

**GOWRA  
LEASING  
&  
FINANCE  
LIMITED**

**25<sup>th</sup> Annual Report**

**2017 - 2018**



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

SHRI D. SURESH	-	Chairman & Independent Director
SHRI GOWRA SRINIVAS	-	Managing Director
SHRI TILAK SHANKAR	-	Independent Director
SMT. MADHUMATHI SURESH	-	Independent Director
SHRI GOWRA LAKSHMINARAYANA	-	Director
DR. SUDHEER SOMA	-	Director
SHRI GOWRA LAKSHMI PRASAD	-	Director

### **CHIEF FINANCIAL OFFICER**

SHRI ALAMURU VENKATA RAMA KRISHNA RAO

### **COMPANY SECRETARY**

SHRI ZAFAR IMAM KHAN

### **REGISTERED OFFICE**

No.501, 5<sup>th</sup> 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

#### **Kotak Mahindra Bank Limited**

General Bazar Branch,  
Secunderabad – 500003

#### **HDFC Bank Limited**

Begumpet, Hyderabad – 500016

#### **ICICI Bank**

Begumpet, Hyderabad – 500016

### **AUDITORS**

#### **Agarwal Ankush & Associates**

Chartered Accountants  
20-2-701/702, Hussaini Alam,  
Dhood Bowli, Hyderabad - 500064

### **REGISTRAR & SHARE TRANSFER AGENT**

**M/s. Karvy Computershare Private Ltd.,**  
Karvy Selenium Tower B, Plot No.31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally Mandal  
Hyderabad – 500032  
Tel No. 040-67161500,  
Fax No. 040-23420814  
e-mail: einward@karvy.com  
Website: www.karvycomputershare.com

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### 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 circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses with Registrar and Share Transfer Agent in respect of physical holdings and in respect of electronic holdings with the Depository through their concerned Depository Participants.

### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 25<sup>th</sup> Annual General Meeting (AGM) of the Members of **GOWRA LEASING AND FINANCE LIMITED** (CIN: L65910TG1993PLC015349) will be held on Thursday, 20th September, 2018 at 11:30 A.M at Hotel, Taj Tristar, "Seven Hills", 1-4-40, S.D. Road, Secunderabad – 500003, to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2018, along with the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on the equity shares for the financial year 2017-18.
3. To re-appoint Shri Gowra Lakshmirayana (DIN:00287021), who retires by rotation, and being eligible, offers himself for the re-appointment.

#### **SPECIAL BUSINESS:**

4. **To consider and determine the fees for delivery of any document through a particular mode of delivery to a member**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount equivalent to estimated actual expenses to be incurred by the Company for delivery be levied for sending the document to the concerned members in the desired particular mode.

**RESOLVED FURTHER THAT** the estimated amount for delivery of the document shall be paid by the member at least 10 days in advance to the Company, before dispatch of such document.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated amount for delivery of the document to be paid in advance."

#### **5. Adoption of new Articles of Association of the Company**

To consider and, if thought fit, to pass the following resolution as a special resolution

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, and other rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded to the adoption of new set of Articles of Association in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) or any person(s) authorised by the Board to exercise the powers conferred on the Board, be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board  
for GOWRA LEASING & FINANCE LIMITED

Sd/-  
(GOWRA SRINIVAS)  
Managing Director  
(DIN: 00286986)

Place: Secunderabad  
Dated: 10<sup>th</sup> August, 2018

**NOTES:**

1. The statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out in the notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, are annexed hereto.
2. M/s. Agarwal Ankush & Associates., Chartered Accountants were appointed as Statutory Auditor of the Company for the period of five years effective from the conclusion of the 24th Annual General Meeting subject to ratification by members at every Annual General Meeting. Pursuant to the amendment in Section 139 of Companies Act, 2013 vide the Companies Amendment Act, 2017, notified on May 07, 2018, it is now not required to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting.
3. The register of members and share transfer Register of the Company will remain closed from **Tuesday, September 11, 2018 to Thursday, September 20, 2018** (both days inclusive) for the purpose of Annual General Meeting.
4. **A MEMBER ENTITLED TO ATTEND THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Members can download Proxy Form from our website: ([www.gowraleasing.com](http://www.gowraleasing.com))

5. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member. The Instrument appointing the proxy in order to be effective should be deposited at the registered office of the company, duly completed and signed, not less than forty-eight hours before the commencement of the meeting.
6. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. The shareholder desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
8. pursuant to Section 124(6) of the Companies Act, 2013 read with rules made thereunder and the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, all the equity shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund. During the year under review the company has transferred shares of 103 shareholders, holding 92749 number of Shares having nominal value of Rs. 9,27,490 (Rupees Nine Lakhs Twenty-Seven Thousand Four Hundred and Ninety Only) in the name of Investor Education and Protection Fund. The Statement of shares credited to investor education and protection fund along with the statement containing the prescribed details has been uploaded on our website: [www.gowraleasing.com](http://www.gowraleasing.com)
9. Pursuant to the provisions of Section 124 of the Companies Act, 2013, Dividend for the financial year ended 2010-2011 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 124 of the Companies Act, 2013.

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

Financial Year	Unclaimed Dividend Amount As on 31/3/2018 (Rs.)	Date of Declaration of Dividend	Last date of claiming unpaid dividend	Due date for transfer of unpaid dividend to IEPF
2010-2011	1,78,364.00	30-09-2011	29-10-2018	29-11-2018
2011-2012	2,46,866.20	29-09-2012	28-10-2019	28-11-2019
2012-2013	2,18,640.00	30-09-2013	29-10-2020	29-11-2020
2013-2014	2,36,139.00	27-09-2014	26-10-2021	26-11-2021
2014-2015	2,49,049.00	28-09-2015	27-10-2022	27-11-2022
2015-2016	2,92,032.00	12-09-2016	11-10-2023	11-11-2023
2016-2017	2,94,657.00	12-09-2017	11-10-2024	11-11-2024

10. The members who have not encashed the Dividend Warrants so far for the financial year ended 31<sup>st</sup> March, 2011 or any subsequent financial years are requested to make their claim to the Company at its Registered Office/Registrar of Share Transfer Agent. It may also be noted that once the Unclaimed Dividend amount and the shares in respect of which dividend has not been claimed for consecutive seven years are transferred to the Investor Education and Protection Fund, no claim shall lie with the Company in respect thereof.
11. Financial Year-wise list of unclaimed dividend is available on Company's website – (<http://www.gowraleasing.com/dividend.php>)
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
13. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
14. Members may note that the Notice of the 25th AGM and the Annual Report for FY 2017-18, copies of audited financial statements, Directors' report etc., will also be available on the website of the company, ([www.gowraleasing.com](http://www.gowraleasing.com)) for downloading.
15.
  - 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. Further be informed that, as per amendment in SEBI(LODR) Regulations, 2015, physical shares can't be transferred after December 05, 2018. 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 Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana 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.
  - d. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address in the website ([www.gowraleasing.com/registration-of-email-id.php](http://www.gowraleasing.com/registration-of-email-id.php)) for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company, electronically.
16. Format for registration of nominee is available on the website: ([www.gowraleasing.com/pdf/new/nomination-form-2B.pdf](http://www.gowraleasing.com/pdf/new/nomination-form-2B.pdf))
17. Members/Beneficial Owners/Proxies should bring the attendance slips duly filled in for attending the meeting. Members can download Attendance Slip from our website: ([www.gowraleasing.com](http://www.gowraleasing.com))
18. 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.
19. **E-Voting:**
  - i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI(LODR) Regulations, 2015, the Company is pleased to provide to its Members, the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (KCPL) on all resolutions set forth in this Notice. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
  - ii. In order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in the Notice of AGM, the Company has also enclosed a ballot form with the Annual Report for 2017-18.

- iii. The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting / ballot form shall be able to vote at the Meeting through polling paper.
- iv. A Member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. The members who have cast their vote by remote e-voting /ballot form may also attend the Meeting but shall not be entitled to cast their vote again.
- v. The Board of Directors of the Company has appointed Shri G Raghu Babu, Company Secretary in whole-time practice, Partner, R&A Associates, Company Secretaries, Hyderabad (Membership No. F4448 & Certificate of Practice No. 2820) as Scrutinizer for voting process (e-voting, ballot and poll) in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
- vi. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 10th September, 2018.
- vii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 10th September, 2018 only shall be entitled to avail the facility of remote e-voting, ballot form as well as voting at AGM through polling paper.
- viii. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 10th September, 2018, may obtain the User ID and password by writing to Karvy at [evoting@karvy.com](mailto:evoting@karvy.com) or contact 040-44655000 or Toll-Free No.1800 3454 001. However, if the person is already registered with Karvy for remote e-voting then the existing user ID and password can be used for casting vote.
- ix. The remote e-voting facility will be available during the following period:

<b>Commencement of remote e-voting:</b>	<b>9.00 a.m. (IST) on 17th September, 2018</b>
<b>End of remote e-voting:</b>	<b>5.00 p.m. (IST) on 19th September, 2018</b>

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by Karvy upon expiry of aforesaid period.

- x. The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot first and thereafter through remote e-voting, will not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company <http://www.gowraleasing.com> and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited.
- xi. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 20th September, 2018.
- xii. **Instructions and other information relating to remote e-voting:**
  - A. In case of Members receiving Notice through E-Mail**
    - a. Open e-mail and open PDF File viz. "Gowra Leasing and Finance Limited.pdf" with your client ID or Folio No. as password. The said PDF File contains your user ID and password for e-voting. Please note that the password is an initial password.
    - b. Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
    - c. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
    - d. Enter the login credentials. In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
    - e. After entering the details appropriately, click on **LOGIN**.

- f. 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 (@, #, \$, etc.). 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.
- g. You need to login again with the new credentials.
- h. On successful login, the system will prompt you to select the EVENT i.e., **Gowra Leasing & Finance Limited**
- i. 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. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- j. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- k. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- l. 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.
- m. Once the vote on the Resolution is cast by the shareholder, he/she shall not be allowed to change it subsequently.
- n. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [gowrascrutinizer@gmail.com](mailto:gowrascrutinizer@gmail.com), with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
- o. 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 Toll Free No.: 1800 345 4001 or mail at [evoting@karvy.com](mailto:evoting@karvy.com). Alternatively, members may also contact Shri V Raghunath, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Contact no. 040-67161606, email id: [raghu.veedha@karvy.com](mailto:raghu.veedha@karvy.com).

**B. In case of members receiving notice through post/courier:**

- a. Initial password, as below, will be sent separately

EVEN (E Voting Event Number)	User ID	Password

- b. Please follow all steps mentioned above in Sr. No. (xii)(A) from (b) to (n) to cast your vote by electronic means.
20. The Companies Act, 2013 provides for the facility of nomination to the members of a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to the Registered Office of the Company. (The forms are available at the Regd. Office /Office of Registrars of the Company).
  21. The shares of the Company continue to be listed on the Stock Exchange at Mumbai i.e. BSE Ltd. and the Company has paid up to date all the listing fees to the exchange.



**EXPLANATORY STATEMENT**  
**(Pursuant to Section 102 of the Companies Act, 2013)**

The following Explanatory Statement sets out all the material facts relating to the Special Business under item no.4 and item no. 5 of the accompanying Notice dated 10<sup>th</sup> August, 2018.

**IN RESPECT OF ITEM NO. 4.**

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly commend the Ordinary Resolution at item no. 4 of the accompanying notice, for the approval of the members of the Company. None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.4 of the accompanying Notice.

**IN RESPECT OF ITEM NO. 5**

The references to specific sections of the Companies Act, 1956 in the existing Articles may no longer be in conformity with the Companies Act, 2013.

Considering that substantive sections of the Companies Act, 2013 which deal with the general functioning of the companies stand notified, it is proposed to amend / replace the existing Articles of Association with new Articles aligned with the provisions of Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a company, limited by shares.

While some of the Articles of existing Articles of Association of the Company require alteration or deletions, certain provisions of existing Articles of Association have been simplified by providing reference to relevant Sections to the Companies Act, 2013 and the Rules framed thereunder, to avoid repetition in its entirety.

The proposed draft of new Articles of Association is available on the Company's website at <http://www.gowraleasing.com> for perusal by the shareholders.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 5 of the Notice.

The Board recommends the Special Resolution set out at item No.5 of the Notice for approval by the Members. All documents referred to in the accompanying Notice and Statement pursuant Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during working hours on all working days from date of dispatch of the notice, up to the date of Annual General Meeting.

By Order of the Board  
for GOWRA LEASING & FINANCE LIMITED

Sd/-  
(GOWRA SRINIVAS)  
Managing Director  
(DIN: 00286986)

Place: Secunderabad  
Dated: 10-08-2018

**ADDITIONAL INFORMATION OF DIRECTORS BEING RE-APPOINTED AT THE ANNUAL GENERAL MEETING**  
(Pursuant to Regulation 36(3) of SEBI(LODR) Regulation, 2015)

**SI No 1.**

Name	<b>Shri Gowra Lakshminaryana (DIN: 00287021)</b>
Date of Birth	24-02-1947
Date of Appointment	09-02-1993
Qualification	Graduate in Science
Directorship held in other Companies	<ol style="list-style-type: none"> <li>1. Gowra Petrochem Pvt Ltd.</li> <li>2. Gowra Aerospace Technologies Pvt Ltd</li> <li>3. Amar Bio Organics (India) Pvt Ltd</li> <li>4. Gowra Bits &amp; Bytes Pvt Ltd</li> <li>5. Sumeru Seeds Pvt Ltd</li> <li>6. Gowra Infradevelopers Pvt Ltd</li> <li>7. Gowra Palladium Pvt Ltd</li> <li>8. Gowra Ventures Pvt Ltd</li> </ol>
Membership/Chairmanships of Committees across other public Companies	Nil
Brief Profile covering experience, achievements etc.	Shri Gowra Lakshminarayana is Non-Executive Director having extensive experience in marketing of Yarn, Dyes and Chemicals and serve in the board of various companies
Shares held in the Company	101100 (as on 30-06-2018)

## DIRECTORS' REPORT

Dear Members,

We have pleasure in presenting the 25<sup>th</sup> Annual Report on the business and operations of Company and Financial Results for the year ended 31<sup>st</sup> March, 2018.

### 1. FINANCIAL RESULTS

The summarized Financial Results of the Company are given hereunder: -

Particulars	(Rs. In lakhs)	
	FY 2017-18	FY 2016-17
Total Income	168.51	237.75
Operating Profit before interest, Depreciation & Tax	108.54	137.72
Interest and other Financial charges	0.19	0.02
Depreciation	0.79	0.54
Net Profit before Tax	107.56	137.16
Provision for Income Tax & FBT	23.11	27.71
Provision for Deferred Tax	4.67	18.28
Net Profit after Tax	79.78	91.17
Add: Balance brought forward from previous year	539.51	502.68
Profit available for appropriation	519.29	593.85
Proposed Dividend	30.00	30.00
Corporate Tax on Dividend	6.11	6.11
Depreciation Adjustment	-	-
Balance to be carried forward	567.22	539.51

### 2. OPERATIONS AND BUSINESS OUTLOOK:

During the year under review, the Company recorded a total income of Rs. 168.51 lakhs and a net profit of Rs. 79.78 lakhs against income of Rs. 237.75 lakhs and a net profit of Rs. 91.17 lakhs in the previous year.

### 3. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

As per the requirements Section 134(3)(l) of the Companies Act, 2013, Company declare that, there are no significant material changes and commitments affecting financial position of the Company between 31<sup>st</sup> March, 2018 and the date of Board's Report.

### 4. CHANGE IN THE NATURE OF BUSINESS:

As per the requirements Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014, Company declare that, there is no significant change in the nature of business of the Company during the last financial year.

### 5. SHARE CAPITAL AND CLASSIFICATION OF COMPANY:

The authorized capital of the Company as on 31<sup>st</sup> March, 2018 was Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs.10/- each.

The Subscribed, Issued and Paid-up capital of the Company as on 31<sup>st</sup> March, 2018 was Rs. 3,00,03,000/- divided into 30,00,300 equity shares of Rs. 10/- each.

In terms of provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued by Reserve Bank of India; your company has been classified as Loan Company.

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.

### 6. DIVIDEND

During the year under review, your Directors recommended a Dividend @ 10% amounting to Rs.30,00,300/- for the year ended 31<sup>st</sup> March, 2018. This will entail an outflow of Rs.36,11,101/-(inclusive of Dividend Distribution Tax thereon).

### 7. TRANSFER TO RESERVES

The Company proposes to transfer Rs.15,95,611/- to Statutory Reserves.

## **8. 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 73 of the Companies Act, 2013 and the rules made there under.

## **9. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **A. RETIREMENT BY ROTATION**

- ❖ Shri Surya Prakash Gowra (DIN: 01377618), Director of the Company retired by rotation at the Annual General Meeting held on 12<sup>th</sup> September, 2017.
- ❖ Shri Lakshminarayana Gowra (DIN:00287021), Director of the Company is liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 at the ensuing Annual General Meeting to be held on 20<sup>th</sup> September, 2018 and being eligible, seeks re-appointment.

### **B. APPOINTMENT**

- ❖ Shri D. Suresh (DIN: 00268394) was re-appointed as Independent Director for a period of 5 year with effect from 28<sup>th</sup> September, 2017 in the Annual General Meeting held on 12<sup>th</sup> September, 2017.
- ❖ Shri T. Shankar (DIN: 02560552) was re-appointed as Independent Director for a period of 5 year with effect from 28<sup>th</sup> September, 2017 in the Annual General Meeting held on 12<sup>th</sup> September, 2017.
- ❖ Shri Zafar Imam Khan was appointed as Company Secretary at the Board Meeting held on 14<sup>th</sup> November, 2017

### **C. CESSATION**

- ❖ Shri T.G. Surendranath (DIN: 00287158) tenure as Independent Director ended on 27<sup>th</sup> September, 2017.
- ❖ Shri J.A. Mohan Kumar (DIN: 00367001) tenure as Independent Director ended on 27<sup>th</sup> September, 2017.
- ❖ Smt. Amita Karnewar resigned from the post of Company Secretary with effect from 12<sup>th</sup> September, 2017.

### **D. EVALUATION OF THE BOARD'S PERFORMANCE**

As per provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (LODR) Regulations, 2015, the Board adopted a formal performance evaluation policy for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment etc. The evaluation of the Independent Directors and that of the Chairman was carried out by the entire Board excluding the Director being evaluated and the evaluation of Non-Independent Directors was carried out by the Independent Directors. A separate meeting of Independent Directors was also held during the year wherein the performance of Chairman, Board, Executive Directors was evaluated.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### **E. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In accordance with Regulation 34 of the SEBI (LODR) Regulations, 2015, Management's Discussion and Analysis Report for the year under review is presented in a separate section forming part of this Annual Report. **(ANNEXURE I)**

### **F. DECLARATION BY INDEPENDENT DIRECTORS**

In accordance with Section 149(7) of the Companies Act, 2013, each Independent Director has confirmed to the Company that he or she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

### **G. SEPARATE MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors met on 12<sup>th</sup> February, 2018 without the presence of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors inter-alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

## 10. POLICIES

### A. RISK MANAGEMENT POLICY

The Company has policy for identifying risk and established controls to effectively manage the risk. Further the company has laid down various steps to mitigate the identified risks. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

### B. NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. There has been no change in policy from the last year. The Remuneration Policy is attached to this report as **ANNEXURE II**.

### C. CODE OF CONDUCT POLICY:

The Company has complied with the requirements about code of conduct for Board members and Senior Management Personnel. The said policy is available on the website of the Company. ([www.gowraleasing.com/code-of-conduct.php](http://www.gowraleasing.com/code-of-conduct.php))

### D. INSIDER TRADING POLICY:

The Board of Directors of the Company have adopted the Insider Trading Policy in accordance with the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading policy of the Company lays down guidelines & procedures to be followed, and disclosures to be made while dealing with the shares of the Company, as well as the consequences of the violations. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain highest ethical standards of dealing in Company's shares.

The Insider Trading Policy of the company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for preventing insider trading is available on the website of the Company. ([www.gowraleasing.com/pdf/new/code-of-fair-disclosures.pdf](http://www.gowraleasing.com/pdf/new/code-of-fair-disclosures.pdf))

### E. VIGIL MECHANISM /WHISTLE BLOWER POLICY:

The Board of Directors of the Company have adopted Whistle Blower Policy. This policy is formulated to provide an opportunity to employees to raise concerns and to access the Audit Committee in good faith, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

There were no complaints received during the year 2017-18.

### F. POLICY ON MATERIALITY OF EVENTS:

The Policy on materiality of events/ transactions as approved by the Board may be accessed on the Company's website. ([www.gowraleasing.com/pdf/gflf-policy-for-materiality.pdf](http://www.gowraleasing.com/pdf/gflf-policy-for-materiality.pdf))

### G. FAIR PRACTICE CODE:

The Board of Directors have adopted a Fair Practices Code at its Meeting held on 30<sup>th</sup> May, 2013 at Secunderabad as per the RBI guidelines for NBFCs which is available on the website ([www.gowraleasing.com/fair-practice-code.php](http://www.gowraleasing.com/fair-practice-code.php)) .

## 11. AUDITORS & AUDITORS' REPORT

### A. STATUTORY AUDITORS

Pursuant to provision of Section 139 of the Companies Act, 2013, (the Act), M/s. Agarwal Ankush & Associates, Chartered Accountants were appointed as the Statutory Auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting held on September 12, 2017. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

- The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.
- The Statutory Audit Report for the financial year 2017-18 is annexed herewith as (**ANNEXURE III**) to this Report

### B. SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013, the Company has appointed R&A Associates, Hyderabad as Secretarial Auditor. The Secretarial Audit Report for the financial year 2017-18 is annexed herewith as (**ANNEXURE IV**) to this Report. The Secretarial Audit Report does contain one qualification.

### **C. COST AUDITOR**

During the year under review, the Company was not required to maintain cost records and get them audited by Cost Auditor.

### **12. DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) In the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, to give a true and fair view of the state of affairs of the company at the end of the financial year March 31, 2018 and of the Profit of the company for that period.

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing / detecting fraud and other irregularities.

(d) The Directors have prepared the annual accounts on a going concern basis.

(e) The Directors have laid down internal financial controls to be followed by the company and the internal financial controls are adequate and are operating effectively.

(f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **13. CORPORATE GOVERNANCE**

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with Corporate Governance is annexed to the Report on Corporate Governance.

Pursuant to Schedule V of SEBI (LODR) Regulations, 2015 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 2017-18 is annexed and forms part of the Corporate Governance Report (**ANNEXURE V**)

### **14. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The information required pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company is enclosed herewith as part of Annual Report (**ANNEXURE - VI**).

No employee was in receipt of remuneration exceeding Rs. 1,02,00,000/- or more per annum or Rs. 8,50,000/- or more per month as the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence the disclosure as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

### **15. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Your Directors draw attention of the members to Notes 2.24 to the financial statement which sets out related party disclosures.

### **16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not made any loan, given guarantee, provided security or made investments pursuant to the provisions of Section 186 of Companies Act, 2013 other than the normal course of business.

### **17. DISCLOSURES:**

#### **A. EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return in Form MGT 9 been placed on our website: [www.gowraleasing.com](http://www.gowraleasing.com).

**B. COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee comprises of Shri T. Shankar (Chairman), Shri D. Suresh and Shri Gowra Lakshminarayana as members. All the recommendations made by the Audit Committee were accepted by the Board.

**C. NUMBER OF BOARD MEETINGS**

The Board of Directors of the Company met 4 (four) times during the FY 2017-18. For further details, please refer report on Corporate Governance. The maximum interval between 2 meetings did not exceed 120 days, as prescribed under Companies Act, 2013.

**D. LISTING**

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

**18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, is not applicable since there is no such activity at present being pursued by the Company.

**19. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. The Company has no subsidiaries, joint ventures or associate companies.
- b. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- c. The Company has in place adequate internal financial controls with reference to financial statements. These controls ensure the accuracy and completeness of the accounting records and preparation of reliable financial statements.

**20. POLICY ON SEXUAL HARASSMENT:**

There were no complaints/cases pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**21. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

The Company was not required to constitute a CSR Committee as the Company has not met any of the thresholds mentioned in Section 135 of the Companies Act, 2013 during the financial year under review. Hence reporting about policy on Corporate Social Responsibility and the initiatives taken are not applicable to the Company.

**22. ACKNOWLEDGEMENTS:**

The Directors thank the Company's Bankers namely State Bank of India, Kotak Mahindra Bank Limited., HDFC Bank Limited, ICICI Bank and officials of concerned Government Departments for their co-operation and continued support to the Company.

The Board would also like to thank the Company's shareholders, customers, suppliers for the support and the confidence which they have reposed in the management. The Board place on record its appreciation of the contribution made by the employees at all levels for their hard work, solidarity, co-operation and support.

For and on behalf of the Board of Directors

Sd/-

Place: Secunderabad  
Dated: 10-08-2018

(D.SURESH)  
Chairman  
(DIN : 00268394)

**ANNEXURE-I****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. BACKGROUND:**

The main business of your Company is to extend loans and advances as working capital finance. Your company is essentially a Loan Company categorized by the Reserve Bank of India as Non-Systematically Important Non-Deposit taking NBFC, with assets size of less than Rs. 100 crores.

**B. MACRO-ECONOMIC SCENARIO:**

Financial year 2017-18 was one of the better years for global economy and markets. As far as business cycle conditions are concerned, things are on the improving path, inflation remains benign and broadly speaking, fiscals remains comfortable. On the monetary side, RBI maintained its neutral stance throughout the year. Overall the macro fundamentals of the economy remain in comfortable zone albeit with increasing risk from rising crude oil prices.

**C. OPPORTUNITIES & THREATS:**

Non-Banking Financial Companies (NBFCs) are fast emerging as an important segment of Indian financial system. Gradually, NBFCs being recognized as complementary to the banking sector due to its customer-oriented services; flexibility and timeliness in meeting the credit needs of specified sectors; etc. Being an NBFC, the Company has to face various threats as High cost of funds, Slow industrial growth, Stiff competition with NBFCs as well as with banking sector, Nonperforming assets, etc. To tackle the issue of Non-Performing Assets associated with large credits, Insolvency and Bankruptcy Code was implemented. Further, RBI has also increased its monitoring of asset classification of stressed accounts in all financial institutions.

**D. FUTURE OUTLOOK:**

The much-awaited GST was finally rolled out in the year and though the implementation did lead to initial hiccups, things are settling down and getting better now. Apart from this, RERA finally became a reality, bringing in the much-desired discipline in the real estate industry. During the year, NBFCs have steadily expanded their share of total credit in the country. They have developed innovative and customised financial products and solutions that are delivered efficiently to fulfil customer aspirations.

**E. RISKS & CONCERNS:**

The Company has an effective monitoring mechanism and has adopted certain measures in order to mitigate certain risks which may be in the form of financial and operational risks. In the normal course of business, financial institutions are exposed to various risks, namely, Credit Risk, market Risk and Operational Risk, besides other residual risks such as Liquidity Risk, Interest Rate Risk, Strategic Risk, etc. In line with the guide lines issued by Reserve Bank of India from time to time, your Company continues to strengthen various management systems and other monitoring mechanisms.

**F. INTERNAL CONTROL:**

In any industry, the processes and internal control systems play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. The internal control systems of the company are designed to ensure that all assets of the company are safeguarded and protected against any loss and be in line with the nature of its business and the size of operations. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial control.

**G. PERFORMANCE HIGHLIGHTS:**

During the year 2017-18 your company earned a revenue of Rs 168.51 Lakhs with a contribution of Rs.107.56 Lakhs to profit before tax.

**H. DIVIDEND:**

Your Directors are pleased to recommend a dividend of 10% on the paid up capital of the company.

**I. HUMAN RESOURCES:**

The company is cognizant of the importance of human capital in a fast evolving and high growth industry like the one it operates in. It also strives hard to retain its experienced team rich in domain expertise as it recognizes their importance in the growth of the Company. During the year under review, Company has appointed a Key Managerial Personnel in the Designation of Company Secretary and Compliance Officer.

**J. CAUTIONARY STATEMENT:**

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management, and the Independent Auditors have noted its contents. Statements in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus, the actual situation may differ from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.



## **ANNEXURE-II REMUNERATION POLICY**

### **1. INTRODUCTION**

Gowra Leasing & Finance Limited (GLFL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### **2. SCOPE AND EXCLUSION:**

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

### **3. TERMS AND REFERENCES:**

In this Policy, the following terms shall have the following meanings:

**“Director”** means a director appointed to the Board of the Company.

**“Key Managerial Personnel”** means:

- the Chief Executive Officer or the Managing Director or the manager;
- the Company Secretary;
- the Whole-Time Director;
- the Chief Financial Officer; and
- such other officer as may be prescribed under the Companies Act, 2013

**“Nomination and Remuneration Committee”** means the committee constituted by GLFL Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015.

### **4. POLICY:**

#### **A. Criteria for Appointment of Non-Executive Directors & Independent Directors**

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the Nomination & Remuneration (N&R) Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R committee shall ensure that the candidate identified for appointment as a director is not disqualified for appointment under section 164 of the Companies Act 2013.
- In case of re-appointment of Non-Executive Directors & Independent Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

#### **Remuneration of Non-Executive Directors & Independent Directors**

- A Non-Executive Director & Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 including any amendment or modification thereto as may be in force;
- The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

**B. Criteria for Appointment of Executive Directors and Key Managerial Personnel (KMP)**

For the purpose of appointment of any Executive Director and Key Managerial Personnel (KMP), the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee shall also ensure that the incumbent fulfils such other criteria as laid down under the Companies Act, 2013 read with Rules made there under or other applicable laws.

**Remuneration of Executive Directors & KMP**

- i. The Board, on the recommendation of the Nomination and Remuneration (N&R) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits prescribed under Companies Act, 2013 including any statutory modification or amendment thereto as may be in force, subject to approval by the shareholders in General Meeting.
- ii. The Board, on the recommendation of the Nomination & Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- iii. The remuneration of the Executive Directors and KMP may be broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component comprises performance bonus.

**D. Remuneration to Other Employees:**

- i. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.
- ii. The remuneration may be divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus.

**ANNEXURE-III**  
**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members  
Gowra Leasing and Finance Limited  
Secunderabad

**Report on the Financial Statements**

We have audited the accompanying financial statements of Gowra Leasing and Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, its profit and its cash flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and in terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) As the company has neither purchased nor sold goods during the year and there is no opening & closing stock, requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- (iii) The company has not granted any loans or advances in the nature of loans to parties covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) of the order is not applicable.
- (iv) As explained to us, the company has not granted any loans, investments or given guarantees/ security, hence the question of compliance to the provisions of Sections 185 and 186 of the Act as per clause (iv) of the Order does not arise.
- (v) According to the information and explanations given to us by the management, the company has not accepted any deposits from public 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 Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under as per clause (v) of the Order.
- (vi) According to the information and explanations provided by the management, the company is not engaged in production of any such goods or provision of any such services for which the Central Government has prescribed particulars relating to utilisation of material or labour or other items of cost. Hence, the provisions of section 148(1) of the Act do not apply to the company and in our opinion, no comment on maintenance of cost records under section 148(1) of the Act is required to be given.
- (vii) (a) According to the records of the Company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues to the extent applicable to it.
- Further, there were no undisputed amounts payable in respect of aforesaid statutory liabilities which have remained outstanding as at 31st March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there were no dues of Income tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise or Value added tax, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the company has neither borrowed any loans from Financial Institutions, Bank, Government nor issued any debentures and consequently the question of default in repayment of such loans does not arise.
- (ix) According to the information and explanations given to us no money was raised by way of initial public offer or further public offer by the company, the company has not taken any term loans from any banks or financial institutions during the year. Hence the question of application of moneys raised by way of initial public offer, further public offer and term loans for the purpose for which they were raised does not arise.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion the managerial remuneration has been paid or provided in accordance with requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order are not applicable to the company.
- (xiii) According to information and explanations given to us, the company has complied with the provisions of Sections 177 and 188 of the Act and the disclosure of such transactions in the Financial Statements etc., have been made as required by applicable Accounting Standards in respect of transactions entered into with related parties.

(xiv) As explained to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence the requirement of compliance to provisions of Section 42 of the Act and utilisation of amounts so raised for the purpose for which the funds were raised as per clause (xiv) of the Order does not arise.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him; hence the requirement of compliance to provisions of Section 192 of the Act as per clause (xv) of the Order does not arise.

(xvi) The company, being a Non-Banking financial company is registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence the requirement of clause (xvi) of the Order is complied with.

II. As required by section 143(3) of the Act, we report that:

(i) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

(iii) The balance sheet, statement of profit & loss and cash flow statement dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup>, March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv) The disclosure as envisaged in Notification G.S.R 308(E) dated 30<sup>th</sup> March 2017 is not applicable to the Company for the year.

For Agarwal Ankush & Associates  
Chartered Accountants  
FRN: 015125S

Place: Secunderabad  
Date: 24.05.2018

Sd/-  
Ankush Agarwal  
(Proprietor)  
M No.: 234257

**ANNEXURE A - TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GOWRA LEASING & FINANCE LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Gowra Leasing & Finance Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Agarwal Ankush & Associates  
Chartered Accountants  
FRN: 015125S  
Sd/-  
Ankush Agarwal  
(Proprietor)  
M No.: 234257

**ANNEXURE-IV**  
**SECRETARIAL AUDIT**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no .9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members  
**M/s. Gowra Leasing and Finance Limited**  
501, 5<sup>th</sup> Floor, Gowra Grand, Behind Gowra Plaza,  
1-8-384 & 385, S.P. Road, Begumpet,  
Secunderabad- 500003, Telangana.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Gowra Leasing and Finance Limited**, (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period).**
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period).**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period).**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period).**

**We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof the Company has complied with laws applicable with respect to the Reserve Bank of India Act, 1934 and Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 which are specifically applicable to the Company:

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by "The Institute of Company Secretaries of India"
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

- a. In terms of Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entities to ensure that 100% of shareholding of promoter(s) and promoter group is in dematerialized form. However, the promoter(s) and promoter group of the reported company are having 99.02% of shareholding in dematerialized form and the company has already initiated steps to convert the 0.98% representing 17800 shares in dematerialized form.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

Place: Hyderabad  
Date: 10-08-2018

For R & A Associates

Sd/-  
(G. Raghu Babu)  
Partner  
FCS No.4448, CP No. 2820

**{This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report}**



**"Annexure – A"**

To  
The Members  
**M/s. Gowra Leasing and Finance Limited**  
501, 5<sup>th</sup> Floor, Gowra Grand, Behind Gowra Plaza,  
1-8-384 & 385, S.P. Road, Begumpet,  
Secunderabad- 500003, Telangana.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of Gowra Leasing and Finance Limited ("**Company**"). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For R & A Associates

Sd/-  
(G. Raghu Babu)  
Partner  
FCS No.4448, CP No. 2820

Place: Hyderabad  
Date: 10-08-2018

**ANNEXURE-V**
**REPORT ON CORPORATE GOVERNANCE**

This Report states compliance as per requirements of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and NBFC Regulations, as applicable to the Company.

**1. PHILOSOPHY:**

Your Company recognizes its role as a corporate citizen and endeavours to adopt the best practices of corporate governance through transparency in business ethics, accountability to its customers, Government and others.

Your Company believes that good governance practices enables the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stakeholders.

**2. BOARD OF DIRECTORS:**

The Board of Directors along with the Committees of the Board, provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company. 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.

**a. Composition:**

As on 31st March 2018, the Board of the Company consisted of seven directors, of whom one was executive (Managing Director), three were non-executive independent (including one-woman director) and three were non-executive and non-independent. The Board has no institutional nominee director. The Company has a Non-Executive Chairman. According to regulation 17(1)(b) of SEBI (LODR) Regulations, 2015, where the chairperson of the Board is a non-executive director, at least one-third of the Board of directors shall comprise of independent directors. As Table 1 shows, this provision is met at Gowra Leasing & Finance Limited.

**b. Number of Meetings of the Board:**

During the financial year 2017-18, the Board met four times and the gap between any two meetings has been less than one hundred and twenty days. The Directors who were present in the Board Meeting are marked as "√" and the directors who were granted leave of absence was marked as "X".

SI No	Name of Director	DIN	29 May 2017	27 July 2017	14 November 2017	12 February 2018
1	Shri Gowra Srinivas	00286986	√	√	√	√
2	Shri Gowra L. Prasad	00268271	√	√	√	√
3	Dr. Soma Sudheer	00287082	√	√	√	√
4	Dr. T.G. Surendranath*	0287158	√	√	NA	NA
5	Shri Gowra Lakshminarayana	00287021	√	√	X	√
6	Smt. Madhumathi Suresh	07124113	√	√	√	√
7	Shri T.Shankar	02560552	X	√	√	√
8	Shri J.A. Mohan Kumar*	00367001	√	√	NA	NA
9	Shri D. Suresh	00268394	√	X	√	√
10	Shri Gowra Suryaprakash*	00268394	X	X	NA	NA

**Notes\***

\*Dr. T.G. Surendranath and Shri J.A. Mohan Kumar completed their term as Independent Director on 27<sup>th</sup> September, 2017. So, they attended only two Board Meeting on 29<sup>th</sup> May 2017 and 27<sup>th</sup> July, 2017.

\*Shri Gowra Surya Prakash retired by rotation from the Board of Director of the Company on 12<sup>th</sup> September, 2017.

**c. Attendance record of directors:**

**TABLE 1**

Composition of the Board and attendance record of directors for 2017-18

Name of the Director	Category and Position	No. of Board Meetings during Directors' tenure		Whether attended last AGM	No. of Committees of Board of other companies		No. of Directorship In other companies
		Held	Attended		Chairman ship	Member	
Shri D. Suresh	Non-Executive & Independent	4	3	Yes	-	-	2
Shri Gowra Srinivas	Executive	4	4	Yes	1	2	16
Shri Gowra L. Prasad	Non-Executive	4	4	Yes	-	-	6
Shri Gowra Lakshminarayana	Non-Executive	4	3	Yes	-	-	8
Shri Gowra Suryaprakash*	Non-Executive	2	0	Yes	-	-	--
Dr. Soma Sudheer	Non-Executive	4	4	Yes	-	-	2
Shri T.Shankar	Non-Executive & Independent	4	3	Yes	-	-	2
Dr. T.G.Surendranath*	Non-Executive & Independent	2	2	Yes	-	-	1
Shri J.A.Mohan Kumar*	Non-Executive & Independent	2	2	No	-	-	--
Smt. Madhumathi Suresh	Non-Executive & Independent	4	4	No	-	-	2

**Notes\***

\*Shri Gowra Surya Prakash retired by rotation from the Board of Director of the Company on 12<sup>th</sup> September, 2017.

\*Dr. T.G. Surendranath and Shri J.A. Mohan Kumar completed their term as Independent Director on 27<sup>th</sup> September, 2017. So, they attended only two Board Meeting on 29<sup>th</sup> May 2017 and 27<sup>th</sup> July, 2017.

**d. Committees of the Board**

The Board has constituted Committees with specific terms of reference/scope to focus effectively on issues and ensure expedient resolution of diverse matters.

At present, the Company has the following Board Level Committees, namely:

- A) Audit Committee
- B) Nomination & Remuneration Committee
- C) Stakeholder Relationship Committee

The Company Secretary is the Secretary of all the aforementioned Committees.

**3. AUDIT COMMITTEE:**

The Company had set up its Audit Committee way back in 2003 under erstwhile Companies Act, 1956 and clause 49 of the erstwhile Listing Agreement. The Audit Committee was reconstituted in 2012, consequent upon the change in the Board of Directors.

To meet the additional requirement of Companies Act, 2013 and clause 49 (now corresponding to regulation 18 of SEBI (LODR) Regulations, 2015), the terms of reference of Committee were amended by the Board at its meeting held on 8 August, 2014.

The Board has been reviewing the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and NBFC Regulations.

**a. Constitution & Composition:**

In compliance with Companies Act, 2013 and regulation 18(1)(c) of SEBI (LODR) Regulations, 2015, two members of the Audit Committee, viz. Shri T. Shankar (Chairman) and Shri D. Suresh are independent directors along with Shri Gowra Lakshminarayana as executive Director and all the members of the Audit Committee are 'financially literate'. Moreover, the Audit Committee has members, who have 'accounting or related financial management expertise'.

**b. Meetings and attendance:**

During FY 2017-18, the Audit Committee met four times viz. 29 May 2017, 27 July 2017, 14 November 2017, and 12 February 2018. The meetings were scheduled well in advance and not more than one hundred and twenty days elapsed between any two meetings.

In addition to the members of the Audit Committee, these meetings were attended by the heads of finance, internal audit functions and the statutory auditor of the Company and those executives who were considered necessary for providing inputs to the Committee. Further, on invitation, directors who are not members of the Committee also attended the meetings of the Committee. The Company Secretary acted as the secretary to the Audit Committee.

**TABLE 2**

Composition of Audit Committee and attendance record of members for FY 2017-18

S.No.	Name of the Director	Category	Meetings Held during Tenure	Meetings Attended
1	Shri T. Shankar	Chairman, Non -executive, Independent	4	3
2	Shri D. Suresh	Non -executive, Independent	4	3
3	Shri J.A Mohan Kumar*	Non -executive, Independent	2	2
4	Dr. T.G Surendranath*	Non -executive, Independent	2	2
5	Shri Gowra Surya Prakash*	Non –executive	2	0
6	Shri Gowra Lakshminarayana*	Non –executive	2	1

**Notes\***

\*Shri Gowra Surya Prakash retired by rotation from the Board of Director of the Company on 12<sup>th</sup> September, 2017, hence ceases to be a member of Audit Committee.

\*Dr. T.G. Surendranath and Shri J.A. Mohan Kumar completed their term as Independent Director on 27<sup>th</sup> September, 2017. So, they attended only two Audit Committee Meeting on 29<sup>th</sup> May 2017 and 27<sup>th</sup> July, 2017.

\*Shri Gowra Lakshminarayana was appointed as member of Audit Committee by the Board of Director on the Meeting held on 27<sup>th</sup> July, 2017.

**4. NOMINATION & REMUNERATION COMMITTEE:**

GLFL constituted the Remuneration Committee of the Board in June, 2006. Subsequently the committee was reconstituted in August 2010 and as a result of change in the Board of Directors.

Further, the Board at its meeting held on 08 August 2014, renamed the Committee as "Nomination and Remuneration Committee" and also revised the terms of reference for this Committee in compliance with section 178 of Companies Act, 2013 and clause 49 of the erstwhile Listing Agreement.

During the year under review, the Committee met Two time viz. 27 July 2017 and 14 November, 2017.

**TABLE 3**

Composition of the Nomination and Remuneration Committee and attendance record of members for 2017-18

S.No.	Name of the Director	Category	Meetings Held during tenure	Meetings Attended
1	Dr. T.G.Surendranath*	Chairman (Upto 27-07-2017) Non -executive, Independent	1	1
2	Shri T. Shankar	Chairman (from 27-07-2017) Non -executive, Independent	2	2
3	Shri D.Suresh	Non -executive, Independent	2	1
4	Dr. Soma Sudheer*	Non -executive	1	1

**Notes\***

\*Dr. T.G. Surendranath completed his term as Independent Director on 27<sup>th</sup> September, 2017. So, attended only one Nomination & Remuneration Committee Meeting on 27<sup>th</sup> July, 2017.

\*Dr. Soma Sudheer was appointed as member of Audit Committee by the Board of Director on the Meeting held on 27<sup>th</sup> July, 2017.

Further, on invitation, directors who are not members of the Committee also attended the meetings of the Committee.

Remuneration Policy is as per Annexure-II

**PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

The Company has adopted a robust process for the performance evaluation of the entire Board including the Independent Directors. Please refer to the Directors' Report for details on the Performance Evaluation of the Board.

**5. DETAILS OF REMUNERATION:**

The details of remuneration paid to the Board of Directors forms part of the Extract of Annual Return i.e.MGT-9, uploaded on the website: [www.gowraleasing.com](http://www.gowraleasing.com)

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Board of Directors of the Company constituted its Shareholders' and Investors' Grievance Committee in 2003 under erstwhile Companies Act, 1956 and clause 49 of the erstwhile Listing Agreement. This Committee was constituted to specifically look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividends etc.

The Committee was reconstituted in August 2010, August 2012, November 2016 and July 2017 as a result of change in the Board of Directors.

In compliance with the provisions of section 178 of the Companies Act, 2013 and regulation 20 of the SEBI (LODR) Regulations, 2015 the Board renamed the Committee as 'Stakeholders Relationship Committee' in the meeting held in February 4, 2016.

**TABLE 4:**

Composition of the Stakeholders Relationship Committee and attendance record of members for 2017-18

S.No.	Name of the Director	Category	Meetings Held during tenure	Meetings Attended
1	Shri Gowra Lakshminarayana	Chairman, Non- executive	4	3
2	Dr. Soma Sudheer	Non- executive	4	4
3	Shri Gowra Lakshmi Prasad	Non- executive	2	2
4	Shri Gowra Surya Prakash	Non- executive	2	0

**Notes\***

\*Shri Gowra Surya Prakash retired by rotation from the Board of Director of the Company on 12<sup>th</sup> September, 2017, hence ceases to be a member of Stakeholders Relationship Committee

\*Shri Gowra Lakshmi Prasad was appointed as member of Stakeholders Relationship Committee by the Board of Director on the Meeting held on 27<sup>th</sup> July, 2017.

The complaints received from the shareholders were replied to the satisfaction of the shareholders during the year ended March 31, 2018. The Company ensures that the investor's correspondence is attended expeditiously and endeavor is made to send a satisfactory reply within three days of receipt, except in cases that are constrained by disputes or legal impediments. There are no pending share transfer complaints as on March 31, 2018.

**COMPLIANCE OFFICER:** Shri Zafar Imam Khan, Company Secretary. (w.e.f. 14-11-2017)

## 7. GENERAL BODY MEETINGS:

### a. Location & time for last 3 Annual General Meetings of the Company:

AGM	Financial Year	Day/ Date	Time	Venue	Special Resolutions
24th	2016-17	Tuesday/ 12-09-2017	11.30 A.M	Hotel "THE MANOHAR", Airport Exit Road, Begumpet, Hyderabad – 500016	1.Reappointment of Shri D. Suresh (DIN:00268394), as Independent Director of the Company. 2. Reappointment of Shri T.Shankar (DIN:02560552), as Independent Director of the Company.
23rd	2015-16	Monday/ 12-09-2016	11.30 A.M	Hotel "THE MANOHAR", Airport Exit Road, Begumpet, Hyderabad – 500016	1.Reappointment of Shri Gowra Srinivas as Whole Time Director, designated as Managing Director
22nd	2014-15	Monday/ 28-09-2015	03.30 P.M	Hotel "THE MANOHAR", Airport Exit Road, Begumpet, Hyderabad – 500016	1.Appointment of Smt. Madhumathi Suresh as Independent Director.

### b. Postal Ballot Resolution

No Postal ballot resolution was passed during the year ended March 31, 2018. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

## 8. 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 / Business Standard and Navatelengana/ 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 1510 shareholders as on 31st March, 2018. 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.

## 9. GENERAL SHAREHOLDER INFORMATION:

### a) 25<sup>th</sup> Annual General Meeting :

Date: 20th September, 2018

Time: 11:30 A.M.

Venue: Hotel "TAJ TRISTAR, "Seven Hills", 1-4-40, S.D.Road, Secunderabad – 500003

### b) Financial Year : 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018

### c) Date of Book Closure : 11th September, 2018 to 20<sup>th</sup> September, 2018 (both days inclusive)

### d) Dividend Payment Date :

For the year ended March 31, 2018, the Directors have recommended a dividend at the rate of Rs. 1 per equity share, subject to approval of the Members at the ensuing Annual General Meeting. If approved, the dividend shall be paid on or before October 20, 2018 to all the Members.

### e) Financial Calendar : For the FY 2017-18

Financial Results	Cut-off Date
Unaudited first quarter financial results	On or before August 14, 2017
Unaudited second quarter financial results	On or before November 14, 2017
Unaudited third quarter financial results	On or before February 14, 2018
Approval of audited annual results for year ending 31 March, 2018	On or before May 30, 2018

### f) Listing on Stock Exchange:

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

The Company has paid listing fees to BSE for the year 2017-18.

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

**h) Depositories**

i. **National Securities Depository Ltd.:**

Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013.

ii. **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 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 as follows:

Month	High (Rs)	Low (Rs.)	No. of shares
April, 2017	27.10	19.40	23,495
May, 2017	28.40	22.30	4,599
June, 2017	25.65	20.40	8,911
July, 2017	25.00	20.60	3,914
August, 2017	26.20	21.65	10,979
September, 2017	24.95	20.90	11,232
October, 2017	25.35	21.40	7,100
November, 2017	27.60	24.05	3,215
December, 2017	26.40	22.00	6,495
January, 2018	26.70	22.95	11,354
February, 2018	27.00	23.05	5,736
March, 2018	24.30	23.10	3,135

**j) Registrar & Share Transfer Agent:**

For lodgement 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 Private Limited,**

Karvy Selenium Tower B, Plot No.31-32, Financial District,

Nanakramguda, Serilingampally Hyderabad – 500032

Fax No. 040-23420814 e-mail: einward@karvy.com Website: www.karvycomputershare.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, dematerialisation of shares etc. to Stakeholders Relationship Committee. The Registrar and Share Transfer Agents registers the shares received for transfer in physical mode, within 15 days from the date of lodgement, if documents are complete in all respects.

**l) Distribution of Shareholding Pattern as on 31<sup>st</sup> March, 2018:**

Shareholding of nominal value of	Shareholders			Share amount	
	No. of Cases	% of Cases	Total Shares	Amount (Rs.)	% of Amount
1-5000	946	62.65	249152	2491520	8.30
5001- 10000	314	20.79	281267	2812670	9.37
10001- 20000	111	7.35	175808	1758080	5.86
20001- 30000	60	3.97	145796	1457960	4.86
30001- 40000	14	0.93	49301	493010	1.64
40001- 50000	15	0.99	68118	681180	2.27
50001- 100000	19	1.26	147281	1472810	4.91
100001& Above	31	2.05	1883577	18835770	62.78
<b>TOTAL</b>	<b>1510</b>	<b>100.00</b>	<b>3000300</b>	<b>30003000</b>	<b>100.00</b>

**m) Shareholding Pattern as on 31st March, 2018:**

Sl. No.	Category	No. of share holders	No. of Shares held	Percentage to Total issued shares
1	PROMOTER INDIVIDUALS	48	1257723	41.92
2	RESIDENT INDIVIDUALS	1423	1081575	36.05
3	PROMOTERS BODIES CORPORATE	1	5,48,900	18.29
4	H U F	27	12991	0.43
5	BODIES CORPORATES	10	6362	0.21
6	IEPF	1	92749	3.09
	<b>Total</b>	<b>1574</b>	<b>3000300</b>	<b>100.00%</b>

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

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

As on 31st March, 2018, 19,27,366 Shares (64.24%) has been dematerialized with NSDL and 2,60,819 shares (8.69%) 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 2017-18, 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) Commodity price risk or foreign exchange risk and hedging activities:**

The Company monitors the price of key commodities closely and formulates the procurement strategies basis actual price movements / trends / projections in India. The Company has adequate governance structure of aligning and reviewing the procurement strategies in line with external and internal dynamics.

**r) Address for Correspondence:**

For queries relating to financial statements, please write to:  
 Shri Zafar Imam Khan, Compliance Officer  
 Gowra Leasing & Finance Limited,  
 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](mailto:investors@gowraleasing.com)

**s) Website:**

The Company's website <http://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, Investors' Desk, Forms for Mandate for NECS, Registration of Nominee name, Registration of e-mail ID, updation of address, details of Unpaid/unclaimed dividend, etc.

**10. DISCLOSURES:**

**Related Party Transactions:**

During the year under review, the Company had not entered into any material transaction with any of its related parties. The Company has formulated a policy on materiality of Related Party Transactions and also dealing with Related Party Transactions. Transactions with related parties are disclosed at note no. 2.24 forming part of the financial statements.



### Accounting Treatment

The financial statements of the Company are prepared in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards issued by the Institute of Chartered Accountants of India.

### Non-Compliance:

There have not been any non-compliances, penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### Vigil mechanism & Whistle Blower Policy:

The Company has formulated a Whistle Blower Policy and Vigil Mechanism, with an aim to deter and detect misconduct and to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place, are raised at an early stage in a responsible and confidential manner.

It is also affirmed that no member has been denied access to the Audit Committee.

### Discretionary Requirements

The Company is complying with the following discretionary requirements prescribed under Schedule II Part E of the SEBI (LODR) Regulations, 2015:

1. Separate posts of Chairman and Managing Director: The Company already have separate persons to the post of Chairman and Managing Director. Shri. D. Suresh is the Non-Executive Chairman and Shri. Srinivas Gowra is the Managing Director.
2. Reporting of Internal Auditor: As per Audit Committee's terms of reference.

### DECLARATION FOR CODE OF CONDUCT

As required under Part D of Schedule V of SEBI (LODR) Regulations, 2015, 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, 2018.

For Gowra Leasing & Finance Limited

Date : 10-08-2018  
Place : Secunderabad

Sd/-  
(GOWRA SRINIVAS)  
Managing Director  
(DIN: 00286986)

### ANNEXURE-VI

#### PARTICULARS OF EMPLOYEES:

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Director	Designation	Remuneration in FY 2017-18 (Rs.)	Remuneration in FY 2016-17 (Rs.)	% of increase in remuneration	Ratio of remuneration to MRE	Ratio of remuneration to	
						Revenues FY 17-18	Net Profit FY 17-18
Executive Directors							
Shri Gowra Srinivas	Managing Director	3,84,000	2,24,000	71.42	1.37	0.023	0.048
Key Managerial Personnel							
Shri A.V Rama Krishna Rao	Chief Financial Officer	8,28,750	8,02,750	3.24	2.96	0.049	0.104
Smt. Amita Karnewar/ Shri Zafar Imam Khan	Company Secretary	1,65,758	1,86,000	(10.88)	0.59	0.010	0.021

- 1) The Median Remuneration of the employees of the Company during the financial year was Rs. 2,79,600/-.
- 2) In the financial year, there was 18.8% increase in the median remuneration to employees.
- 3) There are 7 (seven) permanent Employees on the Rolls of the Company as on 31st March, 2018.
- 4) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.
- 5) It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.

**CERTIFICATION BY MD & CFO OF THE COMPANY**

(Regulation 17(8) of SEBI (LODR) Regulations, 2015 read with PART B of Schedule II)

We, Gowra Srinivas, Managing Director and Alamuru Venkata Rama Krishna Rao, Chief Financial Officer 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 31<sup>st</sup> March, 2018 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 : 24-05-2018  
Place : Secunderabad

Sd/-  
(Gowra Srinivas)  
Managing Director  
(DIN : 00286986)

Sd/-  
(Alamuru Venkata Rama Krishna Rao)  
(Chief Financial Officer )

**COMPLIANCE CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF  
CORPORATE GOVERNANCE**

[Regulation 34(3) of SEBI (LODR), 2015]

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, 2018, as stipulated in Part E of Schedule V of SEBI (LODR) Regulations, 2015.

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

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

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

For Agarwal Ankush & Associates  
Chartered Accountants  
FRN: 015125S

Place: Secunderabad  
Date: 10.08.2018

Sd/-  
Ankush Agarwal  
(Proprietor)  
M No.: 234257

### Balance Sheet as at 31<sup>st</sup> March, 2018

PARTICULARS	NOTE	31 MARCH 2018	31 MARCH 2017
		Rs.	Rs.
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholders' funds</u></b>			
Share capital	2.1	300,03,000	300,03,000
Reserves and surplus	2.2	939,74,428	896,07,475
<b><u>Non-Current Liabilities</u></b>			
Long term provisions	2.3	4,22,935	3,71,590
<b><u>Current liabilities</u></b>			
Other current liabilities	2.4	1,98,497	3,18,358
Short term provisions	2.5	171,10,539	185,72,125
		<b>1417,09,399</b>	<b>1388,72,548</b>
<b><u>ASSETS</u></b>			
<b><u>Non current assets</u></b>			
Fixed assets			
- Tangible assets	2.6	114,87,799	105,65,591
Non Current investments	2.7	2,19,946	2,19,946
Other Non Current Assets	2.8	351,00,464	486,00,464
Deferred tax assets (net)	2.9	45,74,596	50,41,628
<b><u>Current assets</u></b>			
Trade receivables	2.10	644,24,374	674,88,286
Cash and cash equivalents	2.11	234,65,450	50,68,060
Short term loan and advances	2.12	24,36,770	18,88,573
		<b>1417,09,399</b>	<b>1388,72,548</b>

Significant accounting policies &amp; notes to accounts

1 &amp; 2

As per our report attached.

For Agarwal Ankush & Associates  
Chartered Accountants  
Firm registration No.015125S

Sd/-

(Ankush Agarwal)  
Proprietor  
Membership No.234257

Place: Secunderabad  
Date: 24 May, 2018

For Gowra Leasing &amp; Finance Limited

Sd/-

(Gowra Srinivas)  
Managing Director  
DIN : 00286986

Sd/-

(G L Prasad)  
Director  
DIN:00268271

Sd/-

(Zafar Imam Khan)  
Company Secretary

Sd/-

(A V Rama Krishna Rao)  
CFO

**Statement of Profit and loss account for the year ended 31<sup>st</sup> March, 2018**

PARTICULARS	NOTE	31 MARCH 2018	31 MARCH 2017
		Rs.	Rs.
<b><u>Revenue from operations</u></b>			
Interest	2.13	100,85,194	127,19,315
Other Income	2.14	67,65,795	110,56,080
<b>Total Revenue</b>		<b>168,50,989</b>	<b>237,75,395</b>
<b><u>Expenses</u></b>			
Employee benefits expense	2.15	30,49,863	27,94,745
Finance costs	2.16	18,855	2,514
Depreciation	2.6	79,296	54,133
Other expenses	2.17	29,46,670	72,08,317
<b>Total expenses</b>		<b>60,94,684</b>	<b>100,59,709</b>
<b>Profit / (Loss) before tax</b>		<b>107,56,305</b>	<b>137,15,686</b>
<b><u>Tax expense</u></b>			
1. Current tax	2.18	23,11,219	27,71,111
2. Deferred tax	2.09	4,67,032	18,27,791
<b>Profit / (Loss) for the period</b>		<b>79,78,054</b>	<b>91,16,784</b>
Earning per equity share		2.66	3.04
Number of shares used in computing earnings per share		30,00,300	30,00,300

Significant accounting policies &amp; notes to accounts

1 &amp; 2

As per our report attached.

For Agarwal Ankush & Associates  
Chartered Accountants  
Firm registration No.015125S

Sd/-

(Ankush Agarwal)  
Proprietor  
Membership No.234257

Place: Secunderabad  
Date: 24 May, 2018

For Gowra Leasing &amp; Finance Limited

Sd/-

(Gowra Srinivas)  
Managing Director  
DIN : 00286986

Sd/-

(G L Prasad)  
Director  
DIN:00268271

Sd/-

(Zafar Imam Khan)  
Company Secretary

Sd/-

(A V Rama Krishna Rao)  
CFO

**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018**

Sr.	PARTICULARS	Amount in Rs. 31.03.2018		Amount in Rs. 31.03.2017	
<b>A.</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>				
1	Net Profit/(Loss) before Tax and Extraordinary Items		107,56,305		137,15,686
2	Adjustments for:				
	- NPA Provision (Decreased) / Increased	(15,62,194)		(59,69,395)	
	- Contingent Provisions against Standard Assets (Decreased) / Increased	-		30,542	
	- Profit on sale of asset	(42,00,000)		(9,94,804)	
	- Depreciation	79,296		54,133	
	- Dividend received	(16,000)		(5,632)	
	- Gratuity Provision	51,346		60,288	
			(56,47,552)		(68,24,868)
	Operating Profit before Working Capital Changes		51,08,753		68,90,818
3	<b><u>Adjustments For</u></b>				
	- (Increase) / Decrease in Trade Receivable	30,63,912		43,30,693	
	- (Increase) / Decrease in Short term loans & advances	(5,48,197)		18,890	
	- (Increase) / Decrease in Other Current Assets	-		-	
	- Increase / (Decrease) in Other Current Liabilities	(1,19,861)	23,95,854	70,351	4,19,934
			75,04,607		113,10,752
	Direct Taxes Paid (Net)		(22,10,611)		(36,74,239)
	<b>Net Cash from Operating Activities</b>		<b>52,93,996</b>		<b>76,36,513</b>
<b>B.</b>	<b><u>Cash Flow from Investing Activities</u></b>				
	(Purchase)/ Sale of Fixed Assets	(10,01,504)		16,14,304	
	Dividends	16,000		5,632	
	(Increase) / Decrease in Non-Current Investments	-		-	
	<b>Net Cash from Investments Activities</b>		<b>(9,85,504)</b>		<b>16,19,936</b>
<b>C.</b>	<b><u>Cash Flow Financing Activities</u></b>				
	Borrowing/repayment of Long Term Borrowings	135,00,000		(9,19,114)	
	Dividend Paid			(30,00,300)	
	Dividend Tax Paid			(6,10,801)	
	<b>Net Cash from Financing Activities</b>		<b>135,00,000</b>		<b>(45,30,215)</b>
	Net Charge in Cash & Cash Equivalent (A+B+C)		<b>178,08,492</b>		<b>47,26,234</b>
	Opening Cash and Bank Balance		50,68,060		3,41,826
	Closing Cash and Bank Balance		228,76,552		50,68,060
	Note: (i) Figures in brackets are outflows (ii) Previous Year's figures have been re-grouped wherever deemed necessary				

As per our Report on even date.

For Agarwal Ankush & Associates  
Chartered Accountants  
Firm registration No.015125S  
Sd/-

(Ankush Agarwal)  
Proprietor  
Membership No.234257

Place: Secunderabad  
Date: 24 May, 2018

For Gowra Leasing & Finance Limited

Sd/- Sd/-  
(Gowra Srinivas) (G L Prasad)  
Managing Director Director  
DIN : 00286986 DIN:00268271

Sd/- Sd/-  
(Zafar Imam Khan) (A V Rama Krishna Rao)  
Company Secretary CFO

## **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, 2013.

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 loss, if any. Intangible assets are amortised over their estimated useful lives subject to a maximum period of five 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 II of the Companies Act, 2013.

### **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 profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### **iv. Income Recognition**

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

### **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 Profit & Loss Account for the year. There are no other obligations other than the contribution payable to P.F.

#### **b. Defined Benefit Plans:**

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

#### **c. Short term Employee Benefits:**

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

### **vi. Investments**

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

### **vii. Taxation**

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

### **viii. Provisions, Contingent Liabilities and Contingent Assets**

The company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation.

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

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

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

## 2. Notes on accounts

### 2.1 Share Capital

Particulars	As at 31 March 2018 Rs.	As at 31 March 2017 Rs.
<b><u>Authorised</u></b> <b>Equity shares</b> 50,00,000 (previous year 50,00,000) of Rs.10 each	500,00,000	500,00,000
	<b>500,00,000</b>	<b>500,00,000</b>
<b><u>Issued</u></b> <b>Equity shares</b> 30,00,300 (previous year 30,00,300) of Rs. 10 each	300,03,000	300,03,000
	<b>300,03,000</b>	<b>300,03,000</b>
<b><u>Subscribed and fully Paid up</u></b> <b>Equity shares</b> 30,00,300 (previous year 30,00,300) of Rs.10 fully paid up	300,03,000	300,03,000
<b>Grand total</b>	<b>300,03,000</b>	<b>300,03,000</b>

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

Particulars	As at 31 March 2018	As at 31 March 2017
	Number	Number
Shares outstanding at the beginning of the year	30,00,300	30,00,300
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	30,00,300	30,00,300

The details of shareholders holding more than 5% equity shares are set below;

Name of Shareholder	As at 31 March 2018		As at 31 March 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gowra Petrochem Private Limited	5,48,900	18.29%	5,47,900	18.26%

### 2.2 Reserves and Surplus

Particulars	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.
<b>General Reserve</b>		
Balance at the beginning of the accounting period	37,99,609	37,99,609
Add: Profit/ (Loss) for the year	-	-
Less: Amount utilised	-	-
Balance at the end of accounting period	37,99,609	37,99,609
<b>Statutory Reserve</b>		
Balance at the beginning of the accounting period	318,57,061	300,33,704
Add: Amount transferred from P&L A/c	15,95,611	18,23,357
Less: Amount utilised	-	-
Balance at the end of accounting period	334,52,672	318,57,061
<b>Surplus / (deficit) balance in the statement of profit and loss</b>		
Balance at the beginning of the accounting period	539,50,805	502,68,479
Add: Amt transferred from P & L a/c	79,78,054	91,16,784
Less: Amount utilised		
- Dividend	30,00,300	30,00,300
- Dividend distribution tax	6,10,801	6,10,801
- Transfer to general reserve	-	-
- Depreciation adjustment	-	-
- Transfer to statutory reserve	15,95,611	18,23,357
Balance at the end of accounting period	<b>567,22,147</b>	<b>539,50,805</b>
	939,74,428	896,07,475



### 2.3 Long Term Provisions

Particulars	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.
Provision for gratuity	4,22,935	3,71,590
	<b>4,22,935</b>	<b>3,71,590</b>

### 2.4 Other Current Liabilities

Particulars	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.
Statutory dues payable	74,663	42,814
Expenses payable	1,05,765	2,57,475
Other current liabilities	18,069	18,069
	<b>1,98,497</b>	<b>3,18,358</b>

### 2.5 Short Term Provisions

Particulars	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.
Contingent Provisions against Standard Assets	1,82,939	1,79,379
Current Year's Taxes Payable (net of Advance Tax)	1,00,608	-
Previous Year's Taxes Payable (net of Advance Tax)	3,84,722	3,84,722
Proposed Dividend	30,00,300	30,00,300
Provision for Dividend Tax	6,10,801	6,10,801
Provision for Doubtful debts	128,31,169	143,96,923
	<b>171,10,539</b>	<b>185,72,125</b>

### 2.6 - Fixed assets

Fixed Assets	Gross Block				Accumulated Depreciation				Net block	
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	Adjustments	Depreciation charge for the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.		Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
<b>Owned Tangible Assets</b>										
Land	102,39,436	9,33,144	-	111,72,580	-	-	-	-	111,72,580	102,39,436
Flat	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	6,02,680			6,02,680	5,77,636		-	5,77,636	25,044	25,044
Office Equipments	1,59,889			1,59,889	1,51,895		-	1,51,895	7,995	7,995
Computers	2,13,155	-		2,13,155	1,39,593	-	33,591	1,73,184	39,971	73,562
Two-Wheeler	1,46,682	68,360		2,15,042	46,287	-	17,964	64,251	1,50,791	1,00,395
Printers	19,400			19,400	18,430		-	18,430	970	970
<b>A</b>	<b>113,81,242</b>	<b>10,01,504</b>	<b>-</b>	<b>123,82,746</b>	<b>9,33,841</b>	<b>-</b>	<b>51,555</b>	<b>9,85,396</b>	<b>113,97,351</b>	<b>104,47,402</b>
<b>Intangible Assets</b>										
Computer Software	2,33,756	-		2,33,756	1,15,567		27,741	1,43,308	90,448	1,18,189
<b>B</b>	<b>2,33,756</b>	<b>-</b>	<b>-</b>	<b>2,33,756</b>	<b>1,15,567</b>	<b>-</b>	<b>27,741</b>	<b>1,43,308</b>	<b>90,448</b>	<b>1,18,189</b>
<b>Total (A+B)</b>	<b>116,14,998</b>	<b>10,01,504</b>	<b>-</b>	<b>126,16,502</b>	<b>10,49,408</b>	<b>-</b>	<b>79,296</b>	<b>11,28,704</b>	<b>114,87,799</b>	<b>105,65,591</b>
<b>Previous Year</b>	<b>125,24,043</b>	<b>1,85,696</b>	<b>10,94,741</b>	<b>116,14,998</b>	<b>12,84,820</b>	<b>2,89,545</b>	<b>54,133</b>	<b>10,49,408</b>	<b>105,65,591</b>	

## 2.7 Non-Current Investments

Particulars	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.
<b>Quoted</b>		
SIRIS Limited	27,500	27,500
100 Equity Shares of Rs.10/- each fully paid up		
Jayaswals Neco Limited	16,000	16,000
200 Equity Shares of Rs.10/- each fully paid up		
Finolex Industries Limited	11,616	11,616
100 Equity Shares of Rs.10/- each fully paid up		
Glenmark Pharmaceuticals Limited	20,000	20,000
1000 Equity Shares of Rs.1/- each fully paid up		
Andhra Bank Limited	95,850	95,850
1065 Equity Shares of Rs.10/- each fully paid up		
Entertainment Network India Limited	6,480	6,480
40 Equity Shares of Rs.10/- each fully paid up	1,77,446	1,77,446
Less: Provision for diminution in value of investments	27,500	27,500
(Aggregate market value Rs. 7.01 lakhs (p.y Rs. 10.32 lakhs)	1,49,946	1,49,946
<b>Unquoted</b>		
DHFL Vysya Bank Housing Fin. Limited	70,000	70,000
2000 Equity Shares of Rs.10/- each fully paid up		
	<b>2,19,946</b>	<b>2,19,946</b>

## 2.8 Other Non-Current Assets

Particulars	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.
Assets recovered from Non-Performing Advances	351,00,464	486,00,464
	<b>351,00,464</b>	<b>486,00,464</b>

## 2.9 Deferred Tax Assets (Net)

Particulars	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.
Deferred tax assets relating to -		
- Fixed assets	1,82,960	1,83,140
- Provision for gratuity	1,34,815	1,18,949
- Provision for Non Performing assets	41,96,619	46,80,437
- Contingent provision on standard assets	60,202	59,102
	<b>45,74,596</b>	<b>50,41,628</b>

## 2.10 Trade receivables (Unsecured and considered good)

Particulars	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.
a) Outstanding for more than six months (Unsecured and considered doubtful)	107,66,654	125,56,654
b) Outstanding for more than six months (Secured and considered doubtful)	31,80,538	36,80,538
	139,47,192	162,37,192
c) Outstanding for more than six months (Secured and considered Sub Standard)	47,42,460	-
d) Other Debts (Unsecured and Considered Good)	230,59,239	152,41,650
e) Other Debts (Secured and Considered Good)	226,75,483	360,09,444
	504,77,182	512,51,094
	<b>644,24,374</b>	<b>674,88,286</b>

## 2.11 Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.
Cash on hand	88,872	26,457
Balance with banks	6,96,829	14,19,727
Fixed deposits with banks	226,79,749	36,21,876
	<b>234,65,450</b>	<b>50,68,060</b>

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

Particulars	As at 31 March 2018	As at 31 March 2017
	Rs.	Rs.
Staff advances	4,86,678	60,009
Advance Others	3,600	-
Income tax receivable	15,87,875	15,87,875
Rent Receivable	2,94,250	2,36,106
Prepaid expenses	64,367	4,583
	<b>24,36,770</b>	<b>18,88,573</b>

## 2.13 Revenue from Operations

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Rs.	Rs.
Interest income	97,53,847	125,36,941
Interest from FDR	3,31,347	1,82,374
	<b>100,85,194</b>	<b>127,19,315</b>

## 2.14 Other Income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Rs.	Rs.
Dividend Income	16,000	5,632
Cheque Return Charges	5,891	26,956
Miscellaneous Receipts	11,016	30,39,338
Processing Charges	4,348	39,130
Recoveries of Bad Debts	30,000	-
Rent Received	9,36,346	9,80,825
Profit on sale of Asset	42,00,000	9,94,804
Provision for Non-Performing Assets and Doubtful Debts written back	15,62,194	59,69,395
	<b>67,65,795</b>	<b>110,56,080</b>

## 2.15 Employee benefits expense

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Rs.	Rs.
Salaries & Allowances	23,05,958	22,00,200
Contribution to Provident Fund	94,900	92,668
Staff Welfare Expenses	16,209	30,939
Professional Tax	19,100	18,800
Gratuity	51,346	60,288
Directors Remuneration	3,84,000	2,24,000
Bonus	1,78,350	1,67,850
	<b>30,49,863</b>	<b>27,94,745</b>

## 2.16 Finance Cost

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Rs.	Rs.
Bank charges	3,294	-
Interest Others	15,561	2,514
	<b>18,855</b>	<b>2,514</b>

## 2.17 Other expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Rs.	Rs.
News Paper & Publication expenses	65,482	54,647
Auditor's Remuneration	52,000	60,060
Directors Sitting Fees	90,000	1,25,000
Legal & Professional Charges	6,06,450	4,31,550
Miscellaneous Expenses	7,97,161	3,37,645
Postage, Telephones & Internet Charges	87,600	1,14,667
Printing & Stationery	50,382	48,947
Contingent provision for standard assets	-	30,542
Rates & Taxes	2,84,715	61,485
Rent	3,92,064	4,34,232
Repairs & Maintenance	63,390	32,786
Bad debts written off	-	50,00,000
Service Tax /GST	63,947	38,290
Subscription	46,060	30,580
Travelling & Conveyance Expenses	3,31,330	3,92,114
Vehicle Maintenance	16,089	15,772
	<b>29,46,670</b>	<b>72,08,317</b>

## 2.18 Current Tax

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Rs.	Rs.
Provision for tax	23,11,219	27,71,111
	<b>23,11,219</b>	<b>27,71,111</b>

## 2.20 Contingent liabilities not provided for: Nil (p.y nil)

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

	<b>For the year Ended 31.03.2018</b> <b>(Excl. of GST) (Rs.)</b>	<b>For the year ended 31.03.2017</b> <b>(Incl. of ST) (Rs.)</b>
1. Audit Fee	37000	40825
2. Tax Audit Fees	<u>15000</u>	<u>19235</u>
	<u>52000</u>	<u>60060</u>

**2.22 Directors' Remuneration: (in Rs.)**

	<b>For the year Ended 31.03.2018</b>	<b>For the year ended 31.03.2017</b>
1. Remuneration to Managing Director	<u>3,84,000</u>	<u>2,24,000</u>
	<u>3,84,000</u>	<u>2,24,000</u>
2. Directors' Sitting Fee	<u>90,000</u>	<u>1,25,000</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. Related entity                        | : | 1. M/s Vaishnavi Corporation                 |
|  |   | 2. M/s Gowra Petrochem Private Limited       |
| b. Key Management Personnel:             |   | 1. Shri G.Srinivas – Managing Director       |
|  |   | 2. Shri G.L.Prasad – Director                |
|  |   | 3. Shri D Suresh – Director                  |
|  |   | 4. Shri T Shankar – Director                 |
|  |   | 5. Shri G.Lakshminarayana – Director         |
|  |   | 6. Shri T G Surendranath – Director          |
|  |   | 7. Shri G Suryaprakash – Director            |
|  |   | 8. Shri J A Mohan Kumar – Director           |
|  |   | 9. Smt. Madhumathi Suresh – Director         |
|  |   | 10. Shri A V R K Rao – CFO                   |
|  |   | 11. Shri Soma Sudheer – Director             |
|  |   | 12. Shri Zafar Imam Khan – Company Secretary |
| c. Relatives of key Management Personnel | : | 1. Smt. G.S.Sabitha                          |
|  |   | 2. Shri G L Subbaram                         |
|  |   | 3. Smt. G L Ramadevi                         |

**2. Related Party Transactions:**

(In Rs.)

<b>Nature of Transactions</b>	<b>Related Entities</b>	<b>Key Management Personnel</b>	<b>Relatives of Key Management Personnel</b>	<b>Total</b>
<b>Rent Paid</b>				
- Shri G Srinivas		98,016		98,016
		(1,08,558)		(1,08,558)
- Smt G L Ramadevi			98,016	98,016
			(1,08,558)	(1,08,558)
- Shri G L Subbaram			98,016	98,016
			(1,08,558)	(1,08,558)
- Smt G S Sabitha			98,016	98,016
			(1,08,558)	(1,08,558)
<b>Total</b>	<b>-</b> <b>(-)</b>	<b>98,061</b> <b>(1,08,558)</b>	<b>2,94,048</b> <b>(3,25,674)</b>	<b>3,92,064</b> <b>(4,34,232)</b>



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<b>Remuneration paid to Managing Directors</b> - Shri G Srinivas (MD)		3,84,000 (2,24,000)		3,84,000 (2,24,000)
<b>Remuneration paid to Company Secretary</b>	-	1,65,758 (1,86,000)		1,65,758 (1,86,000)
<b>Remuneration paid to CFO</b>		8,28,750 (8,02,750)		8,28,750 (8,02,750)
<b>Total</b>	-	<b>13,78,508</b> <b>(12,12,750)</b>	-	<b>13,78,508</b> <b>(12,12,750)</b>
<b>Director's Sitting Fees</b> - Shri G.Laxminarayana		10,000 (10,000)		10,000 (10,000)
- Shri G Suryaprakash		-- (15,000)		-- (15,000)
- Shri G L Prasad		10,000 (10,000)		10,000 (10,000)
-Shri G Srinivas		-- (2,500)		-- (2,500)
-Shri D Suresh		15,000 (20,000)		15,000 (20,000)
-Shri T.Shankar		15,000 (15,000)		15,000 (15,000)
-Shri T.G.Surendranath		10,000 (20,000)		10,000 (20,000)
-Shri S.Dayanand		-- (5,000)		-- (5,000)
-Shri J.A.Mohan Kumar		10,000 (15,000)		10,000 (15,000)
-Smt. Madhumathi Suresh		10,000 (7,500)		10,000 (7,500)
-Shri Soma Sudheer		10,000 (5,000)		10,000 (5,000)
<b>Total</b>	-	<b>90,000</b> <b>(1,25,000)</b>		<b>90,000</b> <b>(1,25,000)</b>
<b>Interest Paid</b> Shri G.L. Prasad		10850 (--)	--	10850 (--)
		<b>10850</b> (--)		<b>10850</b> (--)
<b>Loan taken</b> - Shri G.L.Prasad	--	15,00,000 (--)		15,00,000 (--)
- Shri G Srinivas	(--)	-- (25,00,000)		-- (25,00,000)
- Shri G Lakshminarayana			-- (27,00,000)	-- (27,00,000)
<b>Total</b>	-- (--)	<b>15,00,000</b> <b>(25,00,000)</b>	<b>(27,00,000)</b>	<b>15,00,000</b> <b>(52,00,000)</b>
<b>Loan repaid</b> - Shri G.L.Prasad	--	15,00,000 (--)		15,00,000 (--)
- Shri G Srinivas		-- (25,00,000)		-- (25,00,000)
- Shri G Lakshminarayana			-- (27,00,000)	-- (27,00,000)
<b>Total</b>	-- (--)	<b>15,00,000</b> <b>(25,00,000)</b>	<b>(27,00,000)</b>	<b>15,00,000</b> <b>(52,00,000)</b>

<b>Maximum balance</b>				
- Shri G L Prasad		15,00,000 (--)	---	15,00,000 (--)
- Shri G Srinivas		-- (25,00,000)	--	-- (25,00,000)
- Shri G Lakshminarayana			-- (27,00,000)	-- (27,00,000)
<b>Total</b>	-- (--)	<b>15,00,000 (25,00,000)</b>	-- (27,00,000)	<b>15,00,000 (52,00,000)</b>

\*. 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 required to be made towards impairment of assets for the year ending 31<sup>st</sup> March, 2018.

**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 confirm 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>2017-18</u>	<u>2016-17</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 Agarwal Ankush & Associates  
Chartered Accountants  
Firm registration No.015125S

Sd/-

(Ankush Agarwal)  
Proprietor  
Membership No.234257

Place: Secunderabad  
Date: 24 May, 2018

For Gowra Leasing & Finance Limited

Sd/-

(Gowra Srinivas)  
Managing Director  
DIN : 00286986

Sd/-

(G L Prasad)  
Director  
DIN:00268271

Sd/-

(Zafar Imam Khan) (A V Rama Krishna Rao)  
Company Secretary CFO

**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)

**Financial Year 2017-18**

(Rs.in lakhs)

	Particulars	Amount Outstanding	Amount Overdue
	<b>Liabilities Side</b>		
<b>(1)</b>	<b>Loans and advances availed by the Non-banking financial Company inclusive of interest accrued thereon but not paid: -</b>		
	(a) Debentures:		
	Secured	Nil	Nil
	Unsecured (other than falling within the meaning of public deposit*)	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter-corporate Loans and borrowing	Nil	Nil
	(e) Commercial paper	Nil	Nil
	(f) Other Loans (Specify Nature)	Nil	Nil

\* Please see Note 1 below

	Assets Side :	Amount Outstanding
<b>(2)</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>	
	(a) Secured	305.98
	(b) Unsecured	338.26
<b>(3)</b>	<b>Break up of Leased Assets and Stock on hire and other assets counting towards AFC activities</b>	
	(i) Lease assets including Lease rentals under sundry debtors:	
	(a) Financial Lease	Nil
	(b) Operating Lease	Nil
	(ii) Stock on hire including hire charges under sundry debtors	
	(a) Assets on hire	Nil
	(b) Repossessed Assets	Nil
	(iii) Other Loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	Nil
	(b) Loans other than (a) above	Nil
<b>(4)</b>	<b>Break-Up of Investments</b>	
	<b>Current Investments:</b>	
	1 <b>Quoted :</b>	
	(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 <b>Unquoted :</b>	
	(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
	<b>Loan Term Investments:</b>	
	1 <b>Quoted :</b>	
	(i) Shares:	
	(a) Equity	1.77
	(b) Preference	Nil





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	(ii)	Debentures and Bonds		Nil
	(iii)	Units of mutual funds		Nil
	(iv)	Government Securities		Nil
	(v)	Other (Please specify)		Nil
	2	<b>Unquoted :</b>		
	(i)	Shares :		
		(a) Equity		0.70
		(b) Preference		Nil
	(ii)	Debentures and Bonds		Nil
	(iii)	Units of mutual funds		Nil
	(iv)	Government Securities		Nil
	(v)	Other (Please specify)		Nil
<b>(5)</b>	<b>Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 below</b>			
		<b>Category</b>	<b>Amount net of provisions</b>	
			<b>Secured</b>	<b>Unsecured</b>
				<b>Total</b>
	1	Related Parties **	Nil	Nil
	(a)	Subsidiaries	Nil	Nil
	(b)	Companies in the same group	Nil	Nil
	(c)	Other related parties	Nil	Nil
	2	Other than related Parties	305.98	338.26
		<b>Total</b>	<b>305.98</b>	<b>644.24</b>
<b>(6)</b>	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see Note 3 below</b>			
		<b>Category</b>	<b>Market Value / Break up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>
	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	7.01	2.20
		<b>Total</b>	<b>7.01</b>	<b>2.20</b>

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

**(7) Other Information**

		<b>Particulars</b>	<b>Amount</b>
(i)		Gross Non-Performing Assets	
	(a)	Related parties	Nil
	(b)	Other than related parties	186.90
(ii)		Net Non-Performing Assets	
	(a)	Related parties	Nil
	(b)	Other than related parties	58.58
(iii)		Assets acquired in satisfaction of debt	351.00

**Notes:**

1.As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1988.

2.Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

3.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.

Place: Secunderabad

Date : 24-05-2018

For and on behalf of the Board of Directors

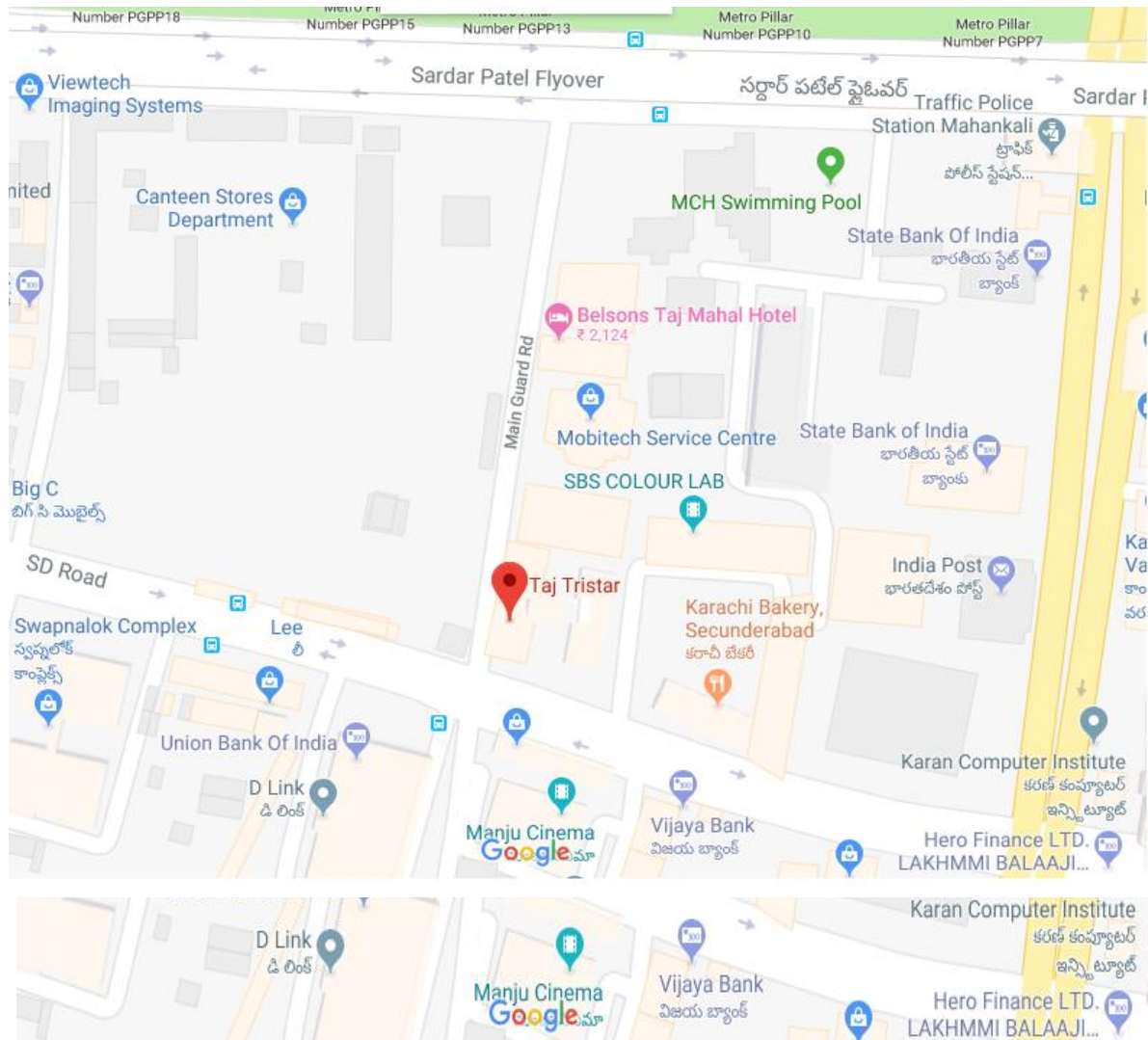
Sd/-

(GOWRA SRINIVAS)

Managing Director

(DIN: 00286986)

In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India, route map for the location of the venue of the 25th Annual General Meeting is given below:



**GOWRA LEASING & FINANCE LIMITED**

CIN: (L65910TG1993PLC015349)

Registered Office: No.501, 5<sup>th</sup> Floor, Gowra Grand, Behind Gowra Plaza, 1-8-384 & 385, S.P.Road, Begumpet, Secunderabad - 500003, Telangana State  
Phone: + 91- 040 - 2784 3086, 2784 3091 - Website: www.gowraleasing.com, Email: glf@gowra.net

**25<sup>th</sup> Annual General Meeting -20<sup>th</sup> September,2018 at 11:30 A.M at Hotel Taj Tristar,"Seven Hills", S.D.Road, Secunderabad**

**PROXY FORM**

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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/ our behalf at the 25<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 20<sup>th</sup> September, 2018 at 11:30 A.M at Hotel, Taj Tristar,"Seven Hills",1-4-40,S.D.Road, Secunderabad - 500003 or at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Particulars	For	Against
	<b>Ordinary Business</b>		
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 <sup>st</sup> March, 2018, along with the Reports of the Board of Directors and Auditors thereon		
2.	To declare Dividend on the equity shares for the financial year 2017-18		
3.	To re-appoint Shri Gowra Lakshminarayana(DIN:00287021), who retires by rotation, and being eligible, offers himself for the re-appointment.		
	<b>Special Business</b>		
4.	To consider and determine the fees for delivery of any document through a particular mode of delivery to a member		
5.	Adoption of new Articles of Association of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of the Shareholder \_\_\_\_\_

Affix  
Revenue  
Stamp

Signature of first proxy holder \_\_\_\_\_

Signature of second proxy holder \_\_\_\_\_

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, 5<sup>th</sup> Floor, Gowra Grand, Behind Gowra Plaza, 1-8-384 & 385, S.P.Road, Begumpet, Secunderabad - 500003, Telangana State  
Phone: + 91- 040 - 2784 3086, 2784 3091 - Website: www.gowraleasing.com, Email: glf@gowra.net

**25<sup>th</sup> Annual General Meeting -20<sup>th</sup> September,2018 at 11:30 A.M at Hotel Taj Tristar,"Seven Hills", S.D.Road, Secunderabad**

**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 25<sup>th</sup> ANNUAL GENERAL MEETING of the Company at Hotel, Taj Tristar, "Seven Hills",1-4-40, S.D. Road, Secunderabad - 500003 on Thursday, 20<sup>th</sup> September, 2018 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.

**PRINTED MATTER**

**To,**



*If undelivered please return to :*

**Gowra Leasing & Finance Limited**

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