, 2012 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 31st March, 2012 have been prepared on a Going Concern Basis.