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ANNUAL REPORT 2012

ASSOCIATED FINLEASE LIMITED

ASSOCIATED FINLEASE LIMITED

ANNUAL REPORT FOR THE FINANCIAL RESULT 2011-2012

BOARD OF DIRECTORS

Mr. Santosh Kumar Garg	Managing Director
Mr. Hari Om Bhatia	Director
Mr. Arvind Kumar Agarwal	Director
Mr. Nikhil Bansal	Director

REGISTERED & ADMINISTRATIVE OFFICE

D-157, Block-D, Preet Vihar
NewDelhi-110092

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Notice of the 18th Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting of the Members of the Company will be held on Friday, 28th September, 2012 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, 2012 and the Auditors and Directors Reports thereon.
2. To appoint a director in place of Mr. Arvind Agarwal 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.

By the Order of the Board
For ASSOCIATED FINLEASE LIMITED

Place : New Delhi
Dated : 01/09/2012

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 SUNDAY 23/09/2012 TO FRIDAY 28/09/2012 (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.
5. 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.
6. THE MEMBER ARE REQUESTED TO: -
 - a. INTIMATE CHANGES IF ANY IN THEIR ADDRESS TO THE COMPANY OR TO THE REGISTRAR AND SHARE TRANSFER AGENT OF THE COMPANY, **M/s SKYLINE FINANCIAL SERVICES (P) LTD.** AT D-153A, OKHLA INDUSTRIAL AREA, PHASE-I, DELHI-110020.PH-011-30857575.
 - b. QUOTE FOLIO NUMBER IN ALL THEIR CORRESPONDENCE WITH THE COMPANY.
 - c. BRING THEIR COPIES OF ANNUAL REPORT INCLUDING ATTENDANCE SLIP AT THE VENUE FOR THE AGM.
7. MEMBER HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO LODGE SHARE TRANSFER, TRANSMISSION AND INTIMATE CHANGES, IF ANY, IN THEIR REGISTERED ADDRESS, BANK ACCOUNT AND MANDATE DETAILS, RESIDENTIAL STATUS ETC. QUOTING THEIR FOLIO NUMBER(S) TO COMPANY'S SHARE TRANSFER AGENT.

DIRECTORS REPORT

To,

The Members

M/s ASSOCIATED FINLEASE LIMITED

Your Directors have pleasure in presenting the 18th Annual Report on the business, operations and financial performance of the company during the financial year ended 31st March 2012.

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

Particulars	For The Year Ended	
	31 st March 2012	31 st March, 2011
Sales/Operating Income	148.76	195.00
Other Income	1.71	—
Less : Expenses:		
Purchase of Stock in trade	1009.88	1224.22
Changes in Inventories of Stock In Trade	—	—
Employee Benefit Expenses	3.54	3.00
Finance Cost	—	0.44
Depreciation and Amortisation	0.33	1.25
Administrative & Other expenses	9.46	1.86
Profit Before Tax	4.04	3.45
Less: Income Tax	0.67	1.07
Differed Tax	0.05	—
Profit/(Loss) after tax	3.32	2.38

BUSINESS REVIEW

The year has ended with a Net Profit of Rs. 332375.00 as against Net Profit of Rs. 238326.00 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

No dividend is being recommended.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Director adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges and have implemented all the prescribed requirements.

A separate report on Corporate Governance as stipulated, under Clause 49 of the Listing Agreement, with the Stock Exchanges and have implemented all the prescribed requirements.

A Certificate from the Auditors of the Company M/S Sudhir Agarwal & Associates confirming compliance of conditions of Corporate Governance as stipulated in Clause 49 is annexed to this report.

Listing Status:

Your Company is listed on Bombay Stock Exchange, Delhi Stock Exchange and Jaipur Stock Exchange

BOARD OF DIRECTORS

Shri Arvind Agarwal, 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)
 Mr. Nikhil Bansal : (Director)

DIRECTORS RESPONSIBILITY STATEMENT

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, 2012 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, 2012 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.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

In terms of the above rules, your directors are pleased to give the particulars as prescribed therein in the annexure, which form part of the Directors' Report.

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.

The Audit Committee comprises following three members having strong background in financial management:-

S.No.	Name of Directors	Category
1.	Sh. Arvind Agarwal	Chairman (Non-executive Independent)
2.	Sh. Hari Om Bhatia	Member (Non Executive Non Independent)
3.	Sh Santosh Kumar Garg	Member (MD and Executive)

b. INVESTORS/SHAREHOLDERS' GRIEVANCE COMMITTEE

In pursuance of the provisions of the Listing Agreement, the company has also set up a Shareholders/ Investor's Grievance Committee to ensure maximum security to the concern of the shareholders. The committee consists of a Non Executive Chairman and other two members of the names as follows:

S.No.	Name of Directors	Category
1.	Sh Arvind Agarwal	Chairman
2.	Sh. Hari Om Bhatia	Member
3.	Sh. Santosh Kumar Garg	Member

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 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 : 01/09/2012

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. 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.

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Earnings in Foreign currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

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 Finlease Limited, 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 Finlease Limited 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 (Managing Director)
2	Hari Om Bhatia	Non executive and Non Independent
3	Arvind Kumar Agarwal	Non executive Independent Director
4	Nikhil Bansal	Non executive Independent Director

Attendance of each director at Board Meetings and the last AGM

During the year, Nine board meeting were held on 30/04/2011, 16/06/2011, 10/08/2011, 25/08/2011, 05/11/2011, 28/11/2011, 09/02/2011, 29/02/2011, 16/03/2012. 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	Directorships
	Held	Present				
Hari Om Bhatia	9	9	Yes	2	—	3
Santosh Kumar Garg	9	9	Yes	2	—	1
Arvind Kumar Agarwal	9	9	Yes	—	2	2
Nikhil Bansal	9	3		—	—	3

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.

The Audit Committee comprises following three members having strong background in financial management:-

S. No.	Name of Directors	Category
1.	Sh. Arvind Agarwal	Chairman (Non-executive Independent)
2.	Sh. Hari Om Bhatia	Member (Non Executive Non Independent)
3.	Sh Santosh Kumar Garg	Member (MD and Executive)

Meetings of the Audit Committee:

During the year, The Audit Committee Meetings were held on 30/04/2011, 10/08/2011, 25/08/2011, 05/11/2011, 09/02/2012. All the members of the committee were present in the meetings held during there respective tenure.

Role of the Audit Committee:

The Audit Committee of the Company, inter-alia, provides assurance to the Board on the existence and adequacy of effective internal control systems. Brief description of the terms of reference to the Audit Committee: -

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment of any other services.
- c) Reviewing and recommending the appointment and removal of managerial personnel, fixation of remuneration and also approval for payment for any other services as recommended by the Remuneration Committee.
- d) Reviewing with management of the annual financial statements before submission to the board, focusing primarily on:
 - e) Any changes in accounting policies and practice.
 - f) Major accounting entries based on exercise of judgment by management.
 - g) Qualifications in draft audit report.
 - h) Significant adjustments arising out of audit.
 - i) The going concern assumption.
 - j) Compliance with accounting standard.
- k) Any related party transactions of the company of material nature, with Promoters or the management, their subsidiaries or relatives etc. that May have potential conflict with the interests of Company at large.
- l) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- m) Reviewing the adequacy of internal audit functions and discussion with internal auditors on any significant findings and follow-up there on.
- n) Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- o) Discussion, with external auditors before the audit commences, of nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- p) Reviewing the Company's financial and risk management Policies.
- q) To look into the reasons for substantial defaults in the payment to the creditors.
- r) To consider and review any other matter as may be directed by the Board.

b) INVESTORS /SHAREHOLDERS GRIEVANCE COMMITTEE

The Company has set up the Shareholders Grievances/ Share Transfer Committee, constituted by the Board, to approve inter- alias transfer/ transmission of shares, issue of duplicate share certificates, approving the split and consolidation requests and other matter including Shareholders complaints and grievances. The Committee also reviews the periodicity and effectiveness of the Share transfer process, statutory certifications.