



**GOWRA  
LEASING &  
FINANCE  
LIMITED**

# **20<sup>th</sup> Annual Report**

**2012 - 2013**



**GOWRA GROUP**



<b>Mr. D.SURESH</b>	-	<b>Chairman and Independent Director</b>
<b>Mr. TILAK SHANKAR</b>	-	<b>Director - Independent</b>
<b>Mr. GOWRA LAKSHMINARAYANA</b>	-	<b>Director</b>
<b>Mr. GOWRA SURYA PRAKASH</b>	-	<b>Director</b>
<b>Mr. SOMA DAYANAND</b>	-	<b>Director</b>
<b>Dr. TUMBALAM GOOTY SURENDRANATH</b>	-	<b>Director – Independent</b>
<b>Mr. J.A. MOHAN KUMAR</b>	-	<b>Director – Independent</b>
<b>Mr. GOWRA SRINIVAS</b>	-	<b>Managing Director</b>
<b>Mr. GOWRA L.PRASAD</b>	-	<b>Executive Director</b>

**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

**REGISTRAR & SHARE TRANSFER AGENT**

**M/s. Karvy Computershare Private Limited,**

**Unit – Gowra Leasing & Finance Ltd.**

Plot No.17 to 24, Vithal Rao Nagar,  
Madhapur, Hyderabad–500081.

**NOTICE**

NOTICE is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of **GOWRA LEASING & FINANCE LIMITED**, will be held on Monday, the 30<sup>th</sup> day of September, 2013 at 11.00 a.m. at Hotel Jaya Excellency, Beside ICICI Bank, Near Airport, Begumpet, Hyderabad-500016 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013 and the Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2013 along with the Notes and other statements and Auditor's Report and Directors Report thereon.
2. To declare Dividend for the year ended 31<sup>st</sup> March, 2013
3. To appoint a Director in place of Dr. T.G.Surendranath, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Gowra Surya Prakash, 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.

By Order of the Board  
for GOWRA LEASING & FINANCE LIMITED,  
Sd/-  
(GOWRA SRINIVAS)  
Managing Director

Place : Secunderabad  
Dated : 9<sup>th</sup> August, 2013

**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 25-9-2013 to 30-9-2013 (both days inclusive).
3. 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.
4. 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.
5. 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 & Share Transfer Agent of the Company i.e. M/s. Karvy Computershare 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 & Share Transfer Agent of the Company.
6. 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.
7. Members/Beneficial Owners/Proxies should bring the attendance slips duly filled in for attending the meeting.
8. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, Dividend for the financial year ended 2005-2006 and thereafter, which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205 (c) of the Companies Act, 1956.

Information in respect of the last date of claiming of unpaid dividend is given below :

Financial Year	Date of Declaration	Last date of claiming unpaid dividend	Due date for transfer of unpaid dividend to IEPF
2005-2006	18-09-2006	17-09-2013	18-10-2013
2006-2007	26-09-2007	25-09-2014	26-10-2014
2007-2008	24-09-2008	23-09-2015	24-10-2015
2008-2009	30-09-2009	29-09-2016	30-10-2016
2009-2010	25-09-2010	24-09-2017	25-10-2017
2010-2011	30-09-2011	29-09-2018	30-10-2018
2011-2012	29-09-2012	28-09-2019	29-10-2019

The members who have not encashed the Dividend Warrants so far for the financial year ended 31-03-2006 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. Financial Year-wise list of unclaimed dividend is available on Company's website – [www.gowraleasing.com](http://www.gowraleasing.com).

**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, Statement of Profit & Loss, 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 addresses 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

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

<b>Name</b>	<b>Dr. T.G.Surendranath</b>
Date of Birth	01-07-1942
Date of Appointment	30-04-2005
Qualification	Post Graduate and a Doctorate in Chemistry (1974)
Directorship held in other Companies	Creative Synergies Consulting India Pvt. Ltd.
Membership/Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	Professional experience includes : <ul style="list-style-type: none"> <li>• Post Doctoral Fellow for three years - Published 10 scientific papers in Indian and International Journals.</li> <li>• Uniloyds – R &amp; D Manager for 4 years</li> <li>• Almelo Laboratories Ltd., as Director - developed and implemented various new products including drugs, intermediates, dyes and dye intermediates in the plant.</li> <li>• Satwik Drugs – In charge R &amp; D</li> <li>• Gromor Chemicals Pvt. Ltd – Vice-President.</li> <li>• Hygro Chemicals Pvt. Ltd - responsible for erection and renovation of the factory and implementing the facilities for antibiotic drugs.</li> </ul>
Shares held in the Company	500

<b>Name</b>	<b>Mr. Gowra Surya Prakash</b>
Date of Birth	08-08-1953
Date of Appointment	11-08-2010
Qualification	Master of Engineering (ME)
Directorship held in other Companies	Gowra Petrochem Private Limited
Membership/Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	Having 31 Years of Experience In Business and wide Experience in Chemicals, PVC, Metals and Dyes etc.
Shares held in the Company	9600

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**DIRECTORS' REPORT**

**Dear Members,**

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2013.

**FINANCIAL RESULTS :**

The summarized Financial Results of the Company are given hereunder :

Particulars	(₹ in Lakhs)	
	FY 2012-13	FY 2011-12
Total Income	237.50	220.26
Operating Profit before interest, Depreciation & Tax	26.84	139.65
Interest and other Financial charges	0.17	6.38
Depreciation	0.81	0.80
Net Profit before Tax	25.86	132.47
Provision for Income Tax & FBT	34.83	57.81
Provision for Deferred Tax	(-25.86)	(-12.62)
Net Profit after Tax	16.89	87.28
Add : Balance brought forward from previous year	531.16	500.57
Profit available for appropriation	548.05	587.85
Proposed Dividend	30.00	30.00
Corporate Tax on Dividend	4.87	4.87
Balance to be carried forward	513.18	552.98

**OPERATIONS:**

During the year under review, the Company recorded a total income of ₹ 237.50 lakhs and a net profit of ₹ 16.89 lakhs against income of ₹ 220.26 lakhs and a net profit of ₹ 87.28 lakhs in the previous year. The lower net profit is mainly due to NPAs.

**BUSINESS OUTLOOK :**

Considering various risks involved in business and probable NPAs, which may result in lower margins and slower growth, your company is adopting a very cautious approach towards future business.

**DIVIDEND :**

During the year under review, your Directors recommended a Dividend @ 10% amounting to ₹ 30,00,300/- for the year ended 31<sup>st</sup> March, 2013. This will entail an outflow of ₹ 34,87,023/- (inclusive of Dividend Distribution Tax thereon).

**CLASSIFICATION OF 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 :**

Dr. T.G.Surendranath and Mr. Gowra Surya Prakash, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

**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, 2013, 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 2013 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 2012-2013 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, 2013 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 ₹ 5,00,000/- and above per month or ₹ 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 are not annexed to this report.

**ACKNOWLEDGEMENTS:**

The Directors thank the Company's Bankers namely State Bank of India, ING Vysya Bank Limited, HDFC Bank Limited 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 : 9<sup>th</sup> August, 2013

Sd/-  
(D.SURESH)  
Chairman

**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 Bombay Stock Exchange. 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 meets with the requirements of Code of Corporate Governance. As on 31<sup>st</sup> March, 2013, Company's Board consists of 9 (Nine) Directors, comprising of 2 (two) Executive Directors, 3 (three) Non-Executive Directors and 4 (four) 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 consists of independent, if the Chairman of the Board is an Independent Chairman.

**a) Board Meetings :**

During the financial year 2012-13, Five (5) meetings of the Board of Directors were held on 30<sup>th</sup> May, 2012, 11<sup>th</sup> August, 2012, 29<sup>th</sup> September, 2012, 14<sup>th</sup> November, 2012 and 12<sup>th</sup> February, 2013. 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 Directorship held
		Held	Attended		Chairman-ship	Member	
Mr. D.Suresh	Non Executive & Independent	5	4	Yes	-	-	1
Mr. Gowra Srinivas	Executive	5	5	Yes	-	-	14
Mr. Gowra L.Prasad	Executive	5	5	Yes	-	-	6
Mr. Gowra Lakshminarayana	Non Executive	5	5	Yes	-	-	6
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	4	Yes	-	-	2
Dr. T.G.Surendranath	Non Executive & Independent	5	5	Yes	-	-	1
Mr. J.A.Mohan Kumar *	Non Executive & Independent	3	3	N.A.	-	-	-

\* Appointed as Additional Director w.e.f. 11-08-2012

**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 director.

**h) CEO/CFO Certification :**

As required under Clause 49 of the Listing Agreement with the Stock Exchange, the Managing Director and Whole-time Director have certified to the Board the financial statements for the year ended 31<sup>st</sup> March, 2013.

**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, 2012, 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 to 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, 2013, the Audit Committee comprises of 4 Independent Directors and 1 Non-Executive Director. 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 2012-2013 on 30<sup>th</sup> May, 2012, 11<sup>th</sup> August, 2012, 14<sup>th</sup> November, 2012 and 12<sup>th</sup> February, 2013. 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	3
2.	Mr. D.Suresh	4	3
3.	Dr. T.G.Surendranath	4	4
4.	Mr. Gowra Surya Prakash	4	3
5.	Mr. J.A.Mohan Kumar*	4	2

\* Appointed as Additional Director w.e.f. 11-08-2012

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 invited 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.

**Composition, Name of Members and Chairman :**

As on 31<sup>st</sup> March, 2013, the Remuneration Committee comprises of 3 Independent Director. Dr. T.G.Surendranath is the Chairman of the Committee. 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 :**

There was no Committee meeting held during the year 2012-2013.

**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 does 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 2012-2013 are given below :

(Amount in ₹)

Sl. No.	Name of Director	Salary	Perquisites & Other benefits	Performance Bonus/ Commission	Sitting Fee	Total
1.	Mr. Gowra Srinivas	3,84,000	-	-	-	3,84,000
2.	Mr. Gowra L.Prasad	2,94,000	-	-	-	2,94,000
3.	Mr. D.Suresh	-	-	-	17,500	17,500
4.	Mr. T.Shankar	-	-	-	17,500	17,500
5.	Mr. Gowra Lakshminarayana	-	-	-	12,500	12,500
6.	Mr. Soma Dayanand	-	-	-	12,500	12,500
7.	Dr. T.G.Surendranath	-	-	-	22,500	22,500
8.	Mr. Gowra Surya Prakash	-	-	-	17,500	17,500
9.	Mr. J.A.Mohan Kumar*	-	-	-	12,500	12,500

\* Appointed as Additional Director w.e.f. 11-08-2012

**C) Shareholders/Investors Grievance Committee:**

The Board re-constituted the Shareholders/Investors Grievance Committee on 11<sup>th</sup> August, 2012. The Committee is empowered to perform all the functions of the Board in relation to approval and monitoring transfers, transmission, dematerialization, rematerialisation and issue of duplicate share certificates, splitting and consolidation of shares and redressal of Shareholders/Investors Grievances and other complaints.

The composition of Committee is as follows :

- |                             |            |
|-----------------------------|------------|
| ▪ Mr. Gowra Lakshminarayana | - Chairman |
| ▪ Mr. Soma Dayanand         | - Member   |
| ▪ Mr. Gowra Surya Prakash   | - Member   |
| ▪ Mr. J.A. Mohan Kumar      | - 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, demat, remat, 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 Bombay Stock Exchange.

The Committee has acted upon all valid share transfers received during the Financial Year 2012-13. There were no transfers and complaints pending/unattended as on 31<sup>st</sup> March, 2013.

As on 31<sup>st</sup> March, 2013, 19,01,385 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
2011-2012	AGM	Fortune Select Manohar, Airport Exit Road, Begumpet, Hyderabad-500016.	29-09-2012	11.00 a.m.
2010-2011	AGM	Fortune Select Manohar, Airport Exit Road, Begumpet, Hyderabad-500016.	30-09-2011	11.00 a.m.
2009-2010	AGM	Fortune Select Manohar, Airport Exit Road, Begumpet, Hyderabad-500016.	25-09-2010	11.00 a.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 as Financial Chronicle and Andhra Bhoomi in English and Telugu respectively. The same were sent to the Bombay Stock Exchange and posted on the Company's website.

The Company has 1526 shareholders as on 31<sup>st</sup> March, 2013. 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.

**7. The Management Discussion and Analysis Report**

A separate Report of Management Discussion and Analysis is attached as a part of the Annual Report.

**8. GENERAL SHAREHOLDER INFORMATION:**

- a) 20<sup>th</sup> Annual General Meeting : 30<sup>th</sup> September, 2013 at 11.00 a.m  
Date, Time and Venue : Hotel Jaya Excellency, Beside ICICI Bank, Near Airport, Begumpet, Hyderabad-500016
- b) Financial Year : 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013
- c) Date of Book Closure : 25<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013
- d) Dividend Payment Date : Within 30 days of declaration of Dividend
- e) Financial Calendar : For the Financial Year 2013-2014 the indicative dates of announcement of financial results are as under :

Quarter ended June, 2013	On or before August 14, 2013
Quarter ended September, 2013	On or before November 14, 2013
Quarter ended December, 2013	On or before February 14, 2014
Audited Results for the year ended March, 2014	On or before May 31, 2014

**f) Listing on Stock Exchange :**

Name of the Stock Exchange	Address	Scrip Code/ Scrip ID
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 2013-14.

- 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 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013 as follows :

Month	High (₹)	Low (₹)	No. of Shares
April, 2012	23.80	22.05	252
May, 2012	24.90	21.35	793
June, 2012	22.55	19.45	3,386
July, 2012	21.00	19.00	501
August, 2012	21.00	21.00	400
September, 2012	20.00	15.00	3,713
October, 2012	16.40	13.40	11,206
November, 2012	15.39	13.78	1,655
December, 2012	17.50	13.11	1,543
January, 2013	18.20	15.00	1,734
February, 2013	17.30	15.00	1,978
March, 2013	16.25	16.25	50

**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 Share Transfer Agent at the following address :

**Karvy Computershare Pvt.Ltd.**

Plot No.17 to 24, Vittal Rao Nagar,

Madhapur, Hyderabad-500081.

Tel : 040-44655208, Fax :040-44655208, Email : chandrasekhar.r@karvy.com

**k) Share Transfer System :**

The Board of Directors of the Company has delegated the powers of share transfers, splitting, consolidation of share certificates and issue of duplicate shares, rematerialisation 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 Agent register the shares received for transfer in physical mode, within 15 days from the date of lodgment, if documents are complete in all respects.

**l) Distribution of Shareholding Pattern as on 31<sup>st</sup> March, 2013.**

Share Holding of nominal value of	Share Holders		Share Amount	
	Number	% of Total	In ₹	% of Total
Upto - 5000	920	60.29	2739240	9.13
5001 - 10000	338	22.15	3054320	10.18
10001 - 20000	123	8.06	1900330	6.33
20001 - 30000	62	4.06	1491300	4.97
30001 - 40000	14	0.92	502460	1.68
40001 - 50000	16	1.05	720000	2.40
50001 - 100000	22	1.44	1737830	5.79
100001 and above	31	2.03	17857520	59.52
<b>Total</b>	<b>1526</b>	<b>100.00</b>	<b>3,00,03,000</b>	<b>100.00</b>

**m) Shareholding Pattern as on 31<sup>st</sup> March, 2013**

Sl. No.	Category	No. of Shares held	Percentage to Total issued Shares
1.	Promoters	17,96,711	59.89
2.	Mutual Funds	--	--
3.	Banks/FI	--	--
4.	Private Corporate Bodies	11,748	0.39
5.	Public	11,73,996	39.13
6.	NRIs/OCBs	17,845	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, 2013, 17,71,054 Shares (59.03%) has been dematerialized with NSDL and 1,30,331 shares (4.34%) 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 2012-13, 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 an agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

**p) Outstanding GDRs/ADRs/Warrant 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.: No.501, 5<sup>th</sup> Floor, Gowra Grand, Behind Gowra Plaza  
1-8-384 & 385, S.P.Road, Begumpet, Secunderabad-500003.  
Phone : 040-27843086 /27843091, Fax : 040- 27816817  
Email : investors@gowraleasing.com

**r) Website :**

The Company's website [www.gowraleasing.com](http://www.gowraleasing.com) containing comprehensive information about the Company and investor relations. It serves to provide key information like Board of Directors Financial Results, Annual Reports, Shareholding Pattern, Dividends, Fair Practices Code, Code of Conduct, Claim of unpaid/unclaimed dividend, Board Meetings, Investors' Desk etc.

**COMPLIANCE CERTIFICATE**C I N : L65910AP1993PLC015349Nominal Capital : Rs.5.00.00.000/-Paid-up Capital : Rs.3,00,03,000/-

To  
The Members,

**GOWRA LEASING AND FINANCE LIMITED,**

Regd.Off. : 501, 5<sup>th</sup> Floor,  
Gowra Grand, Behind Gowra Plaza,  
1-8-384 & 385, S.P.Road,  
Begumpet, Secunderabad-500003.

I 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, 2013. In my opinion and to the best of my information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, I 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 are not applicable.
4. The Board of Directors duly met Five times on 30<sup>th</sup> May, 2012, 11<sup>th</sup> August, 2012, 29<sup>th</sup> September, 2012, 14<sup>th</sup> November, 2012 and 12<sup>th</sup> February, 2013 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 25-09-2012 to 29-09-2012 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, 2012 was held on 29<sup>th</sup> September, 2012 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 entered into a contract with M/s.Vaishnavi Corporation falling within the purview of Section 297 of the Act and the company has not obtained approval of Central Government.
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 duly constituted Shareholders/Investors Grievance Committee of directors of the Company has approved the issue of 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 State Bank of India, PB Branch, Begumpet, Secunderabad.
  - iv) has transferred the amounts in unpaid dividend account, 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. Except for the matter specified in the clause No.9 above, 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, 2013 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 made loans, advances and investments or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and made necessary entries 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 the Section 418 of the Act are not applicable.

Date : 09-08-2013  
Place: Hyderabad

Sd/-  
**V.RADHIKA**  
Company Secretary in Practice  
ACS.No.15464, C.P.No.5004

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**ANNEXURE - " A "**  
(Forming part of Compliance Certificate dated 09-08-2013)

**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



(14)

**ANNEXURE - " B "**

(Forming part of Compliance Certificate dated 09-08-2013)

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, 2013.

Sl. No.	Form No./ Return	Filed u/s	For	Date of Filing	Whether filed within the prescribed time (Yes/No)	If delay in filing whether requisite fee paid (Yes/No)
1	Form 32	260	Appt. of Additional Director	16-08-2012	Yes	N.A.
2	Form 5 INV	Rule 3	(Uploading of Information regarding Unclaimed & Unpaid Dividend Amounts lying with Companies) IEPF Rules 3, 2012.	17-09-2012	Yes	N.A.
3	Form 23AC & 23ACA	220	F.Y.Ended 31-03-2012	08-11-2012	Yes	N.A.
4	Form 66	383A	F.Y.Ended 31-03-2012	08-10-2012	Yes	N.A.
5	Form 23	163	Change of Registrar & Share Transfer Agent	08-10-2012	Yes	N.A.
6	Form 32	257	Change in Designation (Regularization)	08-10-2012	Yes	N.A.
7	Form 1(INV)	Rule 3	Transfer of Unclaimed Dividend to IEPF	19-11-2012	No	Yes
8	Form 20B	159	AGM Dated 29-09-2012	18-12-2012	No	Yes
9	Form 5 INV	Rule 3	(Uploading of Information regarding Unclaimed & Unpaid Dividend Amounts lying with Companies) IEPF Rules 3, 2012.	25-02-2013	No	N.A.

Sd/-

**V.RADHIKA**

Date: 09-08-2013  
Place: Hyderabad

Company Secretary in Practice  
ACS.No.15464, C.P.No.5004

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**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, 2013.

Date : 30-5-2013  
Place : Secunderabad

Sd/-  
(GOWRA SRINIVAS)  
Managing Director

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**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 :

- We have reviewed the Balance Sheet, Statement of Profit and Loss, its notes to the accounts and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2013 and that to the best of our knowledge and belief :
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- 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.
- 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 propose 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 : 30-5-2013  
Place : Secunderabad

Sd/-  
(GOWRA SRINIVAS)  
Managing Director

Sd/-  
(GOWRA L.PRASAD)  
Executive Director

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMY – REVIEW AND OUT LOOK

The Indian Economy has seen a sustained downturn over the last two years with the result that GDP growth was merely 5% in Financial Year (FY) 2012-13 slowest pace of expansion in nearly a decade.

As per the economic survey conducted by the Ministry of Finance, the economy is projected to grow at an optimistic 6.1 – 6.75% for FY – 2013-14, signaling that the economy is looking up.

Growth in bank credit remained subdued at 14% in FY – 2012-13, as compared to 17% in FY-2011-12.

### OPPORTUNITIES AND THREATS:

Even though the lending opportunities are plenty, the major risk of finance sector being NPAs, due caution is being exercised by the management.

### OUTLOOK & STRATEGY

The FY – 2012-13 started on a note of optimism. Given this not-so-rosy scenario for year 2013-14, the main focus will be on recovery of NPAs and concentrating on asset quality with sufficient collateral securities.

### RISKS

Key risks can be market risk, credit risk and operational risk. It is an endeavor of the risk teams at Gowra Leasing & Finance Ltd. (GLFL) to evaluate these risks prior to entering into a transaction and to put necessary mitigation measures in place so that in extreme scenarios, the response time is minimum. GLFL as a financial organization deals with multiple clients. As a part of our credit risk frame work, we assess credit worthiness of counterparties comprehensively before taking any exposure on them. Limits assigned to clients based on credit evaluation and monitoring mechanism ensure that our exposure to a single client does not cross the laid down threshold limit. Apart from this GLFL collects collaterals from clients to adequately cover its exposure.

### INTERNAL CONTROL SYSTEMS:

GLFL has adequate internal audit and control systems. These are responsible for independently evaluating the adequacy of all internal controls and ensuring that operations adhere to internal processes and procedures as well as to regulatory and legal requirements. Our Internal Audit and control team defines and reviews scope, coordinates and conducts Risk Based Internal Audits. Statutory and Standard Auditing Practices employed include, among other compliances to adhere to accounting and auditing standards, consideration of Laws and Regulations in an audit of financial statements, Governance and Compliance to ensure compliances, risk assessment etc. and reporting them to the Audit Committee, etc. GLFL believes in conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

### FINANCIAL PERFORMANCE

During the year, your company witnessed a slower growth and lower profit mainly on account of some additions to NPAs and consequential non recognition of interest on such NPAs.



**HUMAN RESOURCES:**

The company recognizes the importance of key role played by the people and maintains a cordial and harmonious relationship with its employees. The productivity of staff of the Company has been satisfactory.

**FAIR PRACTICES CODE, KNOW YOUR CUSTOMER AND ANTI-MONEY LAUNDERING**

Your Company has a policy on Fair Practices Code, Know Your Customer (KYC) and Anti-money Laundering in place as per the guidelines issued by Reserve Bank of India.

**COMPLIANCE FUNCTION**

Compliance is an essential and critical process, aimed at mitigating the risk to the business. Your company is committed to adhere to the highest compliance standards in line with various statutes, regulatory bodies and various laws existing in place.

**CAUTIONARY STATEMENT:**

Statements made in this Management Discussion and Analysis contain certain forward looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact Company's business as well as the ability to implement its strategies. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, 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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of 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.

Date : 30-5-2013  
Place: Secunderabad

For Dagliya & Co.  
Chartered Accountants,  
Sd/-  
(Jitendra Kumar Jain)  
Partner  
M.No.18398

**AUDITOR'S REPORT**

To,  
The Members  
Gowra Leasing & Finance Limited  
Secunderabad

We have audited the accompanying financial statements of Gowra Leasing & Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  2. As required by Section 227(3) of the Act, we report that:
    - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
    - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
    - e) on the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

For Dagliya & Co.  
Chartered Accountants  
FRN: 00671S  
Sd/-  
Jitendra Kumar Jain  
(Partner)  
M No.: 018398

Place: Secunderabad  
Date: 30-05-2013

**ANNEXURE TO AUDITOR'S REPORT**

**(Referred to in paragraph 1 of the Our Report of even date to the members of Gowra Leasing & Finance Limited on the accounts of the Company for the year ended 31<sup>st</sup> March, 2013)**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) The company has not disposed-off any fixed asset during the year.
2. There was no opening and 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 and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of Clauses iii(b), iii(c) and iii(d) of the order are not applicable to the Company.  
(b) According to the information and explanations given to us, the Company has taken loan from a party listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 2.00 lakhs and the year-end balance of loan taken from such party was ₹ Nil lakhs.  
(c) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions on which such loan has been taken are not prima facie prejudicial to the interest of the company.  
(d) In respect of loan taken by the company, the same was interest free and the principal amount has been repaid during the year.
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, for the purchase of fixed assets and payment for expenses & for sale of services.  
Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register maintained under that Section.  
(b) As per information & explanations given to us and in our opinion, the transactions entered into by the company with parties covered u/s 301 of the Act and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at the prices which appear reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposit from public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. Since the company is not a manufacturing company, it is not required to maintain any cost records and accordingly the provisions of paragraph 4(viii) of the order are 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<sup>st</sup> March, 2013 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 trading in shares, mutual fund and other investments. Proper records and timely entries have been made in this regard. The investments in marketable securities and mutual funds have been held by the company in its own name.
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  
FRN: 00671S  
Sd/-  
Jitendra Kumar Jain  
(Partner)  
M No.: 018398

Place: Secunderabad  
Date : 30-05-2013

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013**

Particulars	Note	31 March 2013	31 March 2012
		₹	₹
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholders' funds</u></b>			
Share Capital	2.1	30,003,000	30,003,000
Reserves and Surplus	2.2	82,342,069	84,130,052
<b><u>Non-Current Liabilities</u></b>			
Other Long Term Liabilities	2.3	2,914,050	2,914,050
Long Term provisions	2.4	180,050	141,396
<b><u>Current liabilities</u></b>			
Other Current Liabilities	2.5	272,812	122,170
Short Term provisions	2.6	3,965,206	6,639,655
<b>TOTAL</b>		<b>119,677,187</b>	<b>123,950,323</b>
<b><u>ASSETS</u></b>			
<b><u>Non-current assets</u></b>			
Fixed assets			
- Tangible assets	2.7	48,717,265	11,268,896
Non-Current investments	2.8	238,256	238,256
Deferred tax assets (net)	2.9	4,773,105	2,187,090
<b><u>Current assets</u></b>			
Trade receivables	2.10	48,784,409	102,753,261
Cash and cash equivalents	2.11	16,169,840	7,483,374
Short term loan and advances	2.12	994,312	19,446
<b>TOTAL</b>		<b>119,677,187</b>	<b>123,950,323</b>

Significant accounting policies & Notes to accounts

1 & 2

As per our report attached

for Dagliya & Co.  
Chartered Accountants  
(Firm's registration No. 671S)  
Sd/-  
Jitendra Kumar Jain  
Partner  
Membership No. 018398

For and on behalf of the Board of Directors

Sd/-  
(Gowra Srinivas)  
Managing Director

Sd/-  
(G.L.Prasad)  
Executive Director

Place: Secunderabad  
Date: 30-05-2013

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2013**

Particulars	Note	31 March 2013	31 March 2012
		₹	₹
<b>Revenue from operations</b>			
Interest	2.13	23,494,635	21,740,914
Other Income	2.14	255,848	141,788
<b>Total Revenue</b>		<b>23,750,483</b>	<b>21,882,702</b>
<b>Expenses</b>			
Employee benefits expense	2.15	2,373,294	2,180,465
Finance costs	2.16	17,064	655,506
Depreciation	2.7	80,656	79,996
Other expenses	2.17	18,693,037	5,719,624
<b>Total Expenses</b>		<b>21,164,051</b>	<b>8,635,591</b>
<b>Profit / (Loss) before tax</b>		<b>2,586,432</b>	<b>13,247,111</b>
<b>Tax Expense</b>			
1. Current tax	2.18	3,473,407	5,781,110
2. Deferred tax	2.9	(2,586,015)	(1,262,066)
<b>Profit / (Loss) for the period</b>		<b>1,699,040</b>	<b>8,728,067</b>
Earning per equity share		0.57	2.91
Number of shares used in computing earnings per share		3,000,300	3,000,300

Significant accounting policies & Notes to accounts 1 & 2

As per our report attached

**FOR DAGLIYA & CO.**  
Chartered Accountants  
(Firm's registration No. 671S)  
Sd/-  
Jitendra Kumar Jain  
Partner  
Membership No. 018398

For and on behalf of the Board of Directors

Sd/-  
(Gowra Srinivas)  
Managing Director

Sd/-  
(G.L.Prasad)  
Executive Director

Place: Secunderabad  
Date: 30-05-2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

(Amount in ₹)

S. No.	Particulars	AMOUNT 31-03-2013		AMOUNT 31-03-2012	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
1	Net Profit/(Loss) before Tax and Extraordinary Items		2,586,432		13,247,111
2	<u>Adjustments for:</u>				
	- NPA Provision (Decreased) / Increased	7,970,989		3,985,665	
	- Contingent Provisions against Standard Assets (Decreased) / Increased	(51,245)		(143,081)	
	- Depreciation	80,656		79,996	
	- Dividend received	10,218		(11,655)	
	- Gratuity Provision	38,654		37,789	
			8,049,271		3,948,714
	Operating Profit before Working Capital Changes		10,635,703		17,195,825
3	<u>Adjustments For</u>				
	- (Increase) / Decrease in Trade Receivable	45,997,863		17,375,928	
	- (Increase) / Decrease in Short term loans & advances	(974,866)		(2,500)	
	- (Increase) / Decrease in Other Current Assets	-		14,805	
	- Increase / (Decrease) in Other Current Liabilities	150,642	45,173,639	(347,972)	17,040,261
	Direct Taxes Paid (Net)		55,809,342		34,236,086
	<b>Net Cash from Operating Activities</b>		<b>49,712,731</b>		<b>30,748,151</b>
<b>B.</b>	<b><u>Cash Flow from Investing Activities</u></b>				
	Purchase of Fixed Assets	(37,529,025)		(5,800)	
	Dividends	(10,218)		11,655	
	(Increase) / Decrease in Non-Current Investments	-		-	
	<b>Net Cash from Investments Activities</b>		<b>(37,539,243)</b>		<b>5,855</b>
<b>C.</b>	<b><u>Cash Flow Financing Activities</u></b>				
	Borrowing/repayment of Long Term Borrowings	-		(19,427,740)	
	Dividend Paid	(3,000,300)		(4,200,420)	
	Dividend Tax Paid	(486,723)		(697,690)	
	<b>Net Cash from Financing Activities</b>		<b>(3,487,023)</b>		<b>(24,325,850)</b>
	Net Change in Cash & Cash Equivalent (A+B+C)		<b>8,686,466</b>		<b>(6,428,156)</b>
	Opening Cash and Bank Balance		7,483,374		1,055,218
	Closing Cash and Bank Balance		16,169,840		7,483,374
	Note: (i) Figures in brackets are outflows (ii) Previous Year's figures have been re-grouped wherever deemed necessary				

As per our Report of even date.

For DAGLIYA &amp; CO.

Chartered Accountants

(Firm's registration No. 671S)

Sd/-

(JITENDRA KUMAR JAIN)

(Partner)

M.No. 18398

Place: Secunderabad

Date : 30-05-2013

For and on behalf of the Board of Directors

Sd/-

(Gowra Srinivas)  
Managing Director

Sd/-

(G.L.Prasad)  
Executive Director

**NOTE 1: 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. (Updated vide RBI Cir.No.DNBS(PD)CC No.225/03.02.001/2011-12 dated 1-7-2011)

- c. During the year ended March 2013, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for presentation of its financial statements. The revised Schedule VI has a significant impact on the presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

**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.

- a. **Intangible Assets:** Intangible assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Intangible assets are amortised over their estimated useful lives subject to a maximum period of ten years on straight line basis, commencing from date the asset is available for its use.
- b. **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.

**iii. 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 Statement of Profit and Loss. 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.

**iv. Income Recognition**

- a. Interest is recognized when no significant uncertainty as to its realization exists.
- b. Income from services is recognized as they are rendered based on agreements/arrangements with concerned parties.
- c. Dividend Income on Investments is accounted for when the right to receive the income is established.

**v. 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 Statement of Profit & Loss 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.

**vi. 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.

**vii. 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.

**viii. 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.

## 2. Notes to and forming part of Accounts for the year ended 31/3/2013

### 2.1 a. Share Capital

Particulars	As at 31 March 2013	As at 31 March 2012
	₹	₹
<b><u>Authorised</u></b>		
<b>Equity shares</b>		
50,00,000 (previous year 50,00,000) of ₹ 10 each	50,000,000	50,000,000
	<b>50,000,000</b>	<b>50,000,000</b>
<b><u>Issued</u></b>		
<b>Equity shares</b>		
30,00,300 (previous year 30,00,300) of ₹ 10 each	30,003,000	30,003,000
	<b>30,003,000</b>	<b>30,003,000</b>
<b><u>Subscribed and fully Paid up</u></b>		
<b>Equity shares</b>		
30,00,300 (previous year 30,00,300) of ₹ 10 fully paid up	30,003,000	30,003,000
<b>Grand total</b>	<b>30,003,000</b>	<b>30,003,000</b>

### b. The reconciliation of the number of equity shares outstanding is set out below;

Particulars	As at 31 March 2013	As at 31 March 2012
	Number	Number
Shares outstanding at the beginning of the year	3,000,300	3,000,300
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	3,000,300	3,000,300

### c. The details of shareholders holding more than 5% equity shares is set below;

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gowra Petrochem Private Limited	547,900	18.26%	547,900	18.26%

Particulars	As at 31 March 2013	As at 31 March 2012
	₹	₹
<b>2.2 Reserves and Surplus</b>		
<b>1.General Reserve</b>		
Balance at the beginning of the accounting period	3,799,609	3,363,206
Add: Profit/ (Loss) for the year	-	436,403
Less: Amount utilised		-
Balance at the end of accounting period	3,799,609	3,799,609
<b>2.Statutory Reserve</b>		
Balance at the beginning of the accounting period	27,214,826	25,469,213
Add: Profit/ (Loss) for the year	339,808	1,745,613
Less: Amount utilised		-
Balance at the end of accounting period	27,554,634	27,214,826
<b>3.Surplus / (deficit) balance in the Statement of Profit and Loss</b>		
Balance at the beginning of the accounting period	53,115,617	50,056,589
Add: Profit/ (Loss) for the year	1,699,040	8,728,067
Less: Amount utilised		
- Dividend	3,000,300	3,000,300
- Dividend distribution tax	486,723	486,723
- Transfer to general reserve	-	436,403
- Transfer to statutory reserve	339,808	1,745,613
Balance at the end of accounting period	50,987,826	53,115,617
	82,342,069	84,130,052
<b>2.3 Long Term Borrowings</b>		
Rent deposit	54,000	54,000
Others	2,860,050	2,860,050
	<b>2,914,050</b>	<b>2,914,050</b>
<b>2.4 Long Term Provisions</b>		
Provision for gratuity	180,050	141,396
	<b>180,050</b>	<b>141,396</b>
<b>2.5 Other Current Liabilities</b>		
Statutory dues payable	45,349	71,921
Expenses payable	76,714	50,249
Other current liabilities	60,000	-
Book overdraft - State bank of India	90,749	-
	<b>272,812</b>	<b>122,170</b>
<b>2.6 Short Term Provisions</b>		
Contingent Provisions against Standard Assets	93,461	144,706
Current Year's Taxes Payable(net of Advance Tax)	-	2,623,221
Previous Year's Taxes Payable(net of Advance Tax)	384,722	384,705
Proposed Dividend	3,000,300	3,000,300
Provision for Dividend Tax	486,723	486,723
	<b>3,965,206</b>	<b>6,639,655</b>



GOWRA GROUP

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**GOWRA  
LEASING &  
FINANCE  
LIMITED**

**2.7 Fixed Assets**

Fixed Assets	Gross Block			Accumulated Depreciation			Net block	
	As at 1 April 2012	Additions	As at 31 March 2013	As at 1 April 2012	Depre- ciation charge for the year	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
	₹	₹	₹	₹	₹	₹	₹	₹
<b><u>Owned</u></b>								
<b><u>Tangible Assets</u></b>								
Land	10,209,175	30,000,000	40,209,175	-	-	-	40,209,175	10,209,175
Flat	1,094,741	-	1,094,741	218,169	17,844	236,013	858,728	876,572
Land and building	-	7,514,300	7,514,300	-	-	-	7,514,300	-
Furniture & Fixtures	602,680		602,680	539,486	38,150	577,636	25,044	63,194
Office Equipment	159,889		159,889	124,934	7,594	132,528	27,361	34,955
Computers	112,430	14,725	127,155	101,905	6,584	108,489	18,666	10,525
Two Wheeler	77,247		77,247	8,866	7,338	16,205	61,042	68,381
Printers	19,400		19,400	13,306	3,145	16,451	2,949	6,094
<b>A</b>	<b>12,275,562</b>	<b>37,529,025</b>	<b>49,804,587</b>	<b>1,006,666</b>	<b>80,656</b>	<b>1,087,322</b>	<b>48,717,265</b>	<b>11,268,896</b>
<b><u>Intangible Assets</u></b>								
Computer Software	87,750		87,750	87,750	-	87,750	-	-
<b>B</b>	<b>87,750</b>	<b>-</b>	<b>87,750</b>	<b>87,750</b>	<b>-</b>	<b>87,750</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B)</b>	<b>12,363,312</b>	<b>37,529,025</b>	<b>49,892,337</b>	<b>1,094,416</b>	<b>80,656</b>	<b>1,175,072</b>	<b>48,717,265</b>	<b>11,268,896</b>
<b>Previous Year</b>	<b>12,357,512</b>	<b>5,800</b>	<b>12,363,312</b>	<b>1,014,420</b>	<b>79,996</b>	<b>1,094,416</b>	<b>11,268,896</b>	

**2.8 Non Current Investments**

Particulars	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
<b>Quoted</b>		
Jaysynth Dyechem Ltd	13,500	13,500
100 Equity Shares of ₹ 10/- each fully paid up		
SIRIS Limited	27,500	27,500
100 Equity Shares of ₹ 10/- each fully paid up		
Jayaswals Neco Limited	16,000	16,000
200 Equity Shares of ₹ 10/- each fully paid up		
Finolex Industries Limited	11,616	11,616
300 Equity Shares of ₹ 10/- each fully paid up		
Glenmark Pharmaceuticals Limited	20,000	20,000
1000 Equity Shares of ₹ 1/- each fully paid up		
Pertech Computer Limited	2,810	2,810
100 Equity Shares of ₹ 10/- each fully paid up		
Jolly Rides Limited	10,490	10,490
99,90 Equity Shares of ₹ 10/- each fully paid up		
Andhra Bank Limited	95,850	95,850
1065 Equity Shares of ₹ 10/- each fully paid up		
Entertainment Network India Limited	6,480	6,480
40 Equity Shares of ₹ 10/- each fully paid up		
	204,246	204,246
Less: Provision for diminution in value of investments	35,990	35,990
(Aggregate market value ₹ 4.80 lakhs (p.y ₹ 4.70 lakhs))	168,256	168,256
<b>Unquoted</b>		
DHFL Vysya Bank Housing Fin. Limited	70,000	70,000
2000 Equity Shares of ₹ 10/- each fully paid up		
	<b>238,256</b>	<b>238,256</b>



GOWRA GROUP

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<b>GOWRA</b>
<b>LEASING &amp;</b>
<b>FINANCE</b>
<b>LIMITED</b>

**2.9 Deferred Tax Assets (Net)**

Deferred tax assets relating to -		
- Fixed assets	210,530	206,617
- Provision for gratuity	59,763	47,222
- Provision for Non- Performing assets	4,470,258	1,884,071
- Contingent provision on standard assets	32,554	49,180
	<b>4,773,105</b>	<b>2,187,090</b>
<b>2.10 Trade Receivables</b>		
a) Outstanding for more than six months (Unsecured and considered doubtful)	12,116,735	760,081
b) Outstanding for more than six months (Secured and considered doubtful) Less: Provision for Doubtful debts	3,000,000	
	12,716,735	760,081
	2,400,000	-
c) Outstanding for more than six months (Unsecured and considered Sub-standard)	10,000,000	8,056,654
d) Outstanding for more than six months (Secured and considered Sub-standard)	-	41,800,000
e) Other Debts (Unsecured and Considered Good)	11,346,943	18,181,928
f) Other Debts (Secured and Considered Good)	26,037,466	39,700,344
	49,784,409	107,738,926
Less : Provision for non-performing assets and doubtful debts	1,000,000	4,985,665
	<b>48,784,409</b>	<b>102,753,261</b>
<b>2.11 Cash and cash equivalents</b>		
Cash on hand	26,263	59,046
Balance with banks	10,673	1,866,463
Fixed deposits with banks	16,132,904	5,557,865
	<b>16,169,840</b>	<b>7,483,374</b>
<b>2.12 Short term loan and advances</b> (Unsecured and considered good)		
Staff advances	39,000	15,500
Advance tax (Net of provision)	888,465	
Income tax receivable (2011-12)	66,600	
Other advances	247	-
Prepaid expenses	-	3,946
	<b>994,312</b>	<b>19,446</b>
<b>2.13 Revenue from Operations</b>		
Interest income	22,306,257	21,560,451
Interest from FDR	1,188,378	180,463
	<b>23,494,635</b>	<b>21,740,914</b>
<b>2.14 Other Income</b>		
Dividend Income	10,217	11,655
Cheque Return Charges	500	1,000
Miscellaneous Receipts	45,381	1,283
Processing Charges	85,000	18,500
Rent Received	114,750	109,350
	<b>255,848</b>	<b>141,788</b>
<b>2.15 Employee benefits expense</b>		
Salaries & Allowances	1,452,700	1,245,200
Contribution to Provident Fund	53,478	51,460
Staff Welfare Expenses	10,362	28,806



GOWRA GROUP

(28)



Professional Tax	8,750	7,860
Gratuity	38,654	37,789
Directors Remuneration	678,000	678,000
Exgratia	131,350	131,350
	<b>2,373,294</b>	<b>2,180,465</b>
<b>2.16 Finance Cost</b>		
Interest	-	637,808
Bank charges	17,064	17,698
	<b>17,064</b>	<b>655,506</b>
<b>2.17 Other expenses</b>		
Advertisement Expenses	95,344	61,515
Auditor's Remuneration	58,427	41,363
Directors Sitting Fees	112,500	105,000
Legal & Professional Charges	105,938	193,540
Bad debts written off	8,700,000	-
Miscellaneous Expenses	121,314	205,547
Postage, Telephones & Internet Charges	100,257	99,675
Printing & Stationery	44,462	51,468
Provision for Non-Performing Assets and Doubtful Debts	7,970,989	3,985,665
Contingent provision for standard assets	(51,245)	(143,081)
Rates & Taxes	257,662	123,478
Rent	424,608	385,968
Repairs & Maintenance (Building)	84,940	200,124
Service Tax	19,529	14,143
Subscription	17,982	17,236
Travelling & Conveyance Expenses	607,457	355,029
Vehicle Maintenance	22,873	22,954
	<b>18,693,037</b>	<b>5,719,624</b>
<b>2.18 Current Tax</b>		
Provision for tax	3,473,407	5,781,162
Tax of previous year (FY 2010-11)	-	(52)
	<b>3,473,407</b>	<b>5,781,110</b>

**Notes to and forming part of accounts for the year ended 31-03-2013**

**2.19 Contingent liabilities not provided for: Nil (p.y nil)**

**2.20 Break up of Auditor's Remuneration**

	<u>For the year</u> <u>Ended 31.03.2013</u>	<u>For the year</u> <u>Ended 31.03.2012</u>
1. Audit Fee	39326.00	33090.00
2. Tax Audit Fees	<u>19101.00</u>	<u>8273.00</u>
	<u>58427.00</u>	<u>41363.00</u>

**2.21** Legal and professional charges include a sum of ₹ 26,614 (p.y. ₹ 16,545) paid to statutory auditors for advising on income tax matters.

**2.22 Directors' Remuneration:**

	<u>For the year</u> <u>Ended 31.03.2013</u>	<u>For the year</u> <u>Ended 31.03.2012</u>
1. Remuneration to Managing Director	3,84,000.00	3,84,000.00
2. Remuneration to Whole time Director	<u>2,94,000.00</u>	<u>2,94,000.00</u>
	<u>6,78,000.00</u>	<u>6,78,000.00</u>
3. Directors' Sitting Fee	<u>1,12,500.00</u>	<u>1,05,000.00</u>

**2.23** 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.

**2.24 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 Vaishnavi Corporation  |
| b. Key Management Personnel              | : | 1. Mr. G.Srinivas – Managing Director<br>2. Mr. G.L.Prasad – Executive Director                                     |
| c. Relatives of key Management Personnel | : | 1. Mr. G.Laxminarayana<br>2. Smt G.S.Sabitha<br>3. Mr. G Suryaprakash<br>4. Mr. G L Subbaram<br>5. Smt G L Ramadevi |

2. Related Party Transactions:

(Amount in ₹)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
<b>Rent Paid</b>				
- Mr. G Srinivas		1,06,152 (96,492)		1,06,152 (96,492)
- Smt G L Ramadevi			1,06,152 (96,492)	1,06,152 (96,492)
- Mr. G L Subbaram			1,06,152 (96,492)	1,06,152 (96,492)
- Smt G S Sabitha			1,06,152 (96,492)	1,06,152 (96,492)
<b>Total</b>	-	<b>1,06,152</b> <b>(96,492)</b>	<b>3,18,456</b> <b>(2,89,476)</b>	<b>4,24,608</b> <b>(3,85,968)</b>
<b>Remuneration paid to Directors</b>				
- Mr. G Srinivas		3,84,000 (3,84,000)	-	3,84,000 (3,84,000)
- Mr. G.L.Prasad		2,94,000 (2,94,000)		2,94,000 (2,94,000)
<b>Total</b>	-	<b>6,78,000</b> <b>(6,78,000)</b>	-	<b>6,78,000</b> <b>(6,78,000)</b>
<b>Director's Sitting Fees</b>				
- Mr. G.Laxminarayana			10,000 (12,500)	10,000 (12,500)
- Mr. G Suryaprakash			17,500 (22,500)	17,500 (22,500)
<b>Total</b>	-	-	<b>27,500</b> <b>(35,000)</b>	<b>27,500</b> <b>(35,000)</b>
<b>Interest Paid</b>				
- Mr. G.Laxminarayana			- (3,892)	- (3,892)
- Mr. G Srinivas		- (6,33,872)		- (6,33,872)
<b>Total</b>	-	-	<b>(3,892)</b>	<b>(6,37,764)</b>
<b>Loan taken</b>				
- Mr. G Srinivas		2,00,000 (16,50,000)	-	2,00,000 (16,50,000)
<b>Total</b>	-	<b>2,00,000</b> <b>(16,50,000)</b>	-	<b>2,00,000</b> <b>(16,50,000)</b>

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
<b>Loan repaid</b>				
- Mr. G Lakshminarayana			- (6,11,712)	- (6,11,712)
- Mr. G Srinivas		2,00,000 (2,04,66,028)	- -	2,00,000 (2,04,66,028)
<b>Total</b>	- -	<b>2,00,000</b> <b>(2,04,66,028)</b>	- <b>(6,11,712)</b>	<b>2,00,000</b> <b>(2,10,77,740)</b>
<b>Maximum balance</b>				
- Mr. G.Laxminarayana		-	- (6,11,712)	- (6,11,712)
- Mr. G Srinivas		2,00,000 (1,88,16,028)	- -	2,00,000 (1,88,16,028)
<b>Total</b>	- -	<b>2,00,000</b> <b>(1,88,16,028)</b>	- <b>(6,11,712)</b>	<b>2,00,000</b> <b>(1,94,27,740)</b>
Repair & Maintenance (Building)- Paid to Vaishnavi Corporation	84,940 (2,00,124)	- (-)	- (-)	84,940 (2,00,124)

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

- 2.25 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.
- 2.26 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.
- 2.27 Balances under the head Debtors, Loans & Advances and other liabilities are subject to confirmation from the respective parties.
- 2.28 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 year ending 31<sup>st</sup> March, 2013.
- 2.29 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.
- 2.30 Previous year figures have been regrouped/ recasted/ reclassified/ rearranged wherever deemed necessary to conform with current year's classification.
- 2.31 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.

2.32	Expenditure in Foreign Currency	<u>2012-13</u> Nil	<u>2011-12</u> Nil
2.33	Earnings in Foreign Exchange -FOB Value of Exports	-	-

"As per our Report of even dated attached"

For DAGLIYA & CO  
Chartered Accountants,  
Firm's registration No.00671S  
Sd/-  
(JITENDRA KUMAR JAIN)  
Partner  
M.No.18398  
Place : Secunderabad  
Date : 30-05-2013

For and on Behalf of the Board of Directors

Sd/-  
(GOWRA SRINIVAS)  
Managing Director

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

**SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY**

(As required in terms of Paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007)

(₹ in lakhs)

	Particulars	Amount Outstanding (₹)	Amount Overdue (₹)
<b>Liabilities Side</b>			
<b>(1)</b>	<b>Loans and advances availed by the Non-banking financial Company inclusive of interest accrued thereon but not paid :-</b>		
(a)	Debentures :		
	Secured	Nil	Nil
	Unsecured (other than falling within the meaning of public deposit*)	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)	Other Loans (Specify Nature)	Nil	Nil

\* Please see Note 1 below

	Assets Side :	Amount Outstanding (₹)
<b>(2)</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>	
(a)	Secured	290.37
(b)	Unsecured	334.64
<b>(3)</b>	<b>Break up of Leased Assets and Stock on hire and other assets counting towards AFC 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)	Other Loans counting towards AFC activities	
(a)	Loans where assets have been repossessed	Nil
(b)	Loans other than (a) above	Nil
<b>(4)</b>	<b>Break-Up of Investments</b>	
Current Investments:		
1.	Quoted :	
(i)	Shares:	
	(a) Equity	Nil
	(b) Preference	Nil
(ii)	Debentures and Bonds	Nil
(iii)	Units of mutual funds	Nil
(iv)	Government Securities	Nil
(v)	Other (Please specify)	Nil
2.	Unquoted :	
(i)	Shares :	
	(a) Equity	Nil
	(b) Preference	Nil
(ii)	Debentures and Bonds	Nil
(iii)	Units of mutual funds	Nil
(iv)	Government Securities	Nil
(v)	Other (Please specify)	Nil
Loan Term Investments		
1.	Quoted :	
(i)	Shares:	
	(a) Equity	1.68
	(b) Preference	Nil
(ii)	Debentures and Bonds	Nil
(iii)	Units of mutual funds	Nil
(iv)	Government Securities	Nil
(v)	Other (Please specify)	Nil
2.	Unquoted :	
(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)	Other (Please specify)	Nil





GOWRA GROUP

(32)



<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above :</b> Please see Note 2 below				
Category		Amount net of provisions (₹)		
		Secured (₹)	Unsecured (₹)	Total (₹)
1.	Related Parties **	Nil	Nil	Nil
(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	290.37	334.64	Nil
<b>Total</b>		<b>290.37</b>	<b>334.64</b>	<b>Nil</b>

  

<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b> Please see Note 3 below			
Category		Market Value / Break up or fair value or 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	Nil	Nil
2.	Other than related parties	4.80	2.38
<b>Total</b>		<b>4.80</b>	<b>2.38</b>

\*\* As per Accounting Standard of ICAI (Please see Note 3)

**(7) Other Information**

Particulars		Amount (₹)
(i)	Gross Non-Performing Assets	
(a)	Related parties	Nil
(b)	Other than related parties	251.16
(ii)	Net Non-Performing Assets	
(a)	Related parties	Nil
(b)	Other than related parties	114.00
(iii)	Assets acquired in satisfaction of debt	375.14

**Notes:**

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1988.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

For and on behalf of the Board of Directors

Sd/-  
(GOWRA SRINIVAS)  
Managing Director

Place : Secunderabad  
Date : 30-05-2013

\*\*\*\*\*

**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow Statement of M/s. Gowra Leasing & Finance Limited for the year ended 31<sup>st</sup> March, 2013. 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 Statement of Profit & Loss and Balance Sheet of the Company, covered by our Report dated 30-05-2013 to the members of the Company.

for DAGLIYA & CO.  
Chartered Accountants  
Sd/-  
(Jitendra Kumar Jain)  
Partner  
M.No.18398

Place: Secunderabad  
Date: 30-5-2013



**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 20<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 30<sup>th</sup> September, 2013, at 11 a.m. and at any adjournment thereof.

Ledger Folio/ DP & Client ID No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Affix ₹1/-  
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.

**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 20<sup>th</sup> Annual General Meeting of the Company held at Hotel Jaya Excellency, Beside ICICI Bank, Near Airport, Begumpet, Hyderabad-500016 on Monday the 30<sup>th</sup> day of September, 2013 at 11 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)