



# INDIA LEASE DEVELOPMENT LIMITED

*30<sup>th</sup>*  
Annual Report  
2014-15





## **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.**

## **MANAGEMENT**

### **BOARD OF DIRECTORS**

#### **SHRI RAJIV GUPTA**

Chairman

#### **SHRI ARUN MITTER**

Director, CEO & CFO

#### **SHRI SHARAD AGGARWAL**

Director

#### **SMT SUMANA VERMA**

Director

#### **SHRI M.K. MADAN**

Director (Resigned w.e.f. April 9, 2015)

#### **SHRI ROHIT MADAN**

Manager & Company Secretary

### **AUDITORS**

#### **M/S S.N. DHAWAN & CO.**

CHARTERED ACCOUNTANTS  
C-37, CONNAUGHT PLACE,  
NEW DELHI – 110001

### **BANKERS**

BANK OF INDIA

KOTAK MAHINDRA BANK LTD.

### **REGISTERED OFFICE:**

MGF HOUSE, 4/17-B, ASAF ALI ROAD,  
NEW DELHI – 110002

PHONE : 011-41519433, 41520070

E-mail : [info@indialease.com](mailto:info@indialease.com)

Website: [www.indialease.com](http://www.indialease.com)

**CIN : L74899DL1984PLC019218**

### **REGISTRAR AND SHARE TRANSFER AGENTS**

#### **M/S ALANKIT ASSIGNMENTS LIMITED**

ALANKIT HEIGHTS,  
1E/13, JHANDEWALAN EXTENSION,  
NEW DELHI - 110055  
PHONE : 011-42541953-63

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## DIRECTOR'S REPORT

The Board of Directors of India Lease Development Limited take pleasure in presenting their 30<sup>th</sup> (Thirtieth) Report on the business and operations of the company and the accounts for the financial year ended March 31, 2015.

### 1. Financial Summary

The Board's Report is prepared based on the stand alone financial statements of the company. The company's financial performance for the year under review along with previous year figures are given hereunder:-

(₹ in lacs)

Financial Results	Year ended March 31, 2015	Year ended March 31, 2014
Gross Profit before depreciation, finance cost and provisioning	(13.98)	(43.59)
Less: Depreciation including impairment	1.33	0.93
Profit/(Loss) before provisions, exceptional items and tax	(15.31)	(44.52)
Add: Provision for doubtful debts written back	0.89	26.38
Add :Provision for diminution in value of investments	(13.54)	-
Less: Excess Depreciation of earlier years written back	(1.60)	-
Net Profit/(Loss) for the year	(26.36)	(18.14)
Total (Loss)	(2113.76)	(2087.40)
Losses carried forward to Balance Sheet	(2113.76)	(2087.40)

### 2. Review of Operations

Recovery of the dues is the main focus of the company and the management is confident that with the maximum recovery it would be possible to deploy the funds to earn better yield on investments.

### 3. Dividend & Reserves

In view of accumulated losses the company has not recommended any dividend for the year under review. Reserves and Surplus as on March 31, 2015 stood at ₹ 1447.70 lacs.

### 4. Share Capital

The Paid up Equity Share Capital as on March 31, 2015 stood at ₹ 1471.30 lacs. During the year there is no increase in the Share Capital.

### 5. Finance and Accounts

Your company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and have been prepared on historical cost basis. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect a true and fair manner.

### 6. Corporate Governance

As per Clause 49 of the Listing Agreement with the Stock Exchange, Auditor's Certificate regarding the compliance of conditions of Corporate Governance (**Annexure 'A'**) and Management Discussion and Analysis Report (**Annexure 'B'**) forms part of this report. A separate section on Corporate Governance practices followed by the company from the company's Auditors confirming compliance forms an integral part of this report.

### 7. Extract of Annual Return

Details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this report as **Annexure- C** and forms an integral part of the report.

### 8. Policy on Directors' Appointment and Remuneration and other details

The company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance report, which forms part of the directors' report.

As on the date of signing of this report, your board comprised of following four Directors

i) **Sh. Rajiv Gupta, Chairman**

The Board of Directors consequent to demise of Sh. Ved Prakash Gupta, Chairman Emeritus, designated Sh. Rajiv Gupta, as the Chairman, of the company with effect from May 21, 2005. Sh. Rajiv Gupta is a Bachelor in Engineering from IIT, New Delhi. His appointment was duly approved by the shareholders in the meeting held on December 8, 2005. He has immense business experience and all around knowledge on subjects concerning Hire Purchase, Leasing, Corporate Finance, Taxation and Administration. His continued association with the company is considered absolutely necessary and valuable.

ii) **Sh. Arun Mitter, Independent Director**

Sh. 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. Shareholders in their meeting held on September 18, 2014 approved appointment of Sh. Arun Mitter as independent director not liable to retire by rotation in terms of Section 149(13) of the Companies Act, 2013. He was appointed for a period of 5 years i.e September 18, 2014 to September 17, 2019 and to receive remuneration by way of meeting fee, if any, for participation in the meetings of the Board or Committee thereof.

iii) **Sh. Sharad Aggarwal, Independent Director**

Sh. Sharad Aggarwal is a qualified Chartered Accountant and also holds a Law Degree. His appointment on the board of the company will be quite useful. Shareholders in their meeting held on September 18, 2014 approved appointment of Sh. Sharad Aggarwal as independent director not liable to retire by rotation in terms of Section 149(13) of the Companies Act, 2013. He was appointed for a period of 5 years i.e September 18, 2014 to September 17, 2019 and to receive remuneration by way of meeting fee, if any, for participation in the meetings of the Board or Committee thereof.

iv) **Mrs. Sumana Verma, Non-Executive Non- Independent Additional Director**

Mrs. Sumana Verma is a graduate and her appointment on the Board of the company as an Additional Director, on the recommendation of the nomination and remuneration committee, is to comply with the provisions of section 149 of the Companies Act, 2013, regarding appointment of Woman Director. She has rich business experience and board is confident that her appointment will be quite useful to the company.

**Resignation of Director - Sh. M.K.Madan**

Sh. M.K. Madan, due to personal reasons, resigned on April 9, 2015 and his resignation was accepted by the board. The board placed on record the services rendered by him during his tenure as a director of the company.

9. **Director's Responsibility Statement**

The Directors confirm that to the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013.

- i) That in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards had been followed alongwith proper explanation relating to material departures, if any;
- ii) The directors had 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 of the company at the end of the financial year and of the loss of the company for that period.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That annual accounts have been prepared on 'going concern' basis.
- v) That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The audit observations on the financial statements are suitably explained as and where necessary in the notes on accounts.

**10. Directors retiring by rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the company's Articles of Association, Sh. Rajiv Gupta, Director retires by rotation in the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

**11. Appointment of Women Director**

Mrs. Sumana Verma was duly appointed on March 30, 2015 on the Board of Director of the company as an Additional Director in pursuance of Section 149(1) of the Companies Act, 2013, liable to retire by rotation, which office she holds till the next coming AGM.

**12. Key Managerial Personnel**

During the year under review, the company has identified following persons as Key Managerial Personnel.

Sl No.	Name of the Person	Designation
1.	Sh Rajiv Gupta	Chairman
2.	Sh. Arun Mitter	Director
3.	Sh. Rohit Madan	Manager & Company Secretary

**13. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out annual evaluation of its performance, the directors individually as well as the evaluation of the working of its Audit and Nomination and Remuneration Committees. It has also evaluated the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was also carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

**14. Number of Meetings of the Board**

The details of the number of meetings of the Board held during the Financial Year 2014-2015 forms part of the Corporate Governance Report.

**15. Particulars of Loans, Guarantees or Investments by the Company**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements. Refer Note No.35

**16. Whistle Blower Policy**

The Company has a whistle blower policy to report genuine concerns of grievances. The Whistle Blower Policy is also available on the website of the Company i.e. [www.indialease.com](http://www.indialease.com).

**17. Policy on Directors' Appointment and Remuneration and other details**

The company's policy on directors' appointment and any other matter provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

**18. Related Party Transactions**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. Further, there was no transaction with related parties that may have potential conflict with the interest of the company. Details of related party transactions entered into by the company in the ordinary course of business and at arm's length price are included in the notes forming part of the Financial Statements. Refer Note No. 35(7).

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval.

The Policy on Related Party Transactions, as approved by the Board of Directors, has been uploaded on the website of the Company. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

**19. Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under the current auditors of

the company M/s S.N.Dhawan & Co, Chartered Accountants (Firm Regd No.000050N) are eligible to hold office for the second consecutive year( in the term of three consecutive years approved at the Annual General Meeting held on September 18,2014) and as such, are recommended for reappointment to audit the accounts of the company for the financial year ending 2015-16. As required under the provisions of Section 139 of the Companies Act,2013, the company has obtained written confirmation from M/s S.N. Dhawan & Co, Chartered Accountants that their appointment, if made, would be in conformity within the limits specified in the said section.

The members are requested to appoint M/s. S.N. Dhawan & Co, Chartered Accountants, as auditors for the year ending 2015-16 and to fix their remuneration.

## 20. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the company has appointed M/s Anjali Yadav & Associates, a firm of Company Secretaries in Practice (FCS No.6628 & CP No.7257) to undertake the Secretarial Audit of the company. The Secretarial Audit Report is included as **Annexure-D** in Form No. MR-3 and forms an integral Part of this Report. There is no secretarial audit qualification for the year under review.

## 21. Internal Auditor & Internal Control

The internal audit has been entrusted to Mr. S.K. Aggarwal, a Chartered Accountant.

The company has in place adequate internal financial controls with reference to the financial statement and is in commensurate with its size, scale and complexities of its operations.

The Audit Committee periodically reviews the internal control systems with the management, internal auditors and statutory auditors and the adequacy of internal audit function, significant internal audit findings and follow ups thereon. As required under the provisions of Section 138 of the Companies Act, 2013, the company has obtained written confirmation from Sh. S.K. Aggarwal, Chartered Accountant, internal auditor, for his consecutive reappointment as internal auditor for the financial year ending 2015-16

## 22. Risk Management

The Board of directors has formed a risk management committee to frame, implement and monitor the risk management plan for the company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls.

The development and implementation of risk management policy has been covered in the management discussions and analysis, which forms part of this report.

## 23. Board Committee

The Board has the following committees:-

### (i) Audit Committee

The audit committee of the Board of the Directors comprises of three (3) directors namely Sh. Rajiv Gupta, Sh. Arun Mitter, Sh. Sharad Aggarwal. Sh. Arun Mitter and Sh. Sharad Aggarwal are independent directors. Sh. Arun Mitter is the Chairperson of the Audit Committee.

The Board accepts recommendations of the Audit Committee whenever made by the committee.

### (ii) Nomination & Remuneration Committee

Nomination & Remuneration Committee comprises of four(4) directors namely, Sh. Rajiv Gupta, Sh. Arun Mitter, Sh. Sharad Aggarwal, and Mrs. Sumana Verma. Out of four Directors, two directors are Independent Directors namely Sh. Arun Mitter and Sh. Sharad Aggarwal. Sh. Arun Mitter is the Chairman of the Remuneration & Nomination Committee.

The Board accepts recommendations of the Committee in the matter of appointment/reappointments of the Directors, Senior Managers and fixation of remuneration etc.

### (iii) Stakeholders Relationship Committee

Stakeholders Relationship Committee comprised of three (3) Directors, namely Sh. Rajiv Gupta, Sh. Arun Mitter and Sh. M.K.Madan. Sh. M.K. Madan ceased to be director on April 9, 2015. Out of two Directors, one director is Independent Director. Sh. Arun Mitter, Independent Director, is the Chairman of Stakeholders Relationship Committee.

The Committee looks into and resolve the grievances of the stakeholders.



(iv) **Risk Management Committee**

Risk Management Committee comprises of two(2) Directors, namely, Sh. Arun Mitter and Sh. Sharad Aggarwal, both independent directors. Sh. Arun Mitter, Independent Director, is the Chairman of the Risk Management Committee.

24. **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.

25. **Unpaid/Unclaimed Dividend- Investors Education and Protection Fund(IEPF)**

In view of compliance of Section 205C of the Companies Act, 1956 read with Investors Education and Protection Fund(Awareness and Protection of the Investors) Rules, 2003, the dividend which remained unclaimed and unpaid, if any, for a period of seven years from the date they became due for payment has been transferred to the above Fund.

26. **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 under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

27. **Listing of Shares**

The shares of the company are listed on the BSE Limited(BSE) The Listing fee for the year 2015-16 has already been paid to the credit of the stock exchange.

28. **Dematerialization**

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, 1E/13, Alankit Height, Jhandewalan Extension, New Delhi-110055.

Further The 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 Participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the company.

29. **Compliance of the Statutory Authorities**

The Company has complied with the requirements of the Stock Exchange, SEBI and Other statutory authorities on all matters relating to the capital market 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.

30. **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](http://www.indialease.com).

31. **Insider Trading Code**

The Board of Directors in their meeting held on May 14, 2015 has adopted a Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015 superseding the 1992 Code. The code is applicable to all designated and connected persons of the company and their immediate relatives, promoters, promoter group, all directors who are expected to have access to unpublished price sensitive information relating to the company. The company has appointed Mr. Rohit Madan, Manager & Company Secretary, as Compliance Officer under the said regulations.

32. **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](mailto:ildcomplaints@indialease.com) for the purpose of registering complaints by investors for redressal of their grievances.

33. **Nomination Facility**

In case, any of the members wish to avail facility of Nomination Form(Form SH-13) alongwith instructions, they are requested to send the duly completed form to the Registrars of the Company and/or at the Registered Office of the Company.



34. **Consolidation of folios**

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.

35. **Public Deposits**

The company has not taken or invited any fixed deposits from the public during the year under review within the meaning of Section 73 of the Companies Act, 2013 or rules made thereunder. Accordingly, there are no unclaimed deposits.

36. **Conservation of energy, Technology, Absorption and Foreign Exchange earnings/Outgo**

In terms of the requirements of clause (m) of sub section(3) of Section 134 of the Companies Act,2013, read with the Companies(Accounts)Rules, 2014, the particulars are given as under:-

- a) Technology - It is not applicable  
b) Conservation of Energy -do-

c) <b>Transactions in Foreign Currency:</b>	<b>This Year</b>	<b>Previous Year</b>
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	7001	9301
No. of Shareholders	15	14

The Company had no earnings in foreign exchange.

37. **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**  
**Dated: August 13, 2015**

**Rajiv Gupta**  
Chairman  
DIN:00022964

**CORPORATE GOVERNANCE REPORT****Company's Philosophy on Code of Corporate Governance**

Corporate Governance represents the value, ethical and moral framework under which business decisions are taken. The investors want to be sure that not only is their capital handled effectively and adds to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involving moral hazard.

Your company perceives good corporate governance practices as a key driver of sustainable corporate growth and long term shareholder value creation. The primary objective is to develop and adhere to a corporate culture of harmonious and transparent functioning, increasing employee and customer satisfaction and enhancing shareholders' wealth by developing capabilities and identifying opportunities that best serve the goal of value creation. All actions and strategic plans are directed towards delivering value to all stakeholders, as well as conform to the highest standards of corporate behaviour.

**1. Board of Directors ("Board")**

The composition of the Board of Directors of the company is in conformity with Clause 49 of the Listing Agreement entered into with Stock Exchange

The Board as on the date of signing of this report comprises of five Directors.

All the Directors on the Board are eminently qualified and experienced professionals in Business, Finance and Corporate Management. The Chairman of the Board is an Non-Executive.

**i) Constitution of the Board:**

SI No.	Name of Director	Status
1.	Sh. Rajiv Gupta	Non-Executive -Chairman
2.	Sh. Arun Mitter	Independent Director
3.	Sh. Sharad Aggarwal	Independent Director
4.	Sh. M.K.Madan*	Director
5.	Mrs. Sumana Verma	Non-Executive Director

\*Sh. M.K.Madan ceased to be a Director w.ef. April 9, 2015.

Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited companies. Members of the Board of the company do not have membership of more than ten Board level Committees or Chairman of more than five such Committees.

Details of Directors retiring or being reappointed are given in the Notice to Annual General Meeting. The brief profile of the Board Members is given in the website of the company [www.indialease.com](http://www.indialease.com)

**ii) Independent Directors**

The Independent Directors fulfill the conditions of Independence specified in Section 149(6) of the Companies Act, 2013 and Rules made thereunder and meet with the requirement of clause 49 of the Listing Agreement entered into with the Stock Exchanges, A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Agreement has been issued and disclosed on the website of the company viz. [www.indialease.com](http://www.indialease.com)

**iii) Role of Independent Directors**

Independent Directors play an important role in deliberations at the Board Meetings and bring to the company their wide experience in the field of finance, accountancy and public policy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The company benefits immensely from their inputs in achieving its strategic directions

The Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee and the CSR Committee have majority of independent directors. These committees function with the defined terms of reference in accordance with the Companies Act, 2013, the listing agreements and as approved by the board, from time to time. Board Members ensure that their work in other capacities do not impinge on their fiduciary responsibilities as directors of the company.