



**GOWRA  
LEASING &  
FINANCE  
LIMITED**

# 18th Annual Report

2010 - 2011



**GOWRA GROUP**



### BOARD OF DIRECTORS

MR. D.SURESH	-	Chairman
MR. TILAK SHANKAR	-	Director
MR. GOWRA LAKSHMINARAYANA	-	Director
MR. GOWRA SURYA PRAKASH	-	Director
MR. SOMA DAYANAND	-	Director
Dr. TUMBALAM GOOTY SURENDRANATH	-	Director
MR. GOWRA SRINIVAS	-	Managing Director
MR. GOWRA L.PRASAD	-	Executive Director

### REGISTERED OFFICE

No.501, 5<sup>th</sup> Floor, Gowra Grand, Behind Gowra Plaza,  
1-8-384 & 385, S.P.Road, Begumpet, Secunderabad – 500003

### BANKERS

#### State Bank of India

PB Branch, S.P.Road, Begumpet, Secunderabad – 500003

#### ING Vysya Bank Limited

General Bazar Branch, Secunderabad – 500003

#### HDFC Bank

Begumpet, Hyderabad – 500016

### AUDITORS

#### Dagliya & Co.

Chartered Accountants

2<sup>nd</sup> Floor, Srinivasa Building  
Ranigunj, Secunderabad - 500003

## NOTICE

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of **GOWRA LEASING & FINANCE LIMITED**, will be held on Friday, the 30<sup>th</sup> day of September, 2011 at 11.00 a.m. at Hotel Fortune Select Manohar, Airport Exit Road, Begumpet, Hyderabad – 500016 to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2011 and Profit & Loss Account for the year ended 31<sup>st</sup> March 2011 along with the Schedules and other statements and Auditor's Report and Directors Report thereon.
2. To declare Dividend for the year ended 31<sup>st</sup> March, 2011
3. To appoint a Director in place of Mr. D.Suresh, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. T.Shankar, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s. Dagliya & Co., Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### SPECIAL BUSINESS :

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 of Section 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII of the said Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Gowra Srinivas, be and is hereby re-appointed as Managing Director of the Company for a period of 5 years commencing from 1<sup>st</sup> August, 2011 on the following terms and conditions :

- a) Salary :

The Company shall pay to the Managing Director in consideration of the performance of his duties a salary of Rs.20,000/- (Rupees Twenty thousand only) per month.

- b) Perquisites & Allowances :

In addition to the above salary, the Managing Director shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowances in lieu thereof, reimbursement of expenses or allowance for gas, electricity, water, furnishing etc., medical reimbursement, leave travel allowance, club fee and such other perquisites and allowances under the Company's rules.

The total cost of the aforesaid perquisites, allowances and other benefits (including Rent/HRA) shall be restricted to Rs.12,000/- (Rupees Twelve Thousand only) per month.

c) Other Benefits :

In addition to the above salary and perquisites, the Managing Director shall be entitled to the following annual benefits which shall not be included in the computation of the ceiling of remuneration specified in paragraph (1) and (2) above.

- i) Provident and Superannuation Fund : The Company's contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act. The said contribution will not be included in the computation of the ceiling on remuneration.
  - ii) Gratuity :Gratuity payable shall not exceed half month's salary for each completed year of service and will not be included in the computation of the ceiling on remuneration.
  - iii) Leave encashment : Encashment of leave at the end of the tenure in accordance with the rules of the Company.
  - iv) Provision of Car and Telephone : The Managing Director shall be entitled to a motor car for use on Company's business and telephone at residence, however use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to the Managing Director.
- d) The Managing Director shall be entitled to reimbursement of entertainment expenses, traveling, boarding and lodging expenses actually and properly incurred for the business of the Company.
- e) He will not be eligible for any sitting Fees of the Company's Board/Committee Meetings".

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company".

7. 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 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII of the said Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Gowra L.Prasad, be and is hereby re-appoint as Executive Director of the Company for a period of 5 years commencing from 1<sup>st</sup> August, 2011 on the following terms and conditions :

a) Salary :

The Company shall pay to the Executive Director in consideration of the performance of his duties a salary of Rs.15,000/- (Rupees Fifteen Thousand only) per month.

b) Perquisites & Allowances :

In addition to the above salary, the Executive Director shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowances in lieu thereof, reimbursement of expenses or allowance for gas, electricity, water, furnishing etc., medical reimbursement, leave travel allowance, club fee and such other perquisites and allowances under the Company's rules.

The total cost of the aforesaid perquisites, allowances and other benefits (including Rent/HRA) shall be restricted to Rs.9,500/- (Rupees Nine thousand five hundred only) per month.

c) Other Benefits :

In addition to the above salary and perquisites, the Executive Director shall be entitled to the following annual benefits which shall not be included in the computation of the ceiling of remuneration specified in paragraph (1) and (2) above.

i) Provident and Superannuation Fund : The Company's contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act. The said contribution will not be included in the computation of the ceiling on remuneration.

ii) Gratuity : Gratuity payable shall not exceed one half month's salary for each completed year of services and will not be included in the computation of the ceiling on remuneration.

iii) Leave encashment : Encashment of leave at the end of the tenure in accordance with the rules of the Company.

iv) Provision of Car and Telephone : The Executive Director shall be entitled to a motor car for use on Company's business and telephone at residence, however use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to the Executive Director.

d) The Executive Director shall be entitled to reimbursement of entertainment expenses, traveling, boarding and lodging expenses actually and properly incurred for the business of the Company.

e) He will not be eligible for any sitting Fees of the Company's Board/Committee Meetings".

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company".

8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, amendments, enactments and modification to be brought out to the provisions of the Companies Act, 1956 and other applicable Statutes, the Articles of Association of the company be and is hereby altered in the manner specified below:

- a) that the existing Article No.69, be re-numbered as 69(a) and the following new Article No.69(b) with marginal heading be inserted as under :

**Serving of documents through electronic mode :**

69. (b) Subject to the provisions of Schedule 219(1) and 53 of the Companies Act, 1956 and circulars issued by the Government of India in the matter of Green initiative in Corporate Governance, a Company can email copy of the Balance Sheet, Profit and Loss Account, Auditors Report, Directors Report, explanatory statements etc., along with notice of the Annual General Meeting to the members provided the members have registered their email addresses for receiving the Balance Sheet and other documents as aforesaid by electronic mail.

- b) that in the place of Article No.98, the following new Article No.98 with marginal heading be replaced as under :

**Directors' Fees and other Expenses :**

98. Unless otherwise determined in General Meeting, each Director shall be entitled to receive, out of funds of the Company for his services in attending each meeting of the Board or a Committee of the Board such fee as may be determined by the Board but not exceeding the amount as may be prescribed from time to time by the Central Government under the provisions of the Companies Act, 1956. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending General Meeting, Board and Committee Meetings and any adjournment thereof or otherwise incurred in the execution of their duties as Director.

- c) that after the existing Article No.113(2), the following new Article No.113(3) with marginal heading be inserted as under :

**Board Meeting Through electronic mode :**

113.(3) Subject to the applicable provisions of the Act and as per the Rules and circulars in force, the Board shall have the power to permit Directors to participate through the means of video conferencing at a duly constituted meeting of the Board of Directors or Committee thereof.

By Order of the Board  
for **GOWRA LEASING & FINANCE LIMITED,**

sd/-  
**(GOWRA SRINIVAS)**  
Managing Director

Place : Secunderabad  
Dated : 13-08-2011

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON A POLL INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27-09-2011 to 30-09-2011 (both days inclusive).
3. The Explanatory Statement relating to **Item Nos.6 to 8** of the Special Business of the Meeting referred to above, is annexed to this Notice as required by Section 173(2) of the Companies Act, 1956.
4. Brief details of the retiring directors, who are being re-appointed, are annexed hereto as per the requirements of Clause 49 of the Listing Agreement.
5. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the points.
6.
  - a) Members are requested to convert their physical holding to demat to avoid hassles involved with physical shares, such as possibility of loss, mutilation, and to ensure safe and speedy transaction in securities. Members are also requested to notify change of address, bank details, ECS mandates, email id, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar & Transfer Agent of the Company i.e. M/s. Sathguru Management Consultants Pvt. Ltd., Hyderabad, in respect of their physical share folios to avoid procedural delays.
  - b) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar & Share Transfer Agent for consolidation into a single folio.
  - c) Members holding shares in physical form are requested to send certified copy of their Income Tax Permanent Account Number (PAN) card, including for all joint holders, to the Registrar & Transfer Agent of the Company.
7. Members/Beneficial Owners are requested to bring Annual Report with them for the Annual General Meeting. No copies of Annual Report will be distributed at the meeting.
8. Members/Beneficial Owners/Proxies should bring the attendance slips duly filled in for attending the meeting.
9. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, Dividend for the financial year ended 2003-2004 and thereafter, which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 (c) of the Companies Act, 1956.



Information in respect of the due date for transfer of such unclaimed dividend to the said fund is given below :

Financial Year	Date of Declaration	Due Date for Transfer to IEPF
2003-2004	29-09-2004	29-10-2011
2004-2005	18-07-2005	17-08-2012
2005-2006	18-09-2006	18-10-2013
2006-2007	26-09-2007	26-10-2014
2007-2008	24-09-2008	24-10-2015
2008-2009	30-09-2009	30-10-2016
2009-2010	25-09-2010	25-10-2017

The members who have not encashed the Dividend Warrants so far for the financial year ended 31-03-2004 or any subsequent financial years are requested to make their claim to the Company at its Registered Office. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.

#### **Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice with Balance Sheet, Profit & Loss Account, Auditor's Report, Director's Report and Explanatory Statement etc., can be sent by email to its members subject to the fact that the Company has obtained email address of its members for sending the above documents. To support this green initiative of the Government, members are requested to register their email address for the above purpose, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email addresses with Company's Registrar & Share Transfer Agent.

#### **EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)**

##### **ITEM NOS.6 & 7:**

Mr. Gowra Srinivas and Mr. Gowra L.Prasad were re-appointed as Managing Director and Executive Director of the Company respectively for a period of 5 years with effect from 1<sup>st</sup> August, 2006 and the members of the Company approved their re-appointments at the 13<sup>th</sup> Annual General Meeting held on 18<sup>th</sup> September, 2006. Mr. Gowra Srinivas and Mr. Gowra L.Prasad have been associated with the Company since its inception and are fairly conversant with all aspects of the management and the affairs of the Company. Their abilities and qualifications qualify them for an extension of their terms of office.

Due to excellent services put in by them, the Board of Directors at their meeting held on 26<sup>th</sup> May, 2011 have re-appointed Mr. Gowra Srinivas and Mr. Gowra L.Prasad as Managing Director and Executive Director of the Company respectively with effect from 1<sup>st</sup> August, 2011 on the terms and conditions set out in the resolution. The Remuneration Committee at its meeting held on 26<sup>th</sup> May, 2011 reviewed and recommended the remuneration payable to them keeping in view the objectivity of remuneration package payable to Executives while striking a balance between the interest of the Company and the shareholders. A brief resume of Mr. Gowra Srinivas and Mr. Gowra L.Prasad as required in terms of Clause 49 of the Listing Agreement is enclosed with the notice.





As per the provisions of Section 198, 269, 309 and Schedule XIII of the Companies Act, 1956 approval of the members of the Company is required for re-appointment of Managing Director and Executive Director on the remunerations as set out in the resolutions. Hence the resolutions are placed before you for approval.

The explanatory statement together with the accompanying notice should be treated as abstracts of the terms of agreement and memorandum of concern or interest under section 302 of the Companies Act, 1956.

None of the Directors, other than Mr. Gowra Srinivas, Mr. Gowra L.Prasad, Mr. Gowra Lakshminarayana, Mr. Soma Dayanand and Mr. Gowra Surya Prakash themselves, are in any way concerned or interested in this resolution.

**ITEM NO.8 :**

The members may be aware that the Government has taken a Green Initiative in the Corporate Governance and in the process, paperless compliances by the companies is encouraged. Recently Ministry of Corporate Affairs has come out with a Circular No.18/2-11, dated 29<sup>th</sup> April, 2011 by which sending Notice of the Annual General Meeting and Balance Sheet and other documents along with it to the members of the Company is permitted as part of the green initiative provided the members have registered their email address with the Company. The sending of the notices of Annual General Meeting and Balance Sheet by electronic mail is considered to be in compliance with Section 219(1) of the Companies act, 1956.

Further, keeping in tune with the Green initiative by the Ministry of Corporate Affairs and circulars issued in this regard from time to time, it is necessary to facilitate the conduct of Board or Committee meeting(s) through electronic means i.e. video conferencing. It is therefore considered desirable to have this amendment whereby participation of such directors who are unable to be physically present at the meetings will facilitate the Board to have the benefit of their advice in the deliberations at the Board Meeting.

Further, the Article related to payment of sitting fees to Directors needs to be suitably amended in consonance with the latest provisions of the Companies Act, 1956.

In terms of Section 31 of the Companies Act, 1956, the alteration of Articles of Association of the Company requires the approval of the members by way of special resolution. Hence the resolution is placed before you for approval.

None of the directors of the company is interested or concerned in the said resolution.

By Order of the Board  
for **GOWRA LEASING & FINANCE LIMITED,**

sd/-  
**(GOWRA SRINIVAS)**  
Managing Director

Place : Secunderabad  
Dated : 13-08-2011

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

### **FINANCIAL RESULTS :**

The performance during the period ended 31<sup>st</sup> March 2011 has been as under:

(Rs. in lakhs)

	As on 31-03-2011	As on 31-03-2010
Total Income	341.70	233.98
Operating Profit before interest, Depreciation & Tax	292.29	201.92
Interest and other Financial charges	41.27	2.41
Depreciation	0.85	0.97
Net Profit before Tax	250.17	198.54
Provision for Income Tax & FBT	92.81	71.47
Provision for Deferred Tax	(-4.26)	0.38
Net Profit after Tax	161.62	126.69
Add : Balance brought forward from previous year	428.33	372.27
Profit available for appropriation	589.95	498.96
Proposed Dividend	42.00	36.00
Corporate Tax on Dividend	6.98	6.12
Balance to be carried forward	540.97	456.84

### **OPERATIONS:**

The financial year 2010-11 was a good year for the company. During the year under review, the Company recorded a total income of Rs. 341.70 lakhs and a net profit of Rs.161.62 lakhs against income of Rs.233.98 lakhs and a net profit of Rs.126.69 lakhs in the previous financial year. The business growth was achieved in a very cautious manner.

### **BUSINESS OUTLOOK :**

The future outlook of the Company is bright. However, as mentioned earlier, the high inflation environment resulting in steadily rising interest rates may lead to slower growth.

### **DIVIDEND :**

Considering the performance during the year under review, your Directors recommended a Dividend @ 14% amounting to Rs.42,00,420/- for the year ended 31<sup>st</sup> March, 2011. This will entail an outflow of Rs.48,98,110/- (inclusive of tax thereon).



#### **CLASSIFICATION OF LOAN COMPANY :**

In terms of provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and as per Circular No. DNBS. PD. CC No. 128/03.02.059/2008-09 dated 15.09.2008 issued by Reserve Bank of India, your company has been classified as Loan Company. The Company does not hold nor does it accept deposits from the public.

Disclosures as prescribed by Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and other NBFC regulations have been made in this Annual Report.

#### **FIXED DEPOSITS:**

Your Company has not accepted/invited any deposits from the public for the year under review within the meaning of Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 and Section 58A of the Companies Act, 1956 and the rules made thereunder.

#### **DIRECTORS :**

Mr. D.Suresh and Mr. T.Shankar, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

Mr. Gowra Srinivas and Mr. Gowra L.Prasad were reappointed as Managing Director and Executive Director respectively by the Board at its Meeting held on 26<sup>th</sup> May, 2011 for a further period of 5 years with effect from 1<sup>st</sup> August, 2011.

#### **AUDITORS' REPORT :**

The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under section 217 of the Companies Act, 1956.

#### **AUDITORS :**

M/s. Dagliya & Co., Chartered Accountants, Auditors of the Company retires at the Annual General Meeting and the Company has received certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Members are requested to reappoint them and to authorize the Board to fix their remuneration.

#### **DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:**

In compliance of section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000, in the Companies Act, 1956, your directors confirm : -

- a) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year under review;
- c) 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;
- d) That the directors have prepared the accounts for the financial year ended 31st March 2011 on a going concern basis.

#### **CORPORATE GOVERNANCE :**

A detailed report on Corporate Governance and a Certificate from the Statutory Auditors of the Company regarding compliance with conditions of Corporate Governance have been furnished in the Annual Report.

#### **CODE OF CONDUCT :**

Pursuant to Clause 49 of the Listing Agreement, the declaration signed by the Managing Director affirming compliance of the Code of Conduct by the Directors and Senior Management personnel of the Company for the financial year 2010-2011 is annexed and forms part of the Corporate Governance Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

In accordance with the requirements of the Listing Agreement, the Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

#### **COMPLIANCE CERTIFICATE :**

In accordance with the requirement of Section 383A of the Companies Act, 1956, Certificate from a Practicing Company Secretary, certifying that all legal requirements, in respect of the Company for the year ended 31<sup>st</sup> March, 2011 have been complied with, which forms part of this report is annexed hereto.

#### **LISTING**

The equity shares of the Company is listed with Bombay Stock Exchange (BSE). There are no arrears on account of payment of listing fees to the Stock Exchange.

#### **CONSERVATION OF ENERGY, FOREIGN EXCHANGE ETC. :**

Information on Conservation of Energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable since there is no such activity at present being pursued by the Company.



**PERSONNEL :**

None of the employees are drawing Rs.5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence the information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not annexed to this report.

**ACKNOWLEDGEMENTS:**

The Directors thank the Company's Bankers namely State Bank of India, ING Vysya Bank Limited and HDFC Bank and officials of 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.

**For and on behalf of the Board of Directors**

Place : Secunderabad  
Dated : 13-08-2011

Sd/-  
**(D.Suresh)**  
Chairman



## COMPLIANCE CERTIFICATE

C I N : L65910AP1993015349  
Nominal Capital : Rs.5,00,00,000/-  
Paid-up Capital : Rs.3,00,03,000/-

To,

**The Members,  
GOWRA LEASING & FINANCE LIMITED,**

We have examined the registers, records, books and papers of **GOWRA LEASING & FINANCE LIMITED** as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited company, the restriction clauses as provided in Section 3(1)(iii) of the Companies Act, 1956 is not applicable.
4. The Board of Directors duly met Five times on 24<sup>th</sup> May, 2010, 11<sup>th</sup> August, 2010, 25<sup>th</sup> September, 2010, 29<sup>th</sup> October, 2010 and 7<sup>th</sup> February, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 21-09-2010 to 25-09-2010 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2010 was held on 25<sup>th</sup> September, 2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.

11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
  - i) has delivered all the certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
  - ii) has deposited the amount of dividend in a separate bank account which is within five days from the date of declaration of such dividend
  - iii) has paid/posted cheques/warrants for dividends to all the members within a period of 30 days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank Limited
  - iv) has transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The Company has not appointed any Managing Director/Whole-time Director/ Manager during the financial year.
16. The Company has not appointed any Sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any Equity Shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year.
22. There were no transaction necessitating the Company to keep up in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.

24. The amount borrowed by the Company from directors, financial institutions and banks during the financial year ended on 31<sup>st</sup> March, 2011 are within the borrowing limits of the Company and that the necessary resolutions as per Section 293(1)(d) of the Act has been duly passed.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company and no fines and penalties or any other punishment was imposed on the company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted any Provident Fund and accordingly the provisions of Section 418 of the Act are not applicable.

**For V.K.BAFNA & CO.**  
**Company Secretaries**

Place : Secunderabad  
Date : 13-08-2011

Sd/-  
**(V.K.BAFNA)**



### ANNEXURE - " A "

(forming part of Compliance Certificate dated 13-08-2011)

#### STATUTORY REGISTERS/RETURNS AS MAINTAINED BY THE COMPANY :

1. Register of Charges under Section 143
2. Register of Members under Section 150
3. Copies of Annual Returns prepared under Section 159 & 160
4. Minutes Book of Meetings of Board of Directors u/s.193
5. Minutes Book of Proceedings of General Meetings u/s.193
6. Register of particulars of Contracts in which Directors are interested under Section 301
7. Register of Managing Director, Directors, Manager and Secretary under Section 303
8. Register of Director's shareholding under Section 307

#### OTHER REGISTERS

1. Register of Director's Attendance
2. Register of Shareholder's Attendance
3. Register of Transfers

### ANNEXURE - " B "

(forming part of Compliance Certificate dated 13-08-2011)

FORMS & RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES, ANDHRA PRADESH, HYDERABAD, DURING THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2011.

Sl.No.	Form No./ Return	Filed u/s	For	Date of Filing	Whether filed with in the prescribed time	If delay in filing whethr requisite fee paid
1.	Form 23AC	220	F.Y. Ended 31-03-2009	12-10-2010	Yes	N.A.
2.	Form 20B	159	AGM Dated 30-09-2009	20-11-2010	Yes	N.A.
3.	Form 66	383A	F.Y. Ended 31-03-2009	11-10-2010	Yes	N.A.
4.	Form 32	303(2)	Appointment/Resignation of Directors	17-08-2010	Yes	N.A.
5.	Form 32	303(2)	Appointment of Directors at AGM	11-10-2010	Yes	N.A.
6.	Form 1(INV)	Rule 3	Transfer of Unclaimed Dividend to IEPF	23-11-2010	Yes	N.A.
7.	Form18	146	Change in PIN Code	11-10-2010	Yes	N.A.

## **ANNEXURE TO THE DIRECTORS' REPORT**

### **REPORT ON CORPORATE GOVERNANCE**

#### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance may be understood as a system of structuring, operating and managing a company with a view to achieve its long term strategic goals while at the same time complying with legal and regulatory requirements. It is the implicit rule that determines a management's ability to take sound decisions in the best interest of all its stakeholders, viz., shareholders, customers, employees, creditors, etc. It takes a holistic view of the company and its impact on economic, legal ecological and social environments.

Corporate Governance is essentially about :

- Leadership for efficiency
- Leadership for probity
- Leadership with responsibility
- Leadership which is transparent and which is accountable

Your Company is in compliance with the guidelines on Corporate Governance as stipulated under various clauses of the Listing Agreement entered into with Stock Exchanges. In this regard, we submit a report on the matters mentioned in the said clauses and practices followed by the Company.

#### **2. BOARD OF DIRECTORS**

The Board of the Company is represented by well known people from different walks of life. They are reputed and successful professionals, businessmen having expert knowledge of finance and industry. They are well recognized in the society for their contributions and achievements in their respective fields of expertise.

The composition of the Board of Directors, with reference to the number of Executive and Non Executive Directors meet the requirements of Code of Corporate Governance. As on 31<sup>st</sup> March, 2011, Company's Board consists of 8 (eight) Directors, comprising of 2 (two) Executive Directors, 3 (three) Non-Executive Directors and 3 (three) Independent Directors. Thus, the composition of the Board is in conformity with clause 49 of the Listing Agreement, which stipulates that at least 1/3<sup>rd</sup> of the Board should consist of independent Directors, if the Chairman of the Board is an Independent Chairman.

##### **a) Board Meetings :**

During the financial year 2010-11, Five (5) meetings of the Board of Directors were held on 24<sup>th</sup> May, 2010, 11<sup>th</sup> August, 2010, 25<sup>th</sup> September, 2010, 29<sup>th</sup> October, 2010 and 7<sup>th</sup> February, 2011. The Company has complied with the provisions of the Clause 49 of the Listing Agreement and the requirements under the Companies Act, 1956 for holding a Board Meeting at least once in each quarter and the maximum time gap between two meetings was not more than 4 months

**b) Board Agenda :**

Agenda papers for Board Meetings containing all necessary documents/ information, as specified in Clause 49 of the Listing Agreement, wherever applicable and materially significant, are made available to the Board well in advance. The draft minutes are circulated to the Board members. These are approved at the next meeting after incorporating changes, if any, which are affirmed by the Chairman.

As a process of governance, the agenda also includes a review of the action taken/pending on the decisions of the Board of previous meetings(s).

**c) Directors' Attendance record and Directorship held :**

None of the Directors on the Board is holding membership of more than 10 committees and Chairmanship of more than 5 committees across all the companies in which he is a Director. All the Directors have made the necessary disclosures regarding committee positions. The details of the Directors' attendance record at the Board Meeting and at the last Annual General Meeting, their Directorship and committee membership in other Companies held during the year is given below :

Name of the Director	Category and Position	No. of Board Meetings		Whether attended last AGM	No. of Committees of Board of other companies		No. of other Directorships held
		held	Attended		Chairman Ship	Member	
Mr. D.Suresh	Non Executive & Independent	5	5	Yes	-	-	1
Mr. Gowra Srinivas	Executive	5	5	Yes	1	1	9
Mr. Gowra L.Prasad	Executive	5	5	Yes	-	-	4
Mr. Gowra Lakshminarayana	Non Executive	5	4	Yes	-	-	1
Mr. Gowra Surya Prakash#	Non Executive	5	4	Yes	-	-	1
Mr. Soma Dayanand	Non Executive	5	5	Yes	-	-	8
Mr. T.Shankar	Non Executive & Independent	5	5	Yes	-	-	1
Dr. T.G.Surendranath	Non Executive & Independent	5	5	Yes	-	-	-
Mr. Gowra S.Rajagopal@	Non Executive	5	2	Yes	-	-	-

\* Appointed as Additional Director w.e.f. 11-08-2010  
 @ Resigned as Director w.e.f. 11-08-2010

**d) Compliance Report**

Compliance Certificates confirming the due compliance with the statutory requirements are placed at the Board Meeting for review by the Directors. A system of ensuring material compliance with the laws, orders, regulations and business and affairs of the company is in place.

**e) Code of Conduct for Board Members & Senior Management Personal**

The Board of Directors has laid down Code of Conduct for all Board members and the designated employees in the senior management. All the Board members and the senior management executives have affirmed compliance with the code of conduct. A declaration to this effect duly signed by Managing Director of the Company is attached herewith and forms part of Corporate Governance Report.

**f) Risk Management**

The implementation of the risk assessment and minimization procedure containing the project/potential risk areas, its intensity, its effects, causes and measures taken by the Company are reviewed by the committee periodically

**g) Pecuniary relationship or transactions of Non-Executive Directors:**

Apart from receiving directors remuneration, non-executive directors do not have any other material pecuniary relationship or transactions with the company, its promoters or its management, which in the judgment of the board may affect independence of judgment of the directors.

**h) CEO/CFO Certification :**

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director and Whole-time Director have certified to the Board the financial statements for the year ended 31<sup>st</sup> March, 2011.

**3. COMMITTEES OF THE BOARD**

**At present, the Company has the following Board level Committees, namely :**

- A) Audit Committee
- B) Remuneration Committee
- C) Shareholders/Investor's Grievance Committee

**A) Audit Committee:**

**Terms of Reference :**

The Audit Committee was formed on 31<sup>st</sup> March, 2003 and was lastly reconstituted on 11<sup>th</sup> August, 2010, consequent upon the change in the Board of Directors.

The Composition and terms of reference of the Audit Committee meet with the requirements specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The role of Audit Committee, amongst others, includes the following :

- ❖ Recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment for any other services.
- ❖ Reviewing with the management the annual financial statements, before submission to the Board, focusing primarily on:

- Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e., transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
- ❖ Reviewing the Quarterly and Annual financial statements and submit the same to the Board with recommendations, if any.
  - ❖ Discussions with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.
  - ❖ Reviewing the Company's financial and risk management policies.
  - ❖ To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, share holders (in case of non-payment of declared dividends) and creditors.
  - ❖ The Chairman of the Audit Committee shall attend the Annual General Meeting of the Company to provide any clarifications on matters relating to audit as may be required by the members of the Company.

Composition, Name of Members and Chairman :

As on 31<sup>st</sup> March, 2011, the Audit Committee comprises of 3 Independent and 1 Non Executive Directors. Mr.T.Shankar is the Chairman of the Committee and he was present at the last Annual General Meeting.

Meetings and Attendance during the year :

The Committee met 4 times during the year 2010-2011 on 24<sup>th</sup> May, 2010, 11<sup>th</sup> August, 2010, 29<sup>th</sup> October, 2010 and 7<sup>th</sup> February, 2011. The attendance details of the members of the Committee are given below :

Sl. No.	Name of the Member	No.of Meetings	
		Held	Attended
1.	Mr. T.Shankar	4	4
2.	Mr. D.Suresh	4	4
3.	Dr. T.G.Surendra Nath	4	4
4.	Mr. Gowra Raja Gopal @	4	2
5.	Mr. Gowra Surya Prakash *	4	2

\* Appointed as Additional Director w.e.f. 11-08-2010

@ Resigned as Director w.e.f. 11-08-2010

Mr. Gowra Srinivas, Managing Director, Mr. Gowra L.Prasad, Executive Director, Statutory Auditors and Internal Auditors are invited to the meetings of the Audit Committee. Any other Person/Executive, where necessary, is also required to attend the meetings.

### **B) Remuneration Committee :**

The Remuneration Committee was formed on 15<sup>th</sup> June, 2006 and was lastly reconstituted on 11<sup>th</sup> August, 2010, consequent upon the change in the Board of Directors.

As on 31<sup>st</sup> March, 2011, the Remuneration Committee comprises of 3 independent Directors. The composition of Remuneration Committee is as follows :

- Dr. T.G.Surendranath - Chairman
- Mr. T.Shankar - Member
- Mr. D.Suresh - Member

Meetings and Attendance during the year :

During the year, no meeting of the Remuneration Committee took place.

### **Remuneration Policy and Details of Remuneration :**

The Managing/Executive Directors are paid remuneration approved by the Board of Directors. In the Board Meeting, the remuneration (subject to the subsequent approval by the shareholders at the general body meeting and such other authorities as the case may be) is fixed by the Remuneration Committee. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the corporate world, financial position of the Company etc. The remuneration structure comprises of Basic Salary, perquisites and allowances, Contribution to Provident Fund and other funds in accordance with the Provisions of the Companies Act, 1956. The Non-Executive Director do not draw any remuneration from the Company except sitting fees for each meeting of the Board attended by them. The details of remuneration/sitting fees paid to the Executive Directors and Non Executive Directors for the year 2010-2011 are give below :

(Amount in Rupees)

Sl. No.	Name of Director	Salary	Perquisites & Other benefits	Performance Bonus	Sitting Fee	Total
1.	Mr. Gowra Srinivas	2,40,000	1,44,000	-	-	3,84,000
2.	Mr. Gowra L.Prasad	1,80,000	1,14,000	-	-	2,94,000
3.	Mr. D.Suresh	-	-	-	22,500	22,500
4.	Mr. T.Shankar	-	-	-	22,500	22,500
5.	Mr. Gorwa Rajagopal@	-	-	-	10,000	10,000
6.	Mr. Gowra Lakshminarayana	-	-	-	10,000	10,000
7.	Mr. Soma Dayanand	-	-	-	12,500	12,500
8.	Dr..T.G.Surendranath	-	-	-	22,500	22,500
9.	Mr.Gowra Surya Prakash*	-	-	-	15,000	15,000

\* Appointed as Additional Director w.e.f. 11-08-2010

@ Resigned as Director w.e.f. 11-08-2010

### C) Shareholders/Investors Grievance Committee:

The Board re-constituted the Shareholders/Investors Grievance Committee on 11<sup>th</sup> August, 2010. The Committee is empowered to perform all the functions of the Board in relation to approval and monitoring transfers, transmission, dematerialization, rematerialisation, issue of duplicate share certificates, splitting and consolidation of share certificate(s) and redressal of Shareholders/Investors Grievances and other complaints.

The composition of Shareholders/Investors Grievance Committee is as follows :

- Mr. Gowra Lakshminarayan - Chairman
- Mr. Soma Dayanand - Member
- Mr. Gowra Surya Prakash - Member

The Committee meets on a need basis to ensure the regular process of transfers, transmission and issue of duplicate share certificates.

The Committee ensures that communications received from shareholders/investors pertaining to dividend warrants, transfer of physical shares, change of address, bank mandates, revalidation of dividend warrants, split, consolidation, dematerialization, rematerialization, etc., have been answered and redressed to the satisfaction of the shareholders.

The Board has designated Mr. Gowra L.Prasad, as the Compliance Officer pursuant to clause 47(a) of the Listing Agreement with the Stock Exchanges.

The Committee has acted upon all valid share transfers received during the year 2010-11. There were no transfers and complaints pending/un-attended as on 31<sup>st</sup> March, 2011.

As on 31<sup>st</sup> March, 2011, 10,01,485 Equity Shares remained in the transit account with National Securities Depository Limited and Central Depository Services (India) Limited.

## 4. GENERAL BODY MEETINGS :

- a) Location, date and time of the Annual General Meetings held during the preceding 3 years are as follows :

Year	Category	Location	Date	Time
2009-2010	AGM	Fortune Select Manohar, Airport Exit Road, Begumpet, Hyderabad-500016.	25-09-2010	11.00 a.m.
2008-2009	AGM	Fortune Select Manohar, Airport Exit Road, Begumpet, Hyderabad-500016.	30-09-2009	11.00 a.m.
2007-2008	AGM	"MOKSH", 5-4-187, Karbala Maidan, Necklace Road, Secunderabad-500003	24-09-2008	5.00 p.m.

- b) No special resolution was put through postal ballot last year nor it is proposed to put any special resolution to vote through postal ballot this year.

**5. DISCLOSURES :**

**Related Party Transactions**

During the year under review, the Register of contracts containing transactions in which Directors are interested pursuant to the provisions of the Companies Act, 1956 was placed before the Board regularly for its approval. Disclosures on transactions with related parties as required under Accounting Standard 18 have been incorporated in the notes to the Accounts.

**Accounting Treatment**

The financial statements of the Company are prepared in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India.

**Compliance of various Laws**

There were no instances of non-compliance by Company of any requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to capital markets during the last three years

**Prohibition of Insider Trading**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has framed a Code of Conduct for Insider Trading, which is applicable to all Directors and Officers of the Company, who are expected to have access to unpublished price sensitive information relating to the Company. The Code lays down guidelines which advise them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.

**6. MEANS OF COMMUNICATION :**

The Quarterly, Half-yearly and Annual results of the Company's performance are published in widely circulated national and local dailies such 'Financial Chronicle' and Andhra Bhoomi' in English and Telugu respectively. The same were sent to the Stock Exchanges and posted on the Company's website.

The Company has 1568 shareholders as on 31<sup>st</sup> March, 2011. The Company mainly communicates with its shareholders through annual report, which includes the Directors' Report, Management Discussion and Analysis Report, Report on Corporate Governance and Audited Financial Results.

**The Management Discussion and Analysis Report**

A separate Report of Management discussion and analysis is attached as a part of the Annual Report.



**7. GENERAL SHAREHOLDER INFORMATION:**

- a) Annual General Meeting  
Date and time of 18<sup>th</sup> AGM : 30<sup>th</sup> September, 2011 at 11.00 a.m.
- Venue : Hotel Fortune Select Manohar  
Airport Exit Road, Begumpet  
Hyderabad - 500016
- b) Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March
- c) Date of Book Closure : 27-9-2011 to 30-9-2011
- d) Dividend Payment date : Within 30 days of declaration of Dividend
- e) Financial Calendar : For the year 2011-12 the date indicative  
announcement of financial results is as follows:

Quarter ended June, 2011	On or before August 15, 2011
Quarter ended September, 2011	On or before November 15, 2011
Quarter ended December, 2011	On or before February 15, 2012
Audited Results for the year ended March, 2012	On or before May 31, 2012

- f) Listing on Stock Exchange :

<b>Name of the Stock Exchange</b>	<b>Address</b>	<b>Scrip Code/Scrip ID</b>
Bombay Stock Exchange Limited (BSE)	25 <sup>th</sup> Floor, P.J.Towers, Dalal Street, Mumbai-400001	530709 / GOWRALE

The Company has paid listing fees to BSE for the year 2011-12.

- g) ISI Number for NSDL & CDSL : INE225G01012
- h) Depositories : : **National Securities Depository Ltd.,**  
Trade World, 4<sup>th</sup> Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai-400013.
- Central Depository Services (India) Ltd.,**  
Phiroze Jeejeebhoy Towers,  
28<sup>th</sup> Floor, Dalal Street,  
Mumbai-400023.

**i) Market Price Data :**

The details of trading at Bombay Stock Exchange Limited for the period from 01-04-2010 to 31<sup>st</sup> March, 2011 as follows :

Month	High(Rs.)	Low(Rs.)	No. of Shares
Apr, 2010	19.15	17.00	26,909
May, 2010	20.40	18.00	15,563
Jun, 2010	24.30	19.15	17,799
Jul, 2010	25.90	20.20	4,233
Aug, 2010	24.50	20.20	16,706
Sep, 2010	24.95	20.75	13,559
Oct, 2010	21.95	19.50	21,523
Nov, 2010	23.50	19.50	5,922
Dec, 2010	24.40	19.80	2,611
Jan, 2011	24.15	20.20	5,361
Feb, 2011	19.70	17.75	3,433
Mar, 2011	21.05	16.90	7,283

**j) Registrar & Share Transfer Agent**

For lodgment of transfer deeds and other documents or for any grievances/complaints, investors may contact the Company's Registrar and Transfer Agent at the following address :

**Sathguru Management Consultants Pvt.Ltd.**

Plot No.15, Hindi Nagar, Behind Sai Baba Temple,  
Punjagutta, Hyderabad - 500 034.  
Phone : 040- 30160333 Fax : 040- 23354042  
Email : sta@sathguru.com

**k) Share Transfer System :**

The Board of Directors of the Company has delegated the powers of share transfers, splitting/consolidation of share certificates, issue of duplicate share certificates, dematerialization/rematerialization of shares etc. to Share Transfer Committee. The Committee attends the share transfer formalities at least once in a fortnight. The Registrar and Share Transfer Agents register the shares received for transfer in physical mode, within 30 days from the date of lodgment, if documents are complete in all respects.

**l) Distribution of Shareholding Pattern as on 31st March, 2011.**

Share Holding of nominal value of Rs.	Share Holders		Share Amount	
	Number	% of Total	In Rs.	% of Total
1	2	3	4	5
Upto – 5000	895	57.08	2763840	9.21
5001 – 10000	344	21.94	3108890	10.36
10001 – 20000	144	9.18	2261710	7.54
20001 - 30000	62	3.95	1523530	5.08
30001 - 40000	20	1.28	735470	2.45
40001 - 50000	29	1.85	1371000	4.57
50001 - 100000	40	2.55	3488660	11.63
100001 and above	34	2.17	14749900	49.16
<b>Total</b>	<b>1568</b>	<b>100</b>	<b>30003000</b>	<b>100</b>

**m) Shareholding Pattern as on 31st March, 2011**

Sl.No.	Category	No. of Shares held	Percentage to Total issued Shares
1.	Promoters	17,81,735	59.39
2.	Mutual Funds	—	—
3.	Banks/FI	—	—
4.	Private Corporate Bodies	6,132	0.20
5.	Public	11,94,633	39.82
6.	NRIs/OCBs	17,800	0.59
	<b>TOTAL</b>	<b>30,00,300</b>	<b>100.00</b>

**n) Dematerialization of Shares & Liquidity :**

The trading in Company's shares is permitted only in dematerialised form. The Company's shares are available for trading in the depository systems with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

As on 31<sup>st</sup> March, 2011, 9,37,602 Shares (31.25%) has been dematerialized with NSDL and 63,883 shares (2.13%) with CDSL.

**o) Reconciliation of Share Capital Audit :**

The Reconciliation of Share Capital Audit was carried out by Practicing Company Secretary for each of the quarters in the financial year 2010-11, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.



p) **Outstanding GDRs/ADRs/Warrants or any convertible instruments :**

The Company has not issued any GDRs/ADRs, Warrants or any convertible instruments.

q) **Address for Correspondence :**

**For queries relating to financial statements, please write to**

**Mr. GOWRA L.PRASAD**

Compliance Officer

Gowra Leasing & Finance Ltd.,

Regd.Off.: 501, 5<sup>th</sup> Floor, Gowra Grand, 1-8-384 & 385,

S.P.Road, Begumpet, Secunderabad-500003.

Phone : 040-27843086/27843091 /27846275, Fax : 040- 27816817

Email : investors@gowraleasing.com

r) **Website :**

The Company's website [www.gowraleasing.com](http://www.gowraleasing.com) is containing comprehensive information about the Company and investor relations. It serves to provide the shareholders key information like Board of Directors and committees, Financial Results, Annual Reports, shareholding pattern, dividends, investors presentations etc.

**ADDITIONAL INFORMATION OF DIRECTORS BEING APPOINTED/RE-APPOINTED  
AT THE ANNUAL GENERAL MEETING  
(Pursuant to Clause 49 of the Listing Agreement)**

Name	<b>MR. DWARAKADAS SURESH</b>
Date of Birth	15-07-1944
Date of Appointment	31-07-2002
Qualification	Dip.in Business Admn., IIM, Ahmedabad & B.Tech (Mech), IIT, Chennai
Directorship held in other Companies	Gowra Engineering Technologies Pvt.Ltd.
Membership/Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	Mr. Dwarakadas Suresh is an Independent Director of the Company. He holds a Post Graduate Diploma in business Administration IIM, Ahmedabad (1970) and is B.Tech (Mechanical) from IIT, Chennai (1964). He has extensive experience in Auto Ancilliaries, Textile and Software industries and held Senior position in various companies.
Shares held in the Company	Nil

Name	<b>MR. TILAK SHANKAR</b>
Date of Birth	06-06-1946
Date of Appointment	31-03-2003
Qualification	M.B.A, IIM, Ahmedabad
Directorship held in other Companies	Gowra Engineering Technologies Pvt.Ltd.
Membership/Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	Mr. Tilak Shankar is an Independent Director of the Company. He is a Post Graduate in Business Administration from IIM, Ahmedabad. He has over 30 years of experience in Management Consulting Services. He has been a consultant to a number of Indian Organisations on management, entrepreneurship, strategy and finance. He is also the Director of Asthma Foundation, Chennai, M S Diabetes Research Foundation, Chennai and M/s.SOS Children's Villages of India.
Shares held in the Company	Nil



Name	<b>MR. GOWRA SRINIVAS</b>
Date of Birth	25-12-1944
Date of Appointment	26-03-1993
Qualification	M.Sc
Directorship held in other Companies	Gowra Petrochem Pvt.Ltd., Gowra Ventures Pvt.Ltd., Gowra Engineering Technologies Pvt.Ltd., Amar Bio Organics (I) Pvt.Ltd., Sree Gurukrupa Motors Pvt.Ltd., Gowra Infradevelopers Pvt.Ltd., Gowra Infraprojects Pvt.Ltd., Gowra Impex Pvt.Ltd., Inwinex Pharmaceuticals Ltd.
Membership/Chairmanships of Committees across public Companies	Inwinex Pharmaceuticals Ltd.
Brief Profile covering experience, achievements etc.	Mr. Gowra Srinivas is the Managing Director and Promoter of the Company. He hold a Master Degree in Science and has been associated with the Company from its inception. He has over four decades of experience in the field of Finance, Petrochemicals and Pharma Industry.
Shares held in the Company	1,25,959 Shares

Name	<b>MR. GOWRA LAKSHMI PRASAD</b>
Date of Birth	05-06-1953
Date of Appointment	09-02-1993
Qualification	B.Com., C.A. & LLB
Directorship held in other Companies	Gowra Petrochem Pvt.Ltd., Gowra Engineering Technologies Pvt.Ltd., Amar Bio Organics (I) Pvt.Ltd., Gowra Impex Pvt.Ltd.
Membership/Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	Mr. Gowra L.Prasad is the Executive Director and Promoter of the Company. He is a Commerce Graduate and a Chartered Accountant by Profession with a Degree in Law. He is associated with the Company since inception. He has over 30 years of experience in Finance, Petrochemicals and Pharma Industry.
Shares held in the Company	20,100 Shares

#### DECLARATION UNDER CODE OF CONDUCT

As required under Clause 49(ID) of the Listing Agreement, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year ended on 31<sup>st</sup> March, 2011.

Date : 26-05-2011  
Place : Secunderabad

Sd/-  
**(GOWRA SRINIVAS)**  
Managing Director

### **CERTIFICATION BY CEO & CFO OF THE COMPANY**

We, Gowra Srinivas, Managing Director and Gowra L.Prasad, Executive Director of Gowra Leasing & Finance Limited, to the best of our knowledge and belief certify that :

1. We have reviewed the Balance Sheet, Profit and Loss Account, its schedules & notes to the accounts and cash flow statement for the year ended 31<sup>st</sup> March, 2011 and that to the best of our knowledge and belief :
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee :
  - a) significant changes in internal control during the year;
  - b) significant changes in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and
  - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Date : 26-05-2011  
Place : Secunderabad

**Sd/-**  
**(GOWRA SRINIVAS)**  
**Managing Director**

**Sd/-**  
**(GOWRA L.PRASAD)**  
**Executive Director**



## **MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW :**

Gowra Leasing & Finance Ltd. Was set up in the year 1993 to act as financier to the private sector. Over the past 18 years, the Company has grown with a focus.

The finance sector in India continues to remain sound, healthy, adequately capitalized and well regulated. Various agencies have estimated the GDP growth for the year 2011-12 as bright.

### **OPPORTUNITIES AND THREATS:**

The growth opportunity of your Company is going to be consistent since finance sector in India is unharmed from the financial crisis happened outside the country. Major risk of finance sector is NPAs, which your Company is able to handle effectively due to cautious approach of the management.

### **OUTLOOK**

Your Company's main outlook is to protect the interest of its shareholders and to create value for them

### **RISKS AND CONCERNS**

The Company has a proactive approach towards risk management. The risk philosophy involved developing and maintaining a healthy port folio within its risk appetite and regulatory frame work. The Board of Directors of the company is primarily responsible for laying down risk parameters and establishing and integrated risk management and control system. The Company's Board approves Risk Management policies and also sets out limits taking into account the risk appetite of the Company and the skills available for managing the risks.

### **INTERNAL CONTROL SYSTEMS**

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. Internal controls are supplemented by an extensive program of internal audits, review by management and documented policies, guidelines and procedures. These controls are designed to ensure that financial and other records are reliable for preparing financial information and other reports, and for maintaining regular accountability of the company's assets.

### **HUMAN RESOURCES:**

Your Company maintains a cordial and harmonious relationship with its employees. The Productivity of staff of the Company has been consistently increasing.

### **KNOW YOUR CUSTOMER AND ANTI MONEY LAUNDERING**

Your Company has a policy on know your Customer and Anti-money Laundering in place as per the guidelines issued by Reserve Bank of India. The guidelines are incorporated in the frame work of the Company's policy.



## COMPLIANCE FUNCTION

Compliance is an essential and critical process, aimed at mitigating the risk to the business. Your Company is having a commitment of adhering to the highest compliance standards in line with various statutes, regulatory bodies and various laws existing in place.

## TRANSPARENCY IN SHARING INFORMATION.

Your Company believes in total transparency in sharing information about its business operations with all its stake holders.

## CAUTIONARY STATEMENT:

The statements made in this report describing the Company's projections expectations and estimations may be forward looking within the meaning of applicable securities, laws and regulations. These statements are based on certain assumptions and expectations of future events. The actual results may differ from those expressed or implied in this report due to the influence of external and internal factors beyond the control of the Company. The Company assumed no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent development, information or events.

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## AUDITORS' CERTIFICATE

To the Members

### **Gowra Leasing & Finance Limited.**

We have examined the compliance of conditions of Corporate Governance by **Gowra Leasing & Finance Limited** for the year ended March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange (BSE).

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

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

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

**For DAGLIYA & COMPANY,**  
**Chartered Accountants,**  
Sd/-

Date : 26-05-2011  
Place : Secunderabad

**(JITENDRA KUMAR JAIN)**  
**Partner**  
**M.No.18398**

## AUDITOR'S REPORT

The Members of  
GOWRA LEASING & FINANCE LIMITED

1. We have audited the attached Balance Sheet of Gowra Leasing & Finance Limited as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - i. 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;
  - ii. 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;
  - iii. The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - v. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and other notes thereon, 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;
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

- ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Secunderabad  
Date : 26-05-2011

For Dagliya & Co.,  
Chartered Accountants,  
(F.R.N. 671 S)

sd/-  
(Jitendra Kumar Jain)  
Partner  
M.No: 18398

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### **ANNEXURE TO AUDITOR'S REPORT**

(Referred to in paragraph 3 of our report of even date to the members of Gowra Leasing & Finance Limited)

1. 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 have been physically verified by the management during the year at reasonable intervals and no material discrepancies were identified on such verifications.
  - c. The Company has not disposed off any fixed assets during the year.
2. There was no opening or closing stock of inventory nor was there any purchases during the year. Therefore the provisions of clause Nos. (ii)(a), (b) and (c) of paragraph 4 of the Order are not applicable to the Company.
3.
  - a. According to the information and explanations given to us, the Company has taken loan from six parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.485.55 lacs, and the year end balance of loan taken from such parties was Rs.194.28 lacs.
  - b. In our opinion, the rate of interest and other terms and conditions on which such loans have been taken from companies or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
  - c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable.

- d. There is no amount overdue in respect of loans taken from companies or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
5.
  - a. Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits as defined under the Companies Act 1956 during the year and the Board of Directors of the company has passed a resolution for the non-acceptance of any public deposits. The Company has complied with the directions issued by the R.B.I and N.B.F.C (Reserve Bank of India Directions, 2007).
7. In our opinion, the company's present internal audit system is commensurate with its size and nature of its business.
8. As per the information given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of any activity of the Company. Accordingly paragraph 4(viii) of the order is not applicable.
9. In respect of statutory dues:
  - a. According to the records of the Company and as per the information and explanations given to us, the company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, service tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as are applicable to the Company, with the appropriate authorities during the year.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty and cess were in arrears as at 31.03.2011 for a period of more than six months from the date they became payable.
  - c. According to the information and explanations given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
10. The company does not have any accumulated losses at the end of the financial year, nor had it incurred any cash losses during the financial year under audit or in the immediately preceding financial year.

11. According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not taken any loans and borrowings from any financial institution or bank nor issued any debentures.
12. According to the records of the Company examined by us and as per the information and explanations given to us, the Company has maintained adequate records in cases where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Accordingly, paragraph 4(xiii) of the Order is not applicable.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of paragraph 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loan during the year.
17. The Company has not raised funds on short term/long term basis during the year covered by our audit. Hence the question of the usage of such funds does not arise.
18. The Company has not made any preferential allotment of shares during the period under audit to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any secured debentures during the year.
20. The Company has not raised any money by public issue during the year under audit.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

**For Dagliya & Co.,**  
Chartered Accountants,  
(F.R.N. 671 S)  
sd/-

Place: Secunderabad  
Date : 26-05-2011

**(Jitendra Kumar Jain)**  
Partner  
M.No: 18398

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011**

		SCHEDULE	AS AT 31.03.2011 RS.		AS AT 31.03.2010 RS.	
I.	<b>SOURCES OF FUNDS:</b>					
1	<b>SHARE HOLDER'S FUNDS</b>					
i)	Equity Capital	"A"		30,003,000		30,003,000
ii)	Reserves & Surplus	"B"		78,889,008		67,625,279
2	<b>LOAN FUND</b>					
i)	Unsecured Loans	"C"		19,427,740		5,837,454
	<b>TOTAL</b>			<b>128,319,748</b>		<b>103,465,733</b>
II.	<b>APPLICATION OF FUNDS</b>					
i)	Fixed Assets	"D"				
	Gross Block		12,357,512		12,264,825	
	Less: Depreciation to date		1,014,420	11,343,092	929,362	11,335,463
ii)	Investments	"E"		238,256		738,256
iii)	Deferred Tax Asset (Net)			925,024		499,384
iv)	Current Assets, Loans & Advances	"F"	125,201,823		97,505,853	
	Less: Current Liabilities & Provisions	"G"	9,388,447		6,613,223	
	<b>NET CURRENT ASSETS</b>			115,813,376		90,892,630
	<b>TOTAL</b>			<b>128,319,748</b>		<b>103,465,733</b>
	Significant Accounting Policies and Notes to Accounts	"J"				-

As per our Report of even date.  
For DAGLIYA & CO.  
Chartered Accountants  
(F.R.N. 671 S)

For and on Behalf of the Board

Sd/-  
(JITENDRA KUMAR JAIN)  
(Partner)  
M.No. 18398

Sd/-  
(GOWRA SRINIVAS)  
(Managing Director)

Sd/-  
(GOWRA L.PRASAD)  
(Executive Director)

Place: Secunderabad  
Date :26-05-2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	SCHEDULE	For the year ended 31.03.2011 RS.	For the year ended 31.03.2010 RS.
<b>INCOME</b>			
<b>FROM FINANCE ACTIVITY:</b>			
Interest (TDS Rs.21,86,467 PY:Rs.31,90,026)		33,939,152	20,932,736
Dividend		34,274	9,901
Other Income		196,394	2,455,540
	<b>TOTAL</b>	<b>34,169,820</b>	<b>23,398,177</b>
<b>EXPENDITURE</b>			
Salaries & Other benefits to Employees	"H"	1,259,538	971,862
Administrative & other expenses	"I"	7,766,382	2,434,351
Auditor's remuneration		41,363	41,363
Depreciation	"D"	85,058	96,867
	<b>TOTAL</b>	<b>9,152,341</b>	<b>3,544,443</b>
Net Profit before Tax		25,017,479	19,853,734
Less: Provision for Current Tax		8,901,218	6,814,561
Less: Provision for Deferred Tax		(425,640)	37,438
		<b>16,541,901</b>	<b>13,001,735</b>
Less: Taxation adjustment for earlier years		380,062	332,059
Net Profit After Tax		<b>16,161,839</b>	<b>12,669,676</b>
Add: Surplus in P&L A/c. as per last balance sheet		42,833,320	37,226,562
Balance available for appropriation		<b>58,995,159</b>	<b>49,896,238</b>

<b>APPROPRIATIONS:</b>			
General Reserve		808,092	316,742
Statutory Reserve		3,232,368	2,533,935
Proposed Dividend		4,200,420	3,600,360
Dividend Tax		697,690	611,881
Surplus carried to Balance Sheet		50,056,589	42,833,320
		<b>58,995,159</b>	<b>49,896,238</b>
Earnings per Share of Rs.10/- each fully paid up (Basic & Diluted)		5.39	4.22
Significant Accounting Policies and Notes to Accounts	"J"		

As per our Report of even date.  
For DAGLIYA & CO.  
Chartered Accountants  
(F.R.N. 671 S)

For and on Behalf of the Board

sd/-  
(JITENDRA KUMAR JAIN)  
(Partner)  
M.No. 18398

sd/-  
(GOWRA SRINIVAS)  
Managing Director

sd/-  
(GOWRA L.Prasad)  
Executive Director

Place: Secunderabad  
Date :26-05-2011



**Schedules attached to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2011**

	AS AT 31.03.2011 RS.		AS AT 31.03.2010 RS.	
<b>SCHEDULE "A"</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised</b> 50,00,000 (Prev. yr. 50,00,000) Equity Shares of Rs. 10/- each		<b>50,000,000</b>		<b>50,000,000</b>
<b>Issued, Subscribed &amp; Paid up:</b> 30,00,300 ( P.Y 30,00,300) Equity Shares of Rs. 10/- each fully paid up		30,003,000 <b>30,003,000</b>		30,003,000 <b>30,003,000</b>
<b>SCHEDULE "B"</b>				
<b>RESERVES &amp; SURPLUS:</b>				
i) General Reserve Balance as per last B/S Add: Transfer from surplus in profit & loss a/c	2,555,114 808,092	3,363,206	2,238,372 316,742	2,555,114
ii) Statutory Reserve : Balance as per last balance sheet Add: Transfer from surplus in profit & loss a/c	22,236,845 3,232,368	25,469,213	19,702,910 2,533,935	22,236,845
iii) Surplus in Profit & Loss a/c		50,056,589 <b>78,889,008</b>		42,833,320 <b>67,625,279</b>
<b>SCHEDULE "C"</b>				
<b>UNSECURED LOANS</b>				
Unsecured Loans - From Directors - Inter Corporate Deposits		19,427,740 -		3,131,974 2,705,480
		<b>19,427,740</b>		<b>5,837,454</b>

SCHEDULE "D"

SCHEDULE OF FIXED ASSETS ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH ' 2011

Sl. No.	Particulars	GROSS BLOCK					DEPRECIATION				NET DEPRECIATED BLOCK	
		Gross Block As At 31-03-2010	Additions	Sales/ Adjust	Gross Block As At 31-03-2011	Written Off Upto 31-03-2010	Depreciation During The Year	Depreciation On Account of Sales Adjustment	Total Depreciation Upto 31-03-2011	As At 31-03-2011	As At 31-03-2010	
1	Land	10,209,175.00	0.00		10,209,175.00	-	-		-	10,209,175.00	10,209,175.00	
2	Flat	1,094,741.00	0.00		1,094,741.00	182,481.00	17,844.00		200,325.00	894,416.00	912,260.00	
3	Furniture & Fixtures	602,680.00	0.00		602,680.00	463,186.00	38,150.00		501,336.00	101,344.00	139,494.00	
4	Office Equipment	150,049.00	9840.00		159,889.00	109,916.00	7,423.00		117,339.00	42,550.00	40,133.00	
5	Computers	106,630.00	0.00		106,630.00	81,014.00	17,285.00		98,299.00	8,331.00	25,616.00	
6	Computer Software	87,750.00	0.00		87,750.00	83,027.00	335.00		83,362.00	4,388.00	4,723.00	
7	Two Wheeler	-	77247.00		77,247.00	-	1,528.00		1,528.00	75,719.00	-	
8	Printers	13,800.00	5600.00		19,400.00	9,738.00	2,493.00		12,231.00	7,169.00	4,062.00	
		<b>12,264,825.00</b>	<b>92,687.00</b>	-	<b>12,357,512.00</b>	<b>929,362.00</b>	<b>85,058.00</b>	-	<b>1,014,420.00</b>	<b>11,343,092.00</b>	<b>11,335,463.00</b>	
	Previous Year	12,764,825.00	-	500,000.00	12,264,825.00	1,332,495.00	96,867.00	500,000.00	929,362.00	11,335,463.00		

**Schedules attached to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2011**

	AS AT 31.03.2011 RS.		AS AT 31.03.2010 RS.	
<b>SCHEDULE "E"</b>				
<b>INVESTMENTS (NON TRADE)</b>				
<b>LONG TERM</b>				
<b>(A) QUOTED ( OTHERS)</b>				
<b>EQUITY SHARES:</b>				
1 Jaysynth Dyechem Ltd 100 Equity Shares of Rs.10/- each fully paid up	13,500		13,500	
2 Oriental Bank of Commerce 300 Equity Shares of Rs.10/- each fully paid up	3,000		3,000	
3 Indofrench Biotech Enterprises Limited 200 Equity Shares of Rs.10/- each fully paid up	2,000		2,000	
4 SIRIS Limited 100 Equity Shares of Rs.10/- each fully paid up	27,500		27,500	
5 Jayaswals Neco Limited 200 Equity Shares of Rs.10/- each fully paid up	16,000		16,000	
6 Finolex Industries Limited 300 Equity Shares of Rs.10/- each fully paid up	11,616		11,616	
7 Glenmark Pharmaceuticals Limited 1000 Equity Shares of Rs.1/- each fully paid up	20,000		20,000	
8 Pertech Computer Limited 100 Equity Shares of Rs.10/- each fully paid up	2,810		2,810	
9 Jolly Rides Limited 99,900 Equity Shares of Rs.10/- each fully paid up	10,490		10,490	
10 Andhra Bank Limited 1065 Equity Shares of Rs.10/- each fully paid up	95,850		95,850	
11 Entertainment Network India Limited 40 Equity Shares of Rs.10/- each fully paid up	6,480		6,480	

<b>MUTUAL FUND</b>				
SBI Mutual Fund - Magnum Multiplier (PY:3335.112 Units) - fully paid up Aggregate Market Value Rs.4.86 lakhs (p.y. Rs.4.27 lakhs)	-		500,000	
	209,246		709,246	
Less: Provision for diminution in value of investments	40,990		40,990	
		168,256		668,256
<b>B. UNQUOTED</b>				
1 DHFL Vysya Bank Housing Fin. Limited 2000 Equity Shares of Rs.10/- each fully paid up	70,000	70,000	70,000	70,000
<b>TOTAL INVESTMENTS (A+B)</b>		238,256		738,256

**Schedules attached to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2011**

	AS AT 31.03.2011 RS.		AS AT 31.03.2010 RS.	
<b>SCHEDULE "F"</b>				
<b>A. CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
<b>I. CURRENT ASSETS</b>				
i) DEBTORS (FINANCE)				
a) Outstanding for more than six months (considered doubtful)	10,760,081		808,175	
b) Other Debts (Secured and Considered Good)	109,127,435		71,725,709	
c) Other Debts (Unsecured and Considered Good)	5,987,419		21,766,227	
	125,874,935		94,300,111	
Less : Provision for non performing assets and doubtful debts	1,760,081	124,114,854	808,175	93,491,936

CASH & BANK BALANCES			
a) Cash on Hand		6,235	65,618
b) Balances with Scheduled Banks			
l) In Current Accounts		1,048,983	3,555,737
<b>II) LOANS &amp; ADVANCES (Unsecured &amp; Considered Good)</b>			
1 Advances (recoverable in cash or in kind or for value to be received.)		31,751	12,500
2 Advance Income Tax & FBT		-	380,062
		<b>125,201,823</b>	<b>97,505,853</b>

**Schedules attached to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2011**

	AS AT 31.03.2011 RS.	AS AT 31.03.2010 RS.
<b>SCHEDULE: "G"</b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS:</u></b>		
<b>A. <u>CURRENT LIABILITIES:</u></b>		
Other Liabilities	3,384,192	1,601,832
	-	
Total 'A'	3,384,192	1,601,832
<b>B. <u>PROVISIONS:</u></b>		
i) Provision for Income Tax (Net)	714,751	728,635
ii) Provision for Gratuity	103,607	70,515
iii) Contingent Provisions against Standard Assets	287,787	-
iv) Proposed Dividend	4,200,420	3,600,360
v) Provision for Dividend Tax	697,690	611,881
Total 'B'	6,004,255	5,011,391
Amounts due and outstanding to be credited to investor Education and Protection Fund - Nil (p.y Nil)		
Total 'A+B'	<b>9,388,447</b>	<b>6,613,223</b>

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011

	For the Year ended 31.03.2011 (Rs.)	For the Year ended 31.03.2010 (Rs.)
<b>SCHEDULE : "H"</b>		
<b>SALARIES &amp; OTHER BENEFITS TO EMPLOYEES</b>		
1 Salaries & Allowances	1,176,550	908,000
2 Contribution to Provident Fund	42,916	26,722
3 Staff Welfare Expenses	260	3,355
4 Professional Tax	6,720	5,280
5 Gratuity	33,092	28,505
	<b>1,259,538</b>	<b>971,862</b>
<b>SCHEDULE "I"</b>		
<b><u>ADMINISTRATIVE &amp; OTHER EXPENSES:</u></b>		
1 Advertisement Expenses	56,709	44,854
2 Legal & Professional Charges	199,366	121,817
3 Postage, Telephones & Internet Charges	55,002	38,906
4 Printing & Stationery	66,702	49,275
5 Rates & Taxes	119,133	44,983
6 Subscription	25,766	25,938
7 Bank Commission	17,453	4,301
8 Donation	2,500	500,000
9 Miscellaneous Expenses	277,407	23,030
10 Vehicle Maintenance	16,811	14,339
11 Directors Sitting Fees	115,000	37,500
12 Provision for Non Performing Assets and Doubtful Debts	1,000,000	-
13 Contingent Provisions against Standard Assets	287,787	-
14 Interest	4,127,389	241,401
15 Rent	357,408	330,908
16 Repairs & Maintenance (Building)	134,788	-
17 Travelling & Conveyance Expenses	228,898	206,542
18 Directors Remuneration	678,000	678,000
19 Sundry Balances Written Off	263	72,557
	<b>7,766,382</b>	<b>2,434,351</b>

**Schedule 'J'**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART  
OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

**A. Significant Accounting Policies**

**i. Method of Accounting**

- a. The Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956.
- b. The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the directions issued by the Reserve Bank of India in terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, as applicable to it.

- ii. **Fixed Assets:** Fixed Assets are stated at cost, less accumulated depreciation and impairment loss if any. All costs which are incidental to the acquisition/installation of the fixed assets are capitalized.
- iii. **Intangible Assets:** Intangible assets are stated at cost of acquisition less accumulated amortization.
- iv. **Depreciation:** Depreciation on fixed assets is provided on straight line method at the rates and in the manner as specified in Schedule XIV of the Companies Act, 1956.
- v. **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 asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that 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 depreciable historical cost.

**vi. Income Recognition**

1. Interest is recognized when no significant uncertainty as to its realization exists.
2. Income from services is recognized as they are rendered based on agreements/arrangements with concerned parties.

3. Dividend Income on Investments is accounted for when the right to receive the income is established.

vii. **Employee Benefits:**

- a. **Defined Contribution Plans:** The company has defined contribution plans for employees, comprising of Government administered Employees Provident Fund. The contribution paid/payable to this plan during the year is charged to the Profit & Loss Account for the year. There are no other obligations other than the contribution payable to P.F.

b. **Defined Benefit Plans:**

**Gratuity:** Provision for gratuity is made on accrual basis, on the basis of completed years of service as prescribed under the payment of Gratuity Act.

c. **Short term Employee Benefits:**

All Employee benefits which are wholly due within twelve months of rendering the services are recognised in the period in which the employee rendered the related services.

viii. **Investments:** Investments are held for Long Term and are stated at cost. However diminution in the value of investments is provided to recognize a decline other than temporary in nature in the opinion of the management.

ix. **Taxation:** Provision for current tax is made on the basis of tax payable in respect of taxable income for the period in accordance with the provisions of the Income Tax Act, 1961. The deferred tax is calculated for timing difference between the book profit and tax profit for the year which is accounted for using the tax rates and tax laws that have been enacted or substantively enacted as at the Balance Sheet date. Deferred Tax Asset arising from the timing difference is recognized to the extent that there is virtual certainty that the asset will be realized in future.

x. **Provisions, Contingent Liabilities and Contingent Assets:** The company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation.

Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognised nor disclosed in the financial statements.



B. **NOTES TO ACCOUNTS:**

i. Contingent liabilities not provided for: Nil (P.Y.- Nil)

ii. Break up of Auditor's Remuneration

	<b><u>For the year</u></b> <b><u>Ended 31.03.2011</u></b>	<b><u>For the year</u></b> <b><u>Ended 31.03.2010</u></b>
1. Audit Fee	33,090.00	33,090.00
2. Tax Audit Fees	8,273.00	8,273.00
	<u>41,363.00</u>	<u>41,363.00</u>

iii. Legal & Professional charges include Rs. Nil (P.Y. Rs. 24,817/- ) paid to statutory auditors towards Tax Representation Fee.

iv. Directors' Remuneration:

	<b><u>For the year</u></b> <b><u>Ended 31.03.2011</u></b>	<b><u>For the year</u></b> <b><u>Ended 31.03.2010</u></b>
1. Remuneration to Managing Director	3,84,000.00	3,84,000.00
2. Remuneration to Whole time Director	2,94,000.00	2,94,000.00
	<u>6,78,000.00</u>	<u>6,78,000.00</u>
3. Directors' Sitting Fee	1,15,000.00	37,500.00
	<u>1,15,000.00</u>	<u>37,500.00</u>

v. Earning per share in accordance with Accounting Standard (AS-20) issued by the Institute of Chartered Accountants of India

	<b><u>For the year</u></b> <b><u>2010-11</u></b>	<b><u>For the year</u></b> <b><u>2009-10</u></b>
Net Profit after tax	1,61,61,839	1,26,69,676
Weighted Average No. of Equity Shares	30,00,300	30,00,300
Earnings per share (Basic & Diluted)	5.39	4.22

vi. Major components of deferred tax assets / (Liabilities) are: (Amount in Rupees)

Sl.no	PARTICULARS	As at 31.03.10	Movement during the year	As at 31.03.11
1	Deferred Tax Assets/Liabilities:			
	1. Relating to Fixed Assets	2,00,717	(+ )2,821	2,03,538
	2. Provision for Gratuity	23,968	(+ )10,993	34,961
	3. Provision for Non-performing Assets	2,74,699	(+ )3,16,223	5,90,922
	4. Contingent Provisions against Standard Assets	-	(+ )95,603	95,603
	Deferred Tax Asset (Net)	4,99,384	(+ ) 4,25,640	9,25,024

vii. The company does not have any non cancellable lease arrangements. Office premises are taken on operating lease and such lease rentals are charged to revenue on accrual basis.

viii. **Related Party Disclosures:**

Disclosures as required by the Accounting Standard (AS-18)

“Related party disclosures are given below:

1. Names of related parties and description of the relationship

- a. Associates :
1. M/s.Gowra Ventures Pvt. Ltd.
  2. M/s Gowra Petrochem Pvt. Ltd.
  3. M/s Amar Bio-Organics (India) Pvt. Ltd.
  4. M/s Vaishnavi Corporation
  5. M/s Gowra Engineering Technologies Pvt. Ltd.
- b. Key Management Personnel:
1. Mr. G.Srinivas – Managing Director
  2. Mr. G.L.Prasad – Executive Director
- c. Relatives of key Management Personnel :
1. Mr. G.S.Raja Gopal
  2. Mr. G.Laxminarayana
  3. Mrs. G.S.Sabitha
  4. Mr. G.Suryaprakash
  5. Mr. G.L.Subaram
  6. Mr. G.L.Ramadevi

2. Related Party Transactions: (Amount in Rupees)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid	- (-)	89,352 (82,727)	2,68,056 (2,48,181)	3,57,408 (3,30,908)
Remuneration paid to Directors	- (-)	6,78,000 (6,78,000)	- (-)	6,78,000 (6,78,000)
Director's Sitting Fees	- (-)	- (-)	35,000 (16,000)	35,000 (16,000)
Interest Paid	4,30,670 (61,644)	30,12,274 (86,556)	6,83,995 (93,018)	41,27,389 (2,41,218)
Repair & Maintenance Charges	1,85,304 (-)	- (-)	- (-)	185304 (-)
Balance Due by the company as on 31.03.11	- (27,05,480)	1,88,16,028 (71,613)	6,11,712 (30,60,361)	1,94,27,740 (58,37,454)

\* Figures in brackets represent previous year's figures.

- ix. **Segment Reporting:** During the year the company was engaged only in Investment and Financing activities and its activities were confined to India. Hence there are no reportable segments of the company.
- x. No enterprises have been identified as a “supplier” under the micro, small and medium enterprises Development Act, 2006. The aforesaid identification has been done on the basis of information, to the extent provided by the vendors to the company.
- xi. Balances under the head Debtors, Loans & Advances and other liabilities are subject to confirmation from the respective parties.
- xi. Impairment of Assets:** The company has carried out an impairment test as per ‘Accounting Standard – 28’, issued by I.C.A.I on all the assets and no provision was found to be required towards impairment of assets for the period ending 31<sup>st</sup> March, 2011.
- xii. The company has provided for its gratuity liability on accrual basis on the basis of completed years of service as provided under the payment of Gratuity Act. However, the provisions of payment of Gratuity Act, do not apply to the company, since the company does not employ the requisite number of employees as required under the payment of Gratuity Act.
- xiv. Figures have been rounded off to the nearest rupee.
- xv. Previous year figures have been regrouped / recasted / reclassified / rearranged wherever deemed necessary to conform with current year’s classification.
- xvi. Current Assets Loans & Advances are approximately of the value as stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of the amount considered reasonably necessary.
- |  |         |         |
|--|---------|---------|
|  | 2010-11 | 2009-10 |
| xvii. Expenditure in Foreign Currency                        | Nil     | Nil     |
| xviii. Earnings in Foreign Exchange<br>-FOB Value of Exports | Nil     | Nil     |
- xix. Additional information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI to the Companies Act, 1956 – Quantitative Particulars – N.A.
- xx. Schedules “A” to “J” form integral part of accounts.

“As per our Report of even dated attached”

For DAGLIYA & CO  
Chartered Accountants,  
(F.R.N. 671 S)

For and on Behalf of the Board

Sd/-  
(JITENDRA KUMAR JAIN)  
Partner  
M.No.18398

sd/-  
(GOWRASRINIVAS)  
Managing Director

sd/-  
(GOWRA L.PRASAD)  
Executive Director

Place : Secunderabad  
Date : 26.05-2011

**SCHEDULE-VI  
PART-IV**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE**

**A. Registration Details**

Registration No.	<b>15349</b>	State Code	<b>01</b>
Balance Sheet Date :	<b>31.03.2011</b>		

**B. Capital Raised during the year (Amount in Rs.Thousands)**

Public Issue	<b>Nil</b>	Right Issue	<b>Nil</b>
Bonus Issue	<b>Nil</b>	Private Placement	<b>Nil</b>

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

Total Liabilities	<b>128,320</b>	Total Assets	<b>128,320</b>
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**Sources of Funds**

Paid-up Capital	<b>30,003</b>
Reserve & Surplus	<b>78,889</b>
Unsecured Loans	<b>19,427</b>
Share Application Money	<b>-</b>

**Application of Funds**

Net Fixed Assets	<b>11,343</b>
Investments	<b>238</b>
Net Current Assets	<b>115,813</b>
Deferred Tax Assets	<b>925</b>

**D. Performance of Company (Amount in Rs.Thousands)**

Turnover	<b>34,170</b>	Total Expenditure	<b>9,152</b>
Profit Before Tax	<b>25,017</b>	Profit After Tax	<b>16,162</b>
Earning per Share (in Rs.)	<b>5.39</b>	Dividend Rate	<b>14%</b>

**E. Generic Names of Three Principal Products/Services of Company (As per monetary terms)**

<u>Product Description</u>	<u>Item Code No.(ITC Code)</u>
1. Loans & I.C.Ds	<b>- N.A.-</b>
2. Investments	
3. Bill Discounting	

As per our Report of even date  
For Dagliya & Co.  
(Chartered Accountants)  
(F.R.N.671 S)

sd/-  
(JITENDRA KUMAR JAIN)  
Partner  
M.No.18398

For and on Behalf of the Board

sd/-  
(GOWRA SRINIVAS)  
Managing Director

sd/-  
(GOWRA L.PRASAD)  
Executive Director

Place : Secunderabad  
Date : 26-05-2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

Rs in '000

Sr.	Particulars	AMOUNT	
		31.03.2011	31.03.2010
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
1	Net Profit/(Loss) before Tax and Extraordinary Items		25,017
2	Adjustments for:		
	- NPA Provision (Decreased) / Increased	952	(128)
	- Contingent Provisions against Standard Assets (Decreased) / Increased	288	
	- Depreciation	85	97
	- Dividend received	(34)	(10)
	- Gratuity Provision	33	29
	- Sundry Balances Written off	-	73
		1,324	61
	Operating Profit before Working Capital Changes		26,341
3	Adjustments For		
	- (Increase) / Decrease in Sundry Debtors	(31,575)	(7,702)
	- (Increase) / Decrease in Advance & Deposits	(19)	(13)
	- Increase / (Decrease) in Sundry Creditors & Other Liabilities & Provisions	1,782	1,511
		(3,471)	13,711
	Direct Taxes Paid (Net)		(8,914)
	<b>Net Cash from Operating Activities</b>		<b>(12,385)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets	(93)	
	Dividends	34	10
	(Increase) / Decrease in Investments	500	(500)
	<b>Net Cash from Investments Activities</b>		<b>441</b>
<b>C.</b>	<b>Cash Flow Financing Activities</b>		
	Borrowing/repayment of Unsecured Loans	13,590	(157)
	Dividend Paid	(3,600)	(3,600)
	Dividend Tax Paid	(612)	(612)
	<b>Net Cash from Financing Activities</b>		<b>9,378</b>
			<b>(4,369)</b>

Net Charge in Cash & Cash Equivalent (A+B+C)	(2,566)	2,657
Opening Cash and Bank Balance	3,621	964
Closing Cash and Bank Balance	1,055	3,621
<p>Note: (i) Figures in brackets are outflows  (ii) Previous Year's figures have been re-grouped wherever necessary  (iii) The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard-3 of the Companies (Accounting Standard) Rules, 2006.</p>		

As per our Report of even date.  
For DAGLIYA & CO.  
Chartered Accountants  
(F.R.N. 671 S)

For and on Behalf of the Board

sd/-  
(JITENDRA KUMAR JAIN)  
(Partner)  
M.No. 18398

sd/-  
(GOWRA SRINIVAS)  
Managing Director

sd/-  
(GOWRA L.Prasad)  
Executive Director

Place: Secunderabad  
Date :26-05-2011

**SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY**  
(as required in terms of Paragraph 9BB of Non-Banking Financial Companies  
Prudential Norms (Reserve Bank) Directions, 1988)

(Rupees in Lakhs)

Particulars	Amount Outstanding	Amount Overdue
<b>LIBILITIES SIDE</b>		
<b>1) Loans and advances availed by the NBFCS Inclusive of interest accrued thereon but not paid</b>		
(a) Debentures : Secured		
: Unsecured (other than falling within the meaning of public deposits)	Nil	Nil
(b) Deferred Credits	Nil	Nil
(c) Term Loans	Nil	Nil
(d) Inter-corporate loans and borrowing	Nil	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits	Nil	Nil
(g) Other Loans	194.28	Nil
<b>2) Break-up (1) (f) above (Outstanding public deposits Inclusive of interest accrued there on but not paid):</b>		
(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e. debentures Where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits	Nil	Nil

<b>ASSETS SIDE</b>	<b>Amount Outstanding</b>
<b>3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below):</b>	
(a) Secured	1181.28
(b) Unsecured	59.87
<b>4) Break-up of Leased Assets and stock in hire and hypothecation loans counting towards EL/ HP activities</b>	
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial Lease	Nil
(b) Operating lease	Nil
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
(iii) Hypothecation loans counting towards EL/HP activities	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil

<b>5) Break-up Investments:</b>	
<b>Current Investments</b>	
1) Quoted:	Nil
2) Unquoted	Nil
<b>Long Term Investments:</b>	
<b>1. Quoted:</b>	
(i) Shares (a) Equity	1.68
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
<b>2. Unquoted:</b>	
(i) Shares (a) Equity	0.70
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others – investments in Partnership Firms	

**6) Borrower group-wise classification of all leased assets:  
Stock-on-hire and loans and advances:**

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**7) Investor group-wise classification of all investments  
( current & long term) in shares and securities ( both quoted & unquoted):**

Category	Market value / Breakup or fair value of NAV	Book value (Net of Provisions)
1. Related parties		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related Parties	2.38	2.38
2. Other than related Parties		
<b>Total</b>	<b>2.38</b>	<b>2.38</b>



**8) Other Information  
Particulars**

(i) Gross Non-performing Assets	
(a) Related Parties	Nil
(b) Other than related Parties	107.60
(ii) Net Non-performing assets ( 100% Provision made)	
(a) Related Parties	Nil
(b) Other than related Parties	17.60
(iii) Assets acquired in satisfaction of debt	Nil

For and on behalf of the Board

Sd/-

Place: Secunderabad  
Date : 26-05-2011

GOWRA SRINIVAS  
(Managing Director)

**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow Statement of M/s.Gowra Leasing & Finance Limited for the year ended 31.03.2011. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Bombay Stock Exchange (BSE) and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company, covered by our Report dated 26-05-2011 to the members of the Company.

Place: Secunderabad  
Date : 26-05-2011

for DAGLIYA & CO.,  
Chartered Accountants

Sd/-  
(JITENDRA KUMAR JAIN)  
Partner  
M.No.18398



### Gowra Leasing & Finance Limited

Regd. Office : No.501, 5<sup>th</sup> Floor, Gowra Grand, Behind Gowra Plaza  
1-8-384 & 385, S.P.Road, Begumpet, Secunderabad – 500003

#### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member of Gowra Leasing & Finance Ltd., hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to attend and vote for me to / us on my/ our behalf at the 18<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 30<sup>th</sup> September, 2011, at 11.00 a.m. and at any adjournment thereof.

Ledger Folio/DP & Client ID No. \_\_\_\_\_  
No. of Shares \_\_\_\_\_  
Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2011

Affix one  
Rupee  
Revenue  
Stamp

(Signature of the Shareholder)

**Note:** The proxy must be deposited duly filled and stamped at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

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### Gowra Leasing & Finance Limited

Regd. Office : No.501, 5<sup>th</sup> Floor, Gowra Grand, Behind Gowra Plaza  
1-8-384 & 385, S.P.Road, Begumpet, Secunderabad – 500003

#### ATTENDANCE SLIP

(Please present this slip at the entrance of the Meeting Hall)

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting of the Company held at Hotel Fortune Select Manohar, Airport Exit Road, Begumpet, Hyderabad – 500016 on Friday the 30<sup>th</sup> day of September, 2011 at 11.00 a.m.  
Regd Folio No./DP & Client ID \_\_\_\_\_ No. of shares \_\_\_\_\_  
Name of Shareholder \_\_\_\_\_  
Address \_\_\_\_\_  
E-mail ID \_\_\_\_\_  
Phone/Cell No. \_\_\_\_\_

(Signature of the shareholder / Proxy)  
(To be signed at the time of meeting over at the Meeting Hall)