

ANNUAL REPORT 2013-2014

G / L / F / L

GUJARAT LEASE FINANCING LIMITED

(CIN No. L65990GJ1983PLC006345)

CORPORATE INFORMATION

DIRECTORS

Mr. Surendra M. Shah
Mr. Vasant A. Shah
Mr. Ashok B. Shah
Mr. Pankaj J. Patel
Mr. Harnish J. Patel
Mr. Pradip J. Mehta, Director In Charge

AUDITORS

M/s C.C. Chokshi & Company
Chartered Accountants
Ahmedabad

BANKERS

Bank of India
Dena Bank
Bank of Baroda
Canara Bank
Federal Bank Limited
Central Bank of India
Oriental Bank of Commerce
Credit Lyonnais
State Bank of India
Andhra Bank
State Bank of Saurashtra
Vysya Bank Limited
Vijaya Bank
Dhanlaxmi Bank Limited
Development Credit Bank Limited
Union Bank of India

REGD. OFFICE

6th Floor, Hasubhai Chambers
Opp. Town Hall, Ellisbridge
Ahmedabad-380 006

BRANCH OFFICE

Ahmedabad, Mumbai, New Delhi

REGISTRAR & TRANSFER AGENT

MCS Limited
101, Shatdal Complex, Opp. Bata Show Room
Off Ashram Road, Ahmedabad-380 009
Telephone No. : 079-30070671
Fax No.: 079-30070678
E-mail : mcsahmd@gmail.com

31st Annual General Meeting

Date : 21st July-2014

Day : Monday

Time : 10.00 AM

Venue : ATMA Hall, Ahmedabad Textile Mills,
Association, Opp.La-Gjjar Chamber
Ashram Road, Ahmedabad-380 009

NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the Shareholders of Gujarat Lease Financing Limited will be held on Monday, 21st July, 2014 at 10.00 a.m. at ATMA Hall, Ahmedabad Textiles Mills Association, La-Gajjar Chambers, Ashram Road, Ahmedabad-380009 **to transact the following businesses:**

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014, including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of **Shri Pankaj J. Patel (holding DIN: 01998795)**, who retires by rotation pursuant to the provisions of the Companies Act, 2013, and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad (ICAI Registration No. 101876W) be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, **Shri Vasant A Shah (holding DIN: 00011596)**, Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term starting from 1st April, 2014 and ending on 31st March, 2017."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, **Shri Surendra M Shah (holding DIN: 00016578)**, Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term starting from 1st April, 2014 and ending on 31st March, 2017."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions under Sections 196, 197 and 203 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 (the "Act") and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of **Shri Pradip J. Mehta (holding DIN: 00254359) as Director-in-charge** of the Company for a period of two years with effect from 27th July, 2014.

RESOLVED FURTHER THAT Shri Pradip J Mehta shall not be entitled to receive any remuneration or sitting fees during his tenure as the Director-in-Charge of the Company.

RESOLVED FURTHER THAT Shri Pradip J Mehta shall be in charge of the operations and overall affairs of the Company and shall have substantial powers of management of the Company subject to superintendence, control and direction of the Board of Directors."

Registered Office :

6th Floor, Hasubhai Chambers
Opp. Town Hall, Ellisbridge,
Ahmedabad 380 006
Tele No. : 26575722/5180
Website : www.gujaratleasefinancing.co.in
CIN No. : L65990GJ1983PLC006345

Place : Ahmedabad
Date : 26/5/2013

By Order of the Board of Directors

Director In-Charge

NOTES :

- (i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A proxy form, duly completed and stamped, must reach the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting.
- A proxy form is sent herewith. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. Provided that a member holding more than 10 (Ten) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.
- (ii) Members/ proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- (iii) The Register of Members and Share Transfer Books of the Company will remain closed on Monday, 16th June, 2014 for determining the names of members for the purpose of AGM.
- (iv) The Statement pursuant to Section 102 of the Companies Act, 2013 and Clause-49 of the Listing Agreement is annexed hereto and forms part of this Notice.
- (v) The Companies Act provides nomination facility to the shareholders. As a shareholder, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the shareholders who currently hold shares in their single name. Nomination can avoid the process of acquiring right in shares through transmission by law. In case of nomination by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to your Depository Participant.
- (vi) Trading in equity shares of the Company is compulsorily in dematerialised mode by all the investors. In view of the above, shareholders are advised to convert their shareholding in dematerialised form.
- (vii) Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, atleast 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
- (viii) Annual Report of the Company has been uploaded on website of the Company; www.gujaratleasefinancing.co.in.
- (ix) All documents referred to in the accompanying notice and the statement shall be open for inspection at the registered office of the Company during normal business hours (10.00 AM to 6.00 PM) on all working days, except Saturday upto and including the date of Annual General Meeting of the Company.
- (x) Electronic copy of the Notice of the Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members as whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members, who have not registered their email address, physical copies of the notice of the Annual General Meeting of the Company alongwith Attendance Slip and Proxy Form is being sent in the permitted mode.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Shri Vasant A Shah (holding DIN: 00011596) is a Non-Executive Director ("NED") of the Company. He joined the Board of Directors of the Company on 28/09/1994.

Shri Vasant A. Shah, 71, is a graduate in commerce and Fellow member of the Institute of Chartered Accountant of India with nearly 45 Years of Experience. He possesses in depth knowledge in finance, accounts, taxation and general management. He has held senior positions in various reputed companies including your Company.

Shri Vasant A. Shah is currently the member of the Audit Committee and a member of Stakeholders' Grievances Committee. Details of his directorship in other companies and membership in committees of these companies are given below:

Sr. No.	Directorship in Companies	Names of Committees
1.	Torrent Cables Limited	-
2.	GLFL Housing Finance Limited	Chairman -Audit Committee
3.	GLFL Securities Limited	-
4.	GLFL International Limited	-

Shri Vasant A. Shah does not hold any shares of the Company. He is not related to any Director of the Company.

Shri Vasant A. Shah retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, if any, Shri Vasant A. Shah being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for three consecutive years for a term of three years, starting from 1st April, 2014 ending on 31st March, 2017. A notice has been received from a member proposing his candidature for the office of Director of the Company.

In the opinion of the Board, Shri Vasant A. Shah fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Vasant A. Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Vasant A. Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Vasant A. Shah as an Independent Director, for the approval by the shareholders of the Company.

Shri Vasant A. Shah is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnels (KMPs) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause-49 of the Listing Agreement with the Stock Exchanges.

Item No. 5

Shri Surendra M. Shah (holding DIN: 00016578) is an Independent Non-Executive Director ("INED") of the Company. He joined the Board of Directors of the Company on 26-05-2006.

Shri Surendra M Shah, 78, is graduate in science with nearly 50 years experience. He has studied with London School of Economics. Shri Surendra M Shah has vast experience in banking, finance, accounts and general management. He has held senior positions in various reputed companies including your Company.

Shri Surendra M Shah is currently the Chairman of the Audit Committee and a member of Shareholders' Grievances Committee (renamed as Stakeholders' Grievances Committee) and a member of the Nomination and Remuneration Committee of the Board of Directors of the Company. Details of his directorship in other companies and membership in committees of these companies are given below:

Sr. No.	Directorship in Companies	Names of Committees
1.	Marck Biosciences Limited	-

Shri Surendra M. Shah does not hold any shares of the Company. He is not related to any Director of the Company.

Shri Surendra M. Shah's period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, if any, Shri Surendra M Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years for a term of three years, starting from 1st April, 2014 to 31st March, 2017. A notice has been received from a member proposing his candidature for the office of Director of the Company.

In the opinion of the Board, Shri Surendra M Shah fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Surendra M Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Surendra M. Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Surendra M. Shah as an Independent Director, for the approval by the shareholders of the Company.

Shri Surendra M. Shah is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnels (KMPs) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause-49 of the Listing Agreement with the Stock Exchanges.

Item No. 6

Shri Pradip J. Mehta (holding DIN: 00254359) is a Non-Independent Executive Director ("NIED") of the Company. He joined the Board of Directors of the Company on 27-01-2011.

Shri Pradip J. Mehta, aged 59, holds a B. Com degree in and Chartered Accountancy. Shri Pradip J. Mehta has vast experience in accounts, finance, taxation, treasury and general management.

Shri Pradip J. Mehta shall not be entitled to any remuneration or sitting fees during his tenure as the Director-in-Charge. In terms of Article 184 of the Articles of Association of the Company, Shri Pradip J. Mehta shall not be liable to retire by rotation while he holds the office of Director-in-charge.

Shri Pradip J. Mehta shall exercise such powers and carry out such functions as may be delegated to him from time to time by the Board of Directors, subject to superintendence, control and direction of the Board.

Details of his directorship in other companies are given below:

Sr. No.	Directorship in Companies	Names of Committees
1.	Radiant Urja Limited	-
2.	GLFL Securities Limited	-
3.	GLFL International Limited	-

Shri Pradip J Mehta does not hold any shares of the Company. He is not related to any Director of the Company.

Shri Pradip J Mehta is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Registered Office :

6th Floor, Hasubhai Chambers

Opp. Town Hall, Ellisbridge,

Ahmedabad 380 006

Tele No. : 26575722/5180

Website : www.gujaratleasefinancing.co.in

CIN No. : L65990GJ1983PLC006345

Place : Ahmedabad

Date : 26/5/2013

By Order of the Board of Directors

For Gujarat Lease Financing Ltd

Director In-Charge

DIRECTORS' REPORT

Your Directors present the 31st Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

The highlights of the financial results are given below:

Particulars	(Rs. in lacs)	
	Year ended 31.3.2014	Year ended 31.3.2013
Other Income	1.67	1.73
Total Revenue	1.67	1.73
Expenses : Administrative & other expenses	13.51	16.82
Profit/(Loss) for the year before Depreciation	(11.84)	(15.09)
Depreciation	1.57	1.62
Profit/(Loss) Before taxation	(13.41)	(16.71)
Tax Expenses	0.00	0.00
Profit/ (Loss)After Taxation	(13.41)	(16.71)

YEAR UNDER REVIEW

It may be observed from the Statement of Profit and Loss that other Income during the year is Rs 1.67 lacs includes Interest on bank deposits of Rs 1.47 lacs as against Rs 1.73 lacs for the previous year.

GLFL has no source of income other than interest on Bank deposit while it has to meet the administrative expenses to run the company. Major expenses include listing fees to stock exchanges, custodian fees to CDSL & NSDL and printing & postage of Annual Reports.

After meeting the expenses, the Company incurred loss of Rs 13.41 lacs against the loss of Rs 16.71 lacs in the previous year.

Your company is not accepting the Public deposit since 1999-2000. During the year 2010-11, Reserve Bank of India (RBI) changed Certificate of Registration from Category 'A' as Deposit Accepting Company to Category 'B' as Non Deposit Accepting company.

During the year 2004-05, the Hon'ble High Court of Gujarat had sanctioned the Scheme of Compromise and Arrangement under section 391 of the Companies Act of 1956 to discharge the liability of the Banks. Your company had released payment as per the court order. Approval in respect of deed of assignment of receivables is still awaited from the banks.

As per the court's order, the income received pertaining to assigned assets after July, 2004 is transferred to the consortium of Banks. Subsequent to the court's order, GLFL has recovered Rs.475 lacs till date from the charged assets and deposited with the member banks.

It is worthwhile to note that the company has **no external debts at the end of the year.**

FIXED DEPOSITS

The company has discontinued accepting fixed deposits since September, 2000. There was no outstanding liability of fixed deposit as on 31st March, 2014.

TRANSFER TO THE INVESTOR EDUCATION FUND

The company does not have any liability towards unclaimed Fixed Deposits, Debentures and other liabilities. The liability have been discharged / transferred on completion of prescribed period to the Investor Education and Protection Fund, formed by the Central Government.

SUBSIDIARIES

GLFL Housing Finance Limited

After disinvestments of the major Housing Loan Portfolio, along with liabilities, in favour of LIC Housing Finance Ltd., recovery from balance accounts has been the main thrust area during the year. The company has incurred the loss of 0.35 lacs against the loss of Rs 2.19 lacs, during the previous year.

GLFL Securities Limited

The company has earned profit of Rs. 18.40 lacs mainly on account of receipt of shares held as stock-in-trade for the longer period which were written off by the company.

GLFL International Limited

The Company has yet not commenced business.

EMPLOYEES

The Company does not have any employee in the category as specified under Section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

The Company has no activities relating to conservation of energy or technology absorption. There has been no foreign exchange earning or outgo during the year under review.

DIRECTORS

Shri Pradip J Mehta was appointed as a Director-In-Charge of the Company for a period of 2 (two) years from 27th July, 2012. As per the terms of appointment, his present tenure will be expiring on 26th July, 2014. The Board of Directors of the Company, at its meeting held on 26th May, 2014, has decided to re-appoint Shri Mehta as Director-In-Charge of the Company for further term of two years w.e.f 27th July, 2014 without any remuneration.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Pankaj J Patel, Director of the Company retires by rotation and is eligible for re-appointment.

It is proposed to appoint Shri Vasant Shah and Shri S.M. Shah Directors of the Company as Independent Directors for period of 3 years starting from 1st April, 2014.

CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Company's Auditors regarding compliance of conditions of Corporate Governance is annexed to the said Report.

AUDITORS' REPORT

Notes on accounts are self-explanatory and do not require any further explanations on the Auditors' qualifications.

AUDITORS

The Auditors M/s C.C. Chokshi & Company, Chartered Accountants, Ahmedabad retired at the ensuing Annual General Meeting and are eligible for re-appointment. The Audit Committee in their meeting held on 26th May, 2014 has recommended the re-appointment of M/s. C.C. Chokshi & Company, Chartered Accountants, as Auditors of the Company for the year 2014-15.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 271(2AA) of the Companies Act, 1956 in relation to the financial statements for the year 2013-14, the Board of Directors state that

1. In the preparation of the annual accounts, the applicable accounting standards, as specified by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures.
2. The Accounting Policies have been applied consistently and judgments and estimates that have been made for the preparation of the accounts are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the Loss of the Company for the year;
3. Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and taken steps to safeguard the assets of the Company and to prevent fraud and irregularities;
4. Directors have prepared accounts on going concern basis.

ACKNOWLEDGEMENTS

Your Directors are grateful to RBI, GIIC Limited, the Government of Gujarat and Torrent Group for their continued guidance and support to the Company. The Directors are pleased to place on record their appreciation for the excellent support extended by the banks.

The Board would also like to express great appreciation for the understanding and support extended by the employee and Shareholders of the company in the difficult period.

For and on behalf of the Board

Date : 26-05-2014
Place : Ahmedabad

Directors/Chairman

REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereinafter referred to as “the code”) through clause 49 in the listing agreement executed by the Company with the Stock Exchanges. Clause 49 lays down several corporate governance practices which listed companies are required to adopt. The code has been periodically upgraded to ensure adoption of the best corporate governance practices by the corporates worldwide. While most of the practices laid down in clause 49 require mandatory compliance, few are recommendatory in nature. This report sets out the compliance status of the Company with the requirements of Corporate Governance as set out in clause 49, for the financial year 2013-14.

Company’s Philosophy on Corporate Governance:

The Philosophy on Corporate Governance aims at attainment of the highest levels of transparency, accountability and equity in the functioning of the Company vis-à-vis interactions with employees, shareholders, creditors and customers. The objective of the Company is not only to meet the statutory requirements of the code but also go beyond it by instituting such systems and procedures as required in accordance with the latest global trends of making management completely transparent and institutionally sound.

1. Board of Directors:

The Board of Directors comprises of 6 Directors out of which 3 are Non-Executive Independent Directors (50% of the Board strength) and 3 are Non-independent Directors. The Chairman of the Board is Non-Executive Independent Director. The Composition of the Board complies with the requirements of the Code.

The Board of Directors of the Company met four times during the year on 27th May, 2013, 24th July, 2013, 25th October, 2013 and 30th January, 2014.

Composition of Board and other related matters:

Name of the Director & Designation	Category	No. of other Directorship held in public companies in India	No. of other Board committees of which Member(M)/ Chairman (C)	Board meetings attended	Attendance at the last at the AGM	No. of Shares held (of the Company)
Mr. Vasant Shah, Director	Non Executive Non Independent Director	4	1(C)	3	Yes	No
Mr. Surendra M.Shah, Director	Non Executive Independent Director	1	NIL	3	Yes	No
Mr. Pankaj J Patel, Director	Non Executive Independent Director	NIL	NIL	4	Yes	No
Mr.Ashok B.Shah, Director	Non Executive Independent Director	6	NIL	3	Yes	No
Mr Harnish J. Patel, Director	Non Executive Non Independent Director	4	NIL	4	Yes	No
Mr Pradip J Mehta Director In Charge	Executive Non Independent Director	3	NIL	4	Yes	NO

Shri Pradip J. Mehta is a Director of the Company since 27-1-2011. He was appointed as a Director-In-Charge of the Company for a period of 2 (two) years in July 2012. As per the terms of appointment, his present tenure will be expiring on 27th July, 2014. The Board of Directors of the Company, at its meeting held on 26th May, 2014, has decided to re-appoint Shri Mehta as Director In Charge of the Company for another term of two years w.e.f 26th July, 2014 without any remuneration.

As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the directors hold directorship in more than 15 public companies, membership of board committees (audit / investors grievance committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

None of the Non-executive Directors has any pecuniary relationship with the Executive Directors of the Company. Non-executive Directors have no transaction with the company and they are not paid any remuneration or sitting fees.

Details of Directors seeking Appointment/Re-appointment in forthcoming Annual General Meeting

Name of Director	@ Mr. Vasant Shah	*Mr. Pankaj J Patel	#Mr. Pradip J Mehta	@Mr S.M.Shah
Date of Birth	21-09-1943	06-06-1960	30-5-1955	23-11-1936
Date of Appointment	28-09-1994	13-07-2011	27-1-2011	20-5-2006
Qualifications	B.Com, F.C.A	B.Com, A.C.S	B.Com, F.C.A	B.Sc Economics London School of Eco.
Expertise in specific functional areas	Finance and General Management	Company Law Matters	Banking, Finance and General Management	Banking & Finance
List of Public Ltd. Co(s). in which Directorship held	GLFL Housing Finance Ltd. GLFL Securities Ltd. GLFL International Ltd Torrent Cables Ltd	Nil	Radiant Urja Ltd. GLFL Securities Ltd. GLFL International Ltd.	Marks Bioscience Ltd
Chairman/Member of the Committees of the Board of Directors of the Company	Audit Committee 1 (M) Share holders Grievance Committee 1 (M)	Audit Committee 1 (M) Share holders Grievance Committee 1(M)	Nil	Audit Committee 1 (C) Share holders Grievance Committee 1(M)
Chairman/Member of the Committees of the Board of Directors of other Company	Audit Committee 1 (C)	Nil	Nil	Nil

@being appointed as independent director * retirement by rotation # being appointed as DIC

2. Remuneration of Directors

The Remuneration Committee as a sub-committee of the Board has been constituted mainly to determine and recommend to the Board, the company's policies on remuneration packages for executive and non executives. The Company has a Remuneration Committee consisting of Independent Directors, consisting of Shri S.M. Shah as a Chairman of the Committee and Shri Pankaj J Patel and Shri Ashok B Shah as members.

During the period under review, no committee meeting was held.

No Director is drawing any remuneration or sitting fees from the Company. The Company does not pay any severance fee.

3. Audit Committee

Audit Committee consists of two third independent directors and one third non independent Directors. The Manager (Finance) acts as the Secretary of the Audit Committee. Shri S.M. Shah acts as Chairman of the Audit Committee.

The Company has Audit Committee consisting of Shri S.M. Shah, Shri A.B. Shah, Shri Pankaj J Patel and Shri Vasant A Shah as members.

During the period under review, four meetings were held on 27th May, 2013, 24th July, 2013, 25th October, 2013 and 30th January, 2014. The Chairman of Audit Committee had attended last Annual General Meeting of the Company held on 24th July, 2013. The Audit Committee at its meeting held on 25th May, 2014 reviewed the Annual Accounts for the year 2013-14 and recommended the same for approval to the Board of Directors. The Audit Committee at its meeting held on 24th July, 2013, 25th October, 2013 and 30th January, 2014 reviewed the un-audited financial results for the quarter ended on 30th June, 2013, 30th September, 2013 and 31st December, 2013, respectively.

The Audit Committee shall consist of following:-

Name	Designation	Attendance
Shri S.M. Shah	Non Executive – Independent	3
Shri Pankaj J Patel	Non Executive – Independent	4
Shri Ashok B. Shah	Non Executive – Independent	3
Shri Vasant A Shah	Non Executive – Non-Independent	3

*The above composition meets all the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The terms of reference for the Audit Committee are as stipulated in Clause 49 of the Listing Agreement and as laid down in Circular No.SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October, 2004- Annexure 1- Clause II (D).

The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange. Broadly, the same are (i) oversee company's financial reporting process, (ii) recommend the appointment or removal of External Auditors, decide the audit fee as well as approve fees for other services, discuss the nature and scope of audit and ascertain the areas of concern, (iii) review the annual and quarterly financial statement, (iv) review changes in the accounting policies and practices of major accounting entries, (v) review adjustments in financial statements, highlighted by audit findings, (vi) review disclosure of related party transactions, (vii) review with the Management the performance of statutory and internal audit and adequacy of internal control system, (viii) review the adequacy of internal audit function and discuss with them, significant findings (if any) (ix) review the findings of internal investigations in case of suspected fraud or irregularity and (x) probe into the reasons for substantial default in payment of declared dividend.

4. Investor grievances Committee

Investor grievances Committee a Sub-Committee of the Board has to mainly focus on the redressal of Shareholders / Investors Grievances like Transfer / Transmission / Dematerialization of Shares, Issue of Duplicate Share Certificates, Non-receipt of Annual Report, Dividend Warrants, Repayment of principal and/or interest on Fixed Deposits / Debentures, etc.

The Company has Investor grievances Committee consisting of Shri S.M.Shah, Shri A.B.Shah, Shri Pankaj J.Patel and Shri Vasant A Shah as members.

The Company has Investor grievances Committee consisting of all non-executive Directors out of which three independent directors and one is Non independent director. During the year under review, four meetings were held on 27th May, 2013, 24th July, 2013, 25th October, 2013 and 30th January, 2014. The Company has received no complaint from the Shareholders and no complaint was pending as on 31st March 2014. The Company has no transfers pending at the close of the financial year.

Manager (Finance) provides secretarial support to the Committee and he is also the designated Compliance Officer for such matters.

Name	Designation	Attendance
Shri S.M.Shah	Non Executive – Independent	3
Shri Pankaj J Patel	Non Executive – Independent	4
Shri Ashok B.Shah	Non Executive – Independent	3
Shri Vasant A Shah	Non Executive – Non Independent	3

The company is in the process of appointing a Company Secretary and till such time, Mr. A.K.Jhaveri, Manager (Finance) is shouldering the responsibility of Compliance Officer.

5. Subsidiary Companies

The GLFL has following subsidiary Companies:

1. GLFL Housing Finance Limited
2. GLFL Securities Limited

3. GLFL International Limited

The above Subsidiary companies have discontinued their operations since long and have no material transactions during the year except recovery / realization of assets.

6. Code of Conduct

The Board of Directors has adopted the Code of Business Conduct and Ethics for the Directors and Senior Management. The said Code has been communicated to the Directors and the Members of the senior Management. The Code has also been posted on the Company's website www.gujaratleasefinancing.co.in.

7. CEO / CFO Certificate:

Director-in-Charge of the Company gives annual certificate on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. They also give quarterly certificate on the financial results while placing the financial results before the Board in terms of Clause 49 of the Listing Agreement.

8. Disclosures

- (a) The Company has no materially significant related party transactions with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interests of the Company at large.

For details about related parties transactions, see Note No.2.25 of the financial statement for the financial year 2013-14

- (b) There were no instances of non-compliance or penalties, imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

9. Means of Communication

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings and were also published in two newspapers, Western Times (English) and Western Times (Gujarati). These results are also put on the Company's website: www.gujaratleasefinancing.co.in.

The Company also informs by way of intimation to the stock exchanges all the price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters.

10. Share Transfer System

The Company has appointed M/s MCS Limited as Registrar and Transfer Agents. Valid Share transfers in physical form, complete in all respects as well as transfer in dematerialized form were approved and registered within stipulated period.

11. Dematerialization of Shares and Liquidity

Consequent upon the compulsory demat of the Equity Shares of the Company as notified by SEBI, about 89.22 % of the Equity Capital of the Company has been dematerialized as on 31st March, 2014. The shares are traded on Bombay and National Stock Exchanges.

12. **Date, time and venue of 31st Annual General Meeting** : **21st July, 2014**
at 10.00 AM at
ATMA Hall
Ahmedabad Textile Mills Association
Opp La Gujjar Chamber
Ashram Road, Ahmedabad 380009
13. **Book Closure Date** : **16th July, 2014**
14. **Dividend Payment Date** : Not Applicable

15. Details of last three Annual General Meetings:

Meeting	Year	Venue of AGM	Date	Time	No. of Special Resolution passed
28 th AGM	2010—11	ATMA Hall Ahmedabad Textile Mills Association opp La Gujjar Chamber,Ashram Road Ahmedabad-380009	13 th July, 2011	10.00A.M.	2
29 th AGM	2011—12	ATMA Hall Ahmedabad Textile Mills Association opp La Gujjar Chamber,Ashram Road Ahmedabad-380009	27 th July, 2012	10.00A.M.	NII
30 th AGM	2012-13	ATMA Hall Ahmedabad Textile Mills Association opp La Gujjar Chamber,Ashram Road Ahmedabad-380009	24 th July, 2013	10.00A.M.	1

No Extra Ordinary General Meeting (EGM) was held during last three years. The special resolutions indicated above were passed by show of hands. The Company has not passed any Resolution, through postal ballot during these years under reference.

The Company has not issued any GDRs/ ADRs/ Warrants/any other Convertible Instruments during these years.

16. Tentative Financial Calendar for the year 2014-15

Financial reporting for the quarter ending June 30, 2014	End of July, 2014
Financial reporting for the quarter /half year ending September 30, 2014	End of October, 2014
Financial reporting for the quarter ending December 31, 2014	End of January, 2015
Financial reporting for the year ending March 31, 2015	End of May, 2015
Annual General Meeting for the year ending March 31, 2015 will be held in July, 2015	

17. High/Low of monthly Market Price of the Company's Equity Shares traded on the Bombay & National Stock Exchange during the financial year 2013-14 is furnished below:

Month	BSE					NSE		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	BSE Sensex (High)	BSE Sensex (Low)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April '13	2.42	1.76	19106	19623	18144	2.30	1.80	9171
May '13	1.91	1.61	25866	20444	19451	1.85	1.65	5732
June '13	1.80	1.51	19633	19860	18467	1.70	1.65	753
July '13	1.63	1.40	25579	20351	19127	1.60	1.60	200
August '13	1.48	1.30	4363	19569	17449	Nil	Nil	Nil
Sept. '13	1.47	1.25	50981	20740	18166	1.55	1.55	100
October13	1.52	1.22	15709	21205	19265	1.50	1.50	391
Nov. '13	1.38	1.15	37141	21322	20137	1.55	1.40	14500
Dec.'13	1.56	1.15	71382	21484	20569	1.40	1.30	3976
Jan. '14	2.10	1.56	50352	21410	20344	1.60	1.40	18692
Feb. '14	1.73	1.31	43579	21141	19963	1.50	1.30	2641
Mar. '14	1.43	1.10	46816	22467	20921	1.35	1.10	11914

18. Distribution of Shareholding (as on March 31, 2014)

a. On the basis of Shares held

No. of Equity Shares held (Range)	No. of share -holders	Percentage to total Share-holders (%)	No. of Shares held	Percentage to total shares held
Up to 5000	29703	98.76	9702198	35.77
5001– 10000	171	0.57	1306405	4.82
10001- 50000	126	0.42	2628898	9.96
50001 -100000	5	0.02	390937	1.44
Above 100000	9	0.03	13097329	48.28
TOTAL	30014	100.00	27125767	100.00

b. On the basis of Category

Category	No. of Shares held	Percentage to total shares held
Promoters	12387222	45.66
Individuals	13531419	49.90
Bodies Corporate	602607	2.22
Financial Institutions / Mutual Funds / Banks	3725	0.01
Central Govt. / State Govt. Companies	250000	0.92
Others	350794	1.29
TOTAL	27125767	100.00

19. Listing on Stock Exchanges at :

The National Stock Exchange of India Ltd.
Plot No.C/1, Block-G, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

The Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 023

The Company has paid Listing Fees to Bombay Stock Exchange Limited and National Stock Exchange for the financial year 2014-15.

20. Stock Codes : Bombay Stock Exchange - **500174**
The National Stock Exchange - **GLFLEQ**
ISIN No. – NSDL/CDSL - **INE 540A01017**

21. Details of Shares

Types of shares : Equity Shares
No. of paid up shares : 2,71,25,767
Market lot of shares : 1 share

22. Registered Office & Shareholders & Correspondence address

6th Floor, Hasubhai Chambers
Opp. Town Hall, Ellisbridge,
Ahmedabad – 380 006.
Tele No. (079) 2657 5722
Fax No. (079) 2657 5180

Compliance Officer

Anil Jhaveri (Manager)

Redressal of Investors Grievances:

glfl.invcomplain@yahoo.co.in

Registrar & Transfer Agent

MCS Limited
101, Shatdal Complex
Opp. Bata Show Room
Ahmedabd
Tel. : 079- 30070671
Fax : 079-30070678
Email- mcsahmd@gmail.com

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of

Gujarat Lease Financing Limited

We have examined the compliance of conditions of corporate governance by **Gujarat Lease Financing Limited** (the company), for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of an 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 representations made by the Directors and the Management, we certify that the Company has complied with the conditions of the corporate governance as stipulated in Clause 49 of 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 **C.C.Chokshi & Co.**,
Chartered Accountants
(Registration No.101876W)

Kartikeya Raval
Partner
(Membership No.106189)

Place : Ahmedabad
Date : 26th May, 2014

Declaration for Compliance of Code of Conduct

Code of conduct for Board Members and Senior Management Personnel was approved at the Board Meeting held on 30th December, 2005, It was placed on the Website of the company.

Company has obtained confirmation for the compliance of Code of Conduct from all the Board Members and Senior Management Personnel of the Company on an annual basis.

This is a declaration as required by Circular No. SEBICFD/DIL/CG/2004/12/10 dated 29th October, 2004- Annexure -1- Ckuse (D) (II)

Place : Ahmedabad,
Date : 26th May, 2014

Pradip Mehta
Director In charge

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GUJARAT LEASE FINANCING LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **GUJARAT LEASE FINANCING LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Attention is invited to the following note in the financial statements:

- 2.18 (c): *Regarding non-recognition of income of interest on tax refunds amounting to Rs. 1,033.66 lacs (Previous year ended 31st March, 2013: Rs. 1,033.66 lacs) and the corresponding provision for tax and interest thereon of Rs. 284.96 lacs (Previous year ended 31st March, 2013: Rs.284.96 lacs).*

Had the aforesaid amount on tax refund been accounted for in the books of account, the accumulated losses as at 31st March, 2014 would have been Rs.16,780.33 lacs (Previous year ended 31st March, 2013: Rs.16,766.92 lacs) as against reported figure of Rs.17,529.03 lacs (Previous year ended 31st March, 2013: Rs. 17,515.62 lacs), provision for taxation net of advance tax would have been converted to advance tax net of provision Rs. 1.97 lacs (Previous year ended 31st March, 2013: Rs. 2.02 lacs) as against the reported figure of Rs. 746.73 lacs (Previous year ended 31st March, 2013: Rs. 746.68 lacs).

This matter was also qualified in our report on the financial statements for the year ended 31st March 2013.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid financial statements give the information required by the Act in the manner so required 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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 1 to the financial statement regarding preparation of the financial statement of the Company on going concern basis for the reasons stand therein. The appropriateness of this assumption of going concern is dependent upon the continued support from one of the promoter group company and the resolution of the tax dispute referred to in the said note.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For C. C. Chokshi & Co.
Chartered Accountants
(Firm Registration No. 101876W)

(Kartikeya Raval)
Partner
(Membership No.106189)

Date : 26th,May, 2014
Place : AHMEDABAD

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's activities/business during the year, clauses (ii), (viii) and (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The company has not disposed of any fixed assets during the year.
- (iii)
 - (a) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) The Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. However the Company has taken interest free unsecured loans from its three subsidiary companies. The maximum amount involved was Rs. 1,836.92 lacs and the year-end balance of such loans was Rs. 1,819.17 lacs.
 - (c) The other terms and conditions on which these interest free unsecured loans have been taken are not stipulated.
 - (d) In the absence of stipulations, the regularity of the payment of principal amount have not been commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, we have not observed any major weaknesses in such internal control system.
- (v) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any transactions which required to be recorded in the Register maintained in pursuance to Section 301 of the Companies Act, 1956.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanation given to us the other dues specified in the clause were not applicable to the company during the period.
 - (b) There were no undisputed amounts payable in respect of Investor Education and Protection Fund, Income-tax, Sales Tax, Service Tax and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Sales Tax which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Central Sales Tax Act, 1956	Demand of Tax and Penalty	Sales Tax Tribunal	1989-90 to 1994-95	21.12

- (ix) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (x) In our opinion and according to the information and explanations given to us, the Company has not borrowed any monies from banks, financial institutions or through issue of debentures.
- (xi) In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loans during the year.
- (xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have prima facie not been used during the year for long- term investment.
- (xvi) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvii) According to the information and explanations given to us, the Company has not issued any debentures during the year nor were there any debentures outstanding during the year.
- (xviii) The Company has not raised any money by public issue during the year.
- (xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For C. C. Chokshi & Co.
Chartered Accountants
(Registration No.101876W)

(Kartikeya Raval)
Partner
(Membership No.106189)

Date : 26th May, 2014
Place : Ahmedabad

Balance Sheet as at 31st MARCH, 2014

(Rs. In Lacs)

Particulars	Note	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	2,716.05	2,716.05
(b) Reserves and surplus	2.2	(5,653.54)	(5,640.13)
		(2,937.49)	(2,924.08)
(2) Non-current liabilities			
(a) Long term borrowings	2.3	3,344.17	3,332.46
(b) Deferred tax liability	2.4	-	-
		3,344.17	3,332.46
(3) Current liabilities			
(a) Other current liabilities	2.5	38.51	40.69
(b) Short-term provisions	2.6	747.02	746.85
		785.53	787.54
TOTAL		<u>1,192.21</u>	<u>1,195.92</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.7	54.46	56.03
(ii) Intangible assets	2.8	-	-
		54.46	56.03
(b) Non-current investments	2.9	1,120.91	1,120.91
(2) Current assets			
(a) Cash and bank balances	2.10	1.37	3.53
(b) Short-term loans and advances	2.11	0.15	0.15
(c) Other current assets	2.12	15.32	15.30
		16.84	18.98
TOTAL		<u>1,192.21</u>	<u>1,195.92</u>

Significant Accounting Policies 2.00
See accompanying notes forming part of the financial statements

As per our attached report of even date

For C. C. Chokshi & Co.
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : 26th May, 2014

For and on behalf of the Board

Pradip Mehta
(Director In Charge)

Harnish Patel
(Director)

Place : Ahmedabad
Date : 26th May, 2014

Statement of Profit and Loss for the year ended 31st MARCH, 2014

(Rs. In Lacs)

Particulars	Note	Year ended 31st March, 2014	Year ended 31st March, 2013
I. Income			
Other income	2.13	1.67	1.73
II. Total revenue		1.67	1.73
III. Expenses			
(a) Employee benefits expense	2.14	1.11	1.07
(b) Depreciation and amortization expense		1.57	1.62
(c) Other expenses	2.15	12.40	15.75
IV. Total expenses		15.08	18.44
V. Profit / (Loss) before tax (II-IV)		(13.41)	(16.71)
VI. Tax expenses			
(a) Current tax		-	-
(b) Deferred tax		-	-
		-	-
VII. Profit / (Loss) after tax (V-VI)		(13.41)	(16.71)
Earnings per Equity Share			
(1) Basic	2.22	(0.05)	(0.06)
(2) Diluted		(0.05)	(0.06)
Nominal Value per Share (Rs.)		10.00	10.00
Significant Accounting Policies	2.00		
See accompanying notes forming part of the financial statements			

As per our attached report of even date

For C. C. Chokshi & Co.
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : 26th May,2014

For and on behalf of the Board

Pradip Mehta
(Director In Charge)

Harnish Patel
(Director)

Place : Ahmedabad
Date : 26th May,2014

Cashflow Statement for the year ended 31st March, 2014

(Rs. In Lacs)

	Year ended 31st March, 2014	Year ended 31st March, 2013
A) Cash flow from operating activities		
(1) Net loss before tax	(13.41)	(16.71)
(2) Adjustments for :		
(a) Depreciation	1.57	1.62
(b) Interest Income	(1.45)	(1.73)
(c) Provision for diminution in the value of investment	0.00	0.11
Operating loss before working capital changes (1+2)	(13.29)	(16.71)
(3) Adjustment for working capital changes:		
(a) Decrease in trade receivables	0.00	0.34
(b) Increase / (decrease) in other current liabilities and short term provisions	(2.06)	2.25
Cash generated from operations	(15.35)	(14.12)
Taxes(paid) / Refund	0.05	(0.17)
Net cash generated from/(used) in operating activities (A)	(15.30)	(14.29)
(B) Cash flow from investing activities		
(a) Decrease in bank deposits	0.00	10.00
(b) Interest received	1.43	1.60
Net cash generated from/(used) in investing activities (B)	1.43	11.60
(C) Cash flow from financing activities		
Increase in long-term borrowings (Net)	11.71	3.70
Net cash generated from in financing activities (C)	11.71	3.70
(D) Net (decrease) / increase in cash and cash equivalents (A+B+C)	(2.16)	1.01
(E) Cash and cash equivalents as at beginning of the year	3.53	2.52
(F) Cash and cash equivalents as at end of the year	1.37	3.53

Notes:

- Cash and cash equivalents as at end of the year:

Cash on hand	0.15	0.29
With banks		
On current account	1.22	3.24
Cash and cash equivalents	1.37	3.53
- The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

As per our attached report of even date

For C. C. Chokshi & Co.
Chartered Accountants

For and on behalf of the Board

Kartikeya Raval
Partner

Pradip Mehta
(Director In Charge)

Harnish Patel
(Director)

Place : Ahmedabad
Date : 26th May,2014

Place : Ahmedabad
Date : 26th May,2014

1.00 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014

1) Corporate Information

The Company is a registered Non-Banking Finance Company ("NBFC"). However, the Company has ceased to carry on business as NBFC since 1999-2000. During the year, the Company has earned income from Fixed Deposits.

During the year, the Company has incurred loss of Rs.13.41 lacs (2012-13: Rs.16.71 lacs). As at March 31, 2014, its negative net worth (excluding borrowings from and investments in subsidiaries) is Rs.2,239.23 lacs (March 31, 2013: Rs.2,237.54 lacs) which is represented by, borrowings from one of the promoter group company of Rs.1,525 lacs (which as per the Scheme of Compromise and Arrangement (refer note 2.17) sanctioned in 2004 by High Court of Gujarat would not be repaid before repayment of all other liabilities). Further, the Income Tax refund of Rs. 3067.45 lacs received by the Company is pending adjustment/accounting consequent to appeals filed by the Income Tax Authorities against the refund order - (refer Note 2.18 (c)).

In view of the above, these financial statements have been prepared on going concern basis and do not include any adjustment relating to the recorded amounts and the classification of assets and liabilities that might be necessary should the company be unable to continue as a going concern.

2) Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) 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 / materialised.

c) Revenue Recognition

Revenue is recognized when there is reasonable certainty of its ultimate realization/collection.

d) Other income

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

e) Fixed Assets (Tangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

f) Depreciation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

g) Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

h) Employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employee.

Defined benefit plans

The company has taken policy with the Life Insurance Corporation of India which covers the liability of gratuity to employees accruing under the Payment of Gratuity Act 1972. Annual premium on the basis of said policy is accounted for in the year of payment.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

i) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

j) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) 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 highly 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 substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. 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.

k) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

l) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.00 Notes forming part of the financial statements

(Rs. In Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Note - 2.1 : Share Capital		
Authorised		
5,00,00,000 equity shares of Rs.10 each	5,000.00	5,000.00
Issued		
2,80,15,117 equity shares of Rs.10 each	2,801.51	2,801.51
Subscribed		
2,71,99,017 equity shares of Rs.10 each	2,719.90	2,719.90
Paid up		
2,71,25,767 equity shares of Rs.10 each	2,712.58	2,712.58
Amount paid up on Shares Forfeited	3.47	3.47
TOTAL	<u>2,716.05</u>	<u>2,716.05</u>

1. The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

The Company has not proposed dividend during the year.

2. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

	No. of shares As at 31st March, 2014	No. of shares As at 31st March, 2013
Outstanding at the beginning of the year	2,71,25,767	2,71,25,767
Issued during the Year	0	0
Outstanding at the end of the year	<u>2,71,25,767</u>	<u>2,71,25,767</u>

3. Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	As at 31st March , 2014		As at 31st March , 2013	
	No. of shares	% holding	No. of shares	% holding
1. Torrent Pvt Ltd	80,15,525	29.55%	67,99,749	25.07%
2. Gujarat Industrial Investment Corp. Ltd.	17,93,572	6.61%	17,93,572	6.61%

(Rs. In Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Note - 2.2 : Reserves and Surplus		
General reserve		
As per last balance sheet	2,297.33	2,297.33
Securities Premium Reserve		
As per last balance sheet	6,759.39	6,759.39
Statutory General Reserve		
As per last balance sheet	460.00	460.00
Capital Reserves		
As per last balance sheet	2,358.77	2,358.77
Deficit in Statement of Profit & Loss		
As per last balance sheet	(17,515.62)	(17,498.91)
Add: Profit / (Loss) for the year	(13.41)	(16.71)
Net Deficit in Statement of Profit & Loss	<u>(17,529.03)</u>	<u>(17,515.62)</u>
	<u>(5,653.54)</u>	<u>(5,640.13)</u>

	As at 31st March, 2014	As at 31st March, 2013
Note - 2.3 : Long Term Borrowings (unsecured)		
Dues to wholly owned subsidiaries (Refer Notes 2.19)	1819.17	1807.45
0% interest Deposits from an entity excersing significant influence over the Company for which terms of repayment are not yet agreed and against which 0% unsecured Debenture or instrument of like nature to be issued.)	1525.00	1525.00
	<u>3344.17</u>	<u>3332.46</u>
Note - 2.4 : Deffered Tax liabilities (Net)		
	0.00	0.00
Refer Note 2.18 (b)	<u>0.00</u>	<u>0.00</u>
Note - 2.5 : Current Liabilities		
Other Current Liabilities		
(i) Statutory dues	20.24	20.48
(ii) Payable against dividend on Shares	15.04	15.37
(iii) Others	3.23	4.84
	<u>38.51</u>	<u>40.69</u>
Note - 2.6 : Short term Provision		
Provision for Leave Encashment	0.29	0.17
Provision for Taxation (Net of TDS)	746.73	746.68
	<u>747.02</u>	<u>746.85</u>

Note - 2.7 :

Fixed Assets (Tangible assets)

(Rs. In Lacs)

Sr No	Particulars	Gross Block (At Cost)			Depreciation			Net Block			
		As at 1.04.2013	Additions during the Year	Deduction during the Year	As at 31.03.2014	Up to 1.04.2013	Additions during the Year	Deduction during the Year	up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
1	Building	76.38	0.00	0.00	76.38	21.36	1.24	0.00	22.60	53.78	55.02
2	Furniture & Fixtures	6.11	0.00	0.00	6.11	5.99	0.00	0.00	5.99	0.12	0.12
3	Electrical Installation	1.70	0.00	0.00	1.70	1.55	0.05	0.00	1.60	0.10	0.15
4	Office Equipments	5.10	0.00	0.00	5.10	4.52	0.21	0.00	4.73	0.37	0.58
5	Computers	2.06	0.00	0.00	2.06	1.90	0.07	0.00	1.97	0.09	0.16
	TOTAL	91.35	0.00	0.00	91.35	35.32	1.57	0.00	36.89	54.46	56.03
	Previous Year	91.35	0.00	0.00	91.35	33.70	1.62	0.00	35.32	56.03	

Note - 2.8 :

Fixed Assets (Intangible assets)

(Rs. In Lacs)

Sr No	Particulars	Gross Block (At Cost)			Amortisation			Net Block			
		As at 1.04.2013	Additions during the Year	Deduction during the Year	As at 31.03.2014	Up to 1.04.2013	Additions during the Year	Deduction during the Year	up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
1	Softwares	37.10	0.00	0.00	37.10	37.10	0.00	0.00	37.10	0.00	0.00
	TOTAL	37.10	0.00	0.00	37.10	37.10	0.00	0.00	37.10	0.00	0.00
	Previous Year	37.10	0.00	0.00	37.10	37.10	0.00	0.00	37.10	0.00	

Note - 2.9 : Non-current investments (At Cost)

(Rs In Lacs)

	Face Value (Rs.)	As at 31st March, 2014	No. of shares		As at 31st March, 2014	As at 31st March, 2013
			As at 31st March, 2014	As at 31st March, 2013		
Investment in Equity Instruments (Trade)						
IN SUBSIDIARIES COMPANIES (unquoted)						
(Refer Note 2.19)						
GLFL Housing Finance Limited (Rs 7.50 paid-up on 3000000 Shares)	10	9000000	9000000		825.00	825.00
GLFL Securities Limited	10	7500000	7500000		750.00	750.00
GLFL International Limited	10	100007	100007		10.00	10.00
					<u>1,585.00</u>	<u>1,585.00</u>
Investment in equity instruments (Trade)						
Quoted:						
Adarsh Chemicals & Fertilisers Ltd	10	34000	34000		10.20	10.20
Gujarat Himalaya Cement Ltd	10	42796	42796		4.28	4.28
Jayant Paper Mills Ltd (Rs 5/- paid up)	10	100000	100000		20.00	20.00
K.J.International Ltd	10	20300	20300		5.08	5.08
Malvika Steel Ltd (Rs 5/- paid up)	10	153900	153900		15.48	15.48
Samrat Ashoka Exports Ltd	10	7900	7900		4.74	4.74
Somani Iron & Steel Co Ltd	10	13100	13100		3.93	3.93
Vikram Projects Ltd	10	26600	26600		9.79	9.79
					<u>73.50</u>	<u>73.50</u>
Unquoted:						
Indo Deutche Metallo Chemique Ltd	10	171400	171400		299.95	299.95
					<u>299.95</u>	<u>299.95</u>
					1,958.45	1,958.45
Less: Provision for diminution in value of investments					837.54	837.54
					<u>1,120.91</u>	<u>1,120.91</u>
Aggregate amount of quoted investments					73.50	73.50
Aggregate amount of unquoted investments					1,884.95	1,884.95
Aggregate amount of market value of quoted investments					-	-

(Rs. In Lacs)

As at
31st March, 2014

As at
31st March, 2013

Note - 2.10 : Cash and bank balances

Cash and cash equivalents

Cash on hand	0.15	0.29
Balances with banks		
Balance in current accounts	1.22	3.24
	<u>1.37</u>	<u>3.53</u>

Note - 2.11 : Short term loans and advances

Advances recoverable in cash or in kind or for value to be received
Considered good

	0.15	0.15
	<u>0.15</u>	<u>0.15</u>

Note - 2.12 : Other Current Assets

Bank Fixed Deposit Maturing within 12 months from the Balance Sheet date

15.00

15.00

Interest accrued but not due

0.32

0.30

15.32

15.30

(Rs. In Lacs)

Year ended
31st March, 2014

Year ended
31st March, 2013

Note - 2.13 : Other Income

Interest on Bank Deposit	1.43	1.73
Interest on Income tax Refund	0.02	0.00
Others	0.22	0.00
	<u>1.67</u>	<u>1.73</u>

Note - 2.14 : Employee benefits expense

Salaries and allowances	0.86	0.86
Contribution to provident and other funds	0.14	0.14
Employee welfare expenses	0.11	0.07
	<u>1.11</u>	<u>1.07</u>

	Year ended 31st March, 2014	Year ended 31st March, 2013
Note - 2.15 : Other expenses		
Advertisement expenses	0.61	0.59
Rates and taxes	0.35	0.31
Insurance	0.03	0.03
Repairs and maintenance (Building)	0.25	0.32
Printing and stationary	1.86	1.93
Postage expenses	1.97	1.98
Telephone expenses	0.09	0.08
Auditors remuneration:		
- Audit fees	0.56	0.56
- For Other services	0.06	0.01
	<u>0.62</u>	<u>0.57</u>
Bank charges	0.02	0.03
Listing and custodian fees	3.18	3.23
Miscellaneous expenses	1.69	1.84
Professional and Legal expenses	1.20	4.24
Electricity expenses	0.12	0.20
Conveyance expenses	0.41	0.29
Provision for diminution in the value of Investment	0.00	0.11
	<u>12.40</u>	<u>15.75</u>

2.16 Contingent Liabilities

- a) Uncalled liability for partly paid-up shares amounts to Rs.141.08 lacs (Rs.141.08 lacs).
- b) Disputed demand of Sales Tax for which appeals have been preferred Rs.0.94 lacs (net of provision) (As at March 31, 2013 Rs.0.94 lacs)
- c) Disputed income tax amounting to Rs. 284.96 lacs (Ref. Note No. 2.18 (c))

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

2.17 Hon'ble High Court had sanctioned the scheme of compromise and arrangement between GLFL and consortium of 16 banks on 27th July,2004 under section 391 of the Companies Act,1956 and the company has made the payment in the accounting year 2004-05 to banks as per High Court order. However, the final deed of Assignment of the charged assets in favour of banks is yet to be entered into.

2.18 Income Tax

- (a) In view of unabsorbed losses and in the absence of taxable income under the provisions of the Income Tax Act, 1961 in the current year, the company believes that there will be no tax liability. Accordingly, no provision for income tax has been made in the accounts under review.
- (b) The company has unabsorbed depreciation and carry forward losses under the Income Tax Act,1961. In the absence of virtual certainty of sufficient future taxable income, deferred tax assets are not recognized in the accounts.
- (c) The company received refund order with respect to tax pertaining to an earlier assessment year amounting to Rs.3067.45 lacs which includes interest on refund amounting to Rs.1033.66 lacs. However, the tax authorities have appealed against the refund order which appeal is pending in High Court. Though the matter is under appeal, no adverse order has been received by the Company reversing the refund order. However, based on the advice received by the Management of the Company from their Tax Consultants and taking into account the pendency of the aforesaid appeals, the Company has, as a matter of prudence neither adjusted the book

provisions nor recognised the interest on tax refund amounting to Rs.1033.66 lacs as income. Had the Company accounted for the interest on tax refund of Rs.1033.66 lacs, it would also be required to make a provision for tax and interest thereof of Rs.284.96 lacs. Necessary entries for the same shall be made on settlement of the pending matters/disputes with the tax/appellate authorities.

- 2.19 As at March 31, 2014, the Company has investments in its three wholly owned subsidiaries with an aggregate carrying value of Rs.1,120.91 lacs (net of provision of diminution in value of investments) and has borrowings from these subsidiaries aggregating Rs.1,819.17 lacs. These subsidiaries have ceased to carry on business. In view of the aforesaid borrowings by the Company from these subsidiaries, no further provision for diminution in the carrying value of the said investments has been considered necessary.
- 2.20 Provision for Non Performing Assets and compliances to guidelines issued by RBI
- (a) As net-worth of the company has been fully eroded, the company has not been able to meet with the requirement relating to Capital Adequacy and Concentration of Credit/Investment.
- (b) Apart from the above, the company has complied with the guidelines issued by the Reserve Bank of India with respect to Prudential Norms for Provisioning for Bad and Doubtful Debts, Income Recognition and Accounting standards.
- 2.21 The company has ceased to continue operation and hence in accordance with the requirement of accounting standard (AS-17) "Segment Reporting" issued by Institute of Chartered Accounts of India there are no reportable segment.
- 2.22 The basic and diluted earnings per share are:

Particulars	2013-14	2012-13
Net profit /(Loss) (Rs. In lacs) (a)	(13.41)	(16.71)
No.of equity shares (Nos in lacs) (b)	271.25	271.25
Basic & Diluted EPS (Rs) (a/b)	(0.05)	(0.06)
Nominal value of shares (Rs)	10.00	10.00

- 2.23 In accordance with the Memorandum of Understanding dated 9th January, 2008 entered in to between the company and banks, 179520 equity shares of Competent Automobiles Ltd of Rs 10/- each, belonging to the banks will be sold / transferred by the Company as per the advice of the banks. Till such time, GLFL will hold the shares on behalf of the bankers in its Demat Account.
- 2.24 The Company's opening defined benefit obligation in the form of Gratuity towards the only one employee is Rs. 0.95 lacs. The Closing balance of the said obligation is Rs. 1.04 lacs. The Company has taken a policy with the Life Insurance Corporation of India to cover the above liability of gratuity and fair value of plan assets at the beginning of the year was Rs. 11.85 lacs and the same at the end of the year is Rs 12.65 lacs. No benefits have been paid out of the said plan assets during the year.

2.25 Related Parties :

Names of related parties and description of relationship:

- | | | |
|----|--|--|
| 1 | Subsidiaries | GLFL Housing Finance Ltd.
GLFL Securities Ltd.
GLFL International Ltd. |
| 2. | Entity Exercising significant influence over the Company | Torrent Private Limited |
| 3. | Enterprises controlled by the entity exercising significant influence over the Company | Torrent Power Limited
Torrent Pharmaceuticals Limited
Torrent Cables Limited
Torrent Power Services Private Limited
Heumann Pharma GmbH & Co. Generica KG
Torrent Do Brasil Ltda.
Zao Torrent Pharma
Torrent Pharma GmbH.
Torrent Pharma Inc.
Torrent Pharma Philippines Inc.
Torrent Australasia Pty Ltd. |

Laborotrios Torrent SA de CV
 Torrent Pharma (UK) Ltd.
 Torrent Pharma Canada Inc.
 Torrent Pharma (Thailand) Co. Ltd.
 Norispharm GmbH.
 Heunet Pharma GmbH.
 Torrent Financiers
 AEC Cements & Constructions Limited
 Torrent Power Grid Limited
 Torrent Pipavav Generation Limited
 Torrent Energy Limited
 Torrent Power Bhiwandi Limited
 Torrrrent Pharma S.R.L.
 Laborotrios Torrent (Malaysia) Sdn Bhd.
 Tidong hydro power Ltd
 Torrent Fincorp Pvt Ltd
 Torrent Pharmaceuticals (Sikkim)
 Opening Pharma France

- | | |
|---|---|
| 3. Enterprises controlled by the company | GLFL Employees Gratuity Fund |
| 4. Key Management Personnel | Shri Pradip J Mehta |
| 5. Relation of KMP | Smt. Ila Mehta, Mr. Priyank Mehta, Mr. Neel Mehta |
| 6. Ent. Controlled by KMP/Relative of KMP | Nil |

Details of transactions with related parties during the year/previous year. (Rs. In Lacs)

Nature of Transactions	Subsidiaries		Entity exercising significant influence over the Company Enterprises controlled by the said Entity		Key Management Personnel		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
A. Volume of Transactions								
Loan taken / (Repaid)								
GLFL Housing Finance Ltd.	(1.40)	3.70	-	-	-	-	(1.40)	3.70
GLFL Securities Ltd.	13.22	0.19	-	-	-	-	13.22	0.19
GLFL International Ltd.	(0.10)	(0.18)	-	-	-	-	(0.10)	(0.18)
Net Amount	11.72	3.71	0.00	0.00	-	-	11.72	3.71
B. Balance at the end of the year								
Amount payable								
Torrent Pvt.Ltd.	-	-	1525	1525	-	-	1525	1525
GLFL Housing Finance Limited	1541.28	1542.68	-	-	-	-	1541.28	1542.68
GLFL Securities Ltd.	268.25	255.03	-	-	-	-	268.25	255.03
GLFL International Limited.	9.64	9.74	-	-	-	-	9.64	9.74
Investment in Equity shares of								
GLFL Housing Finance Limited.	825	825	-	-	-	-	825	825
GLFL Securities Ltd.	750	750	-	-	-	-	750	750
GLFL International Limited	10	10	-	-	-	-	10	10

2.26 Disclosure of details as required by para 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007:

Particulars					
Liabilities :		2013-14		2012-13	
(1)		Amount Outstanding-	Amount overdue	Amount Outstanding-	Amount overdue
	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured				
	: Unsecured (other than falling within the meaning of public deposits*)				
	(b) Deferred Credits				
	(c) Term Loans				
	(d) Inter-corporate loans and borrowing	3344.17	-	3332.46	-
	(e) Commercial Paper				
	(f) Other Loans				
(2)	Break up of (1) (f) above (out standing Public deposits inclusive of interest accrued thereon but not paid):				
	(a) In the form of Unsecured Debentures				
	(b) In the form partly secured debentures i.e , debentures where there is shortfall in the value of security				
	(c) Other Public Deposits	Nil	-	Nil	-
-Assets:		Amount outstanding			
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (3) below] :				
	(a) Secured	-		-	
	(b) Unsecured	0.47		0.45	
(4)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities				
	1) Lease assets including lease rentals under sundry debtors :				
	(a) Financial lease				
	(b) Operating lease				
	2) Stock on hire including hire charges under sundry debtors:				
	(a) Assets on hire	—N.A.—		—N.A.—	
	(b) Repossessed Assets				
	3) Other loans counting towards AFC activities				
	(a) Loans where assets have been repossessed				
	(b) Loans other than (a) above				
(5)	Break-up of Investments :				
	Current Investments :				
	1. Quoted :				
	(i) Shares : (a) Equity				
	(b) Preference	-		-	
	(ii) Debentures and Bonds	-		-	
	(iii) Units of mutual funds	-		-	
	(iv) Government Securities	-		-	
	(v) Others	-		-	
	2. Unquoted :				
	(i) Shares : (a) Equity	-		-	
	(b) Preference	-		-	
	(ii) Debentures and Bonds	-		-	
	(iii) Units of mutual funds	-		-	
	(iv) Government Securities	-		-	
	(v) Others	-		-	

	Long Term investments : 1. Quoted : (i) Share : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others 2. Unquoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Partnership firm)	73.50	73.50				
		1884.95	1884.95				
(6)	Borrower group-wise classification of assets financed as in (2) and (3) above :						
	Category	Amount net of provisions					
		2013-14			2012-13		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	1. Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
	2. Other than related parties	-	-	-	-	-	-
	<i>Total</i>	-	-	-	-	-	-
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):						
	Category	2013-14		2012-13			
		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)		
	1. Related Parties						
	(a) Subsidiaries	1884.51	1120.91	1866.75	1120.91		
	(b) Companies in the same Group						
	(c) Other related parties	0.00	0.00	0.00	0.00		
	2. Other than related parties						
	Total	1884.51	1120.91	1866.75	1120.91		
(8)	Other information		2013-14		2012-13		
	(i) Gross Non-Performing Assets	NIL		NIL			
	(a) Related parties	NIL		NIL			
	Other than related parties	NIL		NIL			
	(ii) Net Non-Performing Assets						
	(a) Related parties	NIL		NIL			
	(b) Other than related parties	NIL		NIL			
	(iii) Assets acquired in satisfaction of debt	NIL		NIL			

2.27 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For C. C. Chokshi & Co.
Chartered Accountants

For and on behalf of the Board

Kartikeya Raval
Partner

Pradip Mehta
(Director In Charge)

Harnish Patel
(Director)

Place : Ahmedabad
Date : 26th May,2014

Place : Ahmedabad
Date : 26th May,2014

**GUJARAT LEASE FINANCING LIMITED
DETAILS OF SUBSIDIARIES COMPANIES
FOR THE FINANCIAL YEAR 2013-14**

(Rs In Lacs)

NAME OF THE SUBSIDIARIES COMPANY	GLFL HOUSING FINANCE LTD	GLFL SECURITES LTD	GLFL INTERNATIONAL LTD
Capital	825.00	750.00	10.00
Reserve	743.73	(443.94)	(0.28)
Total Assets	1568.87	307.68	9.74
Total Liabilities	1568.87	307.68	9.74
Investments	NIL	NIL	NIL
Turnover / Total Income	2.79	17.12	0.00
Profit (+)/Loss (-) Before Tax	(0.53)	19.06	(0.11)
Taxation	0.00	0.66	0.00
Profit (+)/Loss (-) after Tax	(0.53)	18.40	(0.11)
Proposed Dividend	NIL	NIL	NIL

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF GUJARAT LEASE FINANCING LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **GUJARAT LEASE FINANCING LIMITED** ("the Company"), its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Attention is invited to the following note in the Financial Statement :

2.17-3 (c): *Regarding non-recognition of income of interest on tax refunds amounting to Rs. 1,033.66 lacs (Previous year ended 31st March, 2013: Rs. 1,033.66 lacs) and the corresponding provision for tax and interest thereon of Rs. 284.96 lacs (Previous year ended 31st March, 2013: Rs.284.96 lacs).*

Had the aforesaid amount of interest on tax refund been accounted for in the books of account, the accumulated losses as at 31st March, 2014 would have been Rs.16,772.82 lacs (Previous year ended 31st March, 2013: Rs.16,777.19 lacs) as against the reported figure of Rs.17,521.52 lacs (Previous year ended 31st March, 2013: Rs. 17,525.89 lacs), provision for taxation net of advance tax would have been converted to advance tax net of provision Rs. 6.80 lacs (Previous year ended 31st March, 2013: Rs. 7.47 lacs) as against the reported figure of Rs. 741.90 lacs (Previous year ended 31st March, 2013: Rs. 741.23 lacs).

This matter was also qualified in our report on the financial statements for the year ended 31st March 2013.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above*, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries, referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note 1 to the financial statement regarding preparation of the financial statement of the Group on going concern basis for the reasons stated therein. The appropriateness of this assumption of going concern is dependent upon the continued support from one of the promoter group company and the resolution of the tax dispute referred to in the said note.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (net) of Rs. 62.13 lacs as at 31st March, 2014, total revenues of Rs. 19.91 lacs and net cash out flows amounting to Rs. 5.02 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **C.C.Chokshi & Co.**,
Chartered Accountants
(Firm Registration No.101876W)

Kartikeya Raval
Partner
(Membership No.106189)

Place : Ahmedabad
Date : 26th May, 2014

G / L / F / L

Consolidated Balance Sheet as at 31st March, 2014

(Rs. In Lacs)

Particulars	Note	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	2,716.05	2,716.05
(b) Reserves and surplus	2.2	(4,889.94)	(4,894.30)
		(2,173.89)	(2,178.25)
(2) Non-current liabilities			
(a) Long term borrowings	2.3	1,525.00	1,525.00
(b) Deferred tax liability	2.4	-	-
		1,525.00	1,525.00
(3) Current liabilities			
(a) Other current liabilities	2.5	40.30	41.61
(b) Short-term provisions	2.6	742.19	741.40
		782.49	783.01
		133.60	129.76
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.7	55.03	56.71
(ii) Intangible assets	2.8	0.00	0.00
		55.03	56.71
(b) Non-current investments	2.9	0.00	0.00
(2) Long Term Loans and Advances			
	2.10	1.00	1.00
(3) Current assets			
(a) Inventory - Stock in Trade		15.67	2.86
(b) Cash and bank balances	2.11	46.05	53.23
(c) Short-term loans and advances	2.12	0.15	0.15
(d) Other current assets	2.13	15.70	15.81
		77.57	72.05
		133.60	129.76
Significant Accounting Policies			
See accompanying notes forming part of the financial statements			
	2.00		

As per our attached report of even date

For C. C. Chokshi & Co.
Chartered Accountants

For and on behalf of the Board

Kartikeya Raval
Partner

Pradip Mehta
(Director In Charge)

Harnish Patel
(Director)

Place : Ahmedabad
Date : 26th May,2014

Place : Ahmedabad
Date : 26th May,2014

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

(Rs. In Lacs)

Particulars	Note	Year ended 31st March, 2014	Year ended 31st March, 2013
I. Income			
(a) Sale of shares		-	2.07
(b) Other income	2.14	21.58	6.11
II. Total revenue		21.58	8.18
III. Expenses			
(a) (Increase) / Decrease in stock in trade		(12.81)	1.79
(b) Employee benefits expense	2.15	2.53	2.49
(c) Depreciation and amortization expense		1.68	1.73
(d) Other expenses	2.16	25.15	21.09
IV. Total expenses		16.55	27.10
V. Profit / (Loss) before tax (II-IV)		5.03	(18.92)
VI. Tax expenses			
(a) Current tax		0.66	-
		0.66	-
VII. Profit / (Loss) after tax (V-VI)		4.37	(18.92)
Earnings per Equity Share	2.17(5)		
(1) Basic		0.02	(0.07)
(2) Diluted		0.02	(0.07)
Nominal value per share (Rs.)		10.00	10.00
Significant Accounting Policies	2.00		
See accompanying notes forming part of the financial statements			

As per our attached report of even date

For C. C. Chokshi & Co.
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : 26th May, 2014

For and on behalf of the Board

Pradip Mehta
(Director In Charge)

Harnish Patel
(Director)

Place : Ahmedabad
Date : 26th May, 2014

Consolidated Cashflow statement for the year ended 31st March, 2014

(Rs. In Lacs)

	Year ended 31st March, 2014	Year ended 31st March, 2013
(A) Cash flow from operating activities		
(1) Net Profit / (Loss) before tax	5.03	(18.92)
(2) Adjustments for :		
(a) Depreciation	1.68	1.73
(b) Interest Income	(4.85)	(6.02)
(c) Provision for diminution in the value of investment	0.00	0.11
Operating profit/(loss) before working capital changes (1+2)	1.86	(23.10)
(3) Adjustment for working capital changes:		
(a) Decrease in trade receivables	0.00	1.20
(b) Increase / (decrease) in other current liabilities and short term provisions	(1.19)	1.00
(c) Stock in trade	(12.81)	1.79
Cash generated from operations	(12.14)	(19.11)
Taxes paid / refund	0.00	(0.28)
Net cash generated from/(used) in operating activities (A)	(12.14)	(19.39)
(B) Cash flow from investing activities		
(a) Decrease in fixed deposit	0.00	10.00
(a) Interest received	4.96	5.90
Net cash generated from investing activities (B)	4.96	15.90
(C) Net decrease in cash and cash equivalents (A+B)	(7.18)	(3.49)
(E) Cash and cash equivalents as at beginning of the year	53.23	56.72
(F) Cash and cash equivalents as at end of the year	46.05	53.23

Notes:

1. Cash and cash equivalents as at end of the year:

Cash on hand	0.15	0.29
With banks		
On current account	9.83	7.19
On deposit account	36.07	45.75
Cash and cash equivalents	46.05	53.23

2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

As per our attached report of even date

For C. C. Chokshi & Co.
Chartered Accountants

For and on behalf of the Board

Kartikeya Raval
Partner

Pradip Mehta
(Director In Charge)

Harnish Patel
(Director)

Place : Ahmedabad
Date : 26th May, 2014

Place : Ahmedabad
Date : 26th May, 2014

1.00 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014

1) Corporate Information

The Company as a Group has three subsidiary companies engaged in the various sphere of financial services. However, the Group has ceased to carry on business since 1999-2000. During the year, the Group has earned income mainly from interest on fixed deposits, from sale of securities and bad debts recovery.

The group earned profit after tax Rs. 4.37 lacs (2012-13: Loss of Rs. 18.92 lacs) for the financial year ended March 31, 2014. As at March 31, 2014, the group's negative net worth is Rs.2173.89 lacs (March 31, 2013: Rs.2178.25 lacs) which is mainly represented by, borrowing from one of the Promoter group Company of Rs.1,525 lacs (which borrowing as per the Scheme of Compromise and Arrangement (refer note 2.17-2) sanctioned in 2004 by High Court of Gujarat, would not be repaid before repayment of all other liabilities). Further, the Income Tax refund of Rs. 3067.45 lacs received by the Company is pending adjustment/accounting consequent to appeals filed by the Income Tax Authorities against the refund order - (refer Note 2.17-3 (c)).

In view of the above, these financial statements have been prepared on going concern basis and do not include any adjustment relating to the recorded amounts and the classification of assets and liabilities that might be necessary should the company be unable to continue as a going concern

2) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The consolidated financial statements of the Group as a whole have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Principles of Consolidation

The financial statements of the Parent Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits/losses on intra-group transactions. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the consolidated entities.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

3) Other Significant Accounting Policies

The accounting policies adopted by Gujarat Lease Financing Limited (GLFL) have been detailed in Note No-2 to the attached accounts of GLFL. The accounting policies adopted by subsidiaries are same as that of GLFL.

2.00 Notes forming part of the Consolidated Financial Statements

(Rs. In Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Note - 2.1 : Share Capital		
Authorised		
5,00,00,000 equity shares of Rs.10 each	5,000.00	5,000.00
Issued		
2,80,15,117 equity shares of Rs.10 each	2,801.51	2,801.51
Subscribed		
2,71,99,017 equity shares of Rs.10 each	2,719.90	2,719.90
Paid up		
2,71,25,767 equity shares of Rs.10 each	2,712.58	2,712.58
Amount paid up on Shares Forfeited	3.47	3.47
TOTAL	<u>2,716.05</u>	<u>2,716.05</u>

1. The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

2. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

	No. of shares As at 31st March, 2014	No. of shares As at 31st March, 2013
Outstanding at the beginning of the year	2,71,25,767	2,71,25,767
Issued during the Year	0.00	0.00
Outstanding at the end of the year	<u>2,71,25,767</u>	<u>2,71,25,767</u>

3. Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	As at 31st March , 2014		As at 31st March , 2013	
	No. of shares	% holding	No. of shares	% holding
1. Torrent Pvt Ltd	80,15,525	29.55%	67,99,749	25.07%
2. Gujarat Industrial Investment Corp. Ltd.	17,93,572	6.61%	17,93,572	6.61%

	As at 31st March, 2014	As at 31st March, 2013
Note - 2.2 : Reserves and surplus		
General reserve		
As per last balance sheet	2,374.52	2,374.53
Share Premium Account		
As per last balance sheet	6,759.39	6,759.39
Statutory General Reserve		
As per last balance sheet	460.00	460.00
Capital reserves		
As per last balance sheet	2,358.77	2,358.77
Special reserves		
As per last balance sheet	678.10	678.10
Reserve Fund		
As per last balance sheet	0.80	0.80
Profit and Loss Account		
As per last balance sheet	(17,525.89)	(17,507.08)
Add: Profit /(Loss) after tax for the year	4.37	(18.92)
Less: Adj against prov. for diminution in value of investment	-	0.11
	<u>(17,521.52)</u>	<u>(17,525.89)</u>
	<u>(4,889.94)</u>	<u>(4,894.30)</u>
Note - 2.3 : Non Current Liabilities		
Long Term Borrowings (unsecured)		
0% interest Deposits from an entity excersing significant influence over the Company for which terms of repayment are not yet agreed and against which 0% unsecured Debenture or instrument of like nature to be issued.)	1525.00	1525.00
	<u>1525.00</u>	<u>1525.00</u>
Note - 2.4 : Deferred Tax Liabilities (Net)	0.00	0.00
Refer Note 2.17-3 (d)	<u>0.00</u>	<u>0.00</u>
Note - 2.5 : Current Liabilities		
Statutory dues	21.08	20.54
Payable against dividend on shares (Refer Note 2.17-6)	15.04	15.37
Others	4.18	5.70
	<u>40.30</u>	<u>41.61</u>
Note - 2.6 : Short term Provision		
Provision for Leave Encashment	0.29	0.17
Provision for Taxation (Net of TDS)	741.90	741.23
	<u>742.19</u>	<u>741.40</u>

Note - 2.7 :

Fixed Assets (Tangible assets)

(Rs. In Lacs)

Sr No	Particulars	Gross Block (At Cost)			Depreciation			Net Block			
		As at 1.04.2013	Additions during the Year	Deduction during the Year	As at 31.03.2014	Up to 1.04.2013	Additions during the Year	Deduction during the Year	up to 31.03.2014	As at 31.03.2014	
1	Building	76.38	0.00	0.00	76.38	21.36	1.24	0.00	22.60	53.78	55.02
2	Furniture & Fixtures	6.11	0.00	0.00	6.11	5.99	0.00	0.00	5.99	0.12	0.12
3	Electrical Installation	1.70	0.00	0.00	1.70	1.55	0.05	0.00	1.60	0.10	0.15
4	Office Equipments	6.90	0.00	0.00	6.90	5.64	0.32	0.00	5.96	0.94	1.26
5	Computers	2.06	0.00	0.00	2.06	1.90	0.07	0.00	1.97	0.09	0.16
	TOTAL	93.15	0.00	0.00	93.15	36.44	1.68	0.00	38.12	55.03	56.71
	Previous Year	93.15	0.00	0.00	93.15	34.71	1.73	0.00	36.44	56.71	

Note - 2.8 :

Fixed Assets (Intangible assets)

(Rs. In Lacs)

Sr No	Particulars	Gross Block (At Cost)			Amortisation			Net Block			
		As at 1.04.2013	Additions during the Year	Deduction during the Year	As at 31.03.2014	Up to 1.04.2013	Additions during the Year	Deduction during the Year	up to 31.03.2014	As at 31.03.2014	
1	Softwares	37.10	0.00	0.00	37.10	37.10	0.00	0.00	37.10	0.00	0.00
	TOTAL	37.10	0.00	0.00	37.10	37.10	0.00	0.00	37.10	0.00	0.00
	Previous Year	37.10	0.00	0.00	37.10	37.10	0.00	0.00	37.10	0.00	

Note - 2.9 : Non-current investments

(Rs In Lacs)

	Face Value (Rs.)	No. of shares		As at 31st March, 2014	As at 31st March, 2013
		As at 31st March, 2014	As at 31st March, 2013		
Investment in equity instruments (Non Trade)					
Quoted:					
Adarsh Chemicals & Fertilisers Ltd	10	34000	34000	10.20	10.20
Gujarat Himalaya Cement Ltd	10	42796	42796	4.28	4.28
Jayant Paper Mills Ltd (Rs 5/- paid up)	10	100000	100000	20.00	20.00
K.J.International Ltd	10	20300	20300	5.08	5.08
Malvika Steel Ltd (Rs 5/- paid up)	10	153900	153900	15.48	15.48
Samrat Ashoka Exports Ltd	10	7900	7900	4.74	4.74
Somani Iron & Steel Co Ltd	10	13100	13100	3.93	3.93
Vikram Projects Ltd	10	26600	26600	9.79	9.79
				73.50	73.50
Unquoted:					
Indo Deutche Metallo Chemique Ltd	10	171400	171400	299.95	299.95
				299.95	299.95
				373.45	373.45
Less: Provision for diminution in value of investments				373.45	373.45
				-	-
Aggregate amount of quoted investments				73.50	73.50
Aggregate amount of unquoted investments				299.95	299.95
Aggregate amount of market value of quoted investments				-	-

	As at 31st March, 2014	As at 31st March, 2013
Note - 2.10 : Long term loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Considered good	1.00	1.00
	<u>1.00</u>	<u>1.00</u>
Note - 2.11 : Cash and bank balances		
Cash and cash equivalents		
Cash on hand	0.15	0.29
Balances with banks		
Balance in current accounts	9.83	7.19
Balance in fixed deposit accounts		
- Remaining maturity for less than three months	36.07	45.75
	<u>45.90</u>	<u>52.94</u>
	<u>46.05</u>	<u>53.23</u>
Note - 2.12 : Short term loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Considered good	0.15	0.15
	<u>0.15</u>	<u>0.15</u>
Note - 2.13 : Other Current Assets		
Bank Fixed Deposit Maturing within 12 months from Balance Sheet date		
	15.00	15.00
Interest accrued but not due	0.70	0.81
	<u>15.70</u>	<u>15.81</u>
Note - 2.14 : Other Income		
	Year ended	Year ended
	31st March, 2014	31st March, 2013
Interest on Bank Deposit	4.83	6.02
Interest on Income-tax Refund	0.02	0.00
Dividend	15.59	0.09
Bad debts recovered	0.92	0.00
Others	0.22	0.00
	<u>21.58</u>	<u>6.11</u>
Note - 2.15 : Employee benefits expense		
Salaries and allowances	2.28	2.28
Contribution to provident and other funds	0.14	0.14
Employees welfare expenses	0.11	0.07
	<u>2.53</u>	<u>2.49</u>

	As at 31st March, 2014	As at 31st March, 2013
Note - 2.16 : Other expenses		
Advertisement expenses	0.61	0.59
Rates and taxes	1.05	0.93
Insurance	0.03	0.03
Repairs and maintenance (Building)	0.38	0.46
Printing and stationary	1.86	2.00
Postage expenses	1.97	1.98
Telephone expenses	0.27	0.24
Auditors remuneration:		
- Audit fees	0.56	0.56
- For Other services	0.06	0.01
	0.62	0.57
Bank charges	0.03	0.04
Listing and custodian fees	3.18	3.23
Miscellaneous expenses	3.14	3.46
Professional and Legal expenses	10.68	5.80
Electricity expenses	0.22	0.48
Conveyance expenses	1.11	1.17
Provision for diminution in the value of Investment	0.00	0.11
	<u>25.15</u>	<u>21.09</u>

2.17 In respect of Gujarat Lease Financing Limited:

1. Contingent Liabilities

- (a) Uncalled/unpaid liability for partly paid-up shares amounts to Rs 66.08 lacs (Rs. 66.08 lacs) .
- (b) Disputed demand of Sales Tax for which appeals have been preferred Rs.0.94 lacs (net of provision) (As at March 31, 2013 Rs.0.94 lacs)
- (c) Disputed income tax amounting to Rs. 284.96 lacs (Ref. Note No. 3(c) below)

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

2. Hon'ble High Court had sanctioned the scheme of compromise and arrangement between GLFL and consortium of 16 banks on 27th July,2004 under section 391 of the Companies Act,1956 and made the payment in the accounting year 2004-05 to banks as per High Court order. However, the final deed of Assignment of the charged assets in favour of banks is yet to be entered into.

3. Income Tax

- (a) In view of unabsorbed losses and in the absence of taxable income under the provisions of the Income Tax Act, 1961 in the current year, the company believes that there will be no tax liability (including the tax liability u/s.115J(B) as advised by Tax Consultant). Accordingly, no provision for income tax has been made in the accounts under review.
- (b) The company has unabsorbed depreciation and carry forward losses under the Income Tax Act,1961. In the absence of virtual certainty of sufficient future taxable income, net deferred tax assets are not recognized in the accounts.
- (c) The company received refund order with respect to tax pertaining to an earlier assessment year amounting to Rs.3067.45 lacs which includes interest on refund amounting to Rs.1033.66 lacs. However, the tax authorities have appealed against the refund order which appeal is pending in High Court. Though the matter is under appeal, no adverse order has been received by the Company reversing the refund order. However, based on the advice received by the Management of the Company from their Tax Consultants and taking into account the pendency of the aforesaid appeals, the Company has, as a matter of prudence neither adjusted the book provisions nor recognised the interest on tax refund amounting to Rs.1033.66 lacs as income. Had the Company accounted for the interest on tax refund of Rs.1033.66lacs, it would also be required to make a provision for tax and interest thereof of Rs.284.96lacs. Necessary entries for the same shall be made on settlement of the pending matters/disputes with the tax/appellate authorities.

4. Provision for Non Performing Assets and compliances to guidelines issued by RBI.

- (a) As net-worth of the company has been fully eroded, the company has not been able to meet with the requirement of Capital Adequacy and Concentration of Credit/Investment.
- (b) Apart from the above, the company has complied with the guidelines issued by the Reserve Bank of India in respect of Prudential Norms for Provision for Bad and Doubtful Debts, Income Recognition and Accounting standards.

5. The basic and diluted earnings per share are

		(Rs In lacs)	
Year		2013-14	2012-13
Net profit / (Loss)	(a)	4.37	(18.92)
No. of equity shares (in lacs)	(c)	271.25	271.25
Basic & Diluted EPS Rs)	(a/c)	0.02	(0.07)
Nominal value of shares (Rs.)		10.00	10.00

6. In accordance with the Memorandum of Understanding dated 9th January,2008 entered into between the company and banks, 179520 equity shares of Competent Automobiles Ltd of Rs 10/- each, belonging to the banks will be sold / transferred by the Company as per the advice of the banks. Till such time, GLFL will hold the shares on behalf of bankers in its Demat Account.

2.18 In respect of GLFL Housing Finance Limited:

- 1 The financial statements have been drawn up on a going concern basis. The Company has not done any new business during the year. As per the stipulation contained in the deed for assignment of loan portfolio executed with

LIC Housing Finance Limited (the Assignee), the Company has undertaken that, except for continuing with and servicing the individual loans, not assigned to the Assignee, it shall not directly, indirectly or otherwise become engaged or concerned or interested in or aid in any business, venture, activity or company which provides loans for the purpose of construction and / or purchase of dwelling units or other property. The Company however continues to recover its dues from the remaining loan portfolio in the normal course of business.

2 DEFERRED TAX :

The Accounting Standard –22 for accounting of Taxes on Income requires the company to review the carrying amount of Deferred Tax Assets at each Balance Sheet date. Presently, the balance of Deferred Tax Assets as per books is NIL. The company is not certain of future taxable income against which the said Deferred Tax Assets can be realised. Therefore based on the concept of prudence, the company has decided not to recognise Deferred Tax Assets during the year under review.

2.19 In respect of GLFL Securities Limited:

1. Income Tax

- (a) In view unabsorbed losses and in absence of taxable income under the provision of Income Tax Act, 1961 in the current year, the company believe that there will be no tax liability. However there will be tax liability U/S 115J(B) of income Tax Act. Necessary provision has been made in the accounts.
- (b) The company has unabsorbed depreciation and carry forward losses under the Income Tax Act, 1961. In the absence of virtual certainty of sufficient future taxable income, net deferred tax assets are not recognized in the accounts.

2. The balances of creditors and debtors as on 31st March 2014 are subject to confirmation from respective parties and adjustments, if any, will be made on the receipt of the same.

3. The Company had purchased equity shares of Bank of Punjab Ltd during March-May, 1997 and had shown the same as Stock-in-trade. Out the said equity shares, delivery of 103,900 equity shares of Bank of Punjab Ltd were in the name of CRB Trustees Ltd.- A/c CRB Mutual Fund. The Registrar of Transfer Agent denied transfer of the said shares in the name of Company due to winding up petition filed by RBI against CRB group of Companies. The Company filed a petition in the Court for transfer of said shares in its name, which was pending since long.

The Honourable Delhi High Court, vide order dated 29-5-2013, directed the company to lodge the claim for certification of securities to the Special Committee appointed by the Court. The Company lodged the claim before the Special Committee for certification. During the intervening period, Bank of Punjab Ltd was merged with Centurion Bank of Punjab Ltd and Centurion Bank of Punjab Ltd thereafter was merged with HDFC Bank Ltd. Therefore, the Special Committee, after verification of the claim made by the Company, certified that 1,03,900 equity shares of Bank of Punjab Ltd were belongs to the Company and hence, credited 40,305 equity shares of HDFC Bank Ltd. in lieu of equity shares of Bank of Punjab Ltd. and also paid unpaid dividend pertains to these shares. The Company has accounted HDFC Bank Ltd shares as Stock-in-trade as the shares of Bank of Punjab Ltd were accounted as Stock-in-trade at the time of purchase and were written off in F. Y. 1999-2000 at Rs. 11,48,095 due to uncertainty of pending litigation.

2.20 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our attached report of even date

For C. C. Chokshi & Co.
Chartered Accountants

For and on behalf of the Board

Kartikeya Raval
Partner

Pradip Mehta
(Director In Charge)

Harnish Patel
(Director)

Place : Ahmedabad
Date : 26th May, 2014

Place : Ahmedabad
Date : 26th May, 2014

Gujarat Lease Financing Limited

G / L / F / L

Registered Office : 6th Floor, Hasubhai Chambers, Opp.Town Hall, Ellisbridge, Ahmedabad-380006
CIN No. : L65990GJ1983PLC6345

PROXY FORM

[pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2013

Name of the member (s):
Registered Address:
..... E-mail ID:
Folio No. / Client Id: DP ID:

I/We, being the member (s) of shares of the Gujarat Lease Financing Limited, hereby appoint.

1. Name : Address :
Email ID : Signature :
2. Name : Address :
Email ID : Signature :
3. Name : Address :
Email ID : Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Monday, July 21, 2014 at 10:00 a.m. at Atma Hall, Ahmedabad Textile Mill Association, Law Gajjar Chamber, Ashram Road, Ahmedabad 380 009 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Please Indicate (Assent or Dissent)	Item No.	Please Indicate Please (Assent or Dissent)	Item No.	Please Indicate (Assent or Dissent)
1.		2.		3.	
4.		5.		6.	

Signed this _____ day of _____, 2014.

_____ Signature of Shareholder (s)

_____ Signature of Proxy holder (s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Gujarat Lease Financing Limited

G / L / F / L

Registered Office : 6th Floor, Hasubhai Chambers, Opp.Town Hall, Ellisbridge, Ahmedabad-380006
CIN No. : L65990GJ1983PLC6345

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)
31st Annual General Meeting - July 21, 2014

I hereby record my presence at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company at Atma Hall, Ahmedabad Textile Mill Association, Law Gajjar Chamber, Ashram Road, Ahmedabad 380 009 on Monday, July 21, 2014 at 10.00 a.m.

Full name of the member (In BLOCK LETTERS) :

Folio No. DP ID No. Client ID No. No. of Shares held

Full name of proxy (In BLOCK LETTERS) :

Member's/Proxy's Signature :

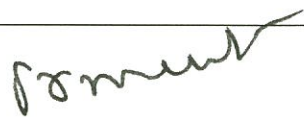
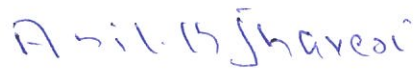

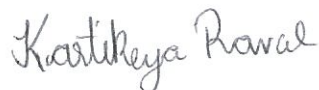
If undelivered, please return to :
GUJARAT LEASE FINANCING LIMITED
(CIN No. L65990GJ1983PLC006345)
6th Floor, Hasubhai Chambers, Opp. Town Hall
Ellisbridge, Ahmedabad-380 006

FORM B

(Clause 31(a) of Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company :	Gujarat Lease Financing Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit qualification	Qualified
	Type of Audit observation	Emphasis of Matter
4.	Frequency of qualification	The matter has been included in previous Year audit report as qualification and it has been reported as such since financial year ended 31 st March, 2012.
	Frequency of observation	The matter was qualified during prior years and during the current year it has been included as Emphasis of Matter paragraph.
5	Draw attention to relevant notes in the annual financial statement and management response to the qualification in the directors report:	<p><u>Qualification:</u></p> <p>Financial Year ended 31st March, 2014</p> <p>Auditors' Report and related Note 2.18(c) of the Standalone financial statements – As per Annexure – 1.</p> <p><u>Emphasis of Matter:</u></p> <p>Financial Year ended 31st March, 2014</p> <p>Auditors' Report and related Note 1 of the Standalone financial statements – As per Annexure – 1.</p>
6	Additional comments from the Board/ Audit Committee Chairman	Same as mentioned in Sr. No. 5

7	To be signed by -	
	<ul style="list-style-type: none"> • Director-in-Charge 	 (Pradip J. Mehta)
	<ul style="list-style-type: none"> • CFO 	 (Anil K Jhaveri)
	<ul style="list-style-type: none"> • Audit Committee Chairman 	 (S.M. Shah)
	<ul style="list-style-type: none"> • Auditor of the Company 	For C. C. Chokshi & Co. Chartered Accountants (Registration No.101876W)  (Kartikeya Raval) Partner Membership No.106189 Ahmedabad, 26 th May, 2014