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NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of M/s. IITL Finlease & Securities Limited will be held on Saturday , the 29th day of September, 2012 at 11 A.M. at the Registered Office of the Company situated at B – 08, GD – IITL Tower, Top Floor, Netaji Subhash Place, Pitampura, Delhi - 110034 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Rakesh Trivedi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Ramesh Kumar Jajodia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and fix their remuneration and for the purpose to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 224 of the Companies Act, 1956, M/s. GMR & Co., Chartered Accountants, Delhi, the retiring Auditors, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors.”

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**DATED: 01.09.2012
NEW DELHI**

**(B.L.GUPTA)
DIRECTOR**



NOTES:

- 1 Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 26th day of September, 2012 to Saturday, the 29^h day of September, 2012(both days inclusive).
3. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a Member of the Company
4. Proxy in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
5. Members seeking any information or having any query with regards to Accounts are requested to write to the Company at least one week before the date of the Meeting so as to enable the Management to keep the information ready.
6. Members are requested to bring their copies of Annual Reports with them to the Meeting, as extra copy of the Annual Report will not be available for distribution at the Meeting.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**DATED: 01.09.2012
NEW DELHI**

**(B.L.GUPTA)
DIRECTOR**



DIRECTORS' REPORT

**To
The Members,**

Your Directors have the pleasure in presenting their 21st Annual Report of the Company together with the Audited Annual Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

The Financial Results for the year under review are summarized as under:

(Amount in Rs.)

Amount in Rs.

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
Profit before exceptional and extraordinary items and tax	30,95,783	20,58,618
Less: Exceptional items	Nil	Nil
Profit before extraordinary items	30,95,783	20,58,618
Less: Extraordinary items	Nil	Nil
Profit before tax	30,95,783	20,58,618
Tax expense:		
- Current Tax expense for the current year	9,82,000	6,70,550
-Current tax expense for the prior years	356	35,692
- Deferred Tax(Reversal)	(23,886)	(24,776)
Profit from continuing operations	21,37,313	14,04,152
Profit/(Loss) from discontinuing operations	Nil	Nil
Add /(Less) : Tax expense from discontinuing operations	Nil	Nil
Profit for the year	21,37,313	14,04,152

OPERATIONS

During the year under review, your Company has earned a total Income of Rs.54,22,518/-only as compared to the total Income of Rs.51,18,277/- during the fiscal year 2010-2011.

FIXED DEPOSIT



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Your Company has not accepted any Fixed Deposits from the general public in violation of the RBI guidelines.

DIRECTORS

Sh. Rakesh Trivedi ,Director and Sh. Ramesh Kumar Jajodia ,Director retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as Director(s).

The proposals regarding the re-appointment of the aforesaid Directors are placed for your approval.

A brief resume of the Director(s) re-appointed at the ensuing Annual General Meeting, nature of their expertise in specific Functional areas and names of Companies in which they hold Directorship and/or membership/ Chairman of Committees of the Board as stipulated under Clause 49 of the Listing Agreement with the Stock exchanges is given in the Section on Corporate Governance elsewhere in the Annual Report.

AUDITORS

- I. M/s GMR & Co. Chartered Accountants, retires as Statutory Auditors of the Company at the conclusion of the forthcoming Annual General Meeting and have given their consent for re-appointment. The Shareholders will be required to elect Statutory Auditors for the current year.
- II. As required under the provisions of Section 224 (1B) of the Companies Act, 1956, the Company has obtained a written certificate from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

AUDITORS' REPORT

The Auditors Report on the Accounts of the Company for the year under review is self-explanatory and requires no comments.

CORPORATE GOVERNANCE

Your Company is fully committed to the philosophy of transparency and believes in conducting the business with due compliance of all the applicable laws, rules and



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regulations. Your Company has duly implemented the system of Corporate Governance as per the requirements of the Listing Agreement.

A Report on Corporate Governance along with Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to the Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed: -

- a. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2012, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b. that the Directors had 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 or loss of the Company for the year under review;
- c. 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 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. that the Directors had prepared the accounts for the year ended 31st March, 2012 on a going concern basis.

PARTICULARS OF EMPLOYEES

Statement giving particulars of employees as required by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not required to be annexed to this Report, as no employee is coming under the purview of the Section of the Companies Act, 1956 during the year under review.



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**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION,
FOREIGN EXCHANGE EARNING AND OUT GO.**

The information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy & Technology Absorption are not applicable since the Company is in financial service sector.

The Company neither used nor earned any Foreign Exchange during the year under review.

ACKNOWLEDGEMENT

Your Directors are pleased to place on record their sincere gratitude and would like to express their grateful appreciation to the valuable assistance, cooperation and support received from the Shareholders as well as Bankers of the Company.

The Directors also acknowledge the sincere services rendered by its personnel at all levels.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**DATED: 01.09.2012
NEW DELHI**

**(B.L.GUPTA)
DIRECTOR**

**(I.P.JAIN)
DIRECTOR**



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Developments:

ITL Finlease and Securities Limited is a RBI registered Non Banking Finance Company (NBFC) engaged in the business of Finance & Investment activities. The Indian Shareholder has been a witness to the challenging socio-political environment in the year. Both the Finance Ministry and the Reserve Bank of India (RBI) had estimated GDP growth to be upwards of 8% for the F.Y. 2011-12. RBI policy of reducing liquidity in the system was supported by the hypothesis that growth in itself is a push to inflation. The RBI Governor at a CII Convention stated that “short term sacrifice to growth is an inevitable cost to pay for price stability in a supply constrained economy”. At the end of the financial year, inflation still remains high but growth has fallen to 6.5%. The trade deficit is estimated to increase from USD 119 billion for the year ended March 2011 to USD 185 billion for the year ended March 2012. This has added stress to our forex reserves and the exchange rate of the rupee vis-à-vis other currencies. The country’s dependency on capital inflows is best indicated by the need to balance the monthly current account deficit of approximately USD 5.8 billion with commensurate capital inflows. A depreciating rupee is a cause for concern to asset managers and may make India an unattractive destination for global inflows over the medium term. FIIs inflows are, in any case, fluid and can be easily reallocated elsewhere by global fund managers. The case for reallocation to other destinations stands enhanced with the legal uncertainties which have arisen from the proposed retrospective changes in tax laws in the current year’s Budget.

Outlook on Opportunities:

There exist a tremendous potential for housing finance, hire purchase and the company is hopeful of achieving higher volumes of business with the existing favourable fiscal incentives and tax concessions.

Outlook on Threats, Risk and Concerns:

A major threat appears to be an account of further reduction of interest rates, which might affect the profitability of the Company. However, your Company expects stability in interest rates in the years ahead and is confident of meeting the challenges. The Company functions as an investment company with a primary objective of long term appreciation in the value of its portfolio.

Expansion/Product Development:



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Since the Company is in financial service sector, the Report on Expansion/Product Development is not applicable.

Internal Control Systems and Adequacy:

The Company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. The internal control system provides for well-documented policies, guidelines, authorizations and approval procedures.

The Company has constituted an Audit Committee, which continuously reviews the internal control procedure and suggestion given by the Committee are immediately incorporated into the system.

Financial and Operational Performance:

The same has been discussed in the Directors' Report.

Human Resources:

The Company regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and processes to attract and retain its substantial pool of technical and managerial resources through a work environment that encourages initiatives, provide challenges and opportunities. Adequate facilities and opportunities are also being provided to the technical and professional staffs to update themselves in the fast changing era of technologies.

Cautionary Statement:

The statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

M/s. ITL Finlease & Securities Limited believes in functioning in a transparent manner with the basic philosophy being to enhance the Shareholders' values, keeping in mind the needs and interest of the Shareholders. Your Company continues to follow procedures and practice in conformity with the code of Corporate Governance as enunciated in the Listing Agreement. Following disclosures set out the approach and commitment of the Company towards the Corporate Governance.

BOARD OF DIRECTORS

a) Composition of Board

The Board of Directors of the Company consisted of Six (6) Directors including three (3) Independent Directors namely Sh. B.L. Gupta, Sh. Kailash Jajodia and Sh. I.P. Jain, all non executive Directors and Sh. Jugal Kishore Maheshwari, Sh. Rakesh Trivedi and Sh. Ramesh Kumar Jajodia , all Independent Directors of the Company. The Composition of the Board is in conformity with the Listing Agreement.

b) Board Meetings

During the year, seven (7) Meetings of the Board of Directors were held respectively on 23.04.2011, 09.05.2011, 20.06.2011, 05.08.2011, 23.08.2011, 05.11.2011 , 10.01.2012 and 07.02.2012.

The details regarding the attendance of Directors at the Board Meeting, Number of Directorships and Committee positions held by them in other Companies are given below:



NAMES OF THE DIRECTORS	CATEGORY/ POSITION	LAST ANNUAL GENERAL MEETING ATTENDED	NO. OF BOARD MEETINGS ATTENDED OUT OF 8 HELD DURING THE YEAR	NO OF THE DIRECTORSHIP HELD IN THE OTHER COMPANIES	COMMITTEE POSITIONS HELD IN THE OTHER COMPANIES
B.L.GUPTA	Promoter	YES	08	07	NIL
KAILASH JAJODIA	Promoter	YES	07	14	NIL
I.P.JAIN	Promoter	YES	06	11	NIL
JUGAL KISHORE	Independent Director	YES	07	1	NIL
RAKESH TRIVEDI	Independent Director	YES	06	NIL	NIL
RAMESH KUMAR JAJODIA	Independent Director	YES	05	NIL	NIL

Information about persons who are being appointed/re-appointed as Director is as follows :-

Sh. Rakesh Trivedi, retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment

Considering his high intellectual and management, skills and knowledge, his appointment would be beneficial to your Company



Sh. Ramesh Kumar Jajodia, retires by rotation at the annual General Meeting and being eligible offers himself for re-appointment.

Considering his vast experience in the field of Accounts, his appointment would be beneficial to your Company

3. COMMITTEE(S) OF THE BOARD

The Board of the Company has constituted the following Committees with adequate delegation of powers.

(i) Audit Committee

The Audit Committee has been delegated with the powers and entrusted with the duties to oversee the Company's financial reporting process and adequacy of internal audit system, scope of the audit including observations of the Auditors, adequacy of internal audit system etc.

Presently, the Audit Committee consists of three Independent Directors namely Sh. Jugal Kishore (Chairman), Sh. Rakesh Trivedi (Member) and Sh. Ramesh Kumar Jajodia (Member). The Company Secretary of the Company acts as Secretary of the Committee.

During the Financial Year under Report, Five (5) Audit Committee meetings have taken place on 09.05.2011, 20.06.2011, 05.08.2011, 05.11.2011 and 07.02.2012

The composition and terms of reference of Audit Committee are in conformity with the Listing Agreement and the Companies Act, 1956.

The minutes of the meetings of the Audit Committee are placed before the Board for its information.

(ii) Investors'/Shareholders' Grievance Committee

The Investors'/Shareholders' Grievance Committee has been delegated with the powers to approve and register transfer and/or transmission of shares, to



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issue the duplicate share certificates, to redress all types of grievances of the Shareholders/Investors relating to the transfer, transmission of shares and also relating to non-receipt of annual reports and declared dividends etc.

Presently, the Shareholders' Grievance Committee consists of three Independent Directors namely Sh. Jugal Kishore (Chairman), Sh. Rakesh Trivedi (Member) and Sh. Ramesh Kumar Jajodia (Member). The Company Secretary of the Company acts as Secretary of the Committee.

Information relating to Shareholders/Investors Complaints are regularly placed before the Committee. During the financial year under Report, Six (6) Investors'/Shareholders' Grievance Committee meetings have taken place on 05.08.2011, 23.08.2011, 05.11.2011, 20.11.2011, 10.01.2012 and 28.03.2012.

The minutes of the Investors'/Shareholders' Grievance Committee are placed before the Board for its information.

(iii) **Remuneration Committee**

The Remuneration Committee has been delegated with the powers to consider and approve all elements of remuneration package of all the directors i.e. salary, benefits, bonuses, stock options, pensions etc, to review at any point of time the service contracts or other terms of appointment of any or all of the directors and to consider and approve the applications to be made to the Central Government at any point of time for increase or otherwise, in the remuneration of the directors of the company with the approval of the Central Government.

Presently, the Remuneration Committee consists of three Independent Directors namely three Independent Directors namely Sh. Jugal Kishore (Chairman), Sh. Rakesh Trivedi (Member) and Sh. Ramesh Kumar Jajodia (Member).

4. GENERAL BODY MEETINGS

The details regarding venue and times of last three Annual General Meeting of the Company are given below:

Date	Venue	Time
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25.09.2009	B-08, GD-ITL Tower, Top Floor, Netaji Subhash Place, Pitam Pura , New Delhi-110034	11.00.am
24.09.2010	B-08, GD-ITL Tower, Top Floor, Netaji Subhash Place, Pitam Pura , New Delhi-110034	11.00.am
24. 09.2011	B-08, GD-ITL Tower, Top Floor, Netaji Subhash Place, Pitam Pura , New Delhi-110034	11.00.am

No Special Resolution was passed through Postal Ballot during the financial year 2011-2012. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing of Special Resolution through Postal Ballot.

Special resolution was passed in Extra-Ordinary General Meeting of the shareholders held during the financial year on 24.02.2012.

5. DISCLOSURES

During the year, there was no material/significant transaction with the directors or the management, their subsidiaries or relatives etc that have any potential conflict with interest of the company at large. Also, no penalties or strictures have been imposed on the Company in respect of which penalties were imposed on the company by the Stock Exchanges or SEBI or any other Statutory Authority related to capital markets during the last three years.

6. GENERAL SHAREHOLDERS' INFORMATION

a. 21st Annual General Meeting

Date	: 29th September, 2012
Day	: Saturday
Time	: 11.00 a.m.
Venue	:GD –ITL Tower, B – 08, Top Floor, Netaji Subhash Place, Pitampura, Delhi – 110034



- b. Financial Year : 2011 - 2012
- c. Date of Book Closure : 26.09.2012 to 29.09.2012
(both days inclusive)
- d. Listing :

Presently the Securities of the Company are listed with Delhi Stock Exchange Association Limited, New Delhi and the Jaipur Stock Exchange Ltd.

- e. Registrar & Share Transfer Agent:

The Company is maintaining its in house Share Transfer System. The Board has delegated the authority for approving transfers, transmissions etc. of the Company's Securities to the Investors'/Shareholders' Grievance Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with share transfer formalities as

required under Clause - 47 (c) of the Listing Agreement with Stock exchange and files a copy of Certificate with the Stock Exchange.

- f. Address for Correspondence:

GD – ITL Tower, B – 08, Top Floor, Netaji Subhash Place,
Pitampura, Delhi – 110034
Tel. 011 – 27352981, Fax: 011 – 27352985

- g. Distribution of Shareholding as on March 31, 2012:

Category code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As Percentage of (A + B + C)
(A)	Shareholding of Promoter & Promoter Group			
(1)	Indian	83	2677430	53.39
(2)	Foreign	0		0



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	Total Shareholding of Promoter & Promoter Group	83		53.39
(B)	Public Shareholding			
(1)	Institutions	Nil	Nil	Nil
(2)	Non-Institutions	1327	2337470	46.61
	Total Public Shareholding	1327	2337470	46.61
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
(1)	Promoter & Promoter group	Nil	Nil	Nil
(2)	Public	Nil	Nil	Nil
	TOTAL (A+B +C)	1410	5014900	100

7. MEANS OF COMMUNICATION

The Quarterly Results (Provisional) of the Company are published in 'The Business Standard' in English and in Hindi.

Annual Report containing, inter alia, Audited Annual Accounts, Directors Report, Auditors Report and other important information is circulated to members and other entitled entities thereto.

The Company's website www.itlfinlease.com contains separate section 'Investors' where shareholders information is available. The Annual Report of the Company is also available on the website.

8. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

Certificate from M/s Sachin Gupta & Co., the Practicing Company Secretaries, confirming compliance with conditions of Corporate



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Governance as stipulated under Clause - 49 , is attached to the Directors Report forming part of the Annual Report.

This Certificate has also been forwarded to the Stock Exchange where Shares of the Company are listed.

9. DECLARATION ON CODE OF CONDUCT

The Board of Directors of the Company adopted the Code of Conduct for Directors and Senior management personnel at their meeting held on 26.12.2005. The Code impresses upon the Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders to endeavor to fulfill all the fiduciary obligations towards them. Another important principle on which code is based is that the Directors and the Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties.

In terms of Clause 49(D) of the Listing Agreement, it was declared that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct laid down by the Board of Directors of the Company.

A declaration signed by CEO of the Company is annexed below:

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Executives, affirmation that they have complied with the code of conduct for Directors and Senior Management Executives for the year ended 31.03.2012.

For ITL Finlease & Securities Ltd.,

Radhika Jajodia
Manager & CEO

10. CFO CERTIFICATION:

In terms of Clause 49(V) of the Listing Agreement, CEO and CFO of the Company has given the required certificate to the Board of Directors.



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FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**DATED: 01.09.2012
NEW DELHI**

**(B.L.GUPTA)
DIRECTOR**

**(I.P.JAIN)
DIRECTOR**



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Certificate of Compliance from the Practicing Company Secretary as stipulated Under Clause 49 of the Listing Agreement

To
The Members of
M/s. ITL Finlease & Securities Limited

We have examined the compliance of the conditions of the Corporate Governance by M/s. ITL Finlease & Securities Limited (hereinafter referred to as “the Company) for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We state that no investor’s grievance is pending for a period of one month against the Company as per the records maintained by the Shareholders’/Investors’ Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR SACHIN GUPTA & CO.
COMPANY SECRETARIES**

**PLACE:NEWDELHI
DATE: 01.09.2012**

**Sachin Gupta,
(PROPRIETOR)
CP No. 4149**



AUDITOR'S REPORT

To

The Members of

I T L FINLEASE & SECURITIES LIMITED

We have audited the attached Balance sheet of **I T L FINLEASE & SECURITIES LIMITED** as at 31st March, 2012, Statement of Profit & Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) (Amendment) order 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank of India) Directions, 1998 issued by Reserve Bank of India, under section 45 (IA) of the Reserve Bank of India Act, 1934, we report on the matters specified in item 3 of the said order :

- i. The Company has been registered as Non-Banking Financial Company vide Registration No 1400033.
- ii. The Board of Directors has passed resolution for the non-acceptance of public deposit .
- iii. The Company has not accepted any public deposits during the relevant year.
- iv. In our opinion, the company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisions for bad and doubtful debts as applicable to it.

Further to our comments in the Annexure referred to in paragraph 2 above :

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
- c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report read with significant accounting policies and notes to account



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comply with the mandatory Accounting Standards referred in section 211[3C] of the Companies Act, 1956.

- e. On the basis of written representations received from the directors as at 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India.

- i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
- ii. In the case of the Statement of Profit & Loss of the Company, of the profit of the company for the year ended on that date.
- iii. In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For GMR & CO.
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 1st Sept.'2012

(MUNISH MEHTA)
PARTNER
M.No.098142



I T L FINLEASE & SECURITIES LIMITED

Referred to in paragraph 2 of our report of even date

1.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b. Physical verification of fixed assets was conducted by the management at reasonable intervals and no discrepancies were noticed on verification of these assets .
 - c. In our opinion the company has not disposed off substantial part of fixed assets during the year and going concern status of the company is not effected.
2.
 - a. The inventory has been physically verified at reasonable Intervals by the management during the year.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the natures of its business.
 - c. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3.
 - a. The company has not taken any unsecured loan from the companies or other parties listed in the register maintained U/s 301 of the Companies Act, 1956.
 - b. The Company has granted unsecured loans to company and other parties (total seven parties, maximum amount involved Rs. 451.61 Lacs) listed in the register maintained U/s 301 of the Companies Act, 1956.
 - c. In respect of the loans and advances in the nature of loans given by the company where stipulation have been made, the parties are repaying the principal amounts and interest as stipulated .
 - d. There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the company Act, 1956.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory , fixed assets and regard to the sale of goods . During the course of our audit, no major weakness has been noticed in the internal controls.
5.
 - a. According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangement referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section and .
 - b. According to the information and explanation given to us, we are of the opinion that the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



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6. The company has not accepted deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business .
8. The Central Government has not prescribed maintenance of cost records by the company under clause (d) of sub-section 209 of the companies Act, 1956.
9.
 - a. The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund , investor education and protection fund, employee state insurance , Income tax , Sales tax , Wealth tax, Service tax , Custom Duty, Excise Duty, cess and any other material statutory dues applicable to it . According to the information and explanations given to us no undisputed amounts payable in respects of statutory dues were in arrears , as at 31st March, 2012 for a period of more than six months from the date they became payable .
 - b. According to the information and explanation given to us, there are no dues of sales tax / income tax / custom duty / wealth tax / service tax / excise duty / cess which have not been deposited on account of any dispute .
10. The company has no accumulated losses at the end of financial year. The company has not incurred cash losses during the financial year covered by our audit or immediately preceding financial year.
11. In our opinion and according to information and explanation given to us, the company has not defaulted in repayment of due to the bank. The company has neither taken any loan from any financial institution nor issued debentures.
12. The company has not granted loans or advances against the security by way of pledge of shares , debentures and other securities .
13. The company is not a Chit Fund, Nidhi or Mutual Benefits Society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion the company has maintained proper records of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other investments have been kept by the company in its own name.
15. According to the information and explanation given to us the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanation given to us, the company has not obtained any term loans.
17. According to the information and explanation given to us, and on overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
18. The company has not made any preferential allotment of shares during the period covered by our audit.



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19. The company has not issued any debentures .during the period covered by our audit.
20. The company has not raised money by way of public issues during the period covered by our audit.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For GMR & CO.
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 1st Sept. ' 2012

(MUNISH MEHTA)
PARTNER
M.No.098142



ITL FINLEASE & SECURITIES LIMITED

Balance Sheet as at 31st March, 2012

Particulars	Note No.	As at 31 March, 2012 Amount (Rs.)	As at 31 March, 2011 Amount (Rs.)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	48032500	48032500
(b) Reserves and surplus	4	14680711	12543398
(c) Money received against share warrants		NIL	NIL
		<u>62713211</u>	<u>60575898</u>
2 Share application money pending allotment		NIL	NIL
3 Non-current liabilities			
(a) Long-term borrowings		NIL	NIL
(b) Deferred tax liabilities (net)	5	494673	518559
(c) Other long-term liabilities	6	782742	752742
(d) Long-term provisions		NIL	NIL
		<u>1277415</u>	<u>1271301</u>
4 Current liabilities			
(a) Short-term borrowings		NIL	NIL
(b) Trade payables		NIL	NIL
(c) Other current liabilities	7	421549	397120
(d) Short-term provisions	8	257232	NIL
		<u>678781</u>	<u>397120</u>
TOTAL		<u><u>64669407</u></u>	<u><u>62244319</u></u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	11437685	11582927
(ii) Intangible assets		NIL	NIL
(iii) Capital work-in-progress		NIL	NIL
(iv) Intangible assets under development		NIL	NIL
		<u>11437685</u>	<u>11582927</u>



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(b) Non-current investments	10	7182180	7182180
(c) Deferred tax assets (net)		NIL	NIL
(d) Long-term loans and advances	11	103157	103157
(e) Other non-current assets		NIL	NIL
		<u>18723022</u>	<u>18868264</u>
2 Current assets			
(a) Current investments		NIL	NIL
(b) Inventories	12	98081	106581
(c) Trade receivables	13	235626	436280
(d) Cash and cash equivalents	14	754401	365717
(e) Short-term loans and advances	15	44858277	41729023
(f) Other current assets	16	NIL	738454
		<u>45946385</u>	<u>43376055</u>
		<u>64669407</u>	<u>62244319</u>
		TOTAL	

See accompanying notes forming part of the financial statements

As per our report attached.

For GMR & CO.

Firm Registration No. 006702N

CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(MUNISH
MEHTA)
PARTNER
M.No. 098142

(I.P. JAIN)
DIRECTOR

(KAILASH JAJODIA)
DIRECTOR

PLACE : NEW DELHI
DATED: 1st September' 2012

(KAMAL PREET KAUR)
COMPANY SECRETARY



ITL FINLEASE & SECURITIES LIMITED
Statement of Profit and Loss for the Year ended 31st March, 2012

Particulars	Note No.	For the year ended	For the year
		31 March, 2012	ended 31 March, 2011
		Amount (Rs.)	Amount (Rs.)
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	17	2984162	3610133
2 Other income	18	2438356	1508144
3 Total revenue (1+2)		5422518	5118277
4 Expenses			
(a) Cost of materials consumed		NIL	NIL
(b) Purchases of stock-in-trade		NIL	NIL
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	8500	115500
(d) Employee benefits expense	20	1770393	1493887
(e) Finance Cost	21	216	6273
(f) Depreciation and amortisation expense	9	145242	153415
(g) Other expenses	22	402384	1263584
Total expenses		2326735	3032659
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		3095783	2085618
6 Exceptional items		NIL	NIL
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		3095783	2085618
8 Extraordinary items		NIL	NIL
9 Profit / (Loss) before tax (7 ± 8)		3095783	2085618
10 Tax expense:			
aa) Current tax expense for current year		982000	670550
(b) (Less): MAT credit (where applicable)		NIL	NIL



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(c) Current tax expense relating to prior years	356	35692
(d) Net current tax expense	982356	706242
(e) Deferred tax (Reversal)	(23886)	(24776)
	<hr/>	<hr/>
	958470	681466
11 Profit / (Loss) from continuing operations (9 ±10)	2137313	1404152
B DISCONTINUING OPERATIONS		
12 Profit / (Loss) from discontinuing operations (before tax)	NIL	NIL
13 Add / (Less): Tax expense of discontinuing operations	NIL	NIL
	<hr/>	<hr/>
14 Profit / (Loss) from discontinuing operations (12 ± 13)	NIL	NIL
15 Profit / (Loss) for the year/period (11 ± 14)	<hr/>	<hr/>
	2137313	1404152
	<hr/>	<hr/>
16 Earning per equity share:		
(i) Basic	0.43	0.28
(ii) Diluted	0.43	0.28

As per our report attached.

For GMR & CO.

Firm Registration No.006702N

CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(MUNISH MEHTA)
PARTNER
M.No. 098142

(I.P. JAIN)
DIRECTOR

(KAILASH
JAJODIA)
DIRECTOR

PLACE : NEW DELHI
DATED: 1st September, 2012

(KAMAL PREET KAUR)
COMPANY SECRETARY



I T L FINLEASE & SECURITIES LTD
CASH FLOW STATEMENT AS ON 31st MARCH, 2012

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
A. CASH FROM OPERATING ACTIVITIES		
Net Profit (Loss) before tax	3095783	2085618
ADJUSTMENTS FOR		
Depreciation	145242	153415
Profit on Sale of Investment	NIL	-52800
Operating profit before working capital Changes	3241025	2186233
ADJUSTMENTS FOR		
Trade & other receiveables	-2130194	2835424
Stock in Trade	8500	704100
Trade & other Payables	54429	-9366979
Cash generated from operations	1173760	-3641222
Direct Taxes	-785076	210066
Net Cash from operating Activities	388684	-3431156
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale / Purchase of Fixed Assets		-
Sale / Purchase of Investments	NIL	252800
Net Cash from Investing Activities	NIL	252800
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term & Short Term Borrowing (Net of Repayments)	NIL	-350000
Call money received	NIL	7500
Net Cash from Financing Activities	NIL	-342500
Net Increase in Cash Equivalents	388684	-3520856
Cash & Cash Equivalents at the beginning of the year	365717	3886573
	754401	365717
Cash & Cash Equivalents at the end of the year		
(i) Cash in hand	431044	81369
(ii) Balances with banks (in Current A/c)	323357	284348
	754401	365717



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FOR GMR & CO.
FIRM REGN NO. 006702N
CHARTERED ACCOUNTANTS

MUNISH MEHTA
(PARTNER)
M.No. 098142

PLACE : NEW DELHI
DATE : 1st September, 2012

FOR AND ON BEHALF OF THE BOARD

(I.P. JAIN)
DIRECTOR

(KAILASH JAJODIA)
DIRECTOR

(KAMAL PREET KAUR)
COMPANY SECRETARY



ITL FINLEASE & SECURITIES LIMITED
Notes forming part of the financial statements

Note	Particulars
1	Company Overview
	The Company engaged in trading in securities and provides leasing & financial services to other establishments.
2	Significant accounting policies
2.1	Basis of accounting and preparation of financial statements
	The financial statements of the Company have been prepared on a going concern basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
2.2	Use of estimates
	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.3	Inventories
	Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges and STT paid, if any on purchase.
2.4	Depreciation and amortisation
	Depreciation has been provided on Straight Line Method at the rate prescribed in the Schedule XIV of the Companies Act 1956 on prorata basis.
2.5	Investments
	Long-term investments are stated at cost less provision for diminution in value, other than temporary, if any.
2.6	Revenue Recognition
	<u>Sale of goods</u>



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Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income from services

Revenues from services priced on a time and material basis are recognised when services are rendered and related costs are incurred.

2.7 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.8 Foreign currency transactions and translations

There is no foreign currency transaction during the period under consideration.

2.9 Employee benefits

The Provident Fund Act is not applicable to company, also no provision for gratuity has been made in books of accounts as no employee has served for qualifying period.

2.10 Taxes on income

Tax liability is estimated considering the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) due if any is paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.11 Impairment of assets



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An asset is treated as impaired when carrying cost of the same exceeds its recoverable amount. An impairment is charged to Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

2.12 Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Note 3 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
(a) Authorised Equity shares of Rs.10/- each with voting rights	6000000	60000000	6000000	60000000
(b) Issued Equity shares of Rs.10/- each with voting rights	5014900	50149000	5014900	50149000
(c) Subscribed and fully paid up Equity shares of Rs.10/- each with voting rights	4728800	48032500	4728800	48032500
(d) Subscribe but not fully paid up Equity shares of Rs.10/- each with voting rights	286100	2116500	286100	2116500
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:	-	-	-	-
Particulars	Opening Balance	Fresh issue	Unpaid Calls Received	Closing Balance
Equity shares with voting rights: Subscribed and fully paid up				
Year ended 31 March, 2012				
- Number of shares	472800	NIL	NIL	472800
- Amount (Rs.)	48032500	NIL	NIL	48032500



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Year ended 31 March, 2011

- Number of shares	471800	NIL	1000	472800
- Amount (Rs.)	48025000	NIL	7500	48032500

Equity shares with voting rights: Subscribed but not fully paid up

Year ended 31 March, 2012

- Number of shares	286100	NIL	NIL	286100
- Amount (Rs.)	2116500	NIL	NIL	2116500

Year ended 31 March, 2011

- Number of shares	287100	NIL	1000	286100
- Amount (Rs.)	2124000	NIL	7500	2116500

(ii) Equity Shares carry voting rights at the General Meetings of the Company and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

(iii) Details of Shares held by the Holding, the ultimate holding company, their subsidiaries and associates:

NIL

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Kaushal Commercial Pvt Ltd	372100	7.42	372100	7.42

(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date.

NIL

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (Rs.)	Amount (Rs.)
-		

Note 4 Reserves and surplus

Surplus as per Statement of Profit & Loss



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Opening balance	12543398	11139246
Add/Less: Surplus/Deficit as per Statement of Profit & Loss for the year	2137313	1404152
Closing balance	<u>14680711</u>	<u>12543398</u>

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount (Rs.)	Amount (Rs.)

Note 5 Deferred Tax Assets/Liabilities

Opening Balance	518559	543335
Add/Less: Timing Difference originated on account of set off of brought forward losses and unabsorbed depreciation/losses	<u>NIL</u> 518559	<u>NIL</u> 543335
Add/Less: Deferred Tax Liability reversed on account of timing difference originated during the year on account of difference in depreciation as per Co's Act & allowable as per I.T. Act for current year.	(23886)	(24776)
Deferred Tax Liability	<u>494673</u>	<u>518559</u>

Note 6 Other Long-term liabilities

Security deposits received	<u>782742</u>	<u>752742</u>
Total	<u>782742</u>	<u>752742</u>

Note 7 Other current liabilities

(i) TDS payable	12301	500
(ii) Advances Rent received	342219	331977
(iii) Bonus Payable	49888	46650
(iv) Audit fee payable	15730	15442
(v) Telephone expenses	1411	2551
(vi) Salary Payable	NIL	NIL
Total	<u>421549</u>	<u>397120</u>

Note 8 Short term provisions



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Provision for tax (net of advance tax)	257232	NIL
Total	257232	NIL
Security deposit (DLF Plot)	103157	103157
Total	103157	103157

* In the opinion of the management, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

Note 9 Fixed assets

A.		Gross Block				Accumulated Depreciation and Impairment			Net Block	
		Balance as at 1 April, 2011	Additions	Disposals		Balance as at 1 April, 2011	Depreciation / Amortisation expense for the year	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
(i)	Land	8733681	NIL	NIL	8733681	NIL	NIL	NIL	8733681	8733681
(ii)	Furniture & Fixtures	61738	NIL	NIL	61738	59563	394	59957	1781	2175
(iii)	Office Equipment	214687	NIL	NIL	214687	187536	3777	191313	23374	27151
(iv)	Computer	268039	NIL	NIL	268039	267827	85	267912	127	212



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(v)	Office I	844776	NIL	NIL	844776	160282	34225	194507	650269	684494
(vi)	Office II	1015200	NIL	NIL	1015200	192618	41129	233747	781453	822582
(vii)	Office III	1620000	NIL	NIL	1620000	307368	65632	373000	1247000	1312632
	Total	12758121	NIL	NIL	12758121	1175194	145242	1320436	11437685	11582927
	Previous year	12758121	NIL	NIL	12758121	1021779	153415	1175194	11582927	11736342

B. Intangible Assets

NIL

NIL

Depreciation and amortisation relating to continuing operations:

For the year ended
31 March, 2012

For the year ended
31 March, 2011

	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
Depreciation and amortisation on tangible & intangible assets	<u>145242</u>	<u>153415</u>
	<u>145242</u>	<u>153415</u>

Note 10 Non-current investments

Particulars	As at 31 March, 2012		As at 31 March, 2011			
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Amount	Amount	Amount	Amount	Amount	Amount
Investments (At cost):						
A. <u>Trade</u>	NIL	NIL	NIL	NIL	NIL	NIL



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		NIL	NIL	NIL	NIL	NIL	NIL
B.	<u>Other Investments</u>						
(a)	<u>Equity investments of other entities</u>						
(i)	Kalson Engineers India Pvt Ltd	NIL	1832180	1832180	NIL	1832180	1832180
(ii)	Yamuna Planners & Developers Pvt Ltd	NIL	700000	700000	NIL	700000	700000
(iii)	Green Triveni Developers Pvt Ltd	NIL	600000	600000	NIL	600000	600000
(b)	<u>Equity investments of Associates</u>						
(i)	- IIL Stock & Sharebrokers Ltd	NIL	1700000	1700000	NIL	1700000	1700000
(ii)	ITL Infotech Limited	NIL	500000	500000	NIL	500000	500000
(iii)	ITL Education Solutions Ltd	NIL	200000	200000	NIL	200000	200000
(iv)	Indus Buildwell Ltd		750000	750000	NIL	750000	750000
(c)	<u>Investment in Mutual Fund</u>						
(i)	- PNB principal emerging bluechip fund	900000	NIL	900000	900000	NIL	900000
		900000	6282180	7182180	900000	6282180	7182180
	Total (A+B)	900000	6282180	7182180	900000	6282180	7182180
	Less: Provision for dimunition in value of investment	NIL	NIL	NIL	NIL	NIL	NIL
	Total	900000	6282180	7182180	900000	6282180	7182180



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	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount (Rs.)	Amount (Rs.)
Aggregate amount of quoted investments	NIL	NIL
Aggregate market value of listed and quoted investments	857796	913178
Aggregate value of listed but not quoted investments	NIL	NIL
Aggregate amount of unquoted investments	NIL	NIL

Note 11 Long-term loans & advances

Security deposit (DLF Plot)	103157	103157
Total	<u>103157</u>	<u>103157</u>

* In the opinion of the management, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

Note 12 Inventories

Stock In Trade of Shares & Debentures	98081	106581
Total	<u>98081</u>	<u>106581</u>

Note 13 Trade receivables

Trade receivables outstanding for a period exceeding six months from the date they were due for payment

Other Trade receivables:	111635	114459
Unsecured, considered good	<u>235626</u>	<u>433456</u>



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Less: Provision for doubtful debts	347261	547915
	<u>111635</u>	<u>111635</u>
Total	<u><u>235626</u></u>	<u><u>436280</u></u>



Particulars	As at 31 March, 2012 <u>Amount</u> (Rs.)	As at 31 March, 2011 <u>Amount</u> (Rs.)
Note 14 Cash and cash equivalents		
(a) Cash on hand	431044	81369
(b) Balances with banks		
In current accounts	323357	284348
Total	<u>754401</u>	<u>365717</u>
Note 15 Short-term loans and advances		
Loans and advances to related parties		
(Unsecured, considered good)		
(i) Associates	11788041	9577317
(ii) Entities in which KMP/Relatives of KMP can exercise significant influence	32669870	31781637
(iii) Inter-corporate deposits	NIL	NIL
(iv) Loan and advances to employees	18000	10000
(v) Advance Income Tax(Net of Provisions)	378622	318670
(vi) Prepaid Expenses	2014	39957
(vii) Service Tax & Education Cess Recoverable	1730	1442
Total	<u>44858277</u>	<u>41729023</u>
Note 16 Other current assets		
FDR with bank	NIL	738454
Total	<u>NIL</u>	<u>738454</u>
Note 17 Revenue from Operations		



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LTC Gain on investment	NIL	52800
Rent Received	2984162	3067683
Profit on Securities	NIL	489650
Total	<u>2984162</u>	<u>3610133</u>

Note 18 Other Income

(A) Interest income :

(i) Interest on Bank Deposits (FDR)	922	50877
(ii) Interest on loans and advances	2378640	1092968
(iii) Interest on income tax refund	NIL	165609
Total	<u>2379562</u>	<u>1309454</u>

(B) Miscellaneous Receipts

(Late payment/other charges/Surplus of insurance premium & Lease money)	58794	198690
Total	<u>2438356</u>	<u>1508144</u>



Particulars	As at 31 March, 2012 <u>Amount</u> (Rs.)	As at 31 March, 2011 <u>Amount</u> (Rs.)
Note19 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening Stock	106581	810681
Add: Purchases	NIL	598749
Less: Sales (Cost price)	NIL	1187349
Closing Stock	<u>106581</u>	<u>222081</u>
Closing Stock as per market rate	98081	106581
Net (increase) / decrease	<u>8500</u>	<u>115500</u>
Note 20 Employee benefits expense		
Salaries and wages	1720505	1447237
Bonus	49888	46650
Total	<u>1770393</u>	<u>1493887</u>
Note 21 Finance Cost		
Bank Charges	216	6273
Total	<u>216</u>	<u>6273</u>
Note 22 Other expenses		
Legal and professional	37159	46621
Payments to Auditors (Statutory Audit Fees)	14000	14000
Miscellaneous expenses	13000	108
Advertisement	45290	35813
Filing Fee	1500	3000
Interest deduction by bank(on prematurity of FDR)	15459	NIL
Listing Charges & Dmat Charges	126787	11736
Postage Expenses	58650	22634



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Printing & Stationary	NIL	913
Security Transaction Tax	NIL	3980
Donation	NIL	100000
Repair & Maintenance	14500	986550
Travelling & Conveyance	230	680
Telephone Expenses	19280	37549
Commission Paid	12500	NIL
Insurance	38142	NIL
Service Tax	5887	NIL
Total	<u>402384</u>	<u>1263584</u>



ITL Finlease & Securities Limited
Notes Forming part of Financial Statements

Note 22 Disclosures under Accounting Standards

Related party transactions

22.1 **Details of related parties:**

Description of relationship	Names of related parties
Key Management Personnel	(i) I.P. Jain, (ii) Kailash Jajodia, (iii) Sh. B.L. Gupta
Relative of Key Management Personnel	Smt. Radhika Jajodia
Associates	(i) Indus Tubes Limited, (ii) G.D. Contractors Pvt. Ltd, (iii) Indus Buildwell Ltd, (iv) ITL Stock & Sharebrokers Ltd, (v) ITL Infotech Limited, (vi) ITL Education Solutions Ltd.
Entities in which KMP / Relatives of KMP can exercise significant influence	(i) Yamuna Planners & Developers Pvt. Ltd, (ii) Green Triveni Developers Pvt. Ltd, (iii) K.G. Plast, (iv) Vasudeva Education Foundation Society, (v) Kalsons Engineering Industries Pvt Ltd, (vi) South Delhi Education Society, (vii) ITL Candyfloss.

Note: Related parties have been identified by the Management.

22.2 **Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:**

	KMP	Relatives of KMP	Associates	Entities in which KMP / relatives of KMP have significant influence	Total
	Amount	Amount	Amount	Amount	Amount
Salary Paid	NIL	248400	NIL	NIL	248400
	NIL	(248400)	NIL	NIL	(248400)
Interest Received	NIL	NIL	819709	1558931	2378640
	(NIL)	(NIL)	(557816)	(535152)	(1092968)
<u>Balances outstanding at the end of the year</u>					



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Loans and advances (Dr.)	NIL (NIL)	NIL (NIL)	11788041 (9577317)	32669870 (31781637)	44457911 (41358954)
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Particulars	For the year ended 31 March, 2012 Amount	For the year ended 31 March, 2011 Amount
Note 23 Foreign Currency Transactions	NIL	NIL
Note 24 Contingent Liabilities (Not Provided For)	NIL	NIL
Note 25 Deferred Tax Liability	494673	518559
Note 26 Disclosures under Accounting Standards		

Particulars	For the year ended 31 March, 2012 Amount	For the year ended 31 March, 2011 Amount
Earnings per share		
Net profit after Tax	2137313	1404152
Weighted average number of equity shares	5014900	5014900
Par value per share	10	10
Earnings per share from continuing operations - Basic & Diluted	0.43	0.28

Note 27 In view of the revision of the Schedule VI as per notification issued by the Central Government, the financial statements for the year ended 31st March, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous period's figures have been accordingly regrouped/reclassified to confirm to the current year's classification.

As per our report attached.
For GMR & CO.
Firm Registration No.006702N
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(MUNISH MEHTA)
PARTNER
M.No. 098142

(I.P. JAIN)
DIRECTOR

(KAILASH JAJODIA)
DIRECTOR

PLACE : NEW DELHI
DATED: 1st September' 2012

(KAMAL PREET KAUR)
COMPANY SECRETARY



ITL FINLEASE & SECURITIES LIMITED
Regd. Office : B-08, GD-ITL Tower, Top Floor, Netaji Subhash Place, Pitampura, Delhi 110034

ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the company.

Regd. Folio no _____

NAME OF ATTENDING PERSON (IN BLOCK LETTERS) *

NAME OF PROXY (IN BLOCK LETTER)
(To be filled in if the Proxy attends instead of Member)

No. of shares held-----

I, HEREBY RECORD MY PRESENCE AT THE 21ST ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON SATURDAY THE 29TH OF SEPTEMBER, 2012 AT 11.00 AM AT THE REGISTERED OFFICE SITUATED AT B-08, GD-ITL TOWER, TOP FLOOR, NETAJI SUBHASH PLACE, PITAMPURA, DELHI 110034.

Member's / Proxy's Signature *

*(To be signed at the time of handing over this slip)

ITL FINLEASE & SECURITIES LIMITED

Regd. Office : B-08, GD-ITL Tower, Top Floor, Netaji Subhash Place, Pitampura, Delhi 110034

PROXY FORM

No. of shares held _____ Regd. Folio No. _____

I/We _____, S/o _____

in the district of _____ being a member/members of ITL FINLEASE & SECURITIES LTD. hereby appoint Mr./Mrs./Ms. _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held at 11.00 a.m. on Saturday, the 29th September, 2012, and at any adjournment thereof.

Signed this ____ day of _____ 2012

(Signature)

(Affix Revenue Stamp of appropriate value)

NOTE: The Proxy form duly completed and signed should be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Annual General Meeting.