

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.

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

Mr. Arvind Kumar Agarwal	Chairman
Mr. Hari Om Bhatia	Member
Mr. Santosh Kumar Garg	Member

Meetings of Audit Committee:

During the year, The Audit Committee Meetings were held on 29.04.2010, 30.07.2010, 30.08.2010, 29.10.2010 and 29.01.2011. 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.

The composition of the Investors/ Shareholders Grievances Committee is as under:

Mr. Arvind Kumar Agarwal	Chairman
Mr. Santosh Kumar Garg	Member
Mr. Hari Om Bhatia	Member

The Committee meets at least twice a month to approve transfer requests received from the investor during the previous week to ensure prompt delivery of securities to the shareholders. The Minutes of the Committee Meeting are placed at the Board meeting from time to time. The Board has authorized the Share transfer Committee severally to approve the transfer of shares. During the year, all the Complaints of the Shareholders were resolved to the satisfaction of the shareholders.

IV. COMPLIANCE OFFICER OF THE COMPANY

The Board has designated Mr. Santosh Kumar Garg as the Compliance Officer of the Company.

V. GENERAL BODY MEETING: -

a) GENERAL MEETING

DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

AGM	Financial Year	Date	Time	Location
14 th AGM	2007-2008	09.09.2008	10.00AM	IE/12,Sewak House, Jhandewalan Extension,New Delhi -110055
15 th AGM	2008-2009	30.09.2009	10.00AM	IE/12,Sewak House, Jhandewalan Extension,New Delhi -110055
16 th AGM	2009-2010	29.09.2010	10:00AM	IE/12,Sewak House, Jhandewalan Extension,New Delhi -110055

b) POSTAL BALLOT

There have been no resolution requiring postal ballot and No resolution is proposed in the forthcoming AGM requiring Postal Ballot.

c) SPECIAL RESOLUTION:

Thus, was no Special Resolution was passed in the preceding three AGM's.

VI. DISCLOSURES

(a) Disclosure on materially significant related party transactions:-

There have been no materially significant related party transactions in, conflict with the interest of the company.

(b) The company has not complied with the provisions of the Listing agreement as entered with the Exchanges. The trading of shares was suspended from the exchange for the same reason. The company is looking to make good the lapses enabling it to get the permission from the exchanges to resume the trading of the scrip at the Exchanges.

VII. GENERAL SHAREHOLDER INFORMATION

Financial Year	:	1 st April 2010 to 31 st March 2011
17th Annual General Meeting	:	29 th September, 2011 at 10:30 AM at D-157, Block-D Preet Vihar, Delhi-110092

Financial Calendar	
Financial Year	: 1 st April to 31 st March
1 st Quarterly Results	: End July 2010
2 nd Quarterly Results	: End October 2010
3 rd Quarterly Results	: End January 2011
4 th Quarterly Results	: End April 2011

Date of Book Closure : 24/09/2011 to 29/09/2011

Dividend Date : Not Applicable

Listing on Stock Exchange

The shares of the company are listed at Delhi, Mumbai & Jaipur Stock Exchanges.

JAIPUR

Name of Stock Exchange : Jaipur Stock Exchange Ltd.,

Address : Rajasthan Chamber Bhavan, M. I. Road,
JAIPUR 302 001.

MUMBAI

Name of Stock Exchange : The Stock Exchange, Mumbai

Address : Phiroze Jeejeebhoy Towers, Dalal Street,
MUMBAI 400 023.

NEW DELHI

Name of Stock Exchange : Delhi Stock Exchange Assoc. Ltd.,

Address : 3&4/4B,
Asaf Ali Road, Near Turkman Gate
New Delhi - 110006.

VIII. REGISTRAR AND SHARE TRANSFER AGENT

M/s SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

D-153A, Okhla Industrial Area,

Phase-I, New Delhi-110020

Telephone No: 011-30857575

E-mail Address: viren@skylinerta.com

IX. SHARE TRANSFER SYSTEM

M/s Skyline Financial Services (P) Ltd. acts as Registrar and Transfer Agent for the company. M/s Skyline Financial Services has a dedicated management team comprising professional qualified managers who are possessing vast experience in handling the share transfer work. The organization has a proven track record and is committed to maintain quality to service of the highest standards and also handling capacity with a commendable flexibility to quickly upgrade the capacity at shorter notice.

Share transfers are registered within maximum of 30 days from the date of lodgement of the documents which are complete in all respects. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

The company obtains from the Company Secretary in Practice a half yearly certificate of compliance for compliance of the share transfer formalities, as required under Clause 47 of the Listing Agreement and file copy of the certificate with stock exchanges.

X. SHAREHOLDING PATTERN AS ON 31st MARCH, 2011.

a. Distribution of Shareholding as on March 31, 2011.

No of Shares	No of Shareholders	% to total	No of Shares held	% to total
0-500	1571	69.95	474210	9.43
501 -1000	421	18.74	319910	6.36
1001-2000	108	4.81	178600	3.55
2001-3000	48	2.14	128800	2.56
3001-4000	30	1.34	103310	2.05
4001- 5000	12	0.53	58200	1.16
5001-10000	23	1.02	189700	3.77
10001 & above	33	1.47	3576970	71.12

b. Category of shareholders as on March 31, 2011

Category	No. of Shares	Percentage of holdings
A. Promoters Holding		
i) Promoters		
a. Indian-individual	3524500	70.07%
b. Foreign	Nil	Nil
ii) Persons acting in concert		
a. Directors	Nil	Nil
b. Director's Relatives	Nil	Nil
Sub Total (A)	3524500	70.07%
B. Public Holding		
i) Institutional Investor		
a) Mutual Fund	96000	1.91%
b) Financial institutions/Banks	Nil	Nil
c) Central Govt./State Govt.(s)	Nil	Nil
d) Venture capital fund/Ins.Cos,	Nil	Nil
e) FII Etc	Nil	Nil
Sub Total (B)(i)	96000	1.91%
ii) Non-Institutions Investors		
a) Bodies Corporate	70300	1.40%
b) Individuals		
i) shareholding < Rs.1.00 Lac	1211200	24.08%
ii) shareholding > Rs.1.00 Lac	81800	1.63%
c) Others	45900	0.91%
Sub Total (B)(ii)	1409200	28.02%
Sub Total (B)	1505200	29.93%
Grand Total (A+B)	5029700	100%
Shares held by custodian and against which Depository Receipt is issued	Nil	Nil

XI. Dematerialisation of Shares

Equity Shares equivalent to 100.00 % of the Share Capital are in Physical Form up to March 31, 2011.

XII. Investors Correspondence

Investors may address any correspondence to:

Associated Finlease Limited

D-157, Block – D

Preet Vihar,

Delhi-110092

Ph: 011-43008305

E-mail : arvind@associatedfinleaseltd.com

Website : www.associatedfinleaseltd.com

AUDITORS CERTIFICATION ON CORPORATE GOVERNANCE

To,
The Members of
M/s ASSOCIATED FINLEASE LIMITED

We have examined the compliance of conditions of Corporate Governance by ASSOCIATED FINLEASE LIMITED, for the year ended on 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 Sudhir Agarwal & Associates

Chartered Accountants
F.R.N.-509930C

Sd/-

(Sudhir Kr. Agarwal)

(Partner)

Membership No. 088583

Place : Delhi
Date : 25.08.2011

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO)

To the Best of knowledge and belief, we certify that:

1. We had reviewed financial statements and the cash flow statements for the period ended 31.03.2011 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - (b) Together these statements present a true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the company during the years which are fraudulent, illegal or violative of the company.
3. Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and Accordingly, we have evaluated the effectiveness of the internal control system of the company and have disclosed to the Auditors and to the Audit committee, wherever applicable:
 - (a) Deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps have been taken or propose to take to rectify these deficiencies.
 - (b) Significant changes in the internal controls over the financial reporting during the period, if any;
 - (c) Significant changes in the Accounting policies during the year, if any and the same have been disclosed in the notes to the financial statements;
 - (d) Instances of significant frauds of which have been become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system

For and On behalf of the Board of Directors

Place : New Delhi
Dated : 25.08.2011

Sd/-
Managing Director

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

I, Santosh Kumar Garg, Managing Director of ASSOCIATED FINLEASE LIMITED hereby declare that all the board members and senior managerial personnel have affirmed for the year ended 31st March, 2011 compliance with the code of the conduct of the company laid down by them.

For and On behalf of the Board of Directors

Place : New Delhi
Dated : 25.08.2011

Sd/-
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS SCENARIO

The Company is exploring alternative 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.

The year has ended with a Net Profit of Rs. 238326.00 as against Net Loss of Rs. 37110.00 of last year.

MANAGEMENT OF RISK

Management of risk to the business is continuous challenge for any organization growing in size and enhancing its purpose. The traditional risk factors like client risks, industry segment risks and economic risk are well understood and the means to handle them are also fairly established.

INTERNAL CONTROLS & SYSTEMS

The company ensures existence of adequate internal control through policy and procedures to be followed by the executives at various levels in the company. The operating managers ensure compliance within their areas. The Company has internal Audit system to carry out extensive checking and test and report non-compliance/weakness, if any through internal Audit Reports on the respective areas. These reports along with reports on compliance made thereafter are reviewed by the Audit Committee of the Board.

HUMAN RESOURCE

Management relation with the employees remains cordial. The Company's Human Resources philosophy is to establish and build a strong performance and competency drive culture with greater senses of accountability and responsibility. The industrial relations scenario remained peaceful and harmonious.

For and On behalf of the Board of Directors

Place : New Delhi
Dated : 25.08.2011

Sd/-
(Director)

Sd/-
(Managing Director)

AUDITORS REPORT

To,
The Members of
ASSOCIATED FINLEASE LIMITED.

Sub: Auditors Report Year Ended on 31.03.2011

We have audited the attached balance sheet of Associated Finlease Ltd. as at 31st March 2011, and also the profit and loss account 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Audit's Report) Order, 2003 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.
2. Further to our comments in the Annexure referred to above, report that:
 - I. We have obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purposes of our audit;
 - II. In our opinion, proper books of account as required by law have been kept by the company as far as appears from our examination of those books.
 - III. The balance Sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - IV. In our opinion, the balance sheet, profit and loss account and cash flow statement Dealt with by this report comply with the accounting standards referred to in sub- Section (3C) of section 211 of the Companies Act, 1956.
 - V. On the basis of written representations received form the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - VI. 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 by the Companies Act, 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In the case of the balance sheet, of the state of affairs of the company as at 31st March 2011.
 - (b) In the case of the profit and loss account, of the profit for the year ended on that date and

For Sudhir Agarwal & Associates
(Chartered Accountants)
F.R.No. 509930C

Sd/-
Sudhir Kumar Agarwal
(Partner)
Membership No. 088583

Place : New Delhi
Dated : 30.05.2011

ANNEXURE TO THE AUDITOR'S REPORT

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. All the assets have been physically verified by the management during the year, which in our opinion is reasonable having regards to the size of the company and the nature of its assets. Physical verification was carried out during the year and no material discrepancies were noticed.
3. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. 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 nature of its business.
5. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material.
6. The company has not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained u/s 301 of the companies act 1956 in terms of subsection (6) of the section 370 of the companies act, 1956 the provisions of the section are not applicable to a company on or after the commencement of the companies (amendment) act, 1999.
7. In respect of loans & advances, the company in the nature of loans given by the company, the parties are generally re-paying the principal amount as stipulated and have also been regular in paying of interest where applicable.
8. 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 with regard to the sales of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
9. Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that the transactions that need to be entered into the registers management under section 301 have been so entered.
10. The company has not accepted any deposit from the public. Therefore the provisions of Section 58A, & 58AA of the Companies Act, 1956, and the Rules framed thereunder do not apply.
11. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
12. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the company.
13. According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on management representations the provident funds Act and employees state insurance Act is not applicable to the company, undisputed statutory dues in respect of income tax and other material statutory dues have generally been regularly deposited by the company during the year with the appropriate authorities in India.
14. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth-tax, sales tax, customs and excise duty were outstanding, as at 31st March, 2011 for a period of more than six months from the date they become payable.
15. According to the records of the company, there are no dues of sales tax, income tax, customs tax/ wealth tax, excise duty/ cess that have not been deposited on account of any dispute.
16. The company has neither accumulated losses as at March 31, 2011 nor it has incurred cash loss during the financial year ended on that date but there is cash loss in the immediately preceding financial year.

17. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures & other similar securities.
18. In our opinion, the company has maintained proper records and made timely entries, in respect of the transaction of dealing or trading in shares, securities, debentures and other investment made by the company. The company has held all the shares, securities, debentures and other securities in its own name except shares pending to be received in demat account.
19. According to the information and explanation given to us the company has not given any guarantee for loan taken by other from banks or financial institutions.
20. According the information and explanation given to us and as shown by the records examined by us there were no dues payable to financial institutions or banks.
21. The company has not taken any term loan during the year.
22. In our opinion, the company is not a chit fund or a nidhi, mutual benefit fund or society therefore the provision of clause 4 (xiii) of the companies (Auditor's report) Order 2003 is not applicable to the company.
23. Based on the information and explanation given to us and on an overall examination of the books of accounts as on 31.03.2011 we report that no funds raised on short term basis have used for long- term investments by the company and vice versa.
24. Based on the audit procedure performed and the information and explanation given to us by the management we report that the company has not made any preferential allotment of shares during the year.
25. The company has no outstanding debentures during the period under audit.
26. As per the information and explanation given to us and on the basis of examination of records, no material fraud on or by the company was noticed or reported during the year.

For Sudhir Agarwal & Associates
(Chartered Accountants)
F.R.No. 509930C

Sd/-
Sudhir Kumar Agarwal
(Partner)
Membership No. 088583

Place : New Delhi
Dated : 30.05.2011

BALANCE SHEET AS AT 31st MARCH 2011

	Schedule No.	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
SHARE CAPITAL	1	50,297,000	50,297,000
LOAN FUND			
UNSECURED LOAN	2	358,600	358,600
TOTAL FUNDS		50,655,600	50,655,600
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	3	208,500	—
LESS: DEPRECIATION		125,100	—
NET BLOCK		83,400	—
INVESTMENT	4	37,000,000	37,000,000
CURRENT ASSETS, LOANS & ADVANCES			
SUNDRY DEBTORS	5	653,600	—
CASH & BANK BALANCES	6	2,298,979	2,803,579
LOANS & ADVANCES	7	7,225,000	7,112,500
		10,177,579	9,916,079
LESS: CURRENT LIABILITIES & PROVISIONS	8	111,574	5,000
NET CURRENT ASSETS		10,066,005	9,911,079
PROFIT & LOSS ACCOUNT		3,506,195	3,744,521
TOTAL FUNDS		50,655,600	50,655,600
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	10		

In terms of our separate report of even date attached

ON BEHALF OF THE BOARD

For Sudhir Agarwal & Associates
(Chartered Accountants)
F.R.No. 509930C

Sd/-
(Managing Director)

Sd/-
(Director)

Sd/-
Sudhir Kumar Agarwal
(Partner)
M. No. 088583

Place : New Delhi
Date : 30.05.2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule No.	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
INCOME			
OPERATING INCOME			
SALES		19,500,000	—
TOTAL		19,500,000	—
EXPENDITURE			
PURCHASES		18,500,000	—
ADVERTISEMENT EXPENSES	9	655,100	37,110
TOTAL		19,155,100	37,110
PROFIT BEFORE TAX		344,900	(37,110)
LESS: PROVISION FOR TAXATION		106,574	—
PROFIT/(LOSS) FOR THE YEAR		238,326	(37,110)
BALANCE BROUGHT FORWARD		(3,744,521)	(3,707,411)
BALANCE TRANSFERRED TO BALANCE SHEET		(3,506,195)	(3,744,521)
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	10		

In terms of our separate report of even date attached

ON BEHALF OF THE BOARD

For Sudhir Agarwal & Associates
(Chartered Accountants)
F.R.No. 509930C

Sd/-
(Managing Director)

Sd/-
(Director)

Sd/-
Sudhir Kumar Agarwal
(Partner)
M. No. 088583

Place : New Delhi
Date : 30.05.2011

**SCHEDULES ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND
PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH 2011**

	Schedule No.	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
SCHEDULE - 1			
SHARE CAPITAL			
AUTHORISED			
70,00,000 EQUITY SHARES OF RS.10/- EACH		70,000,000	70,000,000
200000 PREFERENCE SHARES OF RS.100 EACH		20,000,000	20,000,000
		<u>90,000,000</u>	<u>90,000,000</u>
ISSUED SUBSCRIBED & PAID UP CAPITAL			
50,29,700(50,297,00) EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP		50,297,000	50,297,000
		<u>50,297,000</u>	<u>50,297,000</u>
SCHEDULE-2			
UNSECURED LOANS			
INTER CORPORATE DEPOSIT		358,600	358,600
		<u>358,600</u>	<u>358,600</u>

SCHEDULE-3**FIXED ASSETS**

S.No	Particulars	Gross Block			Depriciation			Net Block		
		As on 1.04.2010	Deletion	As on 31.03.2011	As on 1.04.2010	Depriciation during the year	Deletion	As on 31.03.2011	As on 31.03.2010	As on 1.04.2011
1	Computer	—	—	180,000.00	—	108,000.00	—	108,000.00	—	72,000.00
2	Printer	—	—	28,500.00	—	17,100.00	—	17,100.00	—	11,400.00
	Total	—	—	208,500.00	—	125,100.00	—	125,100.00	—	83,400.00

SCHEDULE-4**INVESTMENTS**

UNQUOTED(AT COST) - IN EQUITY SHARES OF BODY CORPORATES		37,000,000	37,000,000
		<u>37,000,000</u>	<u>37,000,000</u>

	Schedule No.	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
CURRENT ASSETS, LOANS & ADVANCES			
SCHEDULE-5			
CURRENT ASSETS			
SUNDRY DEBTORS		653,600	—
		<u>653,600</u>	<u>—</u>
SCHEDULE-6			
CASH & BANK BALANCES			
CASH IN HAND		2,297,869	2,802,469
BALANCES WITH SCHEDULED BANK -IN CURRENT ACCOUNT		1,110	1,110
		<u>2,298,979</u>	<u>2,803,579</u>
SCHEDULE-7			
UNSECURED LOAN (CONSIDERED GOOD)			
(ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR THE VALUE TO BE RECEIVED)		7,225,000	7,112,500
		<u>7,225,000</u>	<u>7,112,500</u>
SCHEDULE-8			
CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES			
PROVISION FOR INCOME TAX		106,574	—
AUDIT FEES PAYABLE		5,000	5,000
		<u>111,574</u>	<u>5,000</u>
SCHEDULE-9			
ADMINISTRATIVE EXPENSES			
AUDIT FEES		5,000	5,000
GENERAL EXPENSES		32,750	—
SALARY		216,000	—
STAFF WELFARE EXPENSES		84,000	—
BUSINESS PROMOTION EXPENSES		38,000	—
ADVERTISEMENT EXPENSES		8,000	—
TELEPHONE EXP		27,250	—
INTEREST CHARGES		44,000	—
CONVEYANCE EXP		18,300	—
POSTAGE & TELEGRAM		7,700	—
STATIONARY EXP		14,500	—
DEPRICIATION		125,100	—
OTHERS		34,500	32,110
		<u>655,100</u>	<u>37,110</u>

Schedule-10**Notes to Accounts & Significant Accounting Policies****1. Statement on Significant Accounting Policies:**

These financial statements are prepared on accrual basis and under historical cost convention and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies adopted by the company are detailed below:

i) Revenue Recognition

The Company recognizes revenue on an accrual basis.

ii) Provisions and Contingencies

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

iii) Retirement Benefits

There is no amount of gratuity liability or leave encashment or any other retirement benefits for which the company may be made liable to pay. Hence no provision for the same has been made as on the date of Balance sheet.

2. Cash Flow Statement:

a) The Statement Has been prepared under indirect method except in case of dividends, sale/purchase of investments and taxes which have been considered on the basis of actual movement of case, with corresponding adjustment in assets and liabilities as set out in the Accounting Standard- 3 issued by ICAI.

b) Cash and cash equivalents represent cash and bank balances only

3. Segment Reporting

The Companies core activity is to investment, sale/purchases of Shares. This is the only business segment as per Accounting Standard-17 issued by the Institute of Chartered Accountants of India.

4. Contingent Liabilities

As certified by the management there is no Contingent liability as on 31/03/2011.

5. Related Party Disclosure:

As per AS-18 issued by the ICAI Management, it is identified that no Related Party Transaction was made during the year.

6. Earnings in Foreign Currency

	Year ended March 31, 2011	Year ended March 31, 2010
Sale of Shares	Nil	Nil
Dividend and Interest	Nil	Nil
Other Income	Nil	Nil

7. Expenditure in Foreign Currency

Travelling Expenses	Nil	Nil
Others	Nil	Nil

8. Payment to Auditors

Statutory Audit Fees	5000.00	5000.00
----------------------	---------	---------

9. Previous years' figures have been regrouped, rearranged and recasted wherever considered necessary to make them comparable with the current year's figures.

10. In the opinion of the Board of Directors and to the best of their knowledge and belief the realizable value of Current Assets, Loans and Advances in ordinary course of business is not less than the value stated in the Balance Sheet.

11. Earning Per Share (EPS)

Profit computation for both Basic and Diluted earnings per share of Rs. 10/- each.

	Rupees	Rupees
Net Profit/(Loss) as per P&L Account available to shareholders	3506195.00	3744521.00
Weighted average No. of Equity Shares	5029700	5029700
Earning per Share (Basic & Diluted)	0.70	0.74

12. Due to Small Scale Undertakings exceeding Rs. 1.00 lac overdue for more than 30 days - Nil

As per our separate report of even date

For Sudhir Agarwal & Associates

(Chartered Accountants)

F.R.No. 509930C

Sd/-
(Director)

Sd/-
(Director)

Sd/-
Sudhir Kumar Agarwal
(Partner)
M. No. 088583

Place : New Delhi

Date : 30.05.2011

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2011

(Rs. In Lacs)

PARTICULARS	YEAR ENDED 31 ST MARCH, 2011	YEAR ENDED 31 ST MARCH, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit(Loss) before tax	344,900.00	(37,110.00)
Adjustments for:		
Depreciation	125,100.00	—
Provision	—	—
Indirect Expenses	—	—
Interest Exp	—	—
Loss on Sale of Asssets/Inventories	125,100.00	—
	470,000.00	(37,110.00)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
Adjustments for:		
Decrease/(Increase) in sundry debtors and other receivables	(653,600.00)	—
Decrease/(Increase) in inventories	—	—
Decrease/(Increase) in current liabilities & provisions	(653,600.00)	—
CASH GENERATED FROM OPERATIONS	(183,600.00)	(37,110.00)
Income Taxes refund/(Paid)(Net)	—	—
NET CASH FROM OPERATING ACTIVITIES	(183,600.00)	(37,110.00)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Fixed Assets	—	—
Purchase of Fixed Assets	(208,500.00)	—
Increase/Decrease in inter corporate Deposits	(112,500.00)	(313,800.00)
Interest Received	—	—
Dividend Received	—	—
Sale/Redemption (Purchase) of current investments (net)	—	—
Sale of Investments in subsidiaries	—	—
Investments in subsidiaries	—	—
Sale of Investments	—	—
Purchase of Investments	—	370,000.00
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(321,000.00)	56,200.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	—	—
Proceeds from Issue of Share warrants(net of conversion)	—	—
Share premium received(net)	—	—
Capital subsidy Received	—	—
Proceeds From Borrowings	—	—
Repayment of Borrowings	—	197,900.00
Dividend paid(including tax thereon)	—	—
Interest and Finance charges Paid	—	—
NET CASH (USED IN) FROM FINANCING ACTIVITIES	—	197,900.00
NET INCREASE IN CASH AND EQUIVALENTS	(504,600.00)	216,990.00
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	2,803,579.00	2,586,589.00
Cash Acquired on composite scheme of Arrangement	—	—
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	2,298,979.00	2,803,579.00

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

a. Registration No.	062379
b. State code	55
c. Balance Sheet Date	31.03.2011

II. Capital raised during the period

a. Public Issue	0
b. Right Issue	0
c. Bonus Issue	0
d. Private Placement	0

(Amt. in '000)

III. Position of Mobilization & Deployment of funds

a. Total liabilities	50655.60
b. Total assets	50655.60
c. Sources of funds	
– Paid up capital	50297.00
– Reserve & Surplus	0
– Share Application Money	0
– Secured Loan	0
– Unsecured Loan	358.60
– Deferred Tax Liability	0
Total	50655.60
d. Application of funds	
– Net Fixed Assets	83.40
– Investment	37000.00
– Net Current Assets	10066.00
– Miscellaneous Expenditure	0.00
– Accumulated Profits/Losses	3506.20
Total	50655.60

IV. Performance of Company

a. Gross Turnover	19500.00
b. Total Expenditure	19155.10
c. Profit before tax	344.90
d. Provision for tax	106.57
e. Deferred Tax Assets	0
f. Profit after tax	238.33
g. Earning per share	0.05
h. Dividend rate (in % age)	0

For Sudhir Agarwal & Associates

(Chartered Accountants)

F.R.No. 509930C

Sd/-
(Director)Sd/-
(Director)Sd/-
Sudhir Kumar Agarwal
(Partner)
M. No. 088583Place : New Delhi
Date : 30.05.2011