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ANNUAL REPORT 2011

ASSOCIATED FINLEASE LIMITED

Notice

Notice is hereby given that the 17th Annual General Meeting of the Members of the Company will be held on Thursday, 29th September, 2011 at 10:30 A.M at the registered office of the company at D-157, Block- D, Preet Vihar, New Delhi-110092 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Accounts for the year ended on 31st March, 2011 and the Auditors and Directors Reports thereon.
2. To appoint a director in place of Mr. Santosh Kumar Garg who is liable to retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the company, to hold office from the conclusion of ensuing meeting until the conclusion of the next Annual General Meeting, M/s SUDHIR AGARWAL & ASSOCIATES., Chartered Accountants, the retiring Auditors, being eligible, offer themselves for reappointment and to fix their remuneration.

Special Business

4. To Consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution

"Resolved that pursuant to the provisions of Section 198, 269, 309, 314 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, the Board of Directors hereby accords its approval for the appointment of **Shri Santosh Kumar Garg** as Managing Director for a period of Five years effective from 25th August 2011, on the terms and conditions as set out in the resolution, a copy of which initialed by a Director for the purpose of identification is placed before the meeting and the Board of Directors be and are hereby authorized to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any statutory modifications thereof, as may be agreed to by the Board of Directors and Shri Santosh Kumar Garg."

By the Order of the Board
For ASSOCIATED FINLEASE LIMITED

Place : New Delhi
Dated : 25.08.2011

Sd/-
(Managing Director)

NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THAT MEETING.
2. REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS WILL BE CLOSED FROM SATURDAY 24.09.2011 to THURSDAY 29.09.2011 (BOTH THE DAYS INCLUSIVE).
3. MEMBERS ARE REQUESTED TO PLEASE NOTIFY IMMEDIATELY ANY CHANGE IN THEIR ADDRESSES TO THE COMPANY.
4. MEMBERS/PROXIES SHOULD BRING THE ATTENDANCE SLIP DULY FILLED IN FOR ATTENDING THE MEETING.

SHAREHOLDERS SEEKING ANY INFORMATION WITH REGARD TO ACCOUNTS ARE REQUESTED TO WRITE WELL IN ADVANCE SO AS TO REACH THE COMPANY AT LEAST 7 DAYS PRIOR TO THE ANNUAL GENERAL MEETING TO ENABLE THE MANAGEMENT TO KEEP THE INFORMATION READY AT THE AGM.

ANNEXURE TO THE NOTICE

Explanatory statement in pursuant to the provision of section 173 of the Companies Act, 1956 in respect to the special business.

Item No-4

The board of directors of the company at their meeting held on 25.08.2011 appointed Shri Santosh kumar Garg as the Managing Director of the Company for a period of five years effective from 25.08.2011 on the terms of appointment and remuneration payable to Sh. Santosh Kumar Garg, managing Director of the Company as are specified in the draft agreement to be executive between him and the company, a copy of which (as has also been approved by the board of directors) will be placed before the meeting and is subject to the approval of the shareholders and other approvals, if any, as may be necessary. The Board of Directors recommends the following Terms.

- 1 The Managing Director shall exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter called the "Board") shall from time to time, determine and subject to any directions and restrictions from time to time given and imposed by the Board and further subject to the superintendence, control and direction of the Board, he shall have the general control, management and superintendence of the business of the company with power to appoint and dismiss employees and to enter into contracts on behalf of the company in the ordinary course of business and to do and perform all other acts, deeds and things which in ordinary course of business, he may consider necessary or proper or in the interest of company, provided however that nothing shall be done which by the Act or the Articles of the Company shall be transacted at a meeting of the Board by resolution or which shall not be effective unless approved by the Board or which are not expressly provided.
- 2 Without prejudice to the generality of the power vested in the Managing Director here in above, he shall be entitled to exercise the following powers: -
 - i) With the Boards approval to open and operate singly or otherwise any banking or other account and to draw, make, accept, execute, endorse, discount, negotiate, retire pay satisfy and assign cheques drafts bill of exchange, promissory notes, hundi, interest and dividend warrants and other negotiable or transferable instruments or securities.
 - ii) To borrow moneys with or without security for the purpose of business of the company, subject to course to the approvals of the company as required under section 293 (1)(d) of the Act and approval of the Board of Directors of the company as required under Section 292 of the Act and subject further to such maximum limit a the Board may impose from time to time while giving its approval.
 - iii) To incur capital expenditure on behalf of the company.
 - iv) To invest funds of the Company (other than in the shares of the other companies covered by Section 372 A of the Act and fixed deposit with the Company's bankers.
 - v) To appoint franchisees / distributors for the sale of the products of the company subject to prior approval of the board whenever necessary:
 - vi) To ensure that all taxes due to the Central and State Government and Local Authorities are paid promptly.
 - vii) To engage persons in the employment of the Company.
 - viii) To increase the salary or the remuneration of any employee of the company and to sanction annual increases.
 - ix) To enter into contracts for the purchase of goods for the company subject to approval of the Board of Director in terms of Section 297 and 299 of the Act, wherever necessary.
 - x) To institute, prosecute, defend, oppose, appear or appeal to compromise refer to arbitration abandon and execute or become non suited in any legal proceedings including trade names, trade properties and passing off actions and revenues proceeding relating to customs services or excise duty taxes on income, profit and capital and taxation generally or otherwise.

3. The Managing Director shall throughout the said term, devote his entire time attention and abilities to the business of the company and shall carry out the orders from time to time of the Board and in all respect conform to and comply with the directions and regulations made by the Board, and shall faithfully service the company and use his utmost endeavors to promote to the interests of the company.
4. The Managing Director shall not, during the period of his employment and without the previous consent in writing of the board, engage or interest himself either directly or indirectly in the business or affairs of any other persons, firms, company, body corporate or in any undertaking or business of a nature similar to or competing with the company's business and further shall not in any manner whether directly or indirectly use apply or utilize his knowledge or experience for in the interest of any such business of a nature similar to or competing with the company business and further shall not in any manner whether directly or indirectly use apply or utilize his knowledge or experience for in the interest of any such persons firm company or body corporate as aforesaid or any such competing undertaking or business aforesaid.
5. The Managing Director shall not during the continuance of his employment with the company divulge or disclose to any person, firm, company or any body corporate whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the company or as to any trade secrets or secrets process of the company and he shall, during the continuance of his employment hereunder, also use his best endeavors to prevent any other persons, firm, company or body corporate concerned from doing so.
6. The Managing Director during the continuance to these terms of appointment will not be paid any remuneration in consideration of the performance of his duties.
7. Either of the party shall terminate these terms of appointment by giving the advance notice of one month provided that the company may waive the notice.
8. The terms and conditions hereof shall be subject to the approval of the shareholders of the company in general meeting.
9. Sitting fees: Sitting fees will be paid Rs 1000/- within the limits prescribed by Schedule XIII of the Companies Act 1956.

Except Mr. Santosh Kumar Garg, none of the Director are interested or concerned in the resolution.

By the Order of the Board
For **ASSOCIATED FINLEASE LIMITED**

Place : New Delhi
Dated : 25.08.2011

Sd/-
(Managing Director)

DIRECTORS REPORT

To,
The Members

M/s ASSOCIATED FINLEASE LIMITED

Your Directors have pleasure in presenting the 17th Annual Report on the business, operations and financial performance of the company during the financial year ended 31st March 2011.

FINANCIAL RESULTS**Rs. (In lacs)**

Particulars	For The Year Ended	
	31 st March 2011	31 st March, 2010
Sales/Operating Income	195.00	—
Gross Profit/ (Loss) after interest but before depreciation & taxation	3.45	(0.37)
Less: Depreciation	—	—
Less: Income Tax/ FBT	1.07	—
less: Decrease in Deferred tax assets during the year	—	—
Profit/(Loss) after tax	2.38	(0.37)
Transfer to General Reserve/ P & L	—	—

BUSINESS REVIEW

The year has ended with a Net Profit of Rs. 238326.00 as against Net Loss of Rs. 37110.00 of last year. The Company is exploring avenues for business opportunities and wish to enter in new area of activity. The Company is trying its best to keep its expenses in check in spite of inflationary trends and to revive the business of the Company. Baring unforeseen circumstances- we expect better performance in the current year.

DIVIDEND

In view of loss during the year, no dividend is being recommended.

BOARD OF DIRECTORS

Shri Santosh Kumar Garg, Director of the Company retires at the forthcoming Annual General Meeting and being offer himself for reappointment.

Your board of directors consist of the following directors:-

Mr. Santosh Kumar Garg	:	(Managing Director)
Mr. Hari Om Bhatia	:	(Director)
Mr. Arvind Kumar Agarwal	:	(Director)

CORPORATE GOVERNANCE

As per the Listing Agreement with the Stock Exchanges, A separate report on Corporate Governance has been attached to this report.

DIRECTORS RESPONSIBILITY STATEMENT

In pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

1. That in the preparation of the accounts for the financial year ended 31st March, 2011 the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
2. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 profit of the company for the year under review.
3. That 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.

4. That the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a going concern basis.

AUDITORS

M/s SUDHIR AGARWAL & ASSOCIATES, Chartered Accountants holds office of the Statutory Auditors of the Company until the conclusion of the ensuing Annual General Meeting is eligible for re-appointment.

The Company has received certificate from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224 (IB) of the Companies Act, 1956 and they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

PARTICULARS OF EMPLOYEES

As required by the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975, as amended, no employee was in receipt of remuneration exceeding the prescribed limit.

PUBLIC DEPOSITS

During the year, the company has not accepted any deposit from public within the meaning of section 58-A of the Companies Act, 1956 read with the companies (Acceptance of Deposits) rules, 1975.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

Particulars with respect to conservation of energy, Technology absorption, Foreign Exchange Earnings & outgo as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this report.

APPRECIATION

The Company places on record its deep appreciation of the devoted services of r staff, the investors, the bankers, business associates & all other stakeholders for their continued support to the company from time to time.

By the Order of the Board
For ASSOCIATED FINLEASE LIMITED

Place : New Delhi
Dated : 25.08.2011

Sd/-
(Director)

Sd/-
(Managing Director)

ANNEXURE TO THE DIRECTORS REPORT**CONSERVATION OF ENERGY**

The operations of your Company do not consume high levels of energy. Adequate measures have been taken to conserve by using energy, efficient computers and equipment.

A. TECHNOLOGY ABSORPTION

1. Specific areas in which R & D carried out are as follows:
 - a. Review of the existing courses and evaluation of feasibility of the new courses to be launched and estimating the costing thereof.
 - b. Providing technical support on existing products.
2. Benefits derived as a result of the above R & D:
As a result the organization is being able to implement current courses.
3. R&D plans to enter in the capital market.
4. Expenditure on R & D: NIL

B. FOREIGN EXCHANGE EARNINGS

There were no foreign exchange earnings as well as outgo of the company during the year under report.

Report on Corporate Governance

(As required by clause 49 of the Listing Agreement of the Stock Exchanges)

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

GOOD CORPORATE GOVERNANCE MEANS ADOPTION OF BEST BUSINESS PRACTICES TO ENSURE THAT THE COMPANY NOT ONLY OPERATES WITHIN REGULATORY FRAMEWORK, BUT IS ALSO GUIDED BY ETHICS. Your Company possesses an ethical mindset about the values of good Corporate Governance. For Associated, Corporate Governance stands for responsible and value creating management and control of the Company. The company's policies and practice are not only consistent with the statutory requirement but also underline its commitment to operate in the best interest of its stakeholders.

Associated is committed to maintain highest standards of ethical behaviour and makes an honest endeavour to uphold the attributes of transparency, independence, accountability, responsibility and growth in all aspects of its operations.

II. BOARD OF DIRECTOR

The composition of board is as follows:

S. No.	Name of the director	Status
1	Santosh Kumar Garg	Executive Director (M.D.)
2	Hari Om Bhatia	Non executive Director
3	Arvind Kumar Agarwal	Non executive Independent Director

Attendance of each director at Board Meetings and the last AGM

During the year, 5 board meeting were held on 25.04.2010, 30.07.2010, 30.08.2010, 29.10.2010 and 29.01.2011. The attendance and composition and category of directors are as follows:

Name of the Director	Attendance Particulars			Committee Memberships/Chairmanships in our Company		Number of other Directorships & Committee Memberships
	No. of Board Meeting		Last AGM	Memberships	Chairmanships	Director-ships
	Held	Present				
Hari Om Bhatia	5	5	Yes	2	—	—
Santosh Kumar Garg	5	5	Yes	2	—	—
Arvind Kumar Agarwal	5	5	Yes	—	2	—

III. COMMITTEES OF THE BOARD

a) Audit Committee

As per the provisions of the Listing Agreement and pursuant to Section 292A of the Companies Act, 1956, the Audit Committee has been set up to review the internal audit reports and financial statements at periodic intervals.