



**GOWRA
LEASING &
FINANCE
LIMITED**

21st Annual Report

2013 - 2014



GOWRA GROUP



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

REGISTERED OFFICE

No.501, 5th Floor, Gowra Grand, Behind Gowra Plaza,
1-8-384 & 385, S.P.Road, Begumpet, Secunderabad – 500003
(CIN : L65910TG1993PLC015349)

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
2nd 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 21st Annual General Meeting of the Members of **GOWRA LEASING & FINANCE LIMITED**, will be held on Saturday, the 27th day of September, 2014 at 11.30.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 31st March 2014 and the Statement of Profit & Loss for the year ended 31st March 2014 along with the Notes and other statements and Auditor's Report and Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2014
3. To appoint a Director in place of Gowra Lakshminarayana, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. Dagliya & Co., Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS :**5. To consider and, if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution :**

"RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (the 'Act') read with Companies (Appointment and qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mr. D.Suresh** (DIN 00268394), Non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director on the Board of Directors of the Company to hold office for **3(Three)** consecutive years with effect from **27th September, 2014** who shall not be liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution :

"RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (the 'Act') read with Companies (Appointment and qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mr. Tilak Shankar** (DIN 02560552), Non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director on the Board of Directors of the Company to hold office for **3(Three)** consecutive years with effect from **27th September, 2014** who shall not be liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution :

"RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (the 'Act') read with Companies (Appointment and qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mr. T.G.Surendranath** (DIN 00287158), Non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director on the Board of Directors of the Company to hold office for **3(Three)** consecutive years with effect from **27th September, 2014** who shall not be liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution :

"RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (the 'Act') read with Companies (Appointment and qualification of Directors) Rules, 2014 along with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mr. J.A.Mohan Kumar** (DIN 00367001), Non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director on the Board of Directors of the Company to hold office for **3(Three)** consecutive years with effect from **27th September, 2014** who shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained



from the Company's Bankers in the ordinary course of business, shall not be in excess of **Rs.10.00 Crores** (Rupees Ten Crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

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

"RESOLVED THAT pursuant to Section 180(1) (a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to authorize the Board to mortgage and /or create charge to the extent of new Borrowing limits of the Board of Directors, of all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertakings of the Company to or in favour of any Financial Institutions, Banks, NBFCs or any other Agencies to secure the term loans and / or other financial assistance that has been or may in future be granted by them to the Company from time to time for an amount not exceeding **Rs.10.00 Crores** (Rupees Ten Crores only)."

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

Place : Secunderabad
Dated : 08-08-2014

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.**
- The Register of Members and Share Transfer Books of the Company will remain closed from 19-09-2014 to 27-09-2014 (both days inclusive).
- 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.
- 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.
- 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 & Transfer Agent of the Company.
- 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.
- Members/Beneficial Owners/Proxies should bring the attendance slips duly filled in for attending the meeting.
- Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, Dividend for the financial year ended 2006-2007 and thereafter, which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 (c) of the Companies Act, 1956.

Information in respect of the 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
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
2012-2013	30-09-2013	29-09-2020	30-10-2020



The members who have not encashed the Dividend Warrants so far for the financial year ended 31-03-2007 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.

VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the company is pleased to provide Members' facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Karvy Computershare Private Limited (KARVY).

It may be noted that using of this e-voting facility is optional.

INSTRUCTION FOR E-VOTING

1. To use the following URL for e-voting:
2. From Karvy website : <http://evoting.karvy.com>
3. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.
4. Enter the login credentials [i.e., user id and password mentioned in the Notice of the AGM]. Your Folio No/DP ID Client ID will be your user ID.
5. After entering the details appropriately, click on LOGIN.
6. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
7. You need to login again with the new credentials.
8. On successful login, the system will prompt you to select the EVENT i.e., Gowra Leasing & Finance Limited.
9. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
10. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folios / demat account.
11. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
12. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
13. The Portal will be open for voting from: 10.00.A.M. on 20th September, 2014 to 6 P.M. on 22nd September, 2014.

The Company has appointed Mrs.V.Radhika, Practicing Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of e-voting period, submit her report of the votes cast in favour or against, if any, to the Chairman of the Company. The result of the same will be disclosed at the AGM proceedings.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Karvy Computershare Pvt.Ltd. at Tel No. 1800 345 4001 (toll free).

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

Place : Secunderabad
Dated : 08-08-2014

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

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

Item No.5 to Item No.8 :

Mr. D.Suresh, Mr. Tilak Shankar, Mr. T.G.Surendranath and Mr. J.A.Mohan Kumar were earlier appointed as Director liable to retire by rotation under erstwhile Companies Act, 1956 and holds office as Independent Director of the Company under clause 49 of the listing agreement with stock exchange.

However, pursuant to section 149 and other applicable provisions of the Companies Act, 2013, the office of the Independent Directors shall not be liable to determination by retirement of Directors by rotation. In view of the same, the Board at its meeting held on 08-08-2014 had recommended to the members continuation and the appointment of Mr. D.Suresh, Mr. Tilak Shankar, Mr. T.G.Surendranath and Mr. J.A.Mohan Kumar as Independent Directors under section 149,150,151 and 152 and Clause 49 of the listing agreement to hold office for 3 consecutive years with effect from 27-09-2014 and they shall not be liable to retire by rotation.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each Mr. D.Suresh, Mr. Tilak Shankar, Mr. T.G.Surendranath and Mr. J.A.Mohan Kumar for the office of Directors of the Company.

The Company has also received declarations from Mr. D.Suresh, Mr. Tilak Shankar, Mr. T.G.Surendranath and Mr. J.A.Mohan Kumar stating that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49.

The Board of Directors of your Company, after reviewing the declarations submitted by the above Independent Directors, is of the opinion that the said Directors meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 and the rules made thereunder and also meet with the requirements of Clause 49 of listing agreements for being Independent Directors on the Board of the Company and are also independent of the management.

The Board also considers that continued association of each of the said Independent Directors would be of immense benefit to the Company in view of their qualification, expertise and experience in their respective field as also exposure to the corporate culture and governance, and it is therefore desirable to continue to avail services of each one of them as Independent Directors. The details of their qualification, experience and expertise are given at the end of the explanatory statement as additional information of Directors pursuant to clause-49 of the listing agreement.

Copy of the draft letters for respective appointments of Mr. D.Suresh, Mr. Tilak Shankar, Mr. T.G.Surendranath and Mr. J.A.Mohan Kumar as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.

Mr. D.Suresh, Mr. Tilak Shankar, Mr. T.G.Surendranath and Mr. J.A.Mohan Kumar are interested in the resolutions set out respectively at Item No. 5 to 8 of the Notice with regard to their respective appointments.

Save and except the above, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in these resolutions.

The Board commends the Resolutions set out at Item Nos. 5 to 8 of the Notice for approval by the shareholders.

Item No.9:

The Board at their Board Meeting held on 19th March, 2008 approved by way of Board Resolution under Section 293(1) (d) of the Companies Act, 1956, authorising the Board to borrow over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.600.00 Lakhs (Rupees Six Hundred Lakhs).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 9 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approvals of members is being sought to borrow money upto **Rs.10.00 Crores** (Rupees Ten Crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9 except to the extent of shares held by them in the Company.

The Board commends the Resolution set out at Item Nos. 9 of the Notice for approval by the shareholders.

Item No.10:

The members of the Company at their Extra-ordinary General Meeting held on 29th September, 2007 approved by way of an Ordinary Resolution under Section 293(1) (a) of the Companies Act, 1956 authorising the Board to create charge on the immovable and movable property of the Company. The consent of the members was accorded authorising the Board to mortgage and /or create charge to the extent of



new Borrowing limits of the Board of Directors, of all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertakings of the Company to or in favour of any Financial Institutions, Banks or Agencies to secure the term loan and other financial assistance that has been or may in future be granted by them to the Company from time to time

Section 180(1)(a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, except with the consent of the Company accorded by way of a special resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 9 of the Notice, to enable to the Board of Directors to mortgage and /or create charge to the extent of new Borrowing limits of the Board of Directors, of all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertakings of the company to or in favour of any Financial Institutions, Banks, NBFCs or Agencies to secure the term loan and other financial assistance that has been or may in future be granted by them to the Company from time to time for an amount not exceeding **Rs.10.00 Crores** (Rupees Ten Crores only).

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10 except to the extent of shares held by them in the Company.

The Board commends the Resolution set out at Item Nos. 10 of the Notice for approval by the shareholders.

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

Name	MR. GOWRA LAKSHMINARAYANA
Date of Birth	24-02-1947
Date of Appointment	09-02-1993
Qualification	B.Sc.
Directorship held in other Companies	Gowra Petrochem Pvt.Ltd., Gowra Infradevelopers Pvt.Ltd., Gowra Infraprojects Pvt.Ltd., Sumeru Seeds Pvt. Ltd., Gowra Aerospace Technologies Pvt. Ltd. Amar Bio Organics (India) Pvt. Ltd.
Membership/Chairmanships of Committees across public Companies	Nil.
Brief Profile covering experience, achievements etc.	Mr. Gowra Lakshminarayana aged about 67 years having 42 years of experience in Yarn, Dyes, Chemicals and Finance business.
Shares held in the Company	1,01,100 Equity Shares

Name	MR. DWARAKADAS SURESH
Date of Birth	15-07-1944
Date of Appointment	31-07-2002
Qualification	Dip.in Business Admn., IIM, Ahmedabad & B.Tech (Mech), IIT, Chennai
Directorship held in other Companies	Gowra Engineering Technologies Pvt.Ltd.
Membership/Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	Mr. Dwarakadas Suresh is an Independent Director having extensive experience in Auto Ancillaries, Textile and Software industries and held Senior position in various companies.
Shares held in the Company	Nil



GOWRA GROUP

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

Name	Dr. T.G.Surendranath
Date of Birth	22-05-1952
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"> • Post Doctoral Fellow for three years -Published 10 scientific papers in Indian and International Journals. • Uniloyds – R & D Manager for 4 years • Almelo Laboratories Ltd.,, as Director- developed and implemented various new products including drugs, intermediates, dyes and dye intermediates in the plant. • Satwik Drugs – In charge R & D • Gromor Chemicals Pvt. Ltd – Vice-President. • Hygro Chemicals Pvt. Ltd - responsible for the erection and renovation of the factory and implementing the facilities for antibiotic drugs.
Shares held in the Company	500

Name	MR. J.A. MOHAN KUMAR
Date of Birth	22-05-1952
Date of Appointment	11-08-2012
Qualification	B.Com. ACA
Directorship held in other Companies	Nil
Membership/Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	After completing Chartered Accountancy in 1977, Joined ING Vysya Bank Ltd. Worked both on field & Corporate office for 35 years on filed lead zones & various regions at corporate office lead the challenging assignments at national levels in business wings like business banking (SME) & social banking, personal financial services, consumer banking, retail banking, credit monitoring & control, human relations, Liabilities (Deposits) product and policies, charge management head for migration from traditional Banking to core banking solutions O&M etc.. Retired in May 2012.
Shares held in the Company	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS :

The summarized Financial Results of the Company are given hereunder:

(Rs. in Lakhs)

Particulars	FY 2013-14	FY 2012-13
Total Income	140.10	237.50
Operating Profit before interest, Depreciation & Tax	59.42	26.84
Interest and other Financial charges	0.29	0.17
Depreciation	0.47	0.81
Net Profit before Tax	58.66	25.86
Provision for Income Tax & FBT	28.97	34.83
Provision for Deferred Tax	(-10.36)	(-25.86)
Net Profit after Tax	40.05	16.89
Add : Balance brought forward from previous year	509.80	531.16
Profit available for appropriation	549.80	548.05
Proposed Dividend	30.00	30.00
Corporate Tax on Dividend	5.10	4.87
Balance to be carried forward	514.76	513.18

OPERATIONS AND BUSINESS OUTLOOK :

During the year under review, the Company recorded a total income of Rs. 140.10 lakhs and a net profit of Rs.40.05 lakhs against income of Rs.237.50 lakhs and a net profit of Rs.16.89 lakhs in the previous year. The increase in net profit is mainly due to recovery of NPAs and lesser provision of NPA during the year. However your Company is still adopting a very cautious approach towards its business in view of the risk involved in business and probable NPAs. .

DIVIDEND :

During the year under review, your Directors recommended a Dividend @ 10% amounting to Rs.30,00,300/- for the year ended 31st March, 2014. This will entail an outflow of Rs.35,10,201/- (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 :

Mr. D.Suresh, Mr. Tilak Shankar, Dr.T.G.Surendranath and Mr. J.A.Mohan Kumar, Independent Directors of the company need to be appointed afresh as per the provisions of the Companies Act, 2013. All the above Independent Directors meet the criteria of Independence as per sub-section 6 of the section 149 of the Companies Act, 2013. The Board considers that continued association of each of the said Independent Directors would be of immense benefit to the Company in view of their qualification, expertise and experience in their respective field. The Board therefore recommends their appointments to the members at the ensuing Annual General Meeting.

Mr.Gowra Lakshminarayana will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself 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 for the year 2014-2015.

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 31st March, 2014, 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 2014 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.

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.

DECLARATION FOR 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 2013-2014 is annexed and forms part of the Corporate Governance Report.

APPOINTMENT OF KEY MANAGERIAL PERSONNEL (KMP) :

Mr. A.V.Rama Krishna Rao General Manager-Finance who is in-charge of finance and accounts has been appointed as the Chief Financial Officer (CFO) of the company. He is well versed with the financial and banking matters and possesses adequate experience in these areas.

CONSTITUTION & RECONSTITUTION OF COMMITTEES :

The company has constituted Stakeholders Relationship Committee and reconstituted Audit committee, Nomination & Remuneration Committee, Share Transfer Committee as per the provisions of the Companies Act, 2013 and revised Clause-49 of the listing Agreement.

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 31st March, 2014 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 BSE.

CONSERVATION OF ENERGY, FOREIGN EXCHANGE ETC. :

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

PERSONNEL :

None of the employees are drawing Rs.5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence the information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 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

Sd/-
(D.SURESH)
Chairman

Place : Secunderabad
Dated : 08-08-2014

**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

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

2. BOARD OF DIRECTORS

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

The composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors meets with the requirements of Code of Corporate Governance. As on 31st March, 2014, 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 1/3rd of the Board should consists of independent, if the Chairman of the Board is an Independent Chairman.

a) Board Meetings :

During the financial year 2013-14, Five (5) meetings of the Board of Directors were held on 30th May, 2013, 9th August, 2013, 30th September, 2013, 5th November, 2013 and 14th February, 2014. 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	3	Yes	-	-	1
Mr. Gowra Srinivas	Executive	5	5	Yes	-	-	16
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	2	Yes	-	-	2
Dr. T.G.Surendranath	Non-Executive & Independent	5	5	Yes	-	-	1
Mr. J.A.Mohan Kumar	Non-Executive & Independent	5	5	Yes	-	-	-

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 Exchanges, the Managing Director and Whole-time Director have certified to the Board the financial statements for the year ended 31st March, 2014.

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 31st March, 2003 and was lastly reconstituted on 11th 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 31st March, 2014, 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 2013-2014 on 30th May, 2013, 9th August, 2013, 5th November, 2013 and 14th February, 2014. 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	1
2.	Mr. D.Suresh	4	2
3.	Dr. T.G.Surendra Nath	4	4
4.	Mr. Gowra Surya Prakash	4	3
5.	Mr. J.A.Mohan Kumar	4	4

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 15th June, 2006 and was lastly reconstituted on 11th August, 2010, consequent upon the change in the Board of Directors.

Composition, Name of Members and Chairman :

As on 31st March, 2014, 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 2013-2014.

Remuneration Policy and Details of Remuneration :

The Managing/Executive Directors are paid remuneration approved by the Board of Directors. In the Board Meeting, the remuneration (subject to the subsequent approval by the shareholders at the general body meeting and such other authorities as the case may be) is fixed by the Remuneration Committee. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the corporate world, financial position of the Company etc. The remuneration structure comprises of Basic Salary, perquisites and allowances, Contribution to Provident Fund and other funds in accordance with the Provisions of the Companies Act, 1956. The Non-Executive Director do not draw any remuneration from the Company except sitting fees for each meeting of the Board attended by them. The details of remuneration/sitting fees paid to the Executive Directors and Non Executive Directors for the year 2013-2014 are give below :

(Amount in Rs.)

Sl. No.	Name of Director	Salary	Perquisites & Other benefits	Performance Bonus/ Commission	Sitting Fee	Total
1.	Mr. Gowra Srinivas	384,000	-	-	-	384,000
2.	Mr. Gowra L.Prasad	294,000	-	-	-	294,000
3.	Mr. D.Suresh	-	-	-	12,500	12,500
4.	Mr. T.Shankar	-	-	-	7,500	7,500
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	-	-	-	22,500	22,500

C) Shareholders/Investors Grievance Committee:

The Board re-constituted the Shareholders/Investors Grievance Committee on 14th February, 2014. 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

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, NECS mandates, e-mail ID registration, revalidation of dividend warrants, split, consolidation, demat/remat of share certificate(s), 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 year 2013-14. There were no transfers and complaints pending/unattended as on 31st March, 2014.

As on 31st March, 2014, 18,44,931 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
2012-2013	AGM	Hotel Jaya Excellency, Beside ICICI Bank, Near Airport, Begumpet, Hyderabad-500016.	30-09-2013	11.00 a.m.
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.

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 The Financial Express and Praja Shakti in English and Telugu respectively. The same were sent to the Bombay Stock Exchange (BSE) and posted on the Company's website.

The Company has 1525 shareholders as on 31st March, 2014. 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) 21st Annual General Meeting

Date, Time and Venue : 27th September, 2014 at 11.30 a.m.
Hotel Jaya Excellency, Beside ICICI Bank,
Near Airport, Begumpet, Hyderabad-500016

b) Financial Year : 1st April, 2013 to 31st March, 2014

c) Date of Book Closure : 19th September, 2014 to 27th September, 2014

d) Dividend Payment date : Within 30 days of declaration of dividend

e) Financial Calendar : For the year 2014-15 the indicative dates of announcement of financial results are as under :

Quarter ended June, 2014	On or before August 14, 2014
Quarter ended September, 2014	On or before November 14, 2014
Quarter ended December, 2014	On or before February 14, 2015
Audited Results for the year ended March, 2015	On or before May 31, 2015

f) Listing on Stock Exchange :

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

The Company has paid listing fees to BSE for the year 2014-15.

g) ISI Number for NSDL & CDSL : **INE225G01012**

h) Depositories : **National Securities Depository Ltd.,**
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai-400013.

Central Depository Services (India) Ltd.,
Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street,
Mumbai-400023.

i) Market Price Data :

The details of trading at Bombay Stock Exchange Limited for the period from 1st April, 2013 to 31st March, 2014 as follows :

Month	High (Rs.)	Low (Rs.)	No. of Shares
January, 2014	15.00	12.60	7663
February, 2014	13.33	11.98	2560
March, 2014	15.00	12.36	776

April, 2013 to December, 2013 High and Low data is not available on BSE website, hence the same is not provided here.

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 : chandrashakar.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 Agents 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 31st March, 2014.

Share or Debentures Holding of nominal value of	Share/Debentures Holders		Share/Debenture Amount	
	Number	% of Total	In Rs.	% of Total
Upto - 5000	922	60.46	274150	9.14
5001 - 10000	335	21.97	3027320	10.09
10001 - 20000	122	8.00	1888500	6.29
20001 - 30000	63	4.13	1521720	5.07
30001 - 40000	14	0.92	502460	1.69
40001 - 50000	16	1.05	720000	2.40
50001 - 100000	21	1.38	1637830	5.46
100001 and above	32	2.10	17960120	59.86
Total	1525	100.00	3,00,03,000	100.00

m) Shareholding Pattern as on 31st March, 2014

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	7,552	0.25
5.	Public	11,67,519	38.91
6.	NRIs/OCBs	17,845	0.59
7.	HUF	10673	0.36
	TOTAL	30,00,300	100.00

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 31st March, 2014, 18,44,931 Shares (61.49%) has been dematerialized with NSDL and 1,35,254 shares (4.51%) 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 2013-14, 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.: 501, 5th 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 contains comprehensive information about the Company and investor relations. The website provides all key information like Board of Directors, Financial Results, Annual Reports, Shareholding Pattern, Dividends, Fair Practices Code, Code of Conduct, Board Meetings, Investors' Desk, Forms for Mandate for NECS, Registration of e-mail ID, updation of address, details of Unpaid/unclaimed dividend, etc.

**COMPLIANCE CERTIFICATE**C I N : L65910TG1993PLC015349Nominal Capital : Rs.5,00,00,000/-Paid-up Capital : Rs.3,00,03,000/-

To
The Members,
GOWRA LEASING & FINANCE LIMITED,
Regd.Off. : 501, 5th 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 Companies Act, 2013 to the extent applicable (the Act) 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, 2014. 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, comments are not applicable.
4. The Board of Directors duly met Five times on 30th May, 2013, 9th August, 2013, 30th September, 2013, 5th November, 2013 and 14th February, 2014 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 25-09-2013 to 30-09-2013 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 30th September, 2013 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 185 of the Companies Act, 2013.
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 Company has not issued any duplicate share certificates during the financial year.
13. The Company :
 - i) has delivered all the certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
 - ii) has deposited the amount of dividend in a separate bank account which is within five days from the date of declaration of such dividend
 - iii) has paid/posted cheques/warrants for dividends to all the members within a period of 30 days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with 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 was 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 31st March, 2014 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.

Sd/-

Date: 08-08-2014
Place: Hyderabad

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

ANNEXURE - " A "

(forming part of Compliance Certificate dated 08-08-2014)

STATUTORY REGISTERS/RETURNS AS MAINTAINED BY THE COMPANY :

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

OTHER REGISTERS

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

ANNEXURE - " B "

(Forming part of Compliance Certificate dated 08-08-2014)

Forms & Returns as filed by the company with The Registrar of Companies, Andhra Pradesh and Telangana State, Hyderabad, during the financial year ended 31st March, 2014.

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 66	383A	F.Y.Ended 31-03-2013	05-10-2013	Yes	N.A.
2.	Form 23AC & 23ACA	220	F.Y.Ended 31-03-2013	19-10-2013	Yes	N.A.
3.	Form 1(INV)	Rule 3	Transfer of Unclaimed Dividend to IEPF	19-10-2013	No	Yes
4.	Form 20B	159	AGM Dated 30-09-2013	23-11-2013	Yes	N.A.
5.	Form 5 INV	Rule 3	(Uploading of Information regarding Unclaimed & Unpaid Dividend Amounts lying with Companies) IEPF Rules 3, 2012.	19-12-2013	Yes	N.A.

Sd/-

Date: 08-08-2014
Place: Hyderabad

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

**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 31st March, 2014.

Date : 20-5-2014
Place : Secunderabad

Sd/-
(GOWRA SRINIVAS)
Managing Director

CERTIFICATION BY CEO & CFO OF THE COMPANY

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

1. We have reviewed the Balance Sheet, Statement of Profit and Loss, its notes to the accounts and Cash Flow Statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief :
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify that, based on our knowledge and the information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or 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 : 20-5-2014
Place : Secunderabad

Sd/-
(GOWRA SRINIVAS)
Managing Director

Sd/-
(GOWRA L.PRASAD)
Executive Director

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, 2014, 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 : 20-05-2014
Place : Secunderabad

For DAGLIYA & COMPANY,
Chartered Accountants,
Sd/-
(JITENDRA KUMAR JAIN)
Partner

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMY – REVIEW AND OUT LOOK

Global economic growth remain subdued in the Indian economy below 5.0% for the second consecutive year. Uncertainties regarding the global recovery, concerns over domestic growth and volatility in financial markets were the key features of the economic environment in Fiscal 2014. However, going forward, growth in Indian economy is likely to strengthen in the current year with the risk tilted to the downside.

Slowdown in industrial activity contributed to stress on asset quality of NBFCs as the payback capacity of borrowers were affected severely during the last year and your Company has also been equally effected with this phenomena.

On the macro economic front, things have begun to look up and the outlook for 2014-15 appear positive with a change in leadership at the Centre and multi-dimensional measures proposed by the new Government , business confidence is slowly growing.

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

Like previous year, the Company will continue to adopt a very cautious approach in its business with main focus 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

The increase in net profit is mainly due to recovery of NPAs and lesser provision of NPA during the year. However your Company is still adopting a very cautious approach towards its business in view of the risk involved in business and probable NPAs. .

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.

INDEPENDENT AUDITORS' REPORT

To,
The Members
Gowra Leasing & Finance Limited
Secunderabad

Report on the financial statements

We have audited the accompanying financial statements of Gowra Leasing & Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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's responsibility for the financial statements

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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards 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 of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of 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.

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, 2014;
- 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government 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 subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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

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 31st March, 2014)

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 Rs.6.00 lakhs and the year end balance of loan taken from such party was Rs.Nil.
(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 was taken were not prima facie prejudicial to the interest of the company.
(d) In respect of loan taken by the company, the same has been repaid along with interest 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 Rs.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 deposits as defined under the Act during the year and the Board of Directors of the company has passed a resolution for the non-acceptance of any deposits. The company has complied with the directions issued by the R.B.I. and NBFC (Reserve Bank of India Directions, 2007).
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 31st March, 2014 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 and Co.
Chartered Accountants
FRN: 00671S
Sd/-
Jitendra Kumar Jain
(Partner)
M No.: 018398

Place: Secunderabad
Date: 20.05.2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note	31 March 2014	31 March 2013
		Rs.	Rs.
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' funds</u>			
Share Capital	2.1	30,003,000	30,003,000
Reserves and surplus	2.2	82,827,938	82,332,669
<u>Non-Current Liabilities</u>			
Other long term liabilities	2.3	2,914,050	2,914,050
Long term provisions	2.4	222,454	180,050
<u>Current Liabilities</u>			
Other current liabilities	2.5	168,715	272,812
Short term provisions	2.6	4,517,043	3,965,206
TOTAL		120,653,200	119,667,787
<u>ASSETS</u>			
<u>Non-current assets</u>			
Fixed assets			
- Tangible assets	2.7	41,155,901	48,717,265
Non-Current investments	2.8	238,256	238,256
Deferred tax assets (net)	2.9	5,809,533	4,773,105
<u>Current assets</u>			
Trade receivables	2.10	71,756,925	48,784,409
Cash and cash equivalents	2.11	724,608	16,169,840
Short term loan and advances	2.12	967,977	984,912
TOTAL		120,653,200	119,667,787

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: 20 May, 2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

Particulars	Note	31 March 2014	31 March 2013
		Rs.	Rs.
Revenue from operations			
Interest	2.13	13,132,290	23,494,635
Other Income	2.14	878,318	255,849
Total Revenue		14,010,608	23,750,483
Expenses			
Employee benefits expenses	2.15	2,568,376	2,373,294
Finance costs	2.16	28,896	17,064
Depreciation	2.7	47,064	80,656
Other expenses	2.17	5,500,514	18,693,037
Total Expenses		8,144,849	21,164,051
Profit / (Loss) before tax		5,865,759	2,586,432
Tax Expenses			
1. Current tax	2.18	2,896,717	3,482,807
2. Deferred tax	2.9	(1,036,428)	(2,586,015)
Profit / (Loss) for the period		4,005,470	1,689,640
Earning per equity share		1.34	0.56
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: 20 May 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount In Rs.)

Sl. No.	Particulars	AMOUNT	
		31.03.2014	31.03.2013
A.	CASH FLOW FROM OPERATING ACTIVITIES		
1	Net Profit/(Loss) before Tax and Extraordinary Items	5,865,759	2,586,432
2	<u>Adjustments for:</u>		
	- NPA Provision (Decreased) / Increased	3,250,000	7,970,989
	- Contingent Provisions against Standard Assets (Decreased) / Increased	69,431	(51,245)
	- Depreciation	47,064	80,656
	- Dividend received	24,167	10,218
	- Gratuity Provision	42,404	38,654
		3,433,065	8,049,271
	Operating Profit before Working Capital Changes	9,298,825	10,635,703
3	<u>Adjustments For</u>		
	- (Increase) / Decrease in Trade Receivable	(26,222,516)	45,997,863
	- (Increase) / Decrease in Short term loans & advances	16,935	(965,466)
	- (Increase) / Decrease in Other Current Assets	-	-
	- Increase / (Decrease) in Other Current Liabilities	(104,097)	150,642
		(17,010,853)	55,818,742
	Direct Taxes Paid (Net)	(2,437,489)	(6,106,011)
	Net Cash from Operating Activities	(19,448,342)	49,712,731
B.	Cash Flow from Investing Activities		
	Purchase/ (Sale) of Fixed Assets	7,514,300	(37,529,025)
	Dividends	(24,167)	(10,218)
	(Increase) / Decrease in Non-Current Investments	-	-
	Net Cash from Investments Activities	7,490,134	(37,539,243)
C.	Cash Flow Financing Activities		
	Borrowing/repayment of Long Term Borrowings	-	-
	Dividend Paid	(3,000,300)	(3,000,300)
	Dividend Tax Paid	(486,723)	(486,723)
	Net Cash from Financing Activities	(3,487,023)	(3,487,023)
	Net Charge in Cash & Cash Equivalent (A+B+C)	(15,445,232)	8,686,466
	Opening Cash and Bank Balance	16,169,840	7,483,374
	Closing Cash and Bank Balance	724,608	16,169,840
	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 & Co.
Chartered Accountants
(Firm registration No. 671 S)

Sd/-
(JITENDRA KUMAR JAIN)
(Partner)
M.No. 18398
Place: Secunderabad
Date: 20 May, 2014

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.

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 the date 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.



GOWRA GROUP

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2. Notes to and forming part of Accounts for the year ended 31/3/2014

2.1 a. Share Capital

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	Rs.	Rs.
Authorised Equity shares 50,00,000 (previous year 50,00,000) of Rs.10 each	50,000,000	50,000,000
	50,000,000	50,000,000
Issued Equity shares 30,00,300 (previous year 30,00,300) of Rs. 10 each	30,003,000	30,003,000
	30,003,000	30,003,000
Subscribed and fully Paid up Equity shares 30,00,300 (previous year 30,00,300) of Rs.10 fully paid up	30,003,000	30,003,000
Grand Total	30,003,000	30,003,000

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

	As at 31 March 2014	As at 31 March 2013
	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 are set below;

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gowra Petrochem Private Limited	547,900	18.26%	547,900	18.26%

2.2 Reserves and Surplus

Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
General Reserve		
Balance at the beginning of the accounting period	3,799,609	3,799,609
Add: Profit/ (Loss) for the year	-	-
Less: Amount utilised	-	-
Balance at the end of accounting period	3,799,609	3,799,609
Statutory Reserve		
Balance at the beginning of the accounting period	27,552,754	27,214,826
Add: Profit/(Loss) for the year	801,094	337,928
Less: Amount utilised	-	-
Balance at the end of accounting period	28,353,848	27,552,754
Surplus /(deficit) balance in the Statement of Profit and Loss		
Balance at the beginning of the accounting period	50,980,306	53,115,617
Add: Profit /(Loss) for the year Amt transferred from P & L a/c	4,005,470	1,689,640
Less: Amount utilised		
- Dividend	3,000,300	3,000,300
- Dividend distribution tax	509,901	486,723
- Transfer to general reserve	-	-
- Transfer to statutory reserve	801,094	337,928
Balance at the end of accounting period	50,674,481	50,980,306
	82,827,938	82,332,669



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Particulars	As at 31 March 2014	As at 31 March 2013
	Rs.	Rs.
2.3 Long Term Borrowings		
Rent deposit	54,000	54,000
Others	2,860,050	2,860,050
	2,914,050	2,914,050
2.4 Long Term Provisions		
Provision for gratuity	222,454	180,050
	222,454	180,050
2.5 Other Current Liabilities		
Statutory dues payable	28,194	45,349
Expenses payable	95,521	76,713
Other current liabilities	45,000	60,000
Book overdraft - State bank of India	-	90,749
	168,715	272,812
2.6 Short Term Provisions		
Contingent Provisions against Standard Assets	162,892	93,461
Current Year's Taxes Payable(net of Advance Tax)	459,228	-
Previous Year's Taxes Payable(net of Advance Tax)	384,722	384,722
Proposed Dividend	3,000,300	3,000,300
Provision for Dividend Tax	509,901	486,723
	4,517,043	3,965,206

2.7 - Fixed assets

Fixed Assets	Gross Block				Accumulated Depreciation			Net block	
	As at 1 April 2013	Additions	Deletions	As at 31 March 2014	As at 1 April 2013	Depreciation charge for the year	As at 31 March 2014	As at 31-Mar-14	As at 31-Mar-13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Owned Tangible Assets									
Land	40,209,175			40,209,175	-	-	-	40,209,175	40,209,175
Flat	1,094,741			1,094,741	236,013	17,844	253,857	840,884	858,728
Land and building	7,514,300		7,514,300	-	-	-	-	-	7,514,300
Furniture & Fixtures	602,680			602,680	577,636	-	577,636	25,044	25,044
Office Equipment	159,889			159,889	132,528	7,594	140,122	19,767	27,361
Computers	127,155			127,155	108,489	12,308	120,797	6,358	18,666
Two Wheeler	77,247			77,247	16,205	7,338	23,543	53,704	61,042
Printers	19,400			19,400	16,451	1,979	18,430	970	2,949
A	49,804,587	-	7,514,300	42,290,287	1,087,322	47,064	1,134,386	41,155,901	48,717,265
Intangible Assets									
Computer Software	87,750			87,750	87,750	-	87,750	-	-
B	87,750	-		87,750	87,750	-	87,750	-	-
Grand Total (A+B)	49,892,337	-		42,378,037	1,175,072	47,064	1,222,136	41,155,901	48,717,265
Previous Year	12,363,312	37,529,025		49,892,337	1,094,416	80,656	1,175,072	48,717,265	-

2.8 Non Current Investments

Particulars	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
Quoted		
Jaysynth Dyechem Ltd 100 Equity Shares of Rs.10/- each fully paid up	13,500	13,500
SIRIS Limited 100 Equity Shares of Rs.10/- each fully paid up	27,500	27,500
Jayaswals Neco Limited 200 Equity Shares of Rs.10/- each fully paid up	16,000	16,000
Finolex Industries Limited 300 Equity Shares of Rs.10/- each fully paid up	11,616	11,616
Glenmark Pharmaceuticals Limited 1000 Equity Shares of Rs.1/- each fully paid up	20,000	20,000
Pertech Computer Limited 100 Equity Shares of Rs.10/- each fully paid up	2,810	2,810
Jolly Rides Limited 9,990 Equity Shares of Rs.10/- each fully paid up	10,490	10,490
Andhra Bank Limited 1065 Equity Shares of Rs.10/- each fully paid up	95,850	95,850
Entertainment Network India Limited 40 Equity Shares of Rs.10/- each fully paid up	6,480	6,480
	204,246	204,246
Less: Provision for diminution in value of investments (Aggregate market value Rs. 5.35 lakhs (p.y Rs. 4.80 lakhs))	35,990	35,990
	168,256	168,256
Unquoted		
DHFL Vysya Bank Housing Fin. Limited 2000 Equity Shares of Rs.10/- each fully paid up	70,000	70,000
	238,256	238,256

2.9 Deferred Tax Assets (Net)

Deferred tax assets relating to -		
- Fixed assets	208,151	210,530
- Provision for gratuity	72,866	59,763
- Provision for Non Performing assets	5,474,508	4,470,258
- Contingent provision on standard assets	54,008	32,554
	5,809,533	4,773,105

2.10 Trade receivables

(Unsecured and considered good)

a) Outstanding for more than six months (Unsecured and considered doubtful)	15,566,735	12,116,735
b) Outstanding for more than six months (Secured and considered doubtful)	3,000,000	3,000,000
Less: Provision for Doubtful debts	16,466,735	12,716,735
	2,100,000	2,400,000
c) Outstanding for more than six months (Unsecured and considered Sub-standard)	-	10,000,000
d) Outstanding for more than six months (Secured and considered Sub-standard)	5,000,000	-
e) Other Debts (Unsecured and Considered Good)	2,338,294	11,346,943
f) Other Debts (Secured and Considered Good)	62,818,631	26,037,466
	72,256,925	49,784,409
Less : Provision for non-performing assets and doubtful debts	500,000	1,000,000
	71,756,925	48,784,409

2.11 Cash and cash equivalents

Cash on hand	6,548	26,263
Balance with banks	718,060	10,673
Fixed deposits with banks	-	16,132,904
	724,608	16,169,840



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2.12 Short term loans and advances (Unsecured and considered good)

Staff advances	52,000	39,000
Advance tax (Net of provision)	-	879,065
Income tax receivable	915,977	66,600
Other advances	-	247
	967,977	984,912

2.13 Revenue from Operations

Particulars	For the year ended 31 March 2014 (Rs.)	For the year ended 31 March 2013 (Rs.)
Interest income	12,667,126	22,306,257
Interest from FDR	465,164	1,188,378
	13,132,290	23,494,635

2.14 Other Income

Dividend Income	24,167	10,218
Cheque Return Charges	39,500	500
Miscellaneous Receipts	85,000	45,381
Gain on sale of investments	327,302	-
Processing Charges	200,000	85,000
Profit on sale of asset	82,200	-
Rent Received	120,150	114,750
	878,318	255,849

2.15 Employee benefits expense

Salaries & Allowances	1,583,700	1,452,700
Contribution to Provident Fund	53,088	53,478
Staff Welfare Expenses	28,884	10,362
Professional Tax	6,450	8,750
Gratuity	42,404	38,654
Directors Remuneration	678,000	678,000
Bonus	175,850	131,350
	2,568,376	2,373,294

2.16 Finance Cost

Bank charges	28,896	17,064
	28,896	17,064

2.17 Other expenses

Advertisement Expenses	81,596	95,344
Auditor's Remuneration	58,427	58,427
Directors Sitting Fees	107,500	112,500
Legal & Professional Charges	196,416	105,938
Bad debts written off	-	8,700,000
Miscellaneous Expenses	215,223	121,314
Electricity charges	22,295	-
Postage, Telephones & Internet Charges	109,872	100,257
Printing & Stationery	49,907	44,463
Provision for Non Performing Assets and Doubtful Debts	3,250,000	7,970,989
Commission	252,000	-
Contingent provision for standard assets	69,431	(51,245)
Rates & Taxes	111,482	257,662
Rent	424,608	424,608
Repairs & Maintenance (Building)	77,021	84,940
Service Tax	75,632	19,529
Subscription	14,982	17,982
Travelling & Conveyance Expenses	364,130	607,457
Vehicle Maintenance	19,992	22,873
	5,500,514	18,693,037

2.18 Current Tax

Provision for tax	2,867,787	3,482,807
Tax of previous year	28,930	-
	2,896,717	3,482,807

Notes to and forming part of accounts for the year ended 31-03-2014

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 31.03.2014</u>	<u>For the year</u> <u>Ended 31.03.2013</u>
1. Audit Fee	39326	39326
2. Tax Audit Fees	<u>19101</u>	<u>19101</u>
	<u>58427</u>	<u>58427</u>

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

2.22 Directors' Remuneration:

	<u>For the year</u> <u>Ended 31.03.2014</u>	<u>For the year</u> <u>Ended 31.03.2013</u>
1. Remuneration to Managing Director	3,84,000	3,84,000
2. Remuneration to Whole time Director	<u>2,94,000</u>	<u>2,94,000</u>
	<u>6,78,000</u>	<u>6,78,000</u>
3. Directors' Sitting Fee	<u>1,07,500</u>	<u>1,12,500</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. Shri G.Srinivas – Managing Director 2. Shri G.L.Prasad – Executive Director
c. Relatives of key Management Personnel	:	1. Shri G.Lakshminarayana 2. Smt G.S.Sabitha 3. Shri G Suryaprakash 4. Shri G L Subbaram 5. Smt G L Ramadevi

2. Related Party Transactions:

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid				
- Shri G Srinivas		1,06,152		1,06,152
		(1,06,152)		(1,06,152)
- Smt G L Ramadevi			1,06,152	1,06,152
			(1,06,152)	(1,06,152)
- Shri G L Subbaram			1,06,152	1,06,152
			(1,06,152)	(1,06,152)
- Smt G S Sabitha			1,06,152	1,06,152
			(1,06,152)	(1,06,152)
Total	-	1,06,152	3,18,456	4,24,608
	(-)	(1,06,152)	(3,18,456)	(4,24,608)
Remuneration paid to Directors				
- Shri G Srinivas		3,84,000		3,84,000
		(3,84,000)		(3,84,000)
- Shri G.L.Prasad		2,94,000		2,94,000
		(2,94,000)		(2,94,000)
Total	-	6,78,000		6,78,000
		(6,78,000)	-	(6,78,000)

Director's Sitting Fees				
- Shri G.Laxminarayana			12,500	12,500
			(10,000)	(10,000)
- Shri G Suryaprakash			17,500	17,500
			(17,500)	(17,500)
Total	-	-	30,000	30,000
			(27,500)	(27,500)
Loan taken				
- Shri G Srinivas		6,00,000		6,00,000
		(2,00,000)		(2,00,000)
Total	-	6,00,000	-	6,00,000
	-	(2,00,000)	-	(2,00,000)
Loan repaid				
- Shri G Srinivas		6,00,000		6,00,000
		(2,00,000)		(2,00,000)
Total	-	6,00,000		6,00,000
	-	(2,00,000)		(2,00,000)
Maximum balance				
- Shri G Srinivas		6,00,000		6,00,000
		(2,00,000)		(2,00,000)
Total	-	6,00,000		6,00,000
	-	(2,00,000)		(2,00,000)
Repair & Maintenance (Building)- Paid to Vaishnavi Corporation	(84,940)	-	-	-
		(-)	(-)	(84,940)

*. 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 enterprise has 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 Trade Receivables, 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 31st March, 2014.
- 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.
- | | | |
|--------------------------------------|----------------|----------------|
| | <u>2013-14</u> | <u>2012-13</u> |
| 2.32 Expenditure in Foreign Currency | Nil | Nil |
| 2.33 Earnings in Foreign Exchange | Nil | Nil |
| -FOB Value of Exports | - | - |
- "As per our Report of even dated attached"

For Dagliya & Co.
Chartered Accountants,
(F.R.N. 671 S)
Sd/-
(JITENDRA KUMAR JAIN)
Partner
M.No.18398
Place : Secunderabad
Date : 20-05-2014

For and on Behalf of the Board

Sd/-	Sd/-
(GOWRA SRINIVAS)	(G.L.PRASAD)
Managing Director	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)

(Rs.in lakhs)

	Particulars	Amount Outstanding (Rs.)	Amount Overdue (Rs.)
Liabilities Side			
(1)	Loans and advances availed by the Non-banking financial Company inclusive of interest accrued thereon but not paid :-		
(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 (Rs.)
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
(a)	Secured	708.19
(b)	Unsecured	179.05
(3)	Break up of Leased Assets and Stock on hire and other assets counting towards AFC activities	
(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
(4)	Break-Up of Investments	
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



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(5) Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 below				
Category		Amount net of provisions (Rs.)		
		Secured (Rs.)	Unsecured (Rs.)	Total (Rs.)
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	658.19	229.05	Nil
Total		658.19	229.05	Nil

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : 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	2.38	2.38
Total		2.38	2.38

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

(7) Other Information

Particulars		Amount (Rs.)
(i)	Gross Non-Performing Assets	
(a)	Related parties	Nil
(b)	Other than related parties	235.67
(ii)	Net Non-Performing Assets	
(a)	Related parties	Nil
(b)	Other than related parties	235.67
(iii)	Assets acquired in satisfaction of debt	Nil

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

Place : Secunderabad
Date : 20-05-2014

Sd/-
GOWRA SRINIVAS
(Managing Director)

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of M/s. Gowra Leasing & Finance Limited for the year ended 31st March, 2014. 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 20-05-2014 to the members of the Company.

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

Place: Secunderabad
Date: 20-5-2014



GOWRA LEASING & FINANCE LIMITED

CIN: (L65910TG1993PLC015349)

Registered Office: No.501, 5th Floor, Gowra Grand, Behind Gowra Plaza, 1-8-384 & 385, S.P.Road, Begumpet, Secunderabad – 500003, Telangana State

21st Annual General Meeting - Saturday, 27th September, 2014

PROXY FORM

Name of the Member(s): _____ Registered address: _____
E-mail Id: _____ Folio No. / Client ID: _____ DP ID: _____

I/ We being the member(s) of Gowra Leasing & Finance Ltd. holding _____ shares of the Company, hereby appoint :

(1) Name: _____ Address: _____

E-mail Id: _____ **Signature :** _____

or failing him/her;

(2) Name: _____ Address: _____

E-mail Id: _____ **Signature :** _____

or failing him/her;

(3) Name: _____ Address: _____

E-mail Id: _____ **Signature :** _____

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the 21st Annual General Meeting of the Company to be held on Saturday, 27th September, 2014 at 11.30 a.m. at Hotel Jaya Excellency, Beside ICICI Bank, Near Airport, Begumpet, Hyderabad-500016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business	For	Against
1. Adoption of Balance Sheet as at March 31, 2014, Statement of Profit and Loss for the year ended on that date and the reports of the Directors and Auditors thereon.		
2. Declaration of dividend of Rs.1.00 per Equity share for the financial year 2013-14.		
3. Appointment of Mr. Gowra Lakshminarayana, who retires by rotation and being eligible, offers himself for re-appointment as a Director.		
4. Appointment of M/s. Dagliya & Co., Chartered Accountants as the Statutory Auditors of the Company.		
Special Business		
5. Appointment of Mr. D.Suresh as an Independent Director		
6. Appointment of Mr. Tilak Shankar as an Independent Director		
7. Appointment of Dr. T.G.Surendranath as an Independent Director		
8. Appointment of Mr. J.A.Mohan Kumar as an Independent Director		
9. Borrowing money in excess of the aggregate of the paid-up share capital and free reserve of the company up to Rs.10.00 crores		
10. Creation of charge/mortgage of properties of the company in favor of Bank/financial institutions or any other agencies up to Rs.10.00 crores.		

Signed this _____ day of _____ 2014

Signature of the Shareholder _____

Signature of first proxy holder _____

Signature of second proxy holder _____

Affix
Revenue
Stamp

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

GOWRA LEASING & FINANCE LIMITED

CIN: (L65910TG1993PLC015349)

Registered Office: No.501, 5th Floor, Gowra Grand, Behind Gowra Plaza, 1-8-384 & 385, S.P.Road, Begumpet, Secunderabad – 500003, Telangana State

21st Annual General Meeting - Saturday, 27th September, 2014

ATTENDANCE SLIP

DP ID _____ Folio No./Client ID _____ No. of Shares _____

Name and Address of First/Sole shareholder: _____

I/We hereby record my/our presence at the 21st ANNUAL GENERAL MEETING of the Company at Hotel Jaya Excellency, Beside ICICI Bank, Near Airport, Begumpet, Hyderabad-500016 on Saturday, 27th September, 2014 at 11.30 a.m.

Signature of the Member/ Proxy

- Notes:**
- Only Member/Proxy can attend the Meeting. No minors would be allowed at the Meeting
 - Member/Proxy who wish to attend the Meeting must bring this attendance slip to the Meeting and hand over at the entrance duly filled in and signed.
 - Member/Proxy should bring his/her copy of the Annual Report for reference at the Meeting.