

# **25th Annual Report 2010-2011**



**GANDHINAGAR LEASING AND FINANCE LIMITED**

# **GANDHINAGAR LEASING AND FINANCE LIMITED**

## **BOARD OF DIRECTORS**

Mr. Pritesh V Joshi	Chairman
Smt. Pragnaben V Joshi	Managing Director
Wg. Cdr Manik Anchlia	Director
Mr. Jayendra P. Bhatt	Additional Director w.e.f. 31.01.2011
Mr. Yogeshchandra Joshi	Additional Director w.e.f. 31.01.2011

## **AUDITORS**

M/s. Manoj Lekinwala & Co  
Chartered Accountants  
Gandhinagar

M/s. GJK & Associates  
Chartered Accountants  
Gandhinagar

## **REGISTERED OFFICE**

Plot No. 235, Sector 11  
"Fortune Inn Haveli",  
CH - Road,  
Gandhinagar - 382 011 (Gujarat)  
Phone - +91 79 3984 2102  
Fax - 91 79 3984 2121  
E Mail : [accounts.fih@fortunehotels.in](mailto:accounts.fih@fortunehotels.in)

## **BANKERS**

Gandhinagar Nagarik Co-op. Bank Ltd.

**NOTICE**

NOTICE is hereby given that the 25th Annual General Meeting of members of the Company will be held on Friday, 30th September, 2011 at 1.00 p.m. at "Fortune Inn Haveli", Plot No. 235, Sector-11, Gandhinagar 382011, to transact the following ordinary business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt Audited Accounts for the year ended 31st March, 2011 together with the reports of the Directors and Auditors thereon for the year ended on that date.
2. To appoint a Director in place of Mr. Pritesh V. Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Wg Cdr Manik Anchlia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To Appoint Auditors and authorize Board to fix their remuneration.

**SPECIAL BUSINESS**

5. To Consider and of thought fit, to pass with or without modification, the following resolution as Ordinary Resolution.

"RESOLVED THAT Mr. Yogeshchandra Joshi, who was appointed as an Additional Director of the Company by the Board of Directors of the Company w.e.f. 31st January, 2011 and who holds office upto the forthcoming Annual General Meeting under section 260 of the Companies Act, 1956 and for whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To Consider and of thought fit, to pass with or without modification, the following resolution as Ordinary Resolution.

"RESOLVED THAT Mr. Jayendra P Bhatt, who was appointed as an Additional Director of the Company by the Board of Directors of the Company w.e.f. 31st January, 2011 and who holds office upto the forthcoming Annual General Meeting under section 260 of the Companies Act, 1956 and for whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board  
For **GANDHINAGAR LEASING AND FINANCE LTD**

Place : **Gandhinagar**  
Date : **30.08.2011**

**Pritesh V Joshi**  
*Chairman*

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DULY FILED, STAMPED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY **NOT LATER THAN 48 HOURS** BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Share Transfer Books and the Register of Members of the Company shall remain closed from Wednesday, 28th September, 2011 to Friday, 30th September, 2011 (Both days Inclusive).
3. Member are requested to notify change in address, if any, in immediately to the Register of the Company M/s. Link In time India Pvt. Ltd., 211, Sudarshan Complex, Nr Mithakhali, Under bridge, Ahmedabad 380009. Telephone: 079-26465179 Contact: Mr. Hitesh Patel Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

### EXPLANATORY STATEMENT

(Pursuant to Section 173 of the Companies Act, 1956 and further information pursuant to Clause 49 of the Listing Agreement)

#### Item No: 2

Mr. Pritesh V Joshi aged about 39 years and he is MBA (Finance) He has very good knowledge in field of finance and having experience of 15 years. Considering his qualifications and experience the board recommends his re-appointment.

Smt. Pragnaben V. Joshi being relative is concerned or interested in the said resolution.

#### Item No: 3

Wg. Cdr. Manik Anchlia aged about 65 years has vast experience in various Business including field of finance. He is independent director of the Company. Considering his experience and far sight, vision Board of Directors recommends his reappointment.

None of Director except Wg. Manik H. Anchlia is concerned or interested in the resolution.

#### Item No: 5

Mr. Yogeshchandra Joshi was appointed on the Board as an additional Director w.e.f. 31.01.2011. He has very vast experience in hotel Management and is Managing Director of a 5 star hotel at Baroda which has management tie up with TAJ group. The Company has received a Notice of his candidature as required under the Companies Act, 1956. The Board recommends to members his appointment as a Director of the Company.

#### Item No: 6

Mr. Jayendra P Bhatt was appointed on the Board as an additional Director w.e.f. 31.01.2011. He is an Economist and academician. He has rich experience in administration. The Company has received a Notice of his candidature as required under the Companies Act, 1956. The Board recommends to members his appointment as a Director of the Company.

### INFORMATION AS REQUIRED UNDER CLAUSE 49 (IV) (G) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING RE APPOINTMENT AT FORTHCOMING ANNUAL GENERAL MEETING:

Name of the Director	Mr. Pritesh V Joshi	Wg. Cdr. Manik Anchlia
Date of Birth	17/07/1972	25/07/1944
Date of Appointment	15/01/1993	30/09/1993
Qualification	MBA (Finance) USA	
Expertise in specific functional area	15 years Experience	30 years Experience
Directorship held in other Companies	Gandhinagar Hotels Limited	Gandhinagar Hotels Limited

By Order of the Board,  
For, GANDHINAGAR LEASING AND FINANCE LTD

Place: Gandhinagar  
Date : 30.08.2011

Pritesh V Joshi  
Chairman

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 25th Annual Report together with the Audited Accounts for the year ended 31st March, 2011

**FINANCIAL RESULTS****(Amount In Rupees)**

<b>Particulars</b>	<b>For the year ended 31.03.2011</b>	<b>For the year ended 31.03.2010</b>
Profit /Loss before Non Cash Expenses	<b>23,54,357</b>	-1,71,990
Less : Non Cash Expenses	<b>1,63,499</b>	1,63,499
Profit/Loss For the year	<b>21,90,858</b>	-3,35,489
Balance Brought forward from the previous year	<b>-1,01,13,899</b>	-97,78,410
Balance Carried to Balance Sheet	<b>-79,23,041</b>	-1,01,13,899

**REVIEW OF OPERATIONS**

During the year under review the results of the Company are satisfactory. The Company has made net profit of Rs. 21,90,858/- During the current financial year the Company has earned gross revenue of Rs. 1,47,97,891/- which was Rs. 40,04,135 in previous year showing excellent rise in the gross revenue of the Company.

**PARTICULARS OF EMPLOYEES**

There were no employees covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of employees) rules, 1975 hence, particular are not given for the same.

**DIVIDEND**

In order to augment the losses incurred and to sustain the business operations of the Company, your Directors do not recommend Dividend for the financial year ended on 31.03.2011.

**INSURANCE**

The Company has taken all necessary steps to insure its properties and insurable interest as deem appropriate and as required to have under various statutory and other requirement.

**DIRECTORATE**

During the year 2011, the sad demise of Chairman Major Vinodchandra P Joshi (Retd.) occurred. The Company is highly indebted to him for his vision, commitment and services orientation implanted in the Company. The board of directors express sincere obituary to him. During the year Mr. Viral V Joshi resigned from the directorship of the Company due to his pre-occupation. Mr. Pritesh V Joshi and Wg. Cdr. Manik Anchlia retire at ensuing Annual General Meeting and are eligible for reappointment.

Mr. Jayendra P Bhatt and Mr. Yogeshchandra Joshi were appointed as additional Directors of the Company w.e.f. 31.01.2011. You are requested to consider their re-appointments.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

As Required under Section 217(2AA) of the Companies Act 1956, we hereby state that:-

1. That in the preparation of the annual accounts, the applicable accounting standards has been followed, along with proper explanation read with the notes to the accounts relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March, 2011 and of the profits of the Company for the year end on that date.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors had prepared the Annual Accounts on a going concern basis.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company is engaged in financial services the, particulars required to be incorporated in terms of Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particular in the report of the Board of Directors) Rules, 1988, is not applicable. There was no foreign exchange earnings and outgo during the year under review.

The details of foreign exchange earnings and outgo are as under :

<b>Foreign Exchange Earned</b>	NIL
<b>Foreign Exchange out go</b>	NIL

#### DEPOSITS

The Company has not accepted deposits from the public within the meaning of provisions of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

#### AUDITORS

M/s Manoj Lakinwala & Co. Chartered Accountants, Gandhinagar, Statutory Auditors of the Company retires at the ensuing Annual General Meeting. The Audit Committee has recommended to the Board the re-appointment of M/s Manoj Lakinwala & Co. as statutory Auditors along with M/s. G. J. K & Associates to be appointed as joint Auditors of the Company and you are requested to consider their re-appointment along with joint Auditor. The Auditors have given the certificate that the re-appointment, if made, will be within the prescribed limit specified under section 224 (1B) of the Companies Act, 1956.

The Auditors' observations read with the Notes to the accounts are self explanatory.

#### REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION ANALYSIS

As required under Clause 49 of the Listing Agreement, your Company has already implemented Corporate Governance for the financial year 2010-2011. A Management Discussion and Analysis Report along with detailed report on Corporate Governance attached with this Report and form part of the Annual Report.

#### ACKNOWLEDGMENTS

The Directors wish to place on record their gratitude to the shareholders of the Company, Company's Bankers and concerned Government Departments for their Co-operation and continued support to the Company. The Directors also take this opportunity to express their appreciation for the sincere and dedicated services of the employees of the Company at all levels.

**By Order of the Board,  
For, GANDHINAGAR LEASING AND FINANCE LTD**

Place: **Gandhinagar**

Date : **30.08.2011**

**Pritesh V Joshi**

*Chairman*

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management discussion covers the financial results and other developments during April, 2010 to March, 2011 in respect of the Company. Some statements discussion describing the projection may be forward looking actual results may be forward looking actually may different materially on account of various external factors such as government regulations, tax regimes, changes in demand and supply constrains and other identical factors.

### Overview

The company carries on its operation in Leasing and Finance business, The Business depends largely on the congenial economic growth environment. During the year under review the Company has earned considerable interest income from its business operations. The company expects higher growth during the upcoming financial year. The Gandhinagar Leasing and Finance Limited was promoted by Major Vinodchandra P Joshi (Retd.), a technocrat having very rich experience in the Finance and other Industries. The Company is engaged in rendering Leasing, Hire Purchase and other financial activities.

### Industry structure

The year 2010-2011 witnessed an inclusive economic growth, especially state of Gujarat. The growing industrialization in the state of Gujarat helped the finance industry to grow efficiently and rapidly. The overall year showed positive trend for finance industry. However increased interest rates of finance have negatively impacted the finance and leasing industry.

### Prospects

The Finance and Leasing industry is largely dependent on the growth of the other industries as well as favorable interest rates. The year 2010-2011 showed a rapid growth in other industries. However the increasing interest rate have adversely affected the finance and leasing industry. In spite of adverse market condition your Company is able to earn a considerable interest income during the year 2010-2011.

### Opportunities, Threats, Risks and concerns

The Company has reasonable business acumen in the industry and has strategic plans for economies its activities. The Company is set to achieve the higher productivity to meet with the demand. However, the Government is vigilant on the global competition. Further, the Company believes satisfaction of the customers and maintaining long term relationship with them, which will ultimately provide better opportunity to grow.

### Internal Control Systems

The Company has adequate internal control systems in respect of efficiency of operation, financial reporting, compliance with laws etc. exercises for safeguarding assets and protection against unauthorized use are undertaken. The Management review internal control system from time to time.

### Review of Financial Performance

The Financial performance during the year ended 31st March, 2011 was satisfactory with compare to last financial year. The Company expects better performance in the years to come.

### Human Resources

Our senior management team consists of experienced individuals with diverse skills in manufacturing, engineering, international business and finance. We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the finance industry. The relations between the employees and the Management have remained cordial.

## REPORT ON CORPORATE GOVERNANCE

**1. A brief statement on Company's philosophy on Corporate Governance:**

The Company firmly believes in and continues to practice good Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability.

In order to achieve the objective the Company is driven by the following guiding principles:

- a. Improving the effectiveness of the Board of Directors in supervising management; and
- b. Improving the quality of information and communication with our stockholders.

The Company believes that these two principles will result in a better shareholders value.

**2. Board of Directors**

## a) Composition

The Company presently has five directors on its Board. The Board has Chairman Mr. Pritesh V Joshi and Managing Director Smt. Pragnaben V Joshi. More than half of the total strength of the Board of Directors is independent and non executive. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement. None of the non-executive Directors has material pecuniary relationship or transactions with the company. During the year under review four meetings of the Board were held in Gandhinagar on following dates:

30th April, 2010, 31st July, 2010, 30th October, 2010 and 31st January 2011. The maximum gap between two board Meeting held during the year was not more than 4(four) months.

The Board Composition of the board and details of attendance of each director at the Board meeting, and at the last Annual General Meeting is as under as well as no of Board or Board Committee in which he/she is a member of chairperson:

Name of the Directors	Category	No. of Board Meetings attended	Attendance at the last AGM(Y/N)	Directorship in other public Company	No of Committees in which Chairman/ Member in other Public Company
Major Vinodchandra P. Joshi (Retd.)	Chairman Executive	5	Y	1	1
Mr. Pritesh V. Joshi +	Executive Director	5	Y	1	1
Smt. Pragnaben V. Joshi	Managing Director	5	Y	1	0
Mr. Viral V Joshi	Executive Director	4	Y	1	0
Mr. Yogeshchandra Joshi @	NED	1	N	2	1
Mr. Jayendra P Bhatt @	NED	1	N	1	0
Wg. Cdr Manik Anchlia	NED	5	Y	1	1

Notes: 1. Mr. Viral Joshi resigned from the Board w.e.f. 20.01.2011

2. Office of Chairman vacated due to death of Major Vinodchandra Joshi (Retd.) on 18.06.2011

3. Mr. Yogeshchandra and Mr. Jayendra P Bhatt were appointed as additional director w.e.f. 31.01.2011



@ - Member of Audit Committee	NED - Non Executive and Independent Director
\$ - Member of Remuneration Committee	CMD - Chairman and Managing Director
+ - Member of Investor Grievance Committee	Jt. MD - Joint Managing Director

b) Board Procedure :

The Board Directors meet with detailed agenda for discussion and decision. The Directors actively take part in the discussion. All the decisions are taken unanimously. The terms of reference will, interalia include the items covered under clause 49 of the Listing Agreements.

**3. Audit Committee**

a) Terms of Reference:

The Company has constituted an Audit Committee in terms of Section 292A of the Companies Act, 1956. The terms of reference including the matters covered under Clause 49 of the Listing Agreements.

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of Audit including the observation of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entire, compliances with accounting standards and Listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any to review the Company's financial and risk management policies and discuss with the internal Auditors any significant findings for follow-up thereon, to review the quarterly, half and Annual financial statements before they are submitted to the Board of Directors.

The Committee also meets the operating management personal and review the operations, new initiatives and performance of the business units. Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken note of.

b) Composition :

The Audit Committee was reconstituted as required under Clause 49 of the Listing Agreement and presently comprises of following Directors three Non-Executive Directors, i.e. (1) Shri Yogeshchandra T Joshi (2) Shri Jayendra P Bhatt and (3) Wg Cdr Manik Anchlia all of whom are independent.

AUDIT COMMITTEE	
Shri Yogeshchandra T Joshi	Chairman
Shri Jayendra P Bhatt	Member
Wg Cdr Manik Anchlia	Member

c) Audit Committee Meetings:

During the year, Audit Committee met 4 times on 30.4.2010, 31.7.2010, 30.10.2010 and 31.01.2011 and all the members have attended the meeting.

**4. Remuneration Committee :**

The Company has not set up separate remuneration committee. But the Audit Committee was entrusted with the powers of fixing remuneration payable to the Directors of the Company. Remuneration of other employees largely consists of base remuneration, perquisites, bonus, ex-gratia, etc. The components of the total remuneration vary for different cards and are governed by the industry pattern, qualification, experience and other relevant factors of the employees.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent in the organization and reward merit.

**5. Remuneration of Directors**

The remuneration of the Managing Director and Non-Executive Director is approved by the Board of Directors and the Shareholders on recommendation by the Audit cum Remuneration Committee. The Managing Director is paid by way of salary, perquisites based on his contract. The annual increment for the Managing Director is approved by the Board annually. Non-Executive Directors are entitled to sitting fees of Rs. 500/- each Board Meeting attended by them.

Details of remuneration paid to the Directors for the year 2010-2011

Name of the Directors	Salary Rs.	Perquisites Rs.
Smt. Pragnaben V Joshi (*) Managing Director	Nil	Nil
(*) Voluntarily forgo her remuneration.		

**6. Shareholders Grievance Committee**

The complaints relating to the split, issue of duplicate share certificate and complaints relating to non receipt of share certificate, non receipt of Annual Reports etc and other investor's grievances incidental thereto have been entrusted with the shareholders/Investors Grievance committee.

The said committee comprises of (1) Shri Yogeshchandra T Joshi (2) Shri Viral V Joshi, Non-Executive Independent Directors (ceased w.e.f. 20.01.2011) and (3) Major Vinodchandra P Joshi, Chairman . The Committee is to meet as and when need arises. There is no share transfer pending as on 31.3.2011.

Shri Jitendrakumar M Darji has been designated as Compliance Officer. The details of complaints received and solved to the satisfaction of shareholders are as under :

Nature of Complaints	Received	Cleared
Non receipt of Annual Report	2	2
Misc like Dividend etc	0	0
<b>Total</b>	<b>2</b>	<b>2</b>

**7. General Body Meetings**

The details of the location and time for last three Annual General Meetings are given as under :

Year	Location/Venue	Date	Time
2007-2008	Plot No. 235, Hotel Haveli, Sector-11, Gandhinagar	30.09.2008.	11.30 a.m.
2008-2009	Plot No. 235, Hotel Haveli, Sector-11, Gandhinagar	30.09.2009.	11.30 a.m.
2009-2010	Plot No. 235, Fortune Inn Haveli, Sector-11, Gandhinagar	30.09.2010.	11.30 a.m.

No Resolution was passed at the last Annual General Meeting by Postal Ballot.

**8. Disclosures:****A. Disclosure on materially significant related party transactions:**

The details of related party transaction and disclosures of transactions with related parties entered into by the Company in the normal Course of the business are given in the Notes to the Accounts.

**B. Details of Compliance with Mandatory standards:**

All the Mandatory requirements of Clause 49 of the Listing Agreement have been complied with by the Company.

**C. There were no instances of penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any matter related to capital markets, during the three years.****9. Means of Communication :**

- Half yearly Results are not sent to each household of shareholders.
- The Website of the Company is under construction in which it will to be displayed.
- The Management Discussion and analysis (MD & A) is a part of the Annual Report.
- The quarterly results are regularly sent to Bombay Stock exchange for the information of shareholders in soft as well as hard Copy.

**10. CEO/CFO Certification :**

The CEO/CFO has reported to the Board of Directors of the Company.

**11. General Shareholders Information :****a) Annual General Meeting :**

b) The 25th Annual General Meeting will be held on Friday, 30th September, 2011 at 01.00 P.M. at Fortune Inn Haveli, Plot No. 235, Sector – 11, Gandhinagar 382011.

**c) Book Closure :**

The Share Transfer Books and the Register of Members shall remain closed from Wednesday 28th September, 2011 to Friday, 30th September, 2011 (Both days inclusive).

**d) Financial Calendar for the year 2011-2012 (Provisional)**

Results for the	By the end of
quarter ending 30th June, 2011	July, 2011
quarter ending 30th September, 2011	October, 2011
quarter ending 31st December, 2011	January, 2012
quarter ending 31st March, 2012.	April, 2012

**e) Share Transfer System :**

The Company has appointed M/s Link Intime India Pvt Ltd as Registrar and Share Transfer Agent. The Company has also entered into necessary tri party agreements with the NSDL and CDSL and allotted INE202J01015 . The Share Transfers are normally approved and returned within 15-30 days provided the documents received are valid in all respects.

**f) Listings :**

The Company's shares are listed with the Bombay Stock Exchange Ltd, Mumbai and the Company has represented for upliftment of suspension. The Company has paid listing fees to the Bombay Stock Exchange Ltd, Mumbai upto the F. Y. 2011-2012.

High/Low quotation of the Equity Shares :

Month	High (Rs.)	Low (Rs.)
April - 10	NA	NA
May - 10	NA	NA
June - 10	NA	NA
July - 10	NA	NA
Aug - 10	NA	NA
Sept - 10	50.41	25.00
Oct - 10	37.55	37.55
Nov - 10	35.70	27.75
Dec - 10	27.70	17.65
Jan - 11	38.40	18.40
Feb - 11	38.25	29.85
March - 11	29.70	27.60

g) Stock Code : 511489

h) Distribution of Shareholdings as on 31-03-2011

Authorised Share Capital : Rs. 6,00,00,000/-

Issued, Subscribed & Paid Up Share Capital Rs.5,96,29,000/-  
(Equity Share Capital : Rs.5,96,29,000/- divided into 59,62,900 Equity Shares of Rs.10/- each)

Listed Share Capital : Rs.5,96,29,000/-

Sr. No.	Shareholding No of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Holding
01	1 500	4575	92.7800	989525	16.5950
02	501 1000	264	5.3540	223200	3.7430
03	1001 2000	49	0.9940	73100	1.2260
04	2001 3000	10	0.2030	25400	0.4260
05	3001 4000	6	0.1220	21700	0.3640
06	4001 5000	6	0.1220	28350	0.4750
07	5001 10000	6	0.1220	46700	0.7830
08	10001 9999999999	15	0.3040	4554925	76.3880
	<b>Total</b>	<b>4931</b>	<b>100.00</b>	<b>5962900</b>	<b>100.00</b>

**Distribution of Shareholding as on 31.03.2011**

<b>Sr. No.</b>	<b>Category</b>	<b>No. of Shares Held</b>	<b>% of Shareholding</b>
1.	Indian Promoters	1665325	27.9281
2.	Relatives of Directors	--	--
3.	Corporate Body ( Promoter Co)	1999800	33.5374
4.	Hindu Undivided Family (HUF)	-	-
5.	Others bodies Corporate	882600	14.8015
6.	Indian Public	1414975	23.7296
7.	Public Category (NRI)	--	--
8.	Clearing Member	2000	0.0034
<b>TOTAL</b>		<b>5962900</b>	<b>100.00</b>

**List of Directors holding shares 1% or more :**

<b>Name of Director</b>	<b>No. of Equity Shares held</b>	<b>% of shareholding</b>
Vinodchandra Punjaram Joshi	8,47,210	14.2079
Pragnaben Vinodchandra Joshi	2,75,910	4.6269
Pritesh V Joshi	1,85,600	3.1126
Viral V Joshi	2,46,150	4.10

h) 1) Name of CEO : Smt. Pragnaben V Joshi, Managing Director

2) Name of CFO & Compliance Officer : Shri Jitendrakumar M Darji, Compliance Officer

i) 1) Registered Office : "Fortune Inn Haveli" Plot No.235,  
Sector-11,"Ch" Road  
Gandhinagar 382 011 Gujarat  
Phones : 079-39842102  
Fax - 91 79 3984 2121

2) Share Transfer Agent : M/s. Link Intime India Pvt. Ltd.  
211, Sudarshan Complex,  
Near Mithakhali Underbridge,  
Navrangpura,  
Ahmedabad - 380 009  
Contact person : Mr. Hitesh Patel  
Phone : (079) 26465179  
E Mail : ahmedabad@linkintime.co.in

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT :**

To  
The Member of  
**Gandhinagar Leasing and Finance Ltd**

We have reviewed the implementation of Corporate Governance procedures by **Gandhinagar Leasing and Finance Limited** (the Company) for the year ended 31st March, 2011, with the relevant records and documents maintained by the Company, Furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of The conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We further state that such compliance is neither an assurance as to the further viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been Complied with in all material respects by the Company.

**For GJK Associates**  
*Chartered Accountants*

**For Manoj Lekinwala & Co.,**  
*Chartered Accountants*

Place : **Gandhinagar**  
Date : **30.08.2011**

**G. J. Raghvani**  
*Partner*

**Manoj H Lekinwala**  
*Proprietor*

## CEO CERTIFICATION

The Board of Directors,  
**Gandhinagar Leasing and Finance Limited.**  
Plot No. 235, Sector 11  
"Fortune Inn Haveli"  
CH - Road,  
Gandhinagar - 382 011 (Gujarat)

Re: Financial Statements for the year 2010-2011 - Certification by CEO.

I, Pragnaben V Joshi, Managing Director of Gandhinagar Leasing and Finance Limited, on the basis of review of the financial statements and the Cash Flow Statements for the financial year ending 31st March, 2011 and to the best of my knowledge and belief, I hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2011 which is fraudulent, illegal or violate of the Company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in design or operation of the internal control systems and that I have taken required steps to rectify these deficiencies.
5. I further certify that :
  - a. there have been no significant changes in internal control during this year.
  - b. there have been no significant changes in accounting polices during the year.
  - c. there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or employee having significant role in the Company's internal control systems.

Place: **Gandhinagar**  
Date: **30th August, 2011**

**Pragnaben V Joshi**  
*Managing Director*

**AUDITOR'S REPORT**

To  
The members of  
**GANDHINAGAR LEASING AND FINANCE LIMITED**  
Gandhinagar

- (1) We have audited the attached Balance Sheet of **M/S. GANDHINAGAR LEASING AND FINANCE LIMITED**, as 31st March, 2011, the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We have conducted audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.
- (3) As required by the Companies (Auditors Report) Order, 2003 as amended by the Companies (Auditors Report) Amended Order 2004 issued by the Central Government of India in terms of section 227(4A) of The Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to information and explanation given to us, we enclose in the annexure a statement on the matters specified in paragraphs (4) and (5) of the said order to the extent applicable to the Company, for the year under consideration.
- (4) Further to our report as stated above in Para ( 3 ) of this report and subject to notes on accounts & significant accounting policies, we further broadly report that :-
  - 4.1 In our opinion and to the best of our information and according to the explanations given to us Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on 31-3-2011 and Cash Flow statement dealt by this report, read with the notes to Accounts and Accounting policies, comply with the applicable Accounting Standards defined in Sub Section (3C) of Section 211 of the Companies Act, 1956. And gives information required by the Companies Act, 1956 in the manner so required.
  - 4.2 We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - 4.3 In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - 4.4 The Balance Sheet, Profit and Loss Account & Cash Flow statement dealt with by this report are in agreement with the books of accounts of the Company.
  - 4.5 Based on the representations made by all the Directors of the Company and taken on records by the Board of Directors of the company and in accordance with the information and explanations as made available, the Directors of the Company do not, prime facie, have any disqualification as referred to in clause (q) of subsection 274 of the Act.
  - 4.6 In our opinion and the best of our information and according to the explanation given to us, the said accounts, subject to notes to the accounts and the accounting policies, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-



- 1) In the case of Balance sheet, of the state affairs of the Company as *31st March, 2011* ;
- 2) In the case of Profit and Loss Account of the Company of the Profit earned by the Company for the Financial year ended on *31st March, 2011*.
- 3) In the case of Cash Flow statement of the company for the Financial year *2010-2011*.

**For GJK Associates**  
*Chartered Accountants*

**For Manoj Lekinwala & Co.,**  
*Chartered Accountants*

Place : **Gandhinagar**  
Date : **30.08.2011**

**CA G. J. Raghvani**  
*Partner*  
Membership No. 37210

**CA Manoj H Lekinwala**  
*Proprietor*  
Membership No. 37663

**ANNEXURE TO THE AUDITOR'S REPORT**

(Annexure referred to in paragraph 3 of our report of even date)

- 1 (a) The company has maintained proper records showing full particulars including quantitative details and Situation of Fixed Assets.
- (b) Fixed Assets have been physically verified by the management according to the regular programmed of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. There were no discrepancies noticed on such physical verification.
- (c) There was no disposal of fixed assets during the year.
- 2 The company does not have Inventories, Stores, Spare Parts and Raw Materials and hence question of physically verification and frequency of verification does not arise.
- 3 According to the information and explanation given to us, the Company has not taken any loans Secured or unsecured from companies, firms, or other parties listed in Register maintained under Section 301 of the Company Act, 1956 or from the Companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of the business for the purchase of inventory and fixed assets and for the sale of shares held for investment or stock in trade. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- 5 In our opinion and according to the information and explanations given to us, transactions of Rent Paid to Gandhinagar Hotels Ltd. and Lease Assets given to Gandhinagar Hotels Ltd. and Lease Rent received from the Gandhinagar Hotels Ltd. have been made in pursuance of contracts or arrangements that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 are mentioned. The said transactions are at Market rate and not prejudicial to the interest of the Company.
- 6 In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the Public within the meaning of Section 58A, 58AA or any other relevant provisions of The companies Act, 1956 and as per applicable Rules under the Companies (Acceptance of Deposits) Rules 1975 . We are informed that no order has been passed by the Company Law Board or Reserve Bank of India or any Court or any other Tribunal against the Company.
- 7 The Company has an Internal Audit System, the same is commensurate with size & nature of business of the Company.
- 8 We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government. The Central Government has not prescribed the maintenance of any records under Section 209(1)(d) of the Companies Act, 1956 for the Finance Leasing and Investment Company.
- 9 (a) The Company is generally regular in depositing Statutory Dues.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, value added tax, Central Sales Tax, service tax, wealth tax, custom duty, Excise Duty, cess were in arrears as at 31st March, 2011 for a period of more than six months from the date they become payable.

- (c) According to the information and explanations given to us, there is no outstanding dues in respect of income tax, value added tax, Central Sales Tax, service tax, wealth tax, custom duty, Excise Duty, cess, which have not been deposited on account of any dispute.
- 10 The Company has accumulated losses at the end of the financial year and has earned profit in the current year.
- 11 The Company does not have any borrowings from financial institutions or banks or issued any debentures and hence question of repayment of dues and default of repayment does not arise.
- 12 According to the information and explanation given to us, the Company has not granted any loans and advance on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The Company is not a chit fund or a Nidhi / Mutual fund / society , therefore, the clause 4 (xiii) of the order is not applicable to the Company.
- 14 In our opinion, the Company is dealing in or trading in share, securities, debentures and other investment for which specific records are maintained.
- 15 According to the information and explanation given to us, during the year the Company has not given any guarantee for loans taken by others, from banks or financial institutions.
- 16 According to the information and explanations given to us, the Company has not taken any term loan during the year.
- 17 According to the information and explanations given to us, and on the basis of the Cash Flow Statement and other records examined by us, as well as on an overall basis, we report that the broadly funds raised on long term basis have not prima-facie been used for short term investment and vice versa.
- 18 According to information and explanation given to us, during the year the Company has not made preferential allotment of convertible warrants and / or shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19 According to information and explanation given to us, the Company has not issued any debentures during the year and hence the question of creating any security or charge in respect thereof does not arise and hence the provisions of clause 4 (xix) of the companies (Auditor's Report) Order,2003 are not applicable to the Company.
- 20 During the year, the Company has not raised any money through a public issue.
- 21 During the course of our examination of books of accounts carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, during the year, nor have we been informed of such case by the management.

**For GJK Associates**  
*Chartered Accountants*

**For Manoj Lakinwala & Co.,**  
*Chartered Accountants*

Place : **Gandhinagar**  
Date : **30.08.2011**

**CA G. J. Raghvani**  
*Partner*  
Membership No. 37210

**CA Manoj H Lakinwala**  
*Proprietor*  
Membership No. 37663

## Balance Sheet as on 31st March, 2011

(Amount Rs.)

SOURCES OF FUNDS	SCHEDULE	As on 31-03-2011	As on 31-03-2010
Share Capital	A	5,96,29,000	5,96,29,000
Reserve & Surplus	B	14,71,200	14,71,200
Unsecured Loans	C	90,000	90,000
Current Liabilities & Provisions			
Current Liabilities	D	13,15,519	4,81,862
	<b>Total Rs.</b>	<b>6,25,05,719</b>	<b>6,16,72,062</b>

APPLICATION OF FUNDS	SCHEDULE	As on 31-03-2011	As on 31-03-2010
Fixed Assets	E	11,79,433	13,42,932
Investments	F	43,00,000	43,00,000
Current Assets, Loans and Advances :			
Current Assets	G	4,91,03,244	4,59,15,231
Profit & Loss Account		79,23,041	1,01,13,899
	<b>Total Rs.</b>	<b>6,25,05,719</b>	<b>6,16,72,062</b>

As per report of even dated attached herewith

**For GJK Associates**  
Chartered Accountants

**For Manoj Lakinwala & Co,**  
Chartered Accountants

**By order of the Board of Directors**  
**For Gandhinagar Leasing and Finance Ltd.**

**G. J. Raghavani**  
Partner  
Membership No. 37210

**Manoj Lakinwala**  
Proprietor  
Membership No. 37663

**Pritesh Vinodchandra Joshi**  
Chairman

**Mrs. Pragnaben V Joshi**  
Managing Director

Place : **Gandhinagar**  
Date : **30.08.2011**

## Profit &amp; Loss Account for the year ended 31st March, 2011

(Amount Rs.)

INCOME	SCHEDULE	31-03-2011	31-03-2010
Lease Charges		2,935	2,935
Interest Income		22,95,000	0
Dividend Income		9,98,756	0
Closing Stock of Shares		1,15,01,200	40,01,200
	<b>Total Rs.</b>	<b>1,47,97,891</b>	<b>40,04,135</b>

EXPENDITURE	SCHEDULE	31-03-2011	31-03-2010
Opening Stock of Shares	1	40,01,200	40,01,200
Purchase of Shares - Equity		75,00,000	0
Administrative Expenses	2	9,22,334	1,55,925
Payments to Auditors		20,000	19,000
Non Cash Expenses	3	1,63,499	1,63,499
	<b>Total Rs.</b>	<b>1,26,07,033</b>	<b>43,39,624</b>
Net Profit/Loss		21,90,858	-3,35,489
Opening Balance		-1,01,13,899	-97,78,410
Closing Debit Balance to B/S		79,23,041	1,01,13,899
	<b>Total Rs.</b>	<b>0.00</b>	<b>0.00</b>

As per report of even dated attached herewith

**For GJK Associates**  
Chartered Accountants

**For Manoj Lakinwala & Co,**  
Chartered Accountants

**By order of the Board of Directors**  
**For Gandhinagar Leasing and Finance Ltd.**

**G. J. Raghavani**  
Partner  
Membership No. 37210

**Manoj Lakinwala**  
Proprietor  
Membership No. 37663

**Pritesh Vinodchandra Joshi**  
Chairman

**Mrs. Pragnaben V Joshi**  
Managing Director

Place : **Gandhinagar**  
Date : **30.08.2011**

**SCHEDULE : A  
SHARE CAPITAL**

Particulars	(Amount Rs.)	
	As on 31-03-2011	As on 31-03-2010
<b>AUTHORISED</b>		
60,00,000 (60,00,000) Equity Shares of Rs.10/- each	<b>6,00,00,000</b>	6,00,00,000
<b>Total Rs.</b>	<b><u>6,00,00,000</u></b>	<b><u>6,00,00,000</u></b>
<b>Issued, Subscribed &amp; Paid-up :</b>		
59,62,900 (60,00,000) Equity Shares of Rs.10/- each	<b>5,96,29,000</b>	5,96,29,000
<b>Total Rs.</b>	<b><u>5,96,29,000</u></b>	<b><u>5,96,29,000</u></b>

**SCHEDULE : B  
RESERVE AND SURPLUS**

Particulars	As on	
	31-03-2011	31-03-2010
General Reserve	<b>14,71,200</b>	14,71,200
Profit & Loss Account	<b>-79,23,041</b>	-1,01,13,899
<b>Total Rs.</b>	<b><u>-64,51,841</u></b>	<b><u>-86,42,699</u></b>

**SCHEDULE : C  
UNSECURED LOANS**

Particulars	As on	
	31-03-2011	31-03-2010
Lease Rental Deposit	<b>90,000</b>	90,000
<b>Total Rs.</b>	<b><u>90,000</u></b>	<b><u>90,000</u></b>

**SCHEDULE : D  
CURRENT LIABILITIES**

Particulars	As on	
	31-03-2011	31-03-2010
Sundry Creditors for Expenses	12,97,129	<b>4,60,537</b>
Lease Rental Receivable	18,390	<b>21,325</b>
<b>Total Rs.</b>	<b><u>13,15,519</u></b>	<b><u>4,81,862</u></b>

**SCHEDULE - E :**  
**SCHEDULE OF FIXED ASSETS AND DEPRECIATION AS ON 31-03-2011**

Rate of Dep.	Name of Assets	Gross Block As on 01-04-2010	Addition/Deduction during the F.Y.2010-11	Gross Block As on 31-03-2011	Depreciation upto 31-03-2010	Depreciation for the F.Y. 2010-11	Total Depreciation up to 31-03-2011	Net Assets As on 31-3-2011	Net Assets As on 31-03-2010
1	2	3	4	5	6	7	8	9	10
4.75	Dead Stock	23600	0	23600	18801	1121	19921	3678	4799
6.33	Hotel Furniture	1142423	0	1142423	0	0	0	0	0
9.50	Vehicle	210000	0	210000	0	0	0	0	0
16.21	Vehicle Taxi	800598	0	800598	0	0	0	0	0
4.75	Machinery	3288313	0	3288313	1997527	156195	2153722	1134591	1290786
4.75	Office Equipments	130173	0	130173	82826	6183	89009	41164	47347
Total as on 31-03-2011		5595107	0	5595107	2099154	163499	2262653	1179433	1342932
Total as on 31-03-2010		5595107	0	5595107	1608657	163499	3925177	1669930	

**SCHEDULE : F****INVESTMENTS (AT COST)**

(Amount Rs.)

Particulars	As on 31-03-2011	As on 31-03-2010
Gandhinagar Hotels Ltd. 4,30,000 (4,30,000) Redeemable Preference Shares	43,00,000	43,00,000
<b>Total Rs.</b>	<b>43,00,000</b>	<b>43,00,000</b>

**SCHEDULE : G****CURRENT ASSETS, LOANS AND ADVANCES  
(UNSECURED CONSIDERED GOOD)**

Particulars	As on 31-03-2011	As on 31-03-2010
<b>Current Assets</b>		
Closing Stock of Shares (At purchase price as per Inventory Valued and Certified by Director)	1,15,01,200	40,01,200
<b>Loans and Advances</b> (Recoverable in Cash or Kind or for Value to be received)		
Lease Rental Receivable	18,390	21,325
Cash and Bank Balance	4,86,768	1,65,820
Sundry Debtors & Advances (All below six months)	2,18,20,886	2,93,20,886
Share Application Money	1,29,81,000	1,24,06,000
Receivable Interest (Loan & Advance)	22,95,000	0
<b>Total Rs.</b>	<b>4,91,03,244</b>	<b>4,59,15,231</b>



**SCHEDULE : 1****ADMINISTRATIVE EXPENSES**

(Amount Rs.)

<b>Particulars</b>	<b>2010-2011</b>	<b>2009-2010</b>
Office Rent	36,000	36,000
Bank Commission	1,992	60
Stationery & Printing	32,600	32,050
Postage & Courier Expenses	26,875	27,500
Professional Tax	2,400	2,400
Legal Charges	1,500	1,500
Consultancy Charges	0	15,000
Listing Fees	16,545	16,545
Advertisement Expenses	1,575	8,325
Re-instatement Penalty - BSE	7,80,000	0
Custodian Charges	20,682	16,545
Demat & Share Transfer Charges	2,165	0
<b>Total Rs.</b>	<b>9,22,334</b>	<b>1,55,925</b>

**SCHEDULE : 2****NON CASH EXPENSES**

(Amount Rs.)

<b>Particulars</b>	<b>2010-2011</b>	<b>2009-2010</b>
Depreciation	1,63,499	1,63,499
<b>Total Rs.</b>	<b>1,63,499</b>	<b>1,63,499</b>

**NOTES ATTACHED TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF GANDHINAGAR LEASING AND FINANCE LIMITED FOR THE YEAR ENDED ON 31-03-2011.****[A] SIGNIFICANT ACCOUNTING POLICIES :****1. SYSTEM OF ACCOUNTING**

The Financial statements of the Company are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles and Accounting standards issued by the Institute of Chartered Accountants of India , referred to in section 211 (3C) of the Companies Act, 1956. The Accounts are prepared on the going concern basis and the Company follows the Mercantile System of Accounting.

**2. FIXED ASSETS**

Fixed Assets are valued at cost.

**3. DEPRECIATION**

Depreciation is provided for as per the Straight Line Method at the rates prescribed under XIV of the Companies, Act, 1956.

**4. INVESTMENTS**

Investments are accounted for at Cost.

**5. INVENTORIES**

The Company has valued Stock in Trade at Purchase Price.

**6. REVENUE RECOGNITION :**

Revenue (income) is recognized when no significant uncertainty as to the measurability or collect ability exists. Sales or other Income is recognized when significant risk and rewards of ownership in the goods / shares / services are passed on to the customers.

**(A) Income :**

(a) Accrual basis of accounting has been adopted in respect income from

- (1) Finance Charges on Hire Purchase advances and Lease Rentals on Equipments Leasing to the extent installments have fallen due for payment under the agreement with the respective parties.
- (2) Discount charges on Bills Discounted to the extent of the period extent during the year end.
- (3) Interest on all other advances by way of loans for the period to the extent such income accrued during the year & expenses are recognized on mercantile basis.

(b) Income from investments in shares has been accounted for in the year in which the dividend is received.

(c) All other incomes including overdue charges collected from the hire purchase and lease customers, against over due installments, have been accounted for on cash basis as and when such incomes have been actually collected.

**( B ) Expenses :**

Accrual basis of accounting has been adopted in respect of :

- (1) Interest on Bank Loans, Term Loans from financial Institutions and Public Deposits ; and
- (2) Administrative and other overheads including employee cost.

**7. BORROWING COSTS:**

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of an asset till put for its intended use is capitalized as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost is charged to revenue.

**8 DEFERRED REVENUE EXPENDITURE:**

Expenditure relating to Preliminary Expenses, Capital issue and Deferred Revenue Expenses is amortized on straight line basis over a period of five years.

**9 TAXES ON INCOME :**

Current Taxation:

Current tax is determined as the amount of tax payable in respect of taxable income for the period and the credits computed in accordance with the provisions of the Income Tax, 1961 and based on the expected outcome of the assessment / appeals.

**DEFERRED TAX**

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent year.

Deferred tax assets are recognized and carried forward to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**10 IMPAIRMENT OF ASSETS:**

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If any the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**11. PROVISION AND CONTINGENT LIABILITIES**

- a) Provisions are recognized when the present obligation of a past event gives rise to a probable outflow, embodying economic benefits on settlement and the amount of obligation can be reliably estimated.
- b) Contingent Liabilities are disclosed after a careful evaluation of facts and legal aspects of the matter involved.
- c) Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**[B] NOTES FORMING PART OF AUDIT REPORT**

- 1 Considering the nature of operations of the Company, it is not practicable to give quantitative details of turnover and consumption in terms of the requirement under Part II of Schedule VI to the Companies Act, 1956, in view of Leasing , Hire Purchase and Investment Business of the company.
- 2 Provision of Excise and Modvat are not applicable to the Company.
- 3 Payment To Auditors :

<b>Particulars</b>	<b>2010-11</b>	2009-10
Audit Fees	<b>20000.00</b>	19000.00

- 4 No Provision for Retirement Gratuity has been made in the accounts and the same shall be accounted for as and when it is paid.
- 5 Expenses / Income in Foreign Currency is Rs. Nil (Previous Year Rs. Nil)
- 6 Value of Imports on C.I.F. basis : Nil (Previous Year Rs. Nil)
- 7 The Company does not have any contingent liabilities.
- 8 The provisions of Licensed Capacity / Installed capacity etc. are not applicable to the company.
- 9 In the opinion of the Directors, the Current Assets, Loans & Advances are realized at the values stated, if realized in the ordinary course of the business. As account of Sundry Creditors, Current Liabilities, Unsecured Loans, Sundry Debtors and Loan & Advances and other current assets are subject to confirmation / reconciliation and accordingly the same are subject to necessary adjustments or regrouping /classification, if necessary.
- 10 In the opinion of the Board of Director, the provision for depreciation and all know liabilities are adequate and are not in excess of the amount considered reasonably necessary.
- 11 The Company is engaged in one segment i.e. Hire Purchase, Leasing & Trading and Investment in securities etc which are governed by the same set of risk and returns. The said treatment is in accordance with the guiding principle enunciated in the AS-17 on Segment Reporting.
- 12 Managerial remuneration paid to Managing Director & Other Directors : Rs Nil (Previous Year : Nil )
- 13 Traveling Expenses of Managing Directors & Other Directors : Rs. Nil (Previous Year Rs. Nil )
14. RELATED PARTY ( AS IDENTIFIED BY THE COMPANY ) DISCLOSURES UNDER ACCOUNTING STANDARDS 18:

**(I) ASSOCIATES:**

- 1) GANDHINAGAR HOTELS LIMITED
- 2) PRAGNA FINANCE PVT LTD
- 3) PRAGNA AUTO SERVICE &
- 4) HAVELI INN

**(II) KEY MANAGEMENT PERSONNEL:**

- 1) SMT. PRAGNABEN V JOSHI,
- 2) MR. PRITESH V JOSHI

**(III) TRANSACTIONS WITH RELATED PARTIES**

- 1 The Company was received Rs. 90,000/- (Previous Year Rs. 90,000) as Lease Rental Deposit from Gandhinagar Hotels Limited – a company in which Directors are interested as Director of both the Company.
- 2 The Company was invested Rs. 43 Lacs (Previous Year Rs. 43 Lacs) in Redeemable Preference Shares of Gandhinagar Hotels Limited – a company in which Directors are interested as Director of both the Company.

- 3 The Company has also paid Rs. 0.36 Lacs (Previous Year : 0.36 Lacs) to Gandhinagar Hotels Ltd a Company in which Directors are interested as Director of both the Company, for Office Rent .
- 4 The loans & advance includes Rs.16,290/- (Previous Year : 18,875/- ) amount due from the concerns in which directors are interested as Directors of both the Companies.
- 5 The Company holds 400120 (Previous Year No. of shares 400120) shares of Pragna Finance Private Ltd as stock in trade for which no Market quotation is available as said company is not listed at any stock exchange. & 300000 shares of Gandhinagar Hotels Limited (Previous Year No of Share is NIL) .
6. The Company has given Rs. 129.81 Lacs as Share Application Money (Previous Year Rs. 124.06 Lacs) to Pragna Finance Pvt Ltd. a Company in which Directors are interested as Director of both the Company.
7. The Company has earned Lease Rental of Rs. 2,935/- ( Previous Year Rs.2,935/- ) from Gandhinagar Hotels Limited the company in which Directors are interested of said company. The transaction are not prejudicial to the interest of the company as the said transaction are at reasonable rate having regard to the market rate prevailing for such lease transaction.
- 8 The Company has paid Rs. Nil ( Previous Year Rs. 25 Lacs ) to Charu Anchlia as Advance for purchase of shares of Gandhinagar Hotels Ltd a Company in which Directors are interested as Director of both the Company.
9. The Company has given Rs. 140.21 Lacs as Commercial Building Advance (Previous Year Rs. 140.21 Lacs) to Gandhinagar Hotels Ltd. a Company in which Directors are interested as Director of both the Company for the purpose of commercial property at Gandhinagar.
15. The Company has earned profit in current year but incurred loss during the earlier Financial Year. The details of current year profit and carried forward loss are as under :

Sr No.	Year	Opening Balance of Loss	Current year Profit/Loss	Closing Balance of Loss
1	2005-2006	- 8612446.13	- 501147.99	- 9113594.12
2	2006-2007	- 9113594.12	- 321155.09	- 9434749.20
3	2007-2008	- 9434749.20	- 325628.00	- 9760377.20
4	2008-2009	- 9760377.00	- 18033.00	- 9778410.20
5	2009-2010	- 9778410.20	- 335489	- 10113899
6	2010-2011	- 10113899	2190858	-7923041

As per AS 22 point No 18 "The existence of unabsorbed or carry forward of losses under tax laws is strong evidence that future taxable income may not be available. Therefore, when an enterprise has a history of recent losses, the enterprise recognizes deferred tax assets only to the extent that it has timing differences the reversal of which will result in sufficient income or there is other convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realized. In such circumstances, the nature of the evidence supporting its recognition is disclosed." In view of huge brought forward losses and in absence of sufficient income which result into sufficient taxable income, in near future and on consideration of prudence, the Company has not recognized net deferred tax & / deferred tax assets in the financial statements.

16. **Earning per share as per Accounting Standard (AS 20) – “Earning per Share” :**

The basic Earning per share is calculated by dividing the profit attributable to the existing Equity Share outstanding.

<b>EPS CALCULATION*</b>	<b>Year ended 31.03.2011</b>	<b>Year ended 31.03.2010</b>
Profit / Loss attributable to the Equity Shareholder	<b>21,90,858</b>	- 3,35,489
Closing number of Equity Shares outstanding during the year.	<b>60,00,000</b>	60,00,000
Basic/Weighted averages number of Equity Shares outstanding during the year.	<b>59,62,900</b>	59,62,900
Nominal value of Equity Share (Rs.)	<b>Rs.10/-</b>	Rs.10/-
Basic Earning / Loss per Share (Rs.)	<b>0.37</b>	-0.0563
Diluted earning per share	<b>N.A.</b>	N.A.

17. Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of the current year.

18. Signature to Schedule A To G of Balance Sheet and 1 To 3 of Profit and Loss Accounts form an integral part of the Audit Report.

As per report of even dated attached herewith

**For GJK Associates**  
*Chartered Accountants*

**For Manoj Lakinwala & Co,**  
*Chartered Accountants*

**By order of the Board of Directors**  
**For Gandhinagar Leasing and Finance Ltd.**

**G. J. Raghavani**  
*Partner*  
Membership No. 37210

**Manoj Lakinwala**  
*Proprietor*  
Membership No. 37663

**Pritesh Vinodchandra Joshi**  
*Chairman*

**Mrs. Pragnaben V Joshi**  
*Managing Director*

Place : **Gandhinagar**  
Date : **30.08.2011**

**Additional information pursuant to Schedule VI of the Companies Act, 1956 is as under  
Balance Sheet Abstract and Company's General Business Profile :**

<b>I Registration Details :</b>			
Registration No.	L65910GJ1986PLC009133		
State Code	04		
Balance Sheet Date	31-03-2011		
<b>II Capital Raised during the year</b> ( Amount in Rs. Thousands )			
Public Issue Call	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
<b>III Position of Mobilisation and Deployment of Funds :</b>			
( Amount in Rs. Thousands )			
Total of Capital & Liabilities	62506	Total Assets	62506
<b>Source of Funds</b>		<b>Application of Funds</b>	
Paid up Capital	59629	Net Fix Assets	1179
Reserves & Surplus	1471	Investments	4300
Secured Loans	00	Net Current Assets	49104
Unsecured Loans	90	Miscellaneous Expenditure	00
Contingent Liabilities	1316	Accumulated Losses	7923
<b>IV Perfomance of Company :</b> ( Amount in Rs. Thousands )			
Total Income	3297		
Total Expenditure	1106		
Profit (+) / Loss (-) before Tax	2191		
Profit (+) / Loss (-) after Tax	2191		
Earning/Loss per Share in Rupees	0.37		
<b>V Generic Names of Three Principal Services of Company :</b>			
( As per monetary terms )			
Item Code No. ( ITC Code )	Nil		
Service Description	Leasing		
Item Code No. ( ITC Code )	Nil		
Service Description	Hire Purchase		
Item Code No. ( ITC Code )	Nil		
Service Description	Trading & Investment in Securities		

Signature to Schedule A To G of Balance Sheet and 1 To 3 of Profit and Loss Accounts form an integral part of the Audit Report.

As per report of even dated attached herewith

**For GJK Associates**  
Chartered Accountants

**For Manoj Lakinwala & Co,**  
Chartered Accountants

**By order of the Board of Directors**  
**For Gandhinagar Leasing and Finance Ltd.**

**G. J. Raghavani**  
Partner  
Membership No. 37210

**Manoj Lakinwala**  
Proprietor  
Membership No. 37663

**Pritesh Vinodchandra Joshi**  
Chairman

**Mrs. Pragnaben V Joshi**  
Managing Director

Place : **Gandhinagar**  
Date : **30.08.2011**

	(Amount Rs.)	
Cash Flow Statement for the year ended on	31-03-2011	31-03-2010
<b>(A) CASH FLOW FROM OPERATIONS ACTIVITIES</b>		
Net Profit/Loss before Tax & Extraordinary items	21,90,858	-3,35,489
Adjustment for :		
Depreciation & Non Cash Expenses	1,83,499	1,63,499
Loss on Sale of Fixed Assets	0	0
Investment Income (Sale)	0	0
Interest/Dividend Received	0	0
Provision for Contingencies	0	0
<b>Operating Cash Profit before working</b>	<u>23,54,357</u>	<u>-1,71,990</u>
Capital Changes Adjustment for :		
Current Assets	<b>-28,67,065</b>	45,065
Trade payables	8,33,657	31,065
Closing Stock	0	0
<b>Cash generated from operations</b>	<u>-20,33,408</u>	<u>76,130</u>
Interest paid	0	0
Direct Taxes paid	0	0
Cash Flow before Extraordinary items	3,20,949	-95,860
Extraordinary items	0	0
<b>Net Cash from operating activities : A</b>	<u>3,20,949</u>	<u>-95,860</u>
<b>(B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	0	0
Sale of Fixed Assets	0	0
Purchase of Investments	0	0
Interest received	0	0
Dividend received	0	0
<b>Net Cash used in Investing Activities : B</b>	<u>0</u>	<u>0</u>
<b>(C) Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital :	0	0
Share Allotment Money Receipt	0	0
Proceeds from Borrowings	0	0
Dividend Paid	0	0
<b>Net Cash used in Financing Activities : C</b>	<u>0</u>	<u>0</u>
Net increase in Cash and Cash equivalents	<b>3,20,949</b>	-95,860
Cash and Cash Equivalents as at (Opening Balance)	<u>1,65,820</u>	<u>2,61,680</u>
Cash and Cash Equivalent as at (Closing Balance)	<u>4,86,769</u>	<u>1,65,820</u>

As per report of even dated attached herewith

**For GJK Associates**  
Chartered Accountants

**For Manoj Lakinwala & Co,**  
Chartered Accountants

**By order of the Board of Directors**  
For Gandhinagar Leasing and Finance Ltd.

**G. J. Raghavani**  
Partner  
Membership No. 37210

**Manoj Lakinwala**  
Proprietor  
Membership No. 37663

**Pritesh Vinodchandra Joshi**  
Chairman

**Mrs. Pragnaben V Joshi**  
Managing Director

Place : **Gandhinagar**  
Date : **30.08.2011**



**AUDITOR'S CERTIFICATE**

We have verified the above Cash Flow Statement of Gandhinagar Leasing and Finance Ltd. derived from the Audited Financial Statements for the year ended 31st March, 2011 and 31st March, 2010 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreements with Stock Exchanges.

**For GJK Associates**  
*Chartered Accountants*

**For Manoj Lekinwala & Co.,**  
*Chartered Accountants*

Place : **Gandhinagar**  
Date : **30.08.2011**

**CA G. J. Raghvani**  
*Partner*  
Membership No. 37210

**CA Manoj H Lekinwala**  
*Proprietor*  
Membership No. 37663



## GANDHINAGAR LEASING AND FINANCE LIMITED

Registered Office :  
Plot No. 235, Sector - 11, "Fortune Inn Haveli", CH - Road, Gandhinagar - 382 011

### ATTENDANCE SLIP

(Name & Address of Member/Proxy)

Folio No.	
No. of Shares	
Sr. No.	

I hereby record my presence at the 25th Annual General Meeting of the Company at Fortune Inn Haveli, Plot No. 235, Sector 11, Gandhinagar - 382011 on Friday, 30th September, 2011 at 1.00 p.m.

Signature of the attending Member/Proxy	
--	--

- Notes :** 1. A Shareholder/Proxy holder wishing to attend the Meeting must bring the Attendance Slip to the Meeting and hand over at the entrance duly signed.
2. A Shareholder/Proxy holder desiring to attend the Meeting should bring his copy of the Annual Report for reference at the Meeting.

---

## GANDHINAGAR LEASING AND FINANCE LIMITED

Registered Office :  
Plot No. 235, Sector - 11, "Fortune Inn Haveli", CH - Road, Gandhinagar - 382 011

### PROXY

I/We \_\_\_\_\_ of \_\_\_\_\_ being

a Member/Members of the above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Friday, 30th September, 2011 and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Signature

Affix a  
Rs.1/-  
Revenue  
Stamp

Folio No.
No. of Shares
Sr. No.

- Notes :** 1. The Proxy must be returned so as to reach the Registered Office of the Company, not less than Forty Eight hours before the time for holding the aforesaid meeting.
2. A Proxy need not be a Member of the Company.

BOOK - POST

To,

If undelivered please return to  
**Gandhinagar Leasing And Finance Ltd.**  
Regd. Office :  
Plot No. 235, Sector - 11,  
"Fortune Inn Haveli",  
CH - Road,  
Gandhinagar - 382 011  
(Gujarat)