

9th
ANNUAL REPORT

2002-2003



LIBERAL FINLEASE LTD.

BOARD OF DIRECTORS

Mr. Rajan Thind

Mr. Jasjeev Singh Swani

Mr. A.S.Thind

Auditors

M/s Mehra & Sistani

Chartered Accountants

New Delhi

Bankers

Punjab & Sind Bank

Union Bank of India

HDFC Bank Ltd.



Regd. Office

N-9, Sainik Farms South,

New Delhi - 110062

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LIBERAL FINLEASE LIMITED

NOTICE

Notice is hereby given that the 9th ANNUAL GENERAL MEETING of the shareholders of Company be held at 9.30 a.m on Tuesday the 19th August 2003 at N-9, Sainik Farms South, New Delhi-62 to consider the following Agenda:

AGENDA

AS ORDINARY BUSINESS:

1. To adopt the Balance Sheet as at 31.03.2003, the Profit & Loss Account for the year ended 31.03.2003, the Report of Auditors and Directors Report.
2. To appoint Auditors and to fix their remuneration.
3. To appoint a Director in place of Mr.A.S.Thind, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr.Jasjeev Singh Swani, who retires by rotation and being eligible offers himself for reappointment.

AS SPECIAL BUSINESS

To pass, with or without modifications, the following resolution as a special resolution

RESOLVED AS A SPECIAL RESOLUTION that the equity shares of the company be delisted from the Delhi Stock Exchange and that Mr.Rajan Thind, Director be and is hereby authorised to sign and execute all documents, deeds, certificates, affidavits, undertakings as may be required and to do all acts, deeds and things as may be required for the above purpose.

NOTES :

An Explanatory Statement pursuant to section 173(2) is annexed herewith

A member entitled to attend and vote at the said meeting is entitled to appoint a proxy to attend for himself. A proxy need not be a member.

A blank form of proxy is enclosed and if intended to be used, it should be returned to the Company not less than forty-eight hours before the Annual General Meeting duly completed.

Members/proxies should bring the attendance slip duly filled in for attending the meeting.

BY THE ORDER OF THE BOARD

Place : New Delhi.

Date : 30/06/2003

(RAJAN THIND)
DIRECTOR

EXPLANATORY STATEMENT

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

Item no.4

The continued listing of the company shares on the Delhi Stock Exchange is imposing an unnecessary financial burden on the company. Further as no shares have been traded on the exchange for the last few years, listing has lost its value as a means for providing liquidity and price discovery to the shareholders. Consequently delisting would not be prejudicial to the interests of the company or the shareholders. The shares of the company would continue to be listed on the Mumbai Stock Exchange which is an exchange with nationwide trading terminals in accordance with the SEBI (Delisting of Securities) guidelines 2003.

None of the Directors are interested in the above resolution,

BY THE ORDER OF
THE BOARD

Place : New Delhi.

Date : 30/06/2003

(RAJAN THIND)
DIRECTOR

LIBERAL FINLEASE LIMITED

DIRECTORS REPORT

Your Directors present their 9th Annual Report together with the Audited Accounts for the period ended 31st March 2003.

Financial Results

The profit & loss account shows a loss from operations of Rs. 4.87 lakhs

Financial Results	(Rs.lacs)
Turnover	13.09
Expenditure	17.96
Net loss	4.87

Dividend

As the Company made a loss, no dividend is being declared.

General Review

Due to severe constraints in cash flows the company could not undertake any fruitful business activities during the year. During the year the company has cleared a major portion of its current liabilities and the only major liability remaining is on account of land sale advances received for sale of part of its real estate stock and this will be extinguished when final sale to purchasers takes place. Thus the company has moved to a position of being free from any major liabilities, while it had already become debt free during previous years. Future company business would depend upon recovery of dues from debtors as that would provide the cash for operations and earning activities. Without cash flows the company can only wait for its stock and assets to appreciate over the years and make a profit from sale of the same. Delisting of shares from the stock exchanges would provide saving of scarce cash resources and the same is being sought to be done at the AGM as it would not be detrimental to shareholders in the absence of any trading in the company's shares on the stock exchanges over the past several years and the promoters, who are the single largest block of shareholders, have accorded their assent to the same.

Directors

Mr.A.S.Thind and Jasjeev Singh Swani, Directors retire by rotation and being eligible offers themselves for reappointment.

Auditors

M/s Mehra & Sistani, Chartered Accountants, New Delhi retire at the ensuing AGM and are eligible for reappointment.

Auditors Report

Auditor's observations are self explanatory and/or suitably explained in the notes on accounts.

Particulars of Employees

There were no employees of the Company drawing in excess of Rs. 2,00,000 per month or Rs. 24,00,000 per annum.

Particulars required to be disclosed under the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988:

A. Conservation of Energy	:	Not applicable
B. Technology absorption	:	Not applicable
C. Foreign exchange earning And outgo	:	
i) Activities relating to exports	:	Nil
ii) Initiatives relating to exports	:	Nil
iii) Development of new export markets, effort made for exports & export plan	:	Nil

LIBERAL FINLEASE LIMITED

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of section 217 (2AA) of the Companies Act, 1956, the directors would like to state that :-

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 2) The directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- 3) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The directors have prepared the annual accounts on a going concern basis.

By order of the Board

Place : New Delhi.
Date : 30/06/2003

Sd/-
(RAJANTHIND)
Director

Sd/-
(A. S. THIND)
Director

AUDITORS REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of LIBERAL FINLEASE LIMITED as at 31st March, 2003 and also the Profit and Loss Account for the year ended on that date and the Notes to the Accounts 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.
2. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit. In our opinion, proper books of account have been kept as required by law, so far as appears from our examination of these books and the above mentioned accounts are in agreement there with. In our opinion the Balance Sheet and Profit and Loss account comply with the Accounting standards referred to in section 211(3C) of the Companies Act, 1956 to the extent applicable and mandatory in nature.
b) On the basis of information and according to the explanations given to us, we report that none of the directors is disqualified as on 31st March, 2003 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956.
c) In our opinion and to the best our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and faire view:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003 and
 - ii) In the case of the Profit and Loss account, of the loss of the Company for the year ended on that date.
4. As required by the Manufacturing and other Companies (Auditors'Reports) Order, 1988 dated 7th September, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:-

LIBERAL FINLEASE LIMITED

- 4.01 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets. The management has physically verified the assets at regular intervals. No material discrepancies were noticed.
- (b) The company has not revalued any Fixed Assets during the year.
- 4.02 The company holds stock in the form of real estate and equity shares. The company has physically verified the stock of real estate and shares and confirms that the same are in the possession of the company. The valuation of closing stock is fair and proper and in accordance with generally accepted accounting principles. No material discrepancies were noticed on physical verification of stock as compared to book records.
- 4.03 The Company has not taken any secured or unsecured loan from companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and/or from the Companies under the same Management as defined under Sub-Section (1-B) of Section 370 of the Companies Act, 1956.
- 4.04 The company has not granted any loans to companies listed in the register maintained under Section 301 of the Companies Act, 1956 or to companies under the same management as defined under sub Section (1-B) of Section 370 of the Companies Act, 1956.
- 4.05 In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for purchase of investments, fixed assets, real estate and for shares purchased for trading purposes.
- 4.06 The company has advanced loans, the principal amount and interest in respect of which are not being repaid as stipulated. The company has taken reasonable steps to effect recovery of principal and interest.
- 4.07 The company has not accepted any deposits from the public.
- 4.08 The Company has an internal audit system commensurate with the size and nature of its' business activities.
- 4.09 The company has not purchased or sold any goods or materials exceeding Rs.50000/- in pursuance of contract or arrangement in the register maintained u/s 301 of the Companies Act, 1956.
- 4.10 The Provident Fund Act and the Employees State Insurance Act do not apply to the company.
- 4.11 At the last day of the financial year there was no amounts outstanding in respect of undisputed income-tax, wealth-tax, sales-tax, customs duty and excise duty which were due for more than six months from the date they became payable.
- 4.12 During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices we have not come across any personal expenses which have been charged to Profit and Loss Account.
- 4.13 The Sick Industrial Company (Special Provisions) Act, 1985 does not apply to the company.
- 4.14 No secured loans are outstanding at the year end.
- 4.15 The Company has not undertaken a Chit Fund, Nidhi business or the business of a Mutual Benefit Society.
- 4.16 The Company has maintained proper records of transactions and contracts of shares, debentures and other investments traded in or dealt with by the Company. The investments are held in the name of the company.
- 4.17 The Central Government has not prescribed the maintenance of cost records by the company under section 209 (1) (d) of the Companies Act, 1956.

For Mehra & Sistani
Chartered Accountants

Place : New Delhi.
Date : 30/06/2003

(B. S. Sistani)
Partner

BALANCE SHEET AS AT 31ST MARCH, 2003

Schedule	As at 31.03.2003 Amount (Rs.)	As at 31.03.2002 Amount (Rs.)
SOURCES OF FUNDS :		
SHAREHOLDER'S FUNDS :		
Share Capital	3,00,75,000	3,00,75,000
	<u>3,00,75,000</u>	<u>3,00,75,000</u>
APPLICATION OF FUNDS :		
Fixed Assets	1,84,974	1,88,334
Investments	53,000	53,000
Current Assets,		
Loans and Advances :		
Inventories	36,23,317	23,42,117
Sundry Debtors	-	52,56,339
Cash and Bank balance	54,302	21,034
Loans and Advances	70,43,260	1,37,18,416
	<u>1,07,20,879</u>	<u>2,13,37,906</u>
Less :		
Current Liabilities and provisions	17,02,782	32,87,499
Net Current Assets	90,18,097	1,80,50,407
Miscellaneous Expenditure to the extent not written off or adjusted	2,20,765	3,42,711
Profit & Loss A/c (As per account annexed)	2,05,98,164	1,14,40,548
	<u>3,00,75,000</u>	<u>3,00,75,000</u>
Notes to Accounts	13	

As per our report of even date

For Mehra & Sistani
Chartered Accountants(A. S. THIND)
Director(RAJAN THIND)
Director(B. S. Sistani)
PartnerPlace : New Delhi.
Date : 30/06/2003

LIBERAL FINLEASE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st, MARCH, 2003**

	Schedule	Y.E. 31.03.2003 Amount (Rs.)	Y.E. 31.03.2002 Amount (Rs.)
INCOME :			
Sale of Stock		-	40,51,200.00
Interest Income		-	420.00
Profit on Sale of Investment		-	(7,69,600.00)
Profit on Sale of Assets		346.79	4,21,248.00
Remission of Liabilities		-	16,18,574.00
Increase in Stock		12,81,200.00	-
Balance Written Back		28,104.00	-
		<u>13,09,650.79</u>	<u>53,21,842.00</u>
EXPENDITURE			
Decrease in Stock	10	-	37,36,984.00
Operating & Administrative	11	3,44,930.00	5,45,482.00
Financial Charges	12	2,355.53	1,488.00
Repurchase of shares		12,81,200.00	-
Purchases		-	39,87,661.00
Depreciation		45,845.79	51,006.00
Misc. Expenditure W/o		1,21,946.00	1,21,946.00
		<u>17,96,277.32</u>	<u>84,44,567.00</u>
Profit/Loss for the Year		(4,86,626.53)	(31,22,725.00)
Excess Provision Written Back		17,50,000.00	3,23,640.00
Less: Provision for Non Performing Assets		1,04,20,989.00	
Profit/(Loss) after adjustments		(91,57,615.53)	(27,99,085.00)
Profit/(Loss) Brought Forward		(1,14,40,548.00)	(86,41,463.00)
		<u>(2,05,98,163.53)</u>	<u>(1,14,40,548.00)</u>
Notes to Accounts	13		

(A. S. THIND)
Director

(RAJAN THIND)
Director

As per our report of even date

For Mehra & Sistani
Chartered Accountants

Place : New Delhi.
Date : 30/06/2003

(B. S. Sistani)
Partner

LIBERAL FINLEASE LIMITED**SCHEDULES ANNEXED TO AND FORMING PART OF
BALANCE SHEET & PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st, MARCH, 2003**

	As at 31.03.2003 Amount (Rs.)	As at 31.03.2002 Amount (Rs.)
SCHEDULE 1.		
SHARE CAPITAL :		
<u>Authorised :</u>		
32,00,000 Equity Shares of Rs. 10 each	3,20,00,000	3,20,00,000
<u>Issued, Subscribed and Paid up :</u>		
30,07,500 Equity Shares of Rs.10 each fully paid up in Cash	3,00,75,000	3,00,75,000



SCHEDULE 2. FIXED ASSETS AS AT 31st MARCH, 2003

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As On 01.04.02	Additions	Sales	As On 31.03.03	As On 01.04.02	For the year	Adjust- ments	As On 31.03.03	As On 31.03.03	As On 31.03.02
Computers	2,61,951	19,139	2,61,951	19,139	2,51,841	9,204	2,55,298	5,747	13,392	10,110
Office Equipment	99,982	.	.	99,982	64,585	4,924	.	69,509	30,473	35,397
Air Conditioner	82,458	.	.	82,458	51,629	4,288	.	55,917	26,541	30,829
Furniture & Fixture	1,84,460	.	.	1,84,460	1,41,139	7,841	.	1,48,980	35,480	43,321
Cars	5,23,948	30,000	.	5,53,948	4,55,271	19,589	.	4,74,860	79,088	68,677
Books	17,081	.	.	17,081	17,081	.	.	17,081	.	.
Farm Equipment	1,255	.	.	1,255	1,255	.	.	1,255	.	.
Total (Rs.) :	11,71,135	49,139	2,61,951	9,58,323	9,82,800	45,846	2,55,298	7,73,349	1,84,974	1,88,334
Previous Year :	18,09,886	.	6,38,751	11,71,135	9,31,794	51,006	.	9,82,800	1,88,334	8,78,092

LIBERAL FINLEASE LIMITED

	As at 31.03.2003 Amount (Rs.)	As at 31.03.2002 Amount (Rs.)
SCHEDULE 3.		
Investments (Long Term) :		
Real Estate		
1.5 Acres in Village Kurnoli		
Ta.lgatpuri, Nasik	53,000	53,000
	<u>53,000</u>	<u>53,000</u>
SCHEDULE 4.		
INVENTORIES :		
(At Lower of Cost or net realisable value)		
Real Estate	23,42,117	23,42,117
Share & securities	12,81,200	-
	<u>36,23,317</u>	<u>23,42,117</u>
SCHEDULE 5.		
SUNDRY DEBTORS :		
(Unsecured : Considered doubtful)		
Outstanding for Period Exceeding Six Months	74,56,000	74,75,139
Less : Provision for Doubtful Debts	74,56,000	35,00,000
	-	<u>39,75,139</u>
(Unsecured Considered Good)		
Other Debts	-	12,81,200
	-	<u>52,56,339</u>
SCHEDULE 6.		
CASH AND BANK BALANCES :		
Cash in Hand	-	376
Balance with Scheduled Banks on Current Account	54,302.47	20,658
	<u>54,302.47</u>	<u>21,034</u>
SCHEDULE 7.		
Loans & Advances :		
(Unsecured Considered Doubtfull)		
Intercompany Deposits	5,67,856	19,00,000
CNG Loan	14,536	14,536
	<u>5,82,392</u>	<u>19,14,536</u>
Less: Provision for Non-Performing Assets (Refer note 13.09)	5,70,763	19,00,000
	<u>11,629</u>	<u>14,536</u>
Other advances	1,12,64,200	1,12,64,200
Less: Provision for doubtful debt (Refer note 13.10)	56,32,100	-
	<u>56,32,100</u>	<u>1,12,64,200</u>

LIBERAL FINLEASE LIMITED

	As at 31.03.2003 Amount (Rs.)	As at 31.03.2002 Amount (Rs.)
Advance to share transfer agent	4,12,126	3,09,375
Less: Provision for doubtful debt (Refer note 13.12)	4,12,126	-
(C)	-	3,09,375
Interest receivable	30,151	7,60,925
Advance for Purchase of Real Estate	13,69,380	13,69,380
(D)	13,99,531.00	21,30,305
Total of A + B + C + D	70,43,260.00	1,37,18,416
SCHEDULE 8.		
CURRENT LIABILITIES :		
Sundry Creditors	-	3,75,000
Expenses Payable	22,500	10,89,499
Advance Against Sale of Real Estate (Refer Note 13.6)	16,78,000	17,80,000
Arkadia Resorts Pvt. Ltd	-	43,000
Due to Director	2,282	-
	17,02,782	32,87,499
SCHEDULE 9.		
MISCELLANEOUS EXPENDITURE :		
(To the extent not written off or adjusted)		
Preliminary Expenses	23,138	46,271
Share Issue Expenses	1,97,627	2,96,440
	2,20,765	3,42,711
SCHEDULE 10.		
<u>Increase/(decrease) in Stock</u>		
<u>Real Estate Stock</u>		
Closing Stock	23,42,117	23,42,117
Less: Opening Stock	23,42,117	44,23,617
	-	(20,81,500)
<u>Share Stock</u>		
Closing Stock	12,81,200	-
Less: Opening Stock	-	16,55,484
	12,81,200	(16,55,484)
Total:	12,81,200	(37,36,984)

LIBERAL FINLEASE LIMITED

	As at 31.03.2003 Amount (Rs.)	As at 31.03.2002 Amount (Rs.)
SCHEDULE 11.		
ADMINISTRATIVE EXPENSES:		
SALARIES & STAFF BENEFITS	1,26,400.00	71,520.00
RENT, ELECTRICITY	1,05,000.00	31,522.00
PRINTING & STATIONARY	7,775.00	10,186.00
LEGAL & PROFESSIONAL	5,000.00	3,41,500.00
VEHICLE RUNNING & MAINTENANCE EXP.	24,000.00	22,710.56
REPAIRS & MAINTENANCE	17,300.00	37,477.00
POST & TELEPHONE	3,250.00	4,026.00
TRAVELLING	5,405.00	12,940.00
AUDIT FEE	10,500.00	10,500.00
FILING FEE	3,500.00	3,100.00
OFFICE EXP.	37,000.00	-
	<u>3,44,930.00</u>	<u>5,45,481.56</u>



SCHEDULE 12.

FINANCIAL CHARGES :

Bank Charges	2,355.53	1,488.41
	<u>2,355.53</u>	<u>1,488.41</u>

13. NOTES TO THE ACCOUNTS :

- (a) Contingent Liabilities : NIL (NIL)

(b) Guarantees/ Counter Guarantees issued by the Company Rs. NIL (NIL)
- Capital commitments : Rs. NIL (NIL)
- In the opinion of the Board, Current Assets, Loans & Advances, if received in the ordinary course of business, will atleast, be equal to the value stated in the Balance Sheet & provision for all known liabilities has been made in the accounts.
- Advance for Purchase of real estate is being treated as a trade advance, since the company does not intend to hold the said real estate as a Fixed Asset.

LIBERAL FINLEASE LIMITED

5. Auditors Remuneration :

Audit Fee	Rs.10,000	(Rs.10,000)
Service Tax	Rs. 500	(Rs. 500)
Income Tax Matters	Rs. 5,000	(Rs. 5,000)

6. The Company has entered into Agreements to Sell agricultural land shown under the head Inventories-Real Estate and has received an advance of Rs. 16,78,000 (Previous year Rs.17,80,000) against the said Agreement. The possession of the said land remains with the company
7. No provision for taxation has been made in the accounts in veiw of the loss made by the company.
8. Sundry Debtors of Rs. 74,56,000 in the opinion of Directors is doubtful for recovery. No confirmation of closing balances is received from debtor. A provision of Rs.74,56,000 has been created in the accounts towards doubtful debts.
9. During the year, the company has made a provision of Rs. 5,67,856 being 100% of the substandard assets. Further provision of Rs. 2907 has been made being 20% of substandard asset of Rs. 14536.
10. During the year the company has made a provision of Rs. 56,32,100 being 50% of advance given earlier for purchase of real estate. The said advance is doubtful for recovery as proceedings against the vendor have not resulted in recovery of any part of the amount or settlement in real estate.
11. The company has assigned two doubtful advances including past interest thereon in settlement of its current liabilities due to a Director.
12. The company has made a provision of Rs. 4,12,126 against advance given earlier to share transfer agent as there is an accounting dispute with respect to this amount.
13. Additional information as required by part II, Schedule VI of the Companies Act 1956.

(1) Particulars in respect of opening and closing stock, Purchase and sales.

(A) Equity Shares :

(Rs.)	Quantity		Value (No.of Shares)	
	Opening Stock	NIL	(98,100)	NIL
Sale return (Purchases)	3,20,400	(2,15,100)	12,81,200	(23,07,661)
Sales	NIL	(3,13,200)	NIL	(12,52,800)
Closing Stock	3,20,400	(NIL)	12,81,200	(NIL)

(B) Real Estate :

	Quantity (Acres)		Value (Rs.)	
Opening Stock	27	(60)	23,42,117	(44,23,617)
Additions Land	-	(17)	NIL	(16,80,000)
- Land development	-	(-)	NIL	(NIL)
Sales	-	(50)	NIL	(27,40,000)
Closing Stock	27	(27)	23,42,117	(23,42,117)

14. Expenditure in foreign currency NIL (NIL)
15. Earning in foreign exchange NIL (NIL)
16. Remittance in foreign exchange NIL (NIL)
17. Previous year's figures are displayed in brackets.

LIBERAL FINLEASE LIMITED

18. Previous year's figures have been regrouped/rearranged wherever considered necessary.

19A. Since the Company has made a loss during the year, earning per share in nil.

19B. Significant Accounting Policies :

(1) Revenue recognition :

(a) All incomes and expenditures are accounted for on accrual basis.

(b) Dividends on Shares are accounted for in the year of receipt.

(2) Fixed Assets & Depreciation

All fixed assets are stated at historical cost less depreciation. Depreciation is provided on written down value method at rates and manner specified in schedule XIV to the Companies Act, 1956.

(3) Inventories

Inventories are valued at lower of cost or market value.

(4) Investments

Investments are classified as long term or short term depending upon the intention to hold the same. Generally investments which are readily realisable and are intended to be held for not more than one year from the date of investment are treated as short term investments. In terms of prudential norms of Reserve Bank of India long term investments are valued at cost. However when there is a decline, other than temporary, in value of long term investment, the carrying amount is reduced to recognise the decline. Short term investments are valued at lower of cost or market value.

(5) Miscellaneous Expenditure

Preliminary Expenses and Share issue Expenses are amortised over a period of ten years.

20. Disclosure of Transactions with Related Parties (Figures in Rupees)

Related Parties Transactions have been disclosed in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

	Name of party	Mr. A. S. Thind	Mrs. G. Thind
	Relationship	Director	Relative of Key Management personnel
S.No.	Particlulars		
1.	Expenses: Rent	12,000	3,000

Signature to Schedule "1" to "13"

(A. S. THIND)
Director

(RAJAN THIND)
Director

As per our report of even date
For Mehra & Sistani
Chartered Accountants

Place : New Delhi.
Date : 30/06/2003

(B. S. Sistani)
Partner

LIBERAL FINLEASE LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2003****A) Cash Flow From Operating Activities :**

Net Profit before Tax and extraordinary items		(4,86,626.53)
Adjustment for :		
Add : Depreciation	45,845.79	
Add : Preliminary Expenses & Share Issue Expenses.	1,21,946.00	1,67,791.79
		<u>(3,18,834.74)</u>
Less: Profit on sale of asset		346.79
		<u>(3,19,181.53)</u>
Add : Decrease in loans & advances		66,75,156.00
		<u>63,55,974.47</u>
Add: Decrease in Trade Receivable		52,56,339.00
		<u>1,16,12,313.47</u>
Less:Increase in Inventory		12,81,200.00
		<u>1,03,31,113.47</u>
Add: Decrease in Trade Payable		15,84,717.00
		<u>87,46,396.47</u>
(B) EXTRAORDINARY ITEMS		
Excess Provision Written back	17,50,000.00	
Provision for NPA	(-)1,04,20,989.00	(-)86,70,989.00
		<u>75,407.47</u>
(C) Cash Flow from Investing Activities :		
Add: Sale of Fixed Asset	7,000.00	
Less: Purchase of Fixed Asset	(-) 49,139.00	(-) 42,139.00
		<u>33,268.47</u>
(D) Cash from Financing Activities		
Inflow	NIL	
outflow	NIL	NIL
		<u>33,268.47</u>
Net Increase in Cash		33,268.47
Balance at the beginning of the year		21,034.00
		<u>54,302.47</u>
Cash at the end of the year		54,302.47

Place : New Delhi
Date : 30th June, 2003

(A. S. THIND)
Director

(RAJAN THIND)
Director

AUDITORS CERTIFICATE

We have examined the above Cash flow Statement of Liberal Finlease Ltd. for the year ended 31st March, 2003. The statement has been prepared by the Company in accordance with the requirement of clause 32 of the Listing Agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report dated 30th June, 2003 to the members of the Company and reallocation required for the purpose are as made by the Company.

As per our report of even date

For Mehra & Sistani
Chartered Accountants

Place : New Delhi
Date : 30/06/2003

(B. S. Sistani)
Partner



LIBERAL FINLEASE LIMITED

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE :

I. Registration Details

Registration No. State Code (Refer Code List)
 Balance Sheet Date
 Date Month Year

II. Capital raised during the year (amount in Rs.Thousands)'

Public Issue <input type="text" value="1111110"/>	Right Issue <input type="text" value="1111110"/>
Bonus Issue <input type="text" value="1111110"/>	Private Placement <input type="text" value="1111110"/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities <input type="text" value="1130075"/>	Total Assets <input type="text" value="1130075"/>
Sources of Funds	
Paid-up Capital <input type="text" value="1130075"/>	Reserves & Surplus <input type="text" value="1111110"/>
Secured Loans <input type="text" value="1111110"/>	Unsecured Loans <input type="text" value="1111110"/>
Application of Funds	
Net Fixed Assets <input type="text" value="1111185"/>	Investments <input type="text" value="1111153"/>
Net Current Assets <input type="text" value="1119018"/>	Misc. Expenditure <input type="text" value="1111221"/>
Accumulated Losses <input type="text" value="1120598"/>	

IV. Performance of Company (Amount in Rs.Thousands)

Turnover <input type="text" value="1113110"/>	Total Expenditure <input type="text" value="1117196"/>
Profit/Loss before tax <input type="text" value="(-)1111486"/>	Profit/Loss after tax <input type="text" value="(-)1111486"/>
(Please tick Appropriate box + for Profit, - for Loss)	
Earning per Share in Rs. <input type="text" value="1111110"/>	Dividend rate % <input type="text" value="110"/>

V. Generic Names of Three Principle Products/Services of Company

(as per monetary terms)

Item Code No.
(ITC Code)

Product
Description REAL ESTATE ACTIVITIES

LIBERAL FINLEASE LIMITED

LIBERAL FINLEASE LIMITED

Registered office : N - 9, Sainik Farms South,
New Delhi - 110062

PROXY FORM

Regd. Folio No _____

No. of Shares Held _____

I/
We _____ of _____
being a Member/Members of Liberal Finlease Limited

hereby Appoint _____ of _____

of falling him _____ of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the 9th ANNUAL GENERAL MEETING of the Company to be held on 19th day of August 2003 at any adjournment thereof.

Dated this _____ day of _____ 2003.

Signed this _____ day of _____ 2003.

Affix
Rupee One
Revenue
Stamp

- Note : 1) This proxy form must be deposited at the registered office of the Company not later than 48 hours before the time for holding the meeting.
2) Proxy need not be a member.

LIBERAL FINLEASE LIMITED

Registered office : N - 9, Sainik Farms South, New Delhi - 110062

ANNUAL GENERAL MEETING

Date 19/08/2003 Time : 9:30 a.m.

Venue : N - 9, Arkadia, Sainik Farms South, New Delhi - 110062

ADMISSION SLIP

Name and Address of Member _____

Folio No _____

I certify that I am a registered shareholder of the company and hold _____ shares.

Please tick : Member Proxy

Member's Signature

Name of Proxy in BLOCK LETTERS

Proxy's Signature

Note : Shareholder/proxyholder wishing to attend the meeting must bring the Admission Slip to the meeting and hand it over at the entrance duly signed.

BOOK POST



If undelivered please return to :

LIBERAL FINLEASE LIMITED

N-9, Salnik Farms South,

New Delhi-110 062