

{Through Listing Portal}

Date: 7<sup>th</sup> August, 2018

To, Corporate Relationship Department <b>BSE Limited</b> 14 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400001	To, Listing Department <b>National Stock Exchange of India Limited</b> "Exchange Plaza", C - 1, Block G Bandra- Kurla Complex, Bandra (East), Mumbai - 400051
SCRIP CODE: 500174	SCRIP SYMBOL: GLFL

Dear Sir/Madam,

**Sub: Annual Report for F.Y.-2017-18**

Pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report of the Company for the Financial Year 2017-18 for your kind records.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

**For Gujarat Lease Financing Limited**

*Anil Jhaveri*

**Anil Jhaveri  
Compliance Officer**



ANNUAL REPORT  
2017-2018

**G/L/F/L**

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**GUJARAT LEASE FINANCING LIMITED**

(CIN NO. : L65990GJ1983PLC006345)



## CORPORATE INFORMATION

<b>DIRECTORS</b>	Mr. Surendra M. Shah Mr. Vasant Shah Mr. Harnish Patel Mr. Yogesh K. Vyas Ms. Kavita Mandan	Chairman Director in Charge
<b>Audit Committee</b>	Mr. Surendra M. Shah Mr. Vasant A. Shah Mr. Yogesh K. Vyas	
<b>Stakeholders Relationship Committee</b>	Mr. Surendra M. Shah Mr. Vasant A. Shah Mr. Yogesh K. Vyas	
<b>Nomination and Remuneration Committee</b>	Mr. Surendra M. Shah Mr. Vasant A. Shah Mr. Yogesh K. Vyas	
<b>Chief Executive Officer</b>	Mr. Anil K. Jhaveri	
<b>Chief Financial Officer</b>	Mr. Janak J. Mehta	
<b>Company Secretary</b>	Ms. Preeti Singh	
<b>Statutory Auditors</b>	M/s. G. K. Choksi & Co. Chartered Accountants Ahmedabad	
<b>Bankers</b>	Bank of India HDFC Bank Limited	
<b>Registered Office</b>	6th Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad - 380006. Telephone No. : (079) 2657 5722, 2657 5180 Email: glflho_ahm@yahoo.co.in	
<b>CIN</b>	L65990GJ1983PLC006345	
<b>Website</b>	www.gujaratleasefinancing.co.in	
<b>Register and Share Transfer Agent</b>	MCS Share Transfer Agent Limited 201, Shatdal Complex, Opp. Bata Show Room, Off. Ashram Road, Ahmedabad - 380 009 Telephone No. : (079) 2658 0461/62/63 Email : mcsahmd@gmail.com	

**35th Annual General Meeting**

Date : 7th August, 2018  
Day : Tuesday  
Time : 10.00 AM  
Venue : ATMA Hall, Ahmedabad Textile Mills Association,  
Opp. La-Gajjar Chamber, Ashram Road,  
Navrangpura, Ahmedabad-380 009.

**G/L/F/L**

## NOTICE

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the Members of Gujarat Lease Financing Limited will be held on Tuesday, 7th August, 2018 at 10.00 am at ATMA Hall, Ahmedabad Textiles Mills Association, Opp. La-Gajjar Chambers, Ashram Road, Ahmedabad-380009 to transact the following business:

### ORDINARY BUSINESS

#### 1. Adoption of the Financial Statements

To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2018, and the reports of the Board of Directors and the Statutory Auditors thereon.

#### 2. Director retiring by rotation

To appoint a Director in place of Shri Yogesh K. Vyas (holding DIN: 03420201) who retires by rotation and being eligible offers himself for re-appointment.

#### 3. Appointment of Statutory Auditors

To ratify the appointment of M/s. G.K. Choksi & Co., Chartered Accountants, Ahmedabad (Firm Reg. No. 101895W), as Statutory Auditors of the Company to hold office until the conclusion of the Thirty Sixth (36th) Annual General Meeting, on such remuneration as may be agreed by the Board of Directors of the Company from time to time.

Place : Ahmedabad

Date : 25<sup>th</sup> May, 2018

By Order of the Board of Directors

For Gujarat Lease Financing Limited

#### Registered Office:

6th Floor, Hasubhai Chambers,  
Opp. Town Hall, Ellis bridge,  
Ahmedabad-380006  
Tel. No. +91-79-26575722  
CIN: L65990GJ1983PLC006345  
Website: www.gujaratleasefinancing.co.in

Shri Harnish Patel  
Director-in-Charge  
(DIN: 00114198)

## NOTES

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 35th ANNUAL GENERAL MEETING OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a member holding more than 10% (ten percent.) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.
- 2 A proxy form is sent herewith. In case a member wants to appoint a proxy, duly completed and stamped proxy form, must reach the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting.
- 3 Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorising their representative to attend and vote on their behalf at the meeting.
- 4 Members/ proxies / authorised representatives are requested to bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- 5 In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6 In terms of Section 152 of the Companies Act, 2013, **Shri Yogesh K. Vyas (holding DIN: 03420201) retires by rotation** at this AGM and being eligible, is proposed for re-appointment. Shri Yogesh K. Vyas has expressed his intention to act as a Director, if reappointed. The Board of Directors of the Company recommend his re-appointment. Details of Directors proposed to be re-appointed as required in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") entered with the Stock Exchanges and Secretarial Standards on General Meeting issued by The Institute of Company Secretaries of India, are provided in the Report on Corporate Governance forming part of the Annual Report.
- 7 The Register of Members and Share Transfer Books of the Company will remain closed from 21st July, 2018 to 28th July, 2018 (both days inclusive) for determining the names of members eligible for the purpose of the AGM.
- 8 The Companies Act, 2013 provides nomination facility to the members. As a member of the Company, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to your Depository Participant.
- 9 Trading in equity shares of the Company is compulsorily in dematerialised mode by all the investors. In view of the above, Members are therefore advised to convert their shareholding in dematerialised form.
- 10 Members seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting to enable the management to keep the required information available at venue of the meeting.
- 11 Annual Report of the Company has been uploaded on website of the Company: [www.gujaratleasefinancing.co.in](http://www.gujaratleasefinancing.co.in).
- 12 All documents referred to in the accompanying notice and the statement shall be open for inspection at the registered office of the Company during normal business hours (10.00 AM to 6.00 PM) on all working days, except Saturday upto and including the date of the Annual General Meeting of the Company and also will be available for inspection by the members at the venue of AGM.
- 13 Electronic copy of the Notice of the 35th Annual General Meeting of the Company along with Annual Report, inter alia, indicating the process and manner of e-voting, Attendance Slip and Proxy Form along with the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has specifically requested for a hard copy of the same. For members, who have not registered their email address, physical copies of the Notice of the 35th Annual General Meeting of the Company, along with Annual Report, inter alia, indicating the process and manner of e-voting, Attendance Slip and Proxy Form is being sent by the permitted mode.

- 14 With a view to conserve natural resources, we request shareholders to update and register their email addresses with their Depository Participants or with the Company, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars, etc. electronically.
- 15 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 MCS Share Transfer Agent Limited for consolidation into a single folio.
- 16 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. 20th July, 2018
- 17 In terms of Sections 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is pleased to provide the e-voting facility through Central Depository Services Limited (CDSL) to its Members holding shares in physical or dematerialized form, as on the cut-off date i.e. 20th July, 2018 to exercise their right to vote by electronic means on any or all of the businesses Specified in the accompanying Notice (the "Remote e-voting"). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail of the facility at his/her discretion, subject to compliance with the instruction for e-voting.
- 18 In case of Members who are entitled to vote amongst members present in person at the meeting but have not exercised their right to vote by electronic means, the Chairman of the Company shall allow voting by way of poll in terms of Rule 20 (4) (xi) of the said Rules for the businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting.
- 19 The information and other instructions regarding Remote e-voting are detailed in Note No. 24
- 20 Shri Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) has been appointed as the Scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner.
- 21 The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the AGM make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person so authorised by him in writing, who shall countersign the same.
- 22 The results shall be declared forthwith by the Chairman or a person so authorised by him in writing on receipt of consolidated report from the Scrutinizer. The Results declared along with Scrutinizer's Report shall be placed on the Company's website [www.gujaratleasefinancing.co.in](http://www.gujaratleasefinancing.co.in) and on the website of CDSL and shall also be communicated to the BSE Limited and National Stock Exchange of India Limited.
- 23 The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to the same being passed with requisite majority.
- 24 Information and other instructions regarding Remote e-voting:
  - i. The Remote e-voting period shall commence on, 3rd August 2018 at 9.00 am and end on, 6th August 2018 at 5.00 pm. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their votes electronically. The e-voting module shall be disabled for voting thereafter.

#### **Section A: Voting Process**

The shareholders should follow the following steps to cast their votes electronically:

- Step 1 : Open your web browser during the voting period and log on to the e-voting Website: [www.evotingindia.com](http://www.evotingindia.com)
- Step 2 : Click on "Shareholders" to cast your vote(s)
- Step 3 : Please enter User ID –
  - a. For account holders in CDSL: 16 digits beneficiary ID
  - b. For account holders in NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. For Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Step 4 : Enter the Image Verification as displayed and Click on Login.

- Step 5 : If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.  
If you have forgotten the password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Step 6 : If you are a first time user, follow the steps given below:  
For member's holding shares in Demat Form and Physical Form.
- Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
  - Members who have not updated their PAN with the Company/ Depository participant are requested to enter the first two characters of the first name registered with the company followed by serial number printed in the address slip. In case the serial no is less than 8 digits enter the applicable number of 0's before the serial number.
  - Examples :  
If your registered name is A. B. Mehta and serial no. is – 50111, then enter PAN value as AB0050111 in the PAN Field.  
If your registered name is Anil B. Mehta and serial no. is -50111, then enter PAN value as AN0050111 in the PAN Field.
  - Enter the Date of Birth (DOB) as recorded in your demat account or registered with the Company for the said demat account or folio in dd/mm/yyyy format.#
  - Enter the Dividend Bank Details (account number) as recorded in your demat account or registered with the Company for the said demat account or folio. #  
# Please enter either the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (c).
- Step 7 : After entering these details appropriately, click on "SUBMIT" tab.
- Step 8 : **For Demat holding**
- Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to create their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Physical holding**
- Members holding shares in physical form will then directly reach the Company selection screen.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Step 9 : Click on the EVSN of the Company i.e. 180622004 to vote.
- Step 10 : On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired for casting your vote.
- Step 11 : Click on Resolution File link to if you wish to view the Notice.
- Step 12 : After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Step 13 : Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

## **Section B: Other E-voting instructions**

- i. Institutional Shareholders (i.e. other than Individuals, HUF, NRI, etc.) are additionally requested to note and follow the instructions mentioned below if they have not already done so.
  - Institutional Shareholders and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which user wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- ii. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
- iii. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- iv. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used in case the Member forgets the password and the same needs to be reset.
- v. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)



## BOARD'S REPORT

Your Directors have pleasure in presenting the 35th Annual Report of your Company together with the Audited Financial Statements for the year ended 31st March, 2018.

### 1. STATE OF THE AFFAIRS

#### FINANCIAL RESULTS

The highlights of the financial results are given below:

(Rs. in lacs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Other Income	1.17	1.34
Profit on Sale of Mutual Fund Units	0.00	1.24
Total Revenue	1.17	2.58
<b>Expenses:</b>		
Administrative & Other Expenses	27.86	27.41
Profit/(Loss) for the year before Depreciation	(26.69)	(24.83)
Depreciation	2.35	2.35
Profit/(Loss) Before Taxation	(29.04)	(27.18)
Tax Expenses	0.00	0.00
Profit/(Loss) After Taxation	(29.04)	(27.18)

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. The comparative figures in the Balance Sheet as at March 31, 2017 and April 1, 2016 and Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2017 have been restated accordingly. Accounting Policies have been consistently applied except where newly issued accounting standard is initially adopted or revision to the existing standards requires a change in the accounting policy in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

The standalone financial statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement, together with notes for the year ended March 31, 2018 have been prepared in accordance with Ind AS as notified.

The standalone financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for financial instruments classified as Fair Value through profit or loss or Fair Value through OCI are measured at Fair Value.

#### YEAR UNDER REVIEW

It may be observed from the Statement of Profit and Loss that total Income during the year is Rs 1.17 lacs as against total income of Rs.2.58 lacs for the previous year due to reduction in the interest income.

GLFL has no source of income other than interest on Bank deposits, while it has to meet the administrative expenses to run the company. Major expenses include Securities Listing Fees to stock exchanges and custodian fees to CDSL & NSDL, remuneration to Key Managerial Personnel appointed in accordance with the applicable provisions of the Companies Act, 2013, Printing & Postage of Annual Reports and professional and legal expenses.

After meeting the expenses, the Company incurred loss of Rs. 29.04 lacs against the loss of Rs. 27.18 lacs for the previous year.

RBI has issued public notice on 26th March, 2017 in the Newspaper advising that the Certificate of Registration issued to the Company under category "B" as NBFC has been cancelled with effect from 08th March, 2017.

During the year 2004-05, the Hon'ble High Court of Gujarat had sanctioned the scheme of Compromise and Arrangement under section 391 of the Companies Act to discharge the liability of the Banks. Your company had released payment as per the court order. Approval in respect of deed of assignment of receivables is still awaited from the banks.

As per the Court's order, the income received pertaining to assigned assets after July, 2004 is transferred to the Consortium of Banks. Subsequent to the court's order, GLFL has recovered Rs.475 lacs till date from the charged assets and deposited with the member banks.

The company has incurred no external debt at the end of the year.

## 2. FINANCE

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties are given in the prescribed Form AOC-2, appended herewith as Annexure - A. The said policy may be referred to, at the Company's official website at the below web link: <http://www.gujaratleasefinancing.co.in/>policies> During the year under review there have been no related party transactions.

### FIXED DEPOSITS

The company has discontinued accepting fixed deposits since September, 2000. There was no outstanding liability of fixed deposit as on 31st March, 2018.

### 3. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

The company does not have any liability towards unclaimed Fixed Deposits, Debentures and other liabilities. The liability have been discharged / transferred on completion of prescribed period to the Investor Education and Protection Fund.

### 4. SUBSIDIARIES

The Company has three subsidiary companies viz. GLFL Housing Finance Limited, GLFL Securities Limited and GLFL International Limited.

#### GLFL Housing Finance Limited

After disinvestments of the major Housing Loan Portfolio, along with liabilities, in favour of LIC Housing Finance Ltd., recovery from balance accounts has been the main thrust area. The company has incurred the loss of Rs 3.74lacs against the loss of Rs 2.51 lacs, due to the decrease in the income during the year under review.

#### GLFL Securities Limited

The company has earned the profit of Rs.0.55 lacs for the year 2017-18 against the profit of Rs. 0.17 lacs for the previous year. However there was an income of Rs. 186.27 lacs for the year 2017-18 as compared to Rs. 145.48 lacs for the previous year due to Fair Value through Other Comprehensive Income as the Company has adopted first time Ind AS.

#### GLFL International Limited

The Company has yet not commenced business.

#### FINANCIAL PERFORMANCE OF SUBSIDIARIES:

	GLFL Housing Finance Limited		GLFL Securities Limited		GLFL International Limited	
Particulars	For the year ended on 31 <sup>st</sup> March, 2018	For the year ended on 31 <sup>st</sup> March, 2017	For the year ended on 31 <sup>st</sup> March, 2018	For the year ended on 31 <sup>st</sup> March, 2017	For the year ended on 31 <sup>st</sup> March, 2018	For the year ended on 31 <sup>st</sup> March, 2017
Total Income	1.22	3.01	191.09	150.10	0.00	0.00
Profit/(Loss) before Depreciation, Interest and Tax	(3.74)	(2.39)	0.55	0.17	(0.22)	(0.22)
Depreciation	0.00	0.12	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00	0.00	0.00
Profit/(Loss) before Tax	(3.74)	(2.51)	0.55	0.17	(0.22)	(0.22)
Current Tax	-	-	-	-	-	-
Other Comprehensive income	-	-	186.27	145.48	-	-
Total Income for the year after tax	(3.74)	(2.51)	186.82	145.65	(0.22)	(0.22)

### CONSOLIDATED FINANCIAL STATEMENTS

The Board reviews the affairs of the Company's subsidiaries during the year at regular intervals. In accordance with section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and all its subsidiaries, which form part of this Annual Report. Further a statement containing salient features of the

Financial Statements of each subsidiary in Form AOC-1 forms part of the Consolidated Financial Statements. The statement also provides the details of performance and financial position of each subsidiary.

In accordance with section 136 of the Companies Act, 2013, the audited Financial Statements, including the Consolidated Financial Statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website. These Documents will also be available for inspection at our registered office during normal business hours (10.00 AM to 6.00 PM) on week days, except Saturday and Sunday upto and including the date of Annual General Meeting of the Company.

## **5. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of section 134 (3) (c) of the Companies Act, 2013 in relation to the financial statements of the Company for the year ended 31st March, 2018, the Board of Directors states that:

- a) in preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the financial year ended on 31st March, 2018 and of the loss for the year ended 31st March, 2018;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had 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 that such internal financial controls are adequate and were operating effectively; and
- 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.

## **6. INTERNAL FINANCIAL CONTROLS**

The Company has its internal financial control systems commensurate with operations of the company, However as the operations of the Company has been discontinued since long no internal financial control framework in place. The managements regularly monitors and controls to address safeguarding of its assets, prevention and detection of frauds and errors, controls to monitor accuracy and completeness of the accounting records including timely preparation of reliable financial information.

## **7. AUDITORS**

### **STATUTORY AUDITORS**

M/s. G.K. Choksi & Co. (FRN: 101895W), Chartered Accountants, Ahmedabad, Statutory Auditors of the Company were appointed as the Statutory Auditors of the Company in the FY – 2017 -18 for a period of Five years. The Board of Directors of the Company recommends the ratification of their appointment as Statutory Auditors of the Company for the FY – 2018 -19 by the Shareholders of the Company. They have confirmed their eligibility under section 139 and 141 of the Companies Act, 2013 and willingness for re-appointment as Statutory Auditors of the Company.

The report given by the Statutory Auditors on the financial statements of the Company is a part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their report.

### **SECRETARIAL AUDIT REPORT**

Pursuant to Section 204 of the Companies Act, 2013 read with rules thereof, The Board of Directors has appointed M/s. Rajesh Parekh & Co., Company Secretaries, Ahmedabad as Secretarial Auditors of the Company for FY 2017-18. The Secretarial Audit Report for FY 2017-18 is annexed herewith as **Annexure – B**

There were no adverse observations in the Secretarial Audit Report.

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

### **APPOINTMENT AND RESIGNATION**

At the 34th Annual General Meeting held on 27th July, 2017, Members approved re-appointment of Shri Harnish Patel (00114198), as Director-in-Charge of the Company to hold office for the terms of five Consecutive years with effect from 19th May, 2017.

At the 34th Annual General Meeting held on 27th July, 2017, Members approved re-appointment of Shri Surendra M. Shah (00016578), as Independent Director of the Company and Shri Vasant A. Shah (00011596), as Independent Director of the Company to hold office for the terms of five Consecutive years with effect from 01st April, 2017.

## KEY MANAGERIAL PERSONNEL

There was no change in the Key Managerial Personnel during the year under review.

## DIRECTOR RETIRING BY ROTATION

Shri Yogesh K. Vyas, director of the Company retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment as director as detailed in the notice convening the Annual General Meeting.

For your perusal, a brief resume and other relevant details of Shri Yogesh K. Vyas are given in the notes of the Notice convening the 35th Annual General Meeting and Corporate Governance Report.

## DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149 (7) of the Companies Act, 2013, the Company has received necessary declaration from each Independent Director for FY 2017-18 confirming that they meet the criteria of independence as prescribed under section 149(6) of the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

## NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular interval with gap between two meetings not exceeding 120 days.

During the year under review, the Board met four times as mention below:

Sr. No	Date of Board Meeting
1.	17th May, 2017
2.	11th August, 2017
3.	03rd November, 2017
4.	30th January, 2018

## POLICY ON DIRECTORS' APPOINTMENT

The Nomination and Remuneration Committee (NRC) has approved the criteria and process for identification / appointment of Directors which are as under:

### Criteria for appointment:

- (i) Proposed Director ("Person") shall meet all statutory requirements and should:
- possess the highest ethics, integrity and values
  - not have direct/indirect conflict with present or potential business/operations of the Company
  - have the balance and maturity of judgment
  - be willing to devote sufficient time and energy
  - have demonstrated high level of leadership and vision, and the ability to articulate a clear direction for an organisation
  - have relevant experience with respect to Company's business (In exceptional circumstances, specialisation/ expertise in unrelated areas may also be considered)
  - have appropriate comprehension to understand or be able to acquire that understanding
    - o relating to Corporate Functioning
    - o involved inscale, complexity of business and specific market and environment factors affecting the functioning of the company

### Process for Identification / Appointment of Directors

- (i) Board members may (formally or informally) suggest any potential person to the Chairman of the Company meeting the above criteria. If the Chairman deems fit, necessary recommendation shall be made by him.
- (ii) Chairman of the Company can himself also refer any potential person meeting the above criteria.
- (iii) Board will consider such proposal on merit and decide suitably.

## CRITERIA FOR PERFORMANCE EVALUATION

During the year under review, the Board considered and refined the criteria as well as the process for performance evaluation of it self that of its Committees and Individual Directors as follows:

#### Criteria for Board Evaluation

1. Degree of fulfillment of key responsibilities including special responsibilities as under:
  - Focus on strategic and policy issues
  - Governance and compliance
  - Stakeholders' value and responsibility
2. Effectiveness of Board process and information sharing.
3. Board culture and dynamics
4. Quality of decisions.
5. Establishment and delineation of responsibilities to Committees.
6. Facilitation of Independent Directors.

#### Criteria for Committee Evaluation

1. Degree of fulfillment of key responsibilities.
2. Frequency and effectiveness of meetings.
3. Committee dynamics, especially openness of discussions, including with the Board.
4. Adequacy of Committee composition.
5. Quality of relationship of the committee with the Board and the management.

#### Criteria for Evaluation of Individual Directors

1. Fulfillment of functions
2. Attendance
3. Contribution at meetings
4. Guidance / support to management outside Board / Committee meetings
5. Participation in Board in terms of adequacy (time & content)
6. Independent views and judgement (only for IDs)

#### Criteria for Evaluation of Chairperson

1. Attendance.
2. Contribution and Impartiality at meetings.
3. Guidance / support to management outside Board / Committee meetings.
4. Effectiveness as Chairman of the Board including leading the decision making on vision, strategy ethics and values for the Company, Ability to keep shareholders' interest in mind and communicating with external stakeholders.
5. Handling the evaluation process.

#### Criteria for Flow of Information between Management and Board

1. Unrestricted flow of Information
2. Adequacy, quality and timeliness of Information

#### MANNER OF EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Evaluation of Board, its Committees and Individual Directors was carried out as per the process and criteria laid down by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

The obtaining and consolidation of feedback from all Directors in this regards, was co-ordinated by the Vice Chairman. Based on this, Chairman/Vice Chairman briefed the Board and each of the Individual Directors, as applicable.

#### FAMILIARISATION PROGRAMME

Familiarization Programme imparted to Independent Directors may be viewed at the following link on the Company's official website: <http://www.gujaratleasefinancing.co.in/>policy>

#### 9. AUDIT COMMITTEE

The Composition of the Audit Committee is in compliance with the provisions of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

During the year under review, the Board met four times as mention below:

Sr. No	Date of Audit Committee Meeting
1.	17th May, 2017
2.	11th August, 2017
3.	03rd November, 2017
4.	30th January, 2018

The Composition of Committee as on 31st March, 2018 is given below:

Name of the Director	Category of Directorship	No. of meetings attended
Shri Surendra M. ShahChairman	Independent Director	4
Shri Vasant A. Shah	Independent Director	4
Shri YogeshK.Vyas	Non - Executive Non Independent Director	2

During the year, the Board has accepted all the recommendations made by the Audit Committee.

#### VIGIL MECHANISM

The Company has established the vigil mechanism through Whistle Blower Policy for all the stakeholders of the Company which also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases as per the Policy.

The Whistle Blower Policy will be applicable to all the stakeholder of the Company, which is an extension of the Code of Business Conduct through which the Company seeks to provide a mechanism for the Stakeholders to disclose their concerns and grievances on Unethical Behavior and Improper/Illegal Practices and Wrongful Conduct taking place in the Company for appropriate action. The Company shall oversee the vigil mechanism only through the Audit Committee. If any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others in the Committee would deal with the matter on hand.

The Policy provides necessary safeguards to all Whistle Blowers for making Protected Disclosures in Good Faith and any Stakeholder assisting the investigation. It also provides the detailed scope and role of Whistle Blower and the manner in which concern can be raised. Further, the Policy contains provisions relating to investigation of the protected disclosures, protection to the whistle blower, decision by CFO, CEO or Audit Committee and reporting & monitoring by the Company.

The policy has been placed on the website of the company at the below link: <http://www.gujaratleasefinancing.co.in/>policy>

#### RISK MANAGEMENT POLICY

The Board of Directors has developed and implemented Risk Management Policy for the Company. The Policy lays down procedures for risk identification, assessment, monitoring, review and reporting. The Policy also lists the roles and responsibilities of Board, Chief Risk Officer, Risk Champions and Co-ordinators.

#### 10. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

A separate report on Corporate Governance and Management and Analysis are furnished forms part of Annual Report and the certificate from the Company's Auditors regarding compliance of conditions of Corporate Governance is annexed to the Boards'Report.

#### 11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGNEXCHANGE EARNING AND OUTGO.

The Company has no activities relating to conservation of energy or technology absorption. There has been no foreign exchange earning or outgo during the year under review.

#### 12. PARTICULARS OF EMPLOYEES

The information required under pursuant to Section 197 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided below:

1. The ratio of the remuneration of each director to the median employee's remuneration:

**No directors is being paid any remunerationexcept the sitting fees to Independent Directors only, hence no ratio is worked out.**

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year : **Nil**

3. The percentage increase in the median remuneration of employees in the financial year : **Nil**

4. The number of permanent employees on the rolls of company:

**Three employees as on 31stMarch, 2018.**

5. The explanation on the relationship between average increase in remuneration and company performance:

The Company has discontinued its business operation since the FY 1999-2000 hence performance evaluation of the Company could not be done. The Company does not have any operational income.The Company pays

remuneration to its 3 employees (Key Managerial Personnel) during the year in accordance with applicable provisions of the Companies Act, 2013.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: **Refer Point no. 5**
7. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Market Capitalization	BSE	NSE
31.03.2018	Rs. 4.47 Crs (@Rs. 1.65 per share as on 08.01.2018)	Rs. 5.15 Crs (@Rs.1.90 per share as on 12.02.2018)
31.03.2017	Rs.12.20 Crs (@ Rs. 4.50per share)	Rs.13.02Crs (@ Rs.4.80 per share)
P/E Ratio	BSE	NSE
31.03.2018	--	--
31.03.2017	--	--

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year : **NIL**
9. The key parameters for any variable component of remuneration availed by the directors : **NIL**
10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : **NIL**
11. Affirmation that the remuneration is as per the remuneration policy of the company : **Refer point no. 5**  
The Company does not have employee under the category as specified in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### 13. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form MGT-9 is appended herewith as Annexure–C to this Report.

### 14. ACKNOWLEDGEMENTS

Your Directors are grateful to GLIC Limited, the Government of Gujarat and Torrent Group for their continued guidance and support to the Company. The Directors are pleased to place on record their appreciation for the excellent support extended by the banks.

The Board would also like to express great appreciation for the understanding and support extended by the employees and Shareholders of the company in the difficult period.

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

Place: Ahmedabad  
Date: 25th May, 2018

**Shri Harnish Patel**  
Director-in-Charge  
DIN: 00114198

**Smt Kavita Mandan**  
Director  
DIN: 07419972

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry structure and developments**

The Company has discontinued its operation a very long back and as such not carried any new business during the year under review. Hence there is no major impact of Industry structure and developments on a company.

### **Opportunities and Threats**

As the business of the Company had been stopped since 2000, the management is not searching any opportunities to restart any operation right now. Considering the present condition of the Company there is no threats to the company.

### **Segment-wise or product-wise performance**

At present, the Company does not have any product or provide any services.

### **Outlook**

Company do not envisage any business in the near future.

### **Risks and concerns**

The company does not have any operational activities and income; however the company has income from other sources viz. interest on investments which may attract interest rate risk. The Company has made diversified investment in fixed deposit to mitigate risks posed by external environment.

### **Internal control systems and their adequacy**

The Company has appointed external independent person to carry out internal audit of the Company. The present internal control mechanism is adequate to the size of the Company.

### **Discussion on financial performance with respect to operational performance**

The Company does not have any operational activities and hence the financial performance of the company are not in favourable state.

### **Material developments in Human Resources**

Company has appointed KMP in compliance of the Companies Act, 2013.

### **Cautionary statement**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied.



**Annexure - A**

**FORM NO. AOC – 2**

**(Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto**

1. Details of Contracts or arrangements or transactions not at arm's length basis								
Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
NIL								
2. Details of material contracts or arrangement or transactions at arm's length basis								
Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board and Audit Committee, if any:	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting u/s 188 (1)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)		
NIL								

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

Place: Ahmedabad  
Date: 25th May, 2018

**Shri Harnish Patel**  
Director-in-Charge  
DIN: 00114198

**Smt Kavita Mandan**  
Director  
DIN: 07419972

**Annexure - B**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st March, 2018**  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]  
\*\*\*\*\*

To,  
The Members,  
**GUJARAT LEASE FINANCING LIMITED**  
CIN: L65990GJ1983PLC006345  
Ahmedabad.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GUJARAT LEASE FINANCING LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **GUJARAT LEASE FINANCING LIMITED'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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018** 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **GUJARAT LEASE FINANCING LIMITED** ("the Company") for the financial year ended on 31st 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 thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
  - (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;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

I have also examined compliance with the applicable Clauses/ Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India ; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges and Regulations made by the 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.

I 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 notices were given to all the directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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 all the applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has not conducted any actions/events which could have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**FOR RAJESH PAREKH & CO.**  
**Company Secretary**

**Rajesh Parekh**  
**(Proprietor)**  
**M. No. 8073**  
**C.P. No.: 2939**

Place: Ahmedabad  
Date: 25th May, 2018

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2018

**[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

<b>I. REGISTRATION AND OTHER DETAILS:</b>	
i) CIN:-	L65990GJ1983PLC006345
ii) Registration Date:	13/07/1983
iii) Name of the Company:	Gujarat Lease Financing Limited
iv) Category / Sub-Category of the Company:	
Category	Company limited by Shares
Sub-Category	Indian Non-govt company
v) Address of the Registered office and contact details:	6 <sup>th</sup> Floor, Hasubhai Chambers Opp. Town Hall, Ellisbridge Ahmedabad-380 006
vi) Whether listed company Yes / No :	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :	MCS Share Transfer Agent Limited 201, Shatdal Complex, Opp. Bata Show Room, Off Ashram Road, Ahmedabad-380 009 Telephone No.: 079-26580461, 62, 63 E-mail : mcsahmd@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
NOT APPLICABLE			

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sr. No.	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	GLFL Housing Finance Ltd.	6 <sup>th</sup> Floor, Hasubhai Chamber, Opp. Town Hall Ellisbridge, Ahmedabad, 380 006.	U65922GJ1992PLC018275	Subsidiary	100	2 (87) (ii)
2	GLFL Securties Ltd.	6 <sup>th</sup> Floor, Hasubhai Chamber, Opp. Town Hall Ellisbridge, Ahmedabad, 380 006.	U67120GJ1993PLC020780	Subsidiary	100	2 (87) (ii)
3	GLFL International Ltd.	6 <sup>th</sup> Floor, Hasubhai Chamber, Opp. Town Hall Ellisbridge, Ahmedabad, 380 006.	U65910GJ1995PLC027822	Subsidiary	100	2 (87) (ii)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

CATEGORY OF SHAREHOLDER	No. of the shares held at the beginning of the year 01/04/2017				No. of shares held at the end of the year 31/03/2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>PROMOTER AND PROMOTER GROUP</b>									
<b>INDIAN</b>	0	0	0	0	0	0	0	0	0
Individual /HUF	0	0	0	0	0	0	0	0	0
Central Government	0	0	0	0	0	0	0	0	0
State Government(s)	0	0	0	0	0	0	0	0	0
Bodies Corporate	12387222	0	12387222	45.67	12387222	0	12387222	45.67	0
Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0
<b>Sub-Total A(1) :</b>	<b>12387222</b>	<b>0</b>	<b>12387222</b>	<b>45.67</b>	<b>12387222</b>	<b>0</b>	<b>12387222</b>	<b>45.67</b>	<b>0</b>
<b>FOREIGN</b>	0	0	0	0	0	0	0	0	0
Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0
<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of</b>									
<b>Promoter(A)=A(1)+A(2)</b>	<b>12387222</b>	<b>0</b>	<b>12387222</b>	<b>45.67</b>	<b>12387222</b>	<b>0</b>	<b>12387222</b>	<b>45.67</b>	<b>0</b>
<b>PUBLIC SHAREHOLDING</b>									
<b>INSTITUTIONS</b>									
Mutual Funds	262	0	262	0	262	0	262	0	0
Financial Institutions /Banks	1850	1850	3700	0.01	12715	1850	14565	0.05	0.04
Central Government	0	0	0	0	0	0	0	0	0
State Government(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0
<b>Sub-Total B(1) :</b>	<b>2112</b>	<b>1850</b>	<b>3962</b>	<b>0.01</b>	<b>12977</b>	<b>1850</b>	<b>14827</b>	<b>0.05</b>	<b>0.04</b>
<b>NON-INSTITUTIONS</b>									
Bodies Corporate	542567	25783	568350	2.09	482417	25783	508200	1.87	(0.22)
Individuals	0	0	0	0	0	00	0	0	0
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	7313145	2825179	10138324	37.37	7273764	2797416	10071180	37.13	(0.24)
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	3580485	0	3580485	13.20	3710572	0	3710572	13.67	0.47
Others	368476	412	368888	1.36	398749	412	399161	1.47	0.11
Foreign Bodies	0	0	0	0	0	0	0	0	0
NRI	78536	0	78536	0.29	34605	0	34605	0.13	(0.16)
Foreign Portfolio - Corp	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
<b>Sub-Total B(2) :</b>	<b>11883209</b>	<b>2851374</b>	<b>14734583</b>	<b>54.31</b>	<b>11900107</b>	<b>2823611</b>	<b>14723718</b>	<b>54.27</b>	<b>(0.04)</b>
<b>Total Public Shareholding (B)=B(1)+B(2) :</b>	<b>11885321</b>	<b>2853224</b>	<b>14738545</b>	<b>54.32</b>	<b>11913084</b>	<b>2825461</b>	<b>14738545</b>	<b>54.32</b>	<b>0</b>
Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL (A+B+C) :</b>	<b>24272543</b>	<b>2853224</b>	<b>27125767</b>	<b>100</b>	<b>24300306</b>	<b>2825461</b>	<b>27125767</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2017			Shareholding at the end of the year 31-03-2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Torrent Private Limited	8015525	29.55	NIL	8015525	29.55	NIL	NIL
2	Gujarat Industrial Investment Corporation Limited	1793572	6.61	NIL	1793572	6.61	NIL	NIL
3	Gujarat State Investments Limited	1328125	4.90	NIL	1328125	4.90	NIL	NIL
4	Gujarat Industrial Development Corporation	625000	2.30	NIL	625000	2.30	NIL	NIL
5	Gujarat Maritime Board	625000	2.30	NIL	625000	2.30	NIL	NIL

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
During the year under review there is no Change in promoter's shareholding					

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares at the beginning/ end of the year	% of shares of the Company				No. of Shares	% of total shares of the Company
1	Gujarat Alkalies And Chemicals Limited	250000	0.923	01-04-2017	-	-		
		250000	0.923	31-03-2018			250000	0.923
2	Anjanaben Himanshubhai Patel	180107	0.664	01-04-2017	-	-		
		180107	0.664	31-03-2018			180107	0.664
3	Bharat Kantilal Shah	160000	0.590	01-04-2017	-	-		
		160000	0.590	31-03-2018			160000	0.590
4	Varsha Sagar Nevgi	120000	0.442	01-04-2017	-	-		
		120000	0.442	31-03-2018			120000	0.442
5	Nailesh Vinod Gandhi	105910	0.390	01-04-2017				
		105910	0.390	31-03-2018			105910	0.390
6	Puneet Jain	90000	0.332	01-04-2017	-	-		
		90000	0.332	31-03-2018			90000	0.332
7	VirsenVithaldas Thakkar	84274	0.311	01-04-2017	-	-		
		84274	0.311	31-03-2018			84274	0.311
8	PreetiNilesh Kamerkar	82937	0.306	01-04-2017	-	-		
		82937	0.306	31-03-2018			82937	0.306
9	PremjiBhuralal Gala	77890	0.287	01-04-2017	-	-		
		77890	0.287	31-03-2018			77890	0.287
10	ChhotalalRamjibhai Bhandari	64969	0.239	01-04-2017	- 969	Transfer		
		64000	0.236	31-03-2018			64000	0.236

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year 01-04-2017		Shareholding at the end of the year 31-03-2018	
	<i>For Each of the Directors and KMP</i>	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>DIRECTORS:</b>				
1	Shri SurendraM.Shah	0	0	0	0
2	Shri VasantA.Shah	0	0	0	0
3	Shri HarnishJ.Patel	10	0.1	10	0.1
4	Shri Yogesh K. Vyas	0	0	0	0
5	Smt. Kavita Mandan	0	0	0	0
	<b>KMP:</b>				
1	Shri Anil K. Jhaveri	10	0.1	10	0.1
2	Shri JanakJ.Mehta	10	0.1	10	0.1
3	Ms.Preeti Singh	0	0	0	0

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment : (Rs. in Crore)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness as on 01-04-2017</b>				
(i) Principal Amount	-	15.00	-	15.00
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	15.00	-	15.00
<b>Change in Indebtedness during the financial year 2017-18</b>	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness as on 31-03-2018</b>				
i) Principal Amount	-	15.00	-	15.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	15.00	-	15.00

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

No remuneration is paid.

(Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTM/Manager	Total Amount
	Name	Shri Harnish Patel	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL NIL NIL	NIL NIL NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others specify Others, please specify	NIL NIL NIL	NIL NIL NIL
	<b>Total (A)</b>	NIL	NIL
	Ceiling as per the Act	5% of the Net Profit of the Company	

**B. Remuneration to other Directors**

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri Surendra M. Shah	Shri Vasant A. Shah	Shri Yogesh K. Vyas	Smt. Kavita Mandan	
	<b>Independent Directors</b>					
	Fee for attending board / committee meetings	0.70	0.70	-	-	1.40
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	0.70	0.70	-	-	1.40
	<b>Other Non-Executive Directors</b>					
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	0.70	0.70	-	-	1.40
	Total Managerial Remuneration					Rs. 1.40 Lacs
	Overall Ceiling as per the Act					1% of the Net Profit of the Company



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO (Shri Anil Jhaveri)	CFO (Shri Janak Mehta)	CS (Ms Preeti Singh)*	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.60	3.00	1.50	8.10
	(b) Value of perquisites u/s 17(2) of the Income Tax, Act 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission - as % of profit - others specify	-	-	-	
5	Others, please specify	-	-	-	
	Total	3.60	3.00	1.50	8.10

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of Companies Act	Brief description	Details of penalty/ punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any give details
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Ahmedabad  
Date: 25th May, 2018

**Shri Harnish Patel**  
Director-in-Charge  
DIN: 00114198

**Smt Kavita Mandan**  
Director  
DIN: 07419972

## CORPORATE GOVERNANCE REPORT: 2017-18

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Philosophy on Corporate Governance aims at attainment of the highest levels of transparency, accountability and equity in the functioning of the Company vis-à-vis interactions with employees, shareholders, creditors and customers. Good Corporate Governance is intrinsic to the management of the affairs of the Company. The objective of the Company is not only to meet the statutory requirements of the code but also go beyond it by instituting such systems and procedures as required in accordance with the latest global trends of making management completely transparent and institutionally sound.

The Company has fully complied with the requirements of Corporate Governance under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in this regard, submits a report on the matters mentioned in the said clause and also the practices followed by the Company during the year 2017 -18 as stated below:

### 2. BOARD OF DIRECTORS:

The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and Section 149 of the Companies Act, 2013.

#### Composition of the Board

The Board of Directors as on the date of this report comprises of 5 (Five) Directors out of which 4 (Four) are Non-executive Directors, including 2 (Two) Independent Directors (80% of Board Strength). The Chairman of the Board is an Independent Director.

#### Board Meetings

The Board meets at least once in every quarter to discuss and decide on inter alia the policies and review the financial performance of the Company. Time elapsed between any two consecutive meetings never exceeded 120 days.

The Board of Directors of the Company met four times during the FY 2017-18 on 17th May, 2017, 11th August, 2017, 03rd November, 2017 & 30th January, 2018.

During the FY 2017 -18, Independent Directors of the Company has also met at their separate meeting on 17th May, 2017 & 11th August, 2017.

#### Composition/Category of Directors/Attendance at Meetings/Directorships and Committee Memberships in other Companies as on 31st March, 2018:

Name of the Director & Designation	Category	No. of other Directorship held in public companies in India*	No. of other Board committees of which Member(M)/ Chairperson(C)*	Board meetings attended	Attendance at the last AGM	No. of Shares held of the Company
#Mr. Surendra M. Shah, Chairman	Non-Executive, Independent Director	1	1(M)	4	No	-
#Mr. Vasant A. Shah, Director	Non-Executive, Independent Director	5	2 (C) 0 (M)	4	Yes	-
#Mr. Harnish J. Patel, Director-in-charge	Executive Director	4	-	3	Yes	10
Mr. Yogesh K. Vyas, Director	Non-Executive, Non-Independent Director	5	-	2	No	-
Mrs. Kavita N. Mandan, Director	Non-Executive, Non-Independent Director	-	-	4	Yes	-

\* For the purpose of considering the number of directorships and committee membership/chairpersonship in Audit and Stakeholders Relationship Committee, all public limited companies other than the Company, whether listed or not, are included and all other companies including private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 are excluded.

Details of committee membership comprise only membership/chairpersonship of Audit Committee and Stakeholders Relationship Committee.

Shri Yogesh K. Vyas is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, he has offered himself for re-appointment.

#During FY 17-18, shareholders in its AGM held on 27th July, 2017, has reappointed Shri Harnish Patel, as Director-in-Charge, w.e.f 19th May, 2017 to hold office for the terms of five Consecutive years.

#During FY 17-18, shareholders in its AGM held on 27th July, 2017, have reappointed Shri S.M. Shah, as Independent Director and Shri Vasant A. Shah, as Independent Director of the Company w.e.f 1st April, 2017 to hold office for the terms of five Consecutive years.

#### **Familiarization Programme for Independent Directors:**

Familiarization Programme imparted to Independent Directors may be referred to, at the Company's official website: <http://www.gujaratleasefinancing.co.in/>Policy>.

None of the Directors are related inter-se.

#### **Details of the Directors seeking Appointment/Re-appointment in the forthcoming Annual General Meeting**

<b>Name of the Director</b>	<b>Shri Yogesh K. Vyas (Retirement by Rotation)</b>
Date of Birth	11-12-1958
Date of Appointment	30-03-2015
Qualifications	B.E. (Chemical)
Expertise in specific functional areas	Project Financing & General Administration
List of Public Ltd. Co (s) in which Directorship held	1. Gujarat Industrial & Technical Consultancy Organisation Ltd. 2. Gujarat Poly Electronics Ltd. 3. Gujarat Sidhee Cement Ltd. 4. Gujarat State Machine Tools Corporation Ltd. 5. Gujarat Trans Receivers Ltd.
Chairman/Member of the committees of the Board of Directors of the Company	Audit Committee: Member Stakeholders Relationship Committee: Member
Chairman/Member of the Committees of the Board of Directors of other Company	NIL

### **3. BOARD COMMITTEES**

#### **(i) Audit Committee**

The Company has complied with the requirements of Regulation 18 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 as regards composition of Audit Committee.

#### **The terms of reference of the Audit committee broadly includes:**

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending appointment/re-appointment and remuneration of the auditors to the Board of Directors and review of adequacy and performance of auditors, internal control systems and internal audit function.
- review the annual and quarterly financial statement,
- review changes in the accounting policies and practices of major accounting entries,
- ensuring compliance with the regulatory guidelines,
- Review and approve related party transactions or any subsequent modification of transactions with related parties.
- To review the functioning of the Whistle Blower (Vigil) mechanism.
- Review of Financial statements of Subsidiaries, significant findings (if any) apart from the other mandatory requirements specified under Listing Regulations.

During the year under review, 4 (Four) meetings were held on 17th May, 2017, 11th August, 2017, 3rd November, 2017 and 30th January, 2018. Time elapsed between two meetings did not exceed 120 days.

The Audit Committee at its meeting held on 11th August, 2017, 03rd November, 2017 and 30th January, 2018 reviewed the un-audited financial results for the quarter ended on 30th June, 2017, 30th September, 2017 and 31st December, 2017 respectively.

Shri Surendra M. Shah is a Chairman of the Audit Committee but he could not attend the 34th AGM, held on 27th July, 2017. Then Board vide circular resolution dated 26th July, 2017, authorized Shri Vasant A. Shah to act as a Chairman of the 34th Annual General Meeting.

The Audit Committee at its meeting held on 19th May, 2017 reviewed the Audited Annual Financial Statements for the year 2016 -17 and recommended the same for approval of the Board of Directors.

**Composition of the Audit Committee and attendance of each member during the meetings held in financial year 2017-18 are given below :**

Name of the Committee Member	Category of Directorship	Qualification / Competence	No. of meetings held	No. of meetings attended
Shri Surendra M. Shah Chairman	Non Executive Independent Director	B.Sc. (Eco.) London	4	4
Shri Vasant A. Shah	Non Executive Independent Director	B.Com , FCA	4	4
Shri Yogesh K.Vyas	Non-Executive Non Independent Director	B.E. (Chemical)	4	2

Ms. Preeti Singh, Company Secretary and Compliance officer acts as Secretary to this Committee.

#### **(ii) Stakeholders Relationship Committee**

The Company has complied with the requirements of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 as regards composition of Stakeholders Relationship Committee.

**The terms of reference of the Stakeholders Relationship Committee broadly includes:**

The Stakeholders Relationship Committee (SRC) has to mainly focus on the redressal of complaint/ queries relating to Transfer / Transmission / Dematerialization of Shares, Issue of Duplicate Share Certificates, Non-receipt of Annual Report, Dividend Warrants, Repayment of principal and/or interest on Fixed Deposits / Debentures, etc.

During the year, the Committee met 4 (Four) times on 17th May, 2017, 11th August, 2017, 3rd November, 2017 and 30th January, 2018.

**Composition of Stakeholders Relationship Committee and attendance of each member during the meetings held in financial year 2017-18 are given below:**

Name of the Committee Member	Category of Directorship	No. of meetings held	No. of meetings attended
Shri Surendra M. Shah Chairman	Non Executive Independent Director	4	4
Shri Vasant A. Shah	Non Executive Independent Director	4	4
Shri Yogesh K. Vyas	Non-Executive Non Independent Director	4	2

Shri Surendra M. Shah is a Chairman of the Stakeholders Relationship Committee but he could not attend the 34th AGM, held on 27th July, 2017. Then Board vide circular resolution dated 26th July, 2017, authorized Shri Vasant A. Shah to act as a Chairman of the 34th Annual General Meeting.

Ms. Preeti Singh, Company Secretary and Compliance officer acts as Secretary to this Committee.

#### **Investor Grievance Redressal**

The Company has not received any complaints during the year. No complaint was pending as on 31st March 2018. The Company has no transfers pending at the closure of the FY – 2017 -18.

#### **(iii) Nomination and Remuneration Committee**

The Company has complied with the requirements of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 as regards composition of Nomination and Remuneration Committee.

**The terms of reference of the Nomination & Remuneration Committee broadly includes:**

- (i) evaluating and recommending the composition of the Board of Directors and Committees thereof,
- (ii) formulating the criteria for determining qualification, positive attributes and independence of a director and formulating criteria for appointment of KMPs and senior management,
- (iii) performance evaluation of independent directors, considering and recommending the appointment of Directors, KMP and Senior Management in accordance with the criteria formulated ,
- (iv) To recommend and monitor the levels of remuneration of senior management of the company.

During the year, 2 (Two) meetings of the Committee were held on 17th May, 2017 & 11th August, 2017.

**Composition of Nomination and Remuneration Committee and attendance of each member during the meetings held in financial year 2017-18 are given below:**

Name of the Committee Member	Category of Directorship	No. of meetings held	No. of meetings attended
Shri Surendra M. Shah Chairman	Non Executive Independent Director	2	2
Shri Vasant A. Shah	Non Executive Independent Director	2	2
Shri Yogesh K. Vyas	Non-Executive Non Independent Director	2	1

Ms. Preeti Singh, Company Secretary and Compliance officer acts as Secretary to this Committee.

**PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

During the year, the Board revised the Criteria as well as process for evaluation of the Board, Board Committees and Individual Directors. The revised Criteria as well as process for evaluation of Independent Directors are given below:

**CRITERIA**

1. Fulfillment of functions
2. Attendance
3. Contribution at Meetings
4. Guidance/support to management outside Board/Committee Meetings
5. Participation in Board in terms of adequacy (time & content)
6. Independent views and judgement (only for IDs)

**PROCESS**

1. The Chairman/Vice Chairman of the Board to discuss self and peer evaluation on a One-on-One basis with each Director.
2. The Chairman/Vice Chairman to consolidate the comments and give the feedback to Individual Directors.

(Evaluation by IDs in this context as per Schedule IV of the Companies Act, 2013 and the Listing Regulations. Role of IDs shall be fulfilled by Chairman/Vice Chairman of board summarizing the IDs feedback.)

**4. REMUNERATION**

None of the Directors is drawing any remuneration from the Company. However the Board has approved the payment of sitting feesto Independent Directors of the Company pursuant to section 197(5) of the Companies Act, 2013.

None of the Non-Executive Directors holds any shares of the Company.

Detail of sitting fees paid during the year is specified under the table. The Company does not pay any severance fee to its Directors.

Name of the Independent Directors	Sitting Fees
Shri Surendra M. Shah	Rs.70,000/-
Shri Vasant A. Shah	Rs.70,000/-
<b>Total</b>	<b>Rs. 1,40,000</b>

## 5. GENERAL BODY MEETINGS

Details of the AGM held during the last three years are as under:

Meeting	Year	Venue of AGM	Date	Time	No. of Special Resolution passed
32 <sup>nd</sup> AGM	2014-15	ATMA Hall Ahmedabad Textile Mills Association, Opp. La-Gajjar Chambers, Ashram Road Ahmedabad-380009	7 <sup>th</sup> August, 2015	10.00A.M.	NIL
33 <sup>rd</sup> AGM	2015-16	ATMA Hall Ahmedabad Textile Mills Association, Opp. La-Gajjar Chambers, Ashram Road Ahmedabad-380009	19 <sup>th</sup> July, 2016	10.00A.M.	2
34 <sup>th</sup> AGM	2016-17	ATMA Hall Ahmedabad Textile Mills Association, Opp. La-Gajjar Chambers, Ashram Road Ahmedabad-380009	27 <sup>th</sup> July, 2017	10.00 A.M.	2

No Extra Ordinary General Meeting (EGM) was held during last three years.

During FY – 2016 -17, Special Resolution were passed by poll and by E-voting in accordance with the applicable provisions of Section 108 of the Act and rules made thereunder.

### Special Resolutions passed through postal ballot and E—Voting

During the year the following special resolutions were passed:

Date of Passing of Resolution	Resolution Number	Purpose	Votes in favour of their resolution		Votes against the resolution	
			No. of votes	% to total votes	No. of votes	% to total votes
27 <sup>th</sup> July, 2017	5	To re-appoint Shri Vasant A. Shah as an Independent Director of the Company	98,28,155	99.998%	187	0.002%
	6	To re-appoint Shri Surendra M. Shah as an Independent Director of the Company	98,28,155	99.998%	187	0.002%

During the conduct of the Postal Ballot the Company had in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provided e-voting facility through Central Depository Services Limited (CDSL) to its Members holding shares in physical or dematerialized form to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice of 34th Annual General Meeting on 27th July, 2017 (the "Remote e-voting").

The Company had appointed Shri Rajesh Parekh, Practicing Company Secretary (Membership No. A8073), as a Scrutinizer for conducting remote e-voting and poll process in a fair and transparent manner. The scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by postal ballot were then announced by the Chairman/ Authorized offices. The voting results were sent to the Stock Exchanges and displayed on the Company's website.

## 6. MEANS OF COMMUNICATION

During the year, quarterly unaudited financial results with Limited Review Report and annual audited financial results of the Company with Auditor's Report thereon were submitted to the Stock Exchanges upon their approval by the Board of Directors. The Company publishes its financial results in two news papers, Western Times (English) and Western Times (Gujarati). These results are also put on the Company's website: <http://www.gujaratleasefinancing.co.in/> > Others.

The Company also informs by way of intimation to the stock exchanges all the price sensitive matters or such other matters which are material and of relevance to the shareholders and the same is made available on the Company's website.

The Company will be sending soft copies of Annual Report for FY 2017-18 to those Shareholders whose email IDs are registered with the Depository Participants (DPs) and/or with the Company's Registrar and Share Transfer Agent (RTA), unless they have opted for a physical copy, to support the "Green Initiative in Corporate Governance", an initiative taken by the Ministry of Corporate Affairs. Your Company encourages its shareholders to register/update the e-mail IDs for communication purpose thereby contributing to the environment.

## **7. OTHER DISCLOSURES**

### **a) Related Party Transactions**

The Company has formed related party transactions policy pursuant to the requirements of Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The same is also placed at the website of the Company <http://www.gujaratleasefinancing.co.in/.policies>

During the year, the Company has not entered into any transaction with the related parties which are material in nature. Adequate care was taken to ensure that there is no potential conflict of interest in related party transactions.

For details about related parties transactions, see Note No. 28 of the Standalone Financial Statement for the financial year 2017-18.

### **b) Whistle Blower Policy**

The Company had adopted a "Whistle Blower Policy" through which the Company has institutionalized a mechanism to disclose any unethical behavior, improper practice and wrongful conduct taking place in the Company for suitable action. The Policy, by design, provides access to the Chairman of the Audit Committee. Confidentiality of Whistle Blower is maintained without any discrimination. The same is also placed at the website of the Company <http://www.gujaratleasefinancing.co.in/.policies>.

None of the personnel of the Company has been denied access to the Audit Committee.

No complaint has been received during the year 2017-18.

### **c) Legal Compliances**

The Company follows a formal management policy and system of legal compliance & reporting to facilitate periodical review by the Board of compliance status of laws applicable to the Company and steps taken to rectify non-compliances, if any.

There were no instances of material non-compliance and no penalties were imposed on the Company either by SEBI, Stock Exchange(s) or any statutory authorities on any matter related to Capital Markets during the last three years.

### **d) Material Subsidiary Policy**

The Company has formulated a Policy for determining 'Material' subsidiary in accordance with Listing Regulations and the Companies Act, 2013, which is uploaded on the website of the Company at <http://www.gujaratleasefinancing.co.in/.policies>

### **e) Code of Business Conduct**

The Company has adopted a Code of Business Conduct based on the business principles of the Company. The Code of Business Conduct has also been posted on the website of the Company i.e <http://www.gujaratleasefinancing.co.in/.policies> in compliance with the Code, Directors and Senior Management of the Company have affirmed their compliances with the Code for the year under review. A declaration to this effect signed by the Director-in-Charge forms part of the annual report.

### **f) CEO / CFO Certificate:**

Shri Anil Jhaveri, Chief Executive Officer and Shri Janak Mehta, Chief Financial Officer of the Company give an annual certificate on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The CEO and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

### **g) Disclosure of Compliance with Corporate Governance**

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

## 8. GENERAL SHAREHOLDER INFORMATION

### a) 35th Annual General Meeting

<b>Date</b>	7th August, 2018
<b>Time</b>	10:00 am
<b>Venue</b>	ATMA Hall, Ahmedabad Textile Mills Association, Opp. La Gajjar Chamber, Ashram Road, Ahmedabad 380009.
<b>Book Closure Dates</b>	Saturday, 21st July, 2018 to Saturday, 28th July 2018 (Both days Inclusive)
<b>Cut-Off date for e-voting</b>	Friday, 20th July, 2018
<b>Remote E-voting period</b>	Start date and time - Friday 3rd August, 2018 at 09:00 a.m. End date and time - Monday, 6th August, 2018 at 05:00 p.m.
<b>Dividend Payment Date</b>	Not Applicable

### b) Tentative Financial Calendar for the year 2018-19

<b>Financial Year</b>	01st April, 2018 to 31st March, 2019
<b>First Quarter results</b>	End of July / first week of August, 2018
<b>Second Quarter results</b>	End of October / First week of November, 2018
<b>Third Quarter results</b>	End of January / First week of February, 2019
<b>Results for the year end</b>	End of May, 2019

### c) Listing on stock exchanges and security codes

<b>Stock Exchange</b>	<b>Security Code</b>
<b>Equity Shares</b>	
BSE Limited (BSE)	500174
National Stock Exchange of India Limited (NSE)	GLFLEQ
ISIN	INE540A01017

The Company has paid the annual listing fees for the year 2018-19 to both the above stock exchanges.

### d) Market Price Data:

The monthly movement of equity share prices during the year ended 31st March, 2018 at BSE & NSE is summarized below:

<b>Month</b>	<b>BSE</b>					<b>NSE</b>		
	<b>High (Rs.)</b>	<b>Low (Rs.)</b>	<b>Volume (Nos.)</b>	<b>BSE Sensex (High)</b>	<b>BSE Sensex (Low)</b>	<b>High (Rs.)</b>	<b>Low (Rs.)</b>	<b>Volume (Nos.)</b>
April '17	4.30	2.54	35,513	30,184.22	29,241.48	4.60	4.40	1,210
May '17	3.19	2.43	51,698	31,255.28	29,804.12	4.20	3.80	332
June '17	2.55	2.38	31,246	31,522.87	30,680.66	3.65	3.65	700
July '17	2.50	1.67	14,783	32,672.66	31,017.11	3.50	3.50	25
Aug '17	1.59	1.26	44,248	32,686.48	31,128.02	3.35	3.35	1
Sept '17	1.38	1.32	2,324	32,524.11	31,081.33	3.20	2.40	3,420
Oct '17	1.60	1.21	30,619	33,340.17	31,440.48	2.30	1.90	9,381
Nov '17	1.59	1.52	7,011	33,865.95	32,683.59	1.90	1.90	4,001
*Dec'17	1.68	1.50	4,594	34,137.97	32,565.16	2.00	1.90	14,598
*Jan '18	1.65	1.65	2,100	36,443.98	33,703.37	2.00	1.90	8,248
*Feb '18	--	--	--	36,256.83	33,482.81	1.90	1.90	8,708
*Mar '18	--	--	--	34,278.63	32,483.84	--	--	--

\*From Dec, 2017 onwards the Scrip of GLFL has been put under GSM Stage - 2 by both the stock exchanges i.e under Graded Surveillance Measure. According to the SEBI Circular dated 23rd Feb, 2017, the details of this framework are given in Annexure I of SEBI circular. It means that Trading is permitted with Additional Surveillance deposited (ASD) 100% of trade value to be deposited by the buyers. Stage of GSM could be improved with the improvement in the working results and other parameters of the Company.



e) **Distribution of Shareholding as on 31st March, 2018**

i) **On the basis of Shares held**

No. of Equity Shares held (Range)	No. of share-holders	Percentage to total share-holders (%)	No. of Shares held	Percentage to total shares held
Up to 5000	28,764	98.89	93,02,914	34.31
5001 – 10000	171	0.59	12,85,800	4.74
10001 - 50000	131	0.45	26,49,037	9.76
50001 - 100000	10	0.03	6,84,777	2.52
Above 100000	10	0.03	1,32,03,239	48.67
<b>T O T A L</b>	<b>29,086</b>	<b>100.00</b>	<b>27,125,767</b>	<b>100.00</b>

ii) **On the basis of Category**

Category	No. of Shares held	Percentage to total shares held
Promoters	1,23,87,222	45.67
Individuals	1,37,81,752	50.81
Bodies Corporate	2,58,200	0.96
Financial Institutions / Mutual Funds / Banks	14,827	0.05
Central Govt. / State Govt. Companies	2,50,000	0.92
Others	4,33,766	1.59
<b>T O T A L</b>	<b>27,125,767</b>	<b>100.00</b>

f) **Share Transfer Agent :**

<b>Name</b>	<b>MCS Share Transfer Agent Limited</b>
<b>Address</b>	201, ShatdalComplex, Opp. Bata Show Room, Off. Ashram Road, Ahmedabad - 380009
<b>Landline No.</b>	079-26580461/62/63
<b>Fax No.</b>	079-26581296
<b>E - Mail</b>	mcsahmd@gmail.com

g) **Share Transfer System**

To expedite the transfer of shares held in physical mode the powers to authorize transfers have been delegated to specified officials of the RTA and Company. Share transfers are taken up for approval atleast once in a fortnight and the transferred securities are dispatched to the transferees within the stipulated time. Details of transfer/ transmission approved by the delegates are noted by the Stakeholders Relationship Committee at its next meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the stock exchanges.

h) **Details of Shares**

Types of shares : Equity Shares  
No. of paid up shares : 27,125,767  
Market lot of shares : 1 share

i) **Dematerialization of Shares and Liquidity**

Consequent upon the compulsory Demat of the Equity Shares of the Company as notified by SEBI, about 89.58 % (2,43,00,306 shares demated) of the Equity Capital of the Company has been dematerialized as on 31st March, 2018. The shares are traded on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

j) **Outstanding GDRs / ADRs / Warrants / any other convertible instruments**

The Company has not issued any GDRs/ ADRs/ warrants or any other Convertible Instruments as on date.

k) **Address for correspondence**

<b>Registered Office &amp; Shareholders Correspondence address</b>	6th Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad – 380006. Tele No. (079) 2657 5722 E-mail Id: glflho_ahm@yahoo.co.in
<b>Compliance Officer</b>	Ms. Preeti Singh (Company Secretary)
<b>Redressal of Investor Grievances</b>	glfl.invcomplaints@yahoo.co.in

For and on behalf of the Board of Directors

Place: Ahmedabad  
Date: 25th May, 2018

**Anil Jhaveri**  
Chief Executive Officer

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**GUJARAT LEASE FINANCING LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated 27<sup>th</sup> July, 2017.
2. We, G.K. Choksi & co., the Statutory Auditors of Gujarat Lease Financing Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restrictions on use

10. This Certificate has been issued solely for the purpose of complying with the Listing Regulations and may not be suitable for any other purpose.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
*Chartered Accountants*

Place : Ahmedabad  
Date : 25th May, 2018

**ROHIT K. CHOKSI**  
*Partner*  
Mem. No. 31103

### Declaration for Compliance of Code of Conduct

Gujarat Lease Financing Limited has in place a Code of Business Conduct (the 'Code') for its Board of Directors and senior management personnel of the Company. I report that the board of Directors has received affirmation on compliance with the Code from the members of the Board and senior management of the Company for the year under review.

Place : Ahmedabad  
Date : 25th May, 2018

**Harnish Patel**  
*Director In Charge*  
(DIN : 00114198)

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
**GUJARAT LEASE FINANCING LIMITED**  
Ahmedabad.

### Report on the Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **GUJARAT LEASE FINANCING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Change in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

### 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 and presentation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Standalone Ind AS 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 thereunder.

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 Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS financial statements that give 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 Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Standalone Ind AS financial statements

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 including Ind AS, of the financial position of the company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matters

We draw attention to Note 2 to the Standalone financial statements, which indicates that the Company incurred a net loss of Rs. 29.04 lacs for the year ended 31st March, 2018, and as that date the accumulated losses exceeded its net worth and the Company's current liabilities exceeded its current assets. These conditions, along with other matters set forth in note

indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of the said matter.

#### **Other matters**

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 17th May 2017 and 19th May 2016 respectively expressed modified opinion on those Standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

The predecessor auditors expressed modified opinion on the ground of possible effects of non recognition of Income of Rs. 1060.94 lacs (previous year ended 31st March, 2016: Rs. 1060.94 lacs) being interest on income tax refunds received in earlier years by the Company and consequential short provision of tax of Rs. 277.21 lacs (previous year ended 31st March, 2016: 277.21 lacs). During the current financial year the Company has addressed such qualification giving necessary impact in the opening reserves as on April 1, 2016.

#### **Report on Other Legal and Regulatory Requirements**

1. 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, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) 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.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rules issued thereunder.
  - (e) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) 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 B"; and
  - (g) 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 derivatives contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

**ROHIT K. CHOKSI**  
Partner  
Mem. No.31103

Place : Ahmedabad  
Date : 25th May, 2018

## **Annexure - A**

### **to the Independent Auditors' Report of even date on Standalone financial statements of Gujarat Lease Financing Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals having regard to size of company and nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company doesn't have any inventory and hence reporting under clause (ii) of CARO, 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained u/s.189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of making investments, as applicable. The Company has not granted any loans or provided guarantees and securities.
- (v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) Having regard to the nature of Company's business/activities, reporting under clause (vi) of CARO 2016 is not applicable.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2018 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues except sales tax as at 31st March, 2018

Details of dues of Sales tax which have not been deposited as on 31st March, 2018 on account of disputes are given below;

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is pending</b>	<b>Period to which the amount relates</b>	<b>Amount (Rs. In lacs)</b>
Central Sales Tax Act, 1956	Tax and Penalty	Sales Tax Tribunal	1989-90 to 1994-95	15.89

- (viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, bank and government and has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year or term loans and hence reporting under clause (ix) of CARO 2016 is not applicable.
- (x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not paid managerial remuneration during the year. Hence reporting under clause (xi) of CARO 2016 is not applicable to the Company.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the company is in compliance with Section 177 of the Companies Act, 2013, where applicable, for all transactions with related parties and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of CARO 2016 is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : Ahmedabad  
Date : 25th May, 2018

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

**ROHIT K. CHOKSI**  
Partner  
Mem. No.31103

## **“Annexure B” to the Auditors’ Report**

(Referred to in our Report of even date to the members of GUJARAT LEASE FINANCING 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 **GUJARAT LEASE FINANCING LIMITED** (“the Company”) as of 31 March 2018 in conjunction with our audit of the Standalone Ind AS 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 issued by the Institute of Chartered Accountants of India (‘ICAI’). 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 Companies Act, 2013.

#### **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 on Audit of Internal Financial Controls over Financial Reporting (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 Standalone Ind AS 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 authorisations 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 31st March 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ahmedabad  
Date : 25th May, 2018

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

**ROHIT K. CHOKSI**  
Partner  
Mem. No.31103



**GUJARAT LEASE FINANCING LIMITED**

**Standalone Balance Sheet as at March 31, 2018**

(Rs.In Lacs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	5	11.88	14.23	16.58
Financial Assets				
Investments	6	1 583.77	1 583.99	1 585.00
Other financial assets	7	15.28	15.25	15.29
		<u>1 610.93</u>	<u>1 613.47</u>	<u>1 616.87</u>
<b>Current assets</b>				
Financial assets				
Investments	6	0.00	12.44	34.07
Cash and Cash Equivalents	8	16.11	1.31	1.41
Current Tax Assets (Net)	9	3.35	3.38	3.58
Other Current Assets	10	0.09	0.08	0.08
		<u>19.55</u>	<u>17.21</u>	<u>39.14</u>
<b>Total Assets:</b>		<b><u>1 630.48</u></b>	<b><u>1 630.68</u></b>	<b><u>1 656.01</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	11	2 716.05	2 716.05	2 716.05
Other Equity	12	(4 481.39)	(4 452.35)	(4 425.17)
		<u>(1 765.34)</u>	<u>(1 736.30)</u>	<u>(1 709.12)</u>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
Borrowings	13	3 350.05	3 324.38	3 326.82
		<u>3 350.05</u>	<u>3 324.38</u>	<u>3 326.82</u>
<b>Current liabilities</b>				
Financial Liabilities				
Trade Payables	14	2.33	1.94	0.70
Other Financial Liabilities	15	25.05	22.89	20.46
Other Current liabilities	16	16.98	16.82	16.66
Provisions	17	1.41	0.95	0.49
		<u>45.77</u>	<u>42.60</u>	<u>38.31</u>
<b>Total Equity and Liabilities:</b>		<b><u>1 630.48</u></b>	<b><u>1 630.68</u></b>	<b><u>1 656.01</u></b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR AND ON BEHALF OF THE BOARD**

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]  
Chartered Accountants

**ROHIT K. CHOKSI**

Partner  
Mem. No. 31103

**S.M.Shah**  
Chairperson  
(DIN: 00016578)

**Janak Mehta**  
Chief Financial Officer

**Harnish Patel**  
Director-In-Charge  
(DIN: 00114198)

**Preeti Singh**  
Company Secretary

Place: Ahmedabad  
Date: 25th May, 2018

Place: Ahmedabad  
Date: 25th May, 2018

## Standalone Statement of Profit and Loss for the year ended March 31, 2018

(Rs.In Lacs)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>INCOME</b>			
Other Income	18	1.17	2.58
<b>Total Income:</b>		<b>1.17</b>	<b>2.58</b>
<b>EXPENSES</b>			
Employee benefits expense	19	3.62	3.28
Depreciation and Amortization	20	2.35	2.35
Other Expenses	21	24.24	24.13
<b>Total Expenses:</b>		<b>30.21</b>	<b>29.76</b>
<b>Profit before exceptional items and tax</b>		<b>( 29.04)</b>	<b>( 27.18)</b>
Exceptional Items		0.00	0.00
<b>Profit Before Tax</b>		<b>( 29.04)</b>	<b>( 27.18)</b>
<b>Tax expense</b>			
Current tax		0.00	0.00
Deferred tax		0.00	0.00
<b>Total tax expense:</b>		<b>0.00</b>	<b>0.00</b>
<b>Profit for the year from continuing operations</b>		<b>( 29.04)</b>	<b>( 27.18)</b>
<b>Other comprehensive income</b>			
(A) (i) Items that will not be reclassified to profit or loss		0.00	0.00
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00
(B) (i) Items that will be reclassified to profit or loss		0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
<b>Total comprehensive income for the year, net of tax</b>		<b>( 29.04)</b>	<b>( 27.18)</b>
<b>Earning per Equity Share</b>	22		
Basic		( 0.11)	( 0.10)
Diluted		( 0.11)	( 0.10)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR AND ON BEHALF OF THE BOARD**

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]  
Chartered Accountants

**ROHIT K. CHOKSI**

Partner  
Mem. No. 31103

**S.M.Shah**  
Chairperson  
(DIN: 00016578)

**Janak Mehta**  
Chief Financial Officer

**Harnish Patel**  
Director-In-Charge  
(DIN: 00114198)

**Preeti Singh**  
Company Secretary

Place: Ahmedabad  
Date: 25th May, 2018

Place: Ahmedabad  
Date: 25th May, 2018

## Standalone Statement of Cash Flows for the year ended March 31, 2018

(Rs.In Lacs)

Particulars	2017-2018	2016-2017
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) for the year before taxation	( 29.04)	( 27.18)
<b>Adjustments for</b>		
Depreciation and amortisation	2.35	2.35
Interest Income from financial assets measured at amortised cost		
- on fixed deposits with Bank	( 1.12)	( 1.18)
Profit on sale of investments	( 0.04)	( 0.13)
Impairment loss on investment in subsidiary	0.22	1.01
Gain on fair valuation of investments	0.00	( 1.24)
Operating profit before working capital changes	( 27.63)	( 26.37)
<b>Adjustments for</b>		
Decrease / (Increase) in Other current assets	( 0.01)	0.00
Increase / (Decrease) in Other current financial liabilities	2.16	2.43
Increase / (Decrease) in Other current liabilities	0.16	0.16
Increase / (Decrease) in Trade Payables	0.39	1.24
Increase / (Decrease) in Provisions	0.46	0.46
Cash generated from operations	( 24.47)	( 22.08)
Direct taxes Refund/(paid)	0.03	0.20
<b>Net Cash from Operating Activities</b>	<b>[A] ( 24.44)</b>	<b>( 21.88)</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from sale of investments	12.48	23.00
Interest received	1.09	1.22
<b>Net Cash from / (used in) investing activities</b>	<b>[B] 13.57</b>	<b>24.22</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings - non current	25.67	( 2.44)
<b>Net cash flow from financial activities</b>	<b>[C] 25.67</b>	<b>( 2.44)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>[A+B+C] 14.80</b>	<b>( 0.10)</b>
Cash and cash equivalents opening	1.31	1.41
<b>Cash and cash equivalents closing</b>	<b>16.11</b>	<b>1.31</b>
Components of Cash and cash equivalent		
Balances with scheduled banks	15.98	1.07
Cash in hand	0.13	0.24
	<b>16.11</b>	<b>1.31</b>

### Explanatory Notes to Cash Flow Statement

- The above Cash Flow Statement has been prepared under the Indirect method as set out in IND AS - 7 on Statement of Cash Flows notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended.
- Figures in brackets indicate cash outflow. The above statement of cash flow should be read in conjunction with the accompanying notes.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

Chartered Accountants

**ROHIT K. CHOKSI**

Partner

Mem. No. 31103

**S.M.Shah**  
Chairperson  
(DIN: 00016578)

**Harnish Patel**  
Director-In-Charge  
(DIN: 00114198)

**Janak Mehta**  
Chief Financial Officer

**Preeti Singh**  
Company Secretary

Place: Ahmedabad  
Date: 25th May, 2018

Place: Ahmedabad  
Date: 25th May, 2018

**Standalone Statement of changes in Equity for the year ended March 31, 2018****A. Equity share capital**

(Rs.In Lacs)

<b>As at April 1, 2016</b>	<b>2 716.05</b>
Issue of Equity Share capital	0.00
<b>As at March 31, 2017</b>	<b>2 716.05</b>
Issue of Equity Share capital	0.00
<b>As at March 31, 2018</b>	<b>2 716.05</b>

**B. Other equity**

Particulars	Reserves and Surplus					Other Comprehensive Income		Total equity
	General Reserve	Securities Premium	Capital reserve	Statutory General Reserve	Retained Earnings	Equity Instruments through OCI	Other Items of comprehensive Income	
<b>Balance as at April 1, 2016</b>	2 297.33	6 759.39	2 358.77	460.00	(16 300.66)	0.00	0.00	(4 425.17)
Profit for the year	0.00	0.00	0.00	0.00	( 27.18)	0.00	0.00	( 27.18)
Addition during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deduction during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other comprehensive income for the year	0.00	0.00	0.00			0.00	0.00	0.00
<b>Balance as at March 31, 2017</b>	2 297.33	6 759.39	2 358.77	460.00	(16 327.84)	0.00	0.00	(4 452.35)
Profit for the year	0.00	0.00	0.00	0.00	( 29.04)	0.00	0.00	( 29.04)
Addition during the year	460.00							460.00
Deduction during the year	0.00	0.00	0.00	( 460.00)	0.00	0.00	0.00	( 460.00)
Other comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance as at March 31, 2018</b>	2 757.33	6 759.39	2 358.77	0.00	(16 356.88)	0.00	0.00	(4 481.39)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR AND ON BEHALF OF THE BOARD****FOR G. K. CHOKSI & CO.**[Firm Registration No. 101895W]  
Chartered Accountants**ROHIT K. CHOKSI**Partner  
Mem. No. 31103**S.M.Shah**  
Chairperson  
(DIN: 00016578)**Janak Mehta**  
Chief Financial Officer**Harnish Patel**  
Director-In-Charge  
(DIN: 00114198)**Preeti Singh**  
Company SecretaryPlace: Ahmedabad  
Date: 25th May, 2018Place: Ahmedabad  
Date: 25th May, 2018

## Notes to the Standalone Financial Statements

### Note 1 : Company Overview

Hitherto the Company was a registered Non-Banking Finance Company ("NBFC"). The Company has ceased to carry on business as NBFC since 1999-2000 due to precarious financial condition and negative net worth. The Board of Directors at its meeting held on 23rd June, 2016 had decided to surrender voluntarily a Certificate of Registration (CoR) under category "B" as Non-Banking Finance Company (NBFC) issued by Reserve Bank of India as the Company at present, was not in a position to comply the requirements of NBFCs Regulations.

Based on the Company's request RBI has issued order cancelling Certificate of Registration (CoR) under category "B" with effect from 8th March, 2017 vide its letter no. DNBS (AHO) No. 1315/01.10.234/2016-17 dated 22nd March, 2017.

The standalone financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 25, 2018.

### Note 2 : Basis of Preparation

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ("previous GAAP"). These are the Company's first Ind AS standalone financial statements. The date of transition to Ind AS is April 1, 2016. The comparative figures in the Standalone Balance Sheet as at March 31, 2017 and April 1, 2016 and Standalone Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2017 have been restated accordingly. Accounting Policies have been consistently applied except where newly issued accounting standard is initially adopted or revision to the existing standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

Refer Note 4.14 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

The standalone financial statements are prepared in INR and all the values are rounded to the nearest lakhs, except when otherwise indicated.

During the year the Company continued to not having any significant business operations. The Company has also surrendered its license as stated above. It has incurred losses amounting to Rs. 29.04 lacs (2016-17: Rs. 27.18 lacs) and as at March 31, 2018, its accumulated losses exceed its paid-up capital and reserves by Rs. 1,765.34 lacs (March 31, 2017: Rs. 1,736.30 lacs). These conditions may cast a doubt on the Company's ability to continue as a going concern.

However, the Company is exploring avenues for restructuring of its capital and operations. In terms of the Scheme of Compromise and Arrangement (refer note 29) sanctioned by High Court of Gujarat in 2004 borrowings from a promoter group company of Rs. 1,500.00 lacs (March 31, 2017: Rs. 1,500.00 lacs), would not be repaid before repayment of all other liabilities. Further, the said promoter group company continues to provide support to the Company. The assets of the Company continue to be stated at least at their realisable values and the Company would continue its current activities at least till such time it realises its dues and settles its obligations.

In view of the above, the standalone financial statements have been prepared on going concern basis and do not include any adjustments relating to recorded amounts and the classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

#### 2.1 Statement of Compliance

The standalone financial statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement, together with notes for the year ended March 31, 2018 have been prepared in accordance with Ind AS as notified above duly approved by the Board of Directors at its meeting.

#### 2.2 Basis of Measurement

The standalone financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain Assets and Liabilities as stated below:

- (a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through OCI are measured at Fair Value.
- (b) The defined benefit asset/liability is recognised as the present value of defined benefit obligation less fair value of plan assets.

The above items have been measured at Fair Value and the methods used to measure Fair Values are discussed further in Note 4.12.

### **2.3 Functional and Presentation Currency**

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupee is the functional currency of the Company.

The standalone financial statements are presented in Indian Rupees (Rs.) which is the company's presentation currency.

### **2.4 Standard issued but not yet effective**

Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, ('The Rules') on 28 March 2018. The rules notify the new Revenue Standard Ind AS 115 'Revenue from Contracts with Customers' and also bring in amendments to existing Ind AS. The rules shall be effective from reporting period beginning on or after 1 April, 2018 and cannot be reported early. Hence, not applied in the preparation of financials.

### **Note 3 : Significant accounting judgments, estimates and assumptions**

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Company's accounting policies, management has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the standalone financial statements.

#### **3.1 Impairment of investments in subsidiaries**

The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### **3.2 Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

#### **3.3 Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

#### **3.4 Litigations**

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation arising at the reporting period.

### **Note 4 : Significant Accounting Policies**

#### **4.1 Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

##### **(a) Financial Assets**

Financial Assets comprises of investments in equity instruments, cash and cash equivalents and other financial assets.

##### **Initial Recognition:**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at Fair

Value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company committed to purchase or sell the asset.

**Subsequent Measurement:**

**(i) Financial assets measured at Amortized Cost:**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):**

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

**(iii) Fair Value through Profit or Loss (FVTPL):**

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

**De-recognition of Financial Assets:**

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

**(b) Financial Liabilities**

**Initial Recognition and Measurement**

Financial Liabilities are initially recognized at Fair value plus any transaction costs that are attributable to acquisition of the financial liabilities except financial liabilities through profit or loss which are initially measured at Fair Value.

**Subsequent Measurement:**

Financial Liabilities are classified for subsequent measurement into following categories:

**(i) Financial liabilities at Amortized Cost:**

The Company is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective Interest Method of any differences between the initial amount and maturity amount.

**(ii) Financial liabilities at Fair Value through Profit or Loss:**

Financial liabilities held for trading are measured at FVTPL.

**De-recognition of Financial Liabilities:**

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified

in the contract is discharged or cancelled or expires.

**(c) Offsetting of Financial assets and Financial Liabilities**

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

**(d) Reclassification of Financial Assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Company's Operations. A Change in business occurs when the company either begins or ceased to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**4.2 Share Capital**

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

**4.3 Property, Plant and Equipment**

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

**Estimated useful lives of the assets are as follows:**

Type of Asset	Useful Life
Buildings (Freehold)	30 years
Data Processing Equipment / Computers	3 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office equipment	5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised net within "other income / other expenses" in the Statement of profit and loss.

**Transition to Ind AS**

For transition to Ind AS, the Company has elected to adopt the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**4.4 Intangible assets**

**Intangible Assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation



and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### **Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

### **4.5 Impairment**

#### **I Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

#### **II Non-financial assets**

##### **Tangible and Intangible assets**

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

##### **Reversal of impairment loss**

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

### **4.6 Provisions**

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

### **4.7 Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair

value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### **Dividend and Interest Income**

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **4.8 Employee benefits**

#### **(a) Short-term obligations**

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### **(b) Post-employment obligations**

The Company does not operate any post-employment schemes except defined contribution plan i.e. provident fund.

##### **(i) Defined contribution plans**

The Company has defined contribution plan for the post-employment benefits namely Provident Fund which is administered through the Regional Provident Fund Commissioner and the contributions towards such fund are recognised as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Company does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

### **4.9 Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax

#### **(i) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### **(ii) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

#### **(iii) Current and deferred tax for the year**

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### **4.10 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

#### **4.11 Fair Value Measurement**

A number of Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

- (a) Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.
- (b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (c) Level 3 - unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the standalone financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes

specific to that asset or liability.

**(a) Investment in equity and debt securities**

The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

**(b) Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due to short term nature of such assets.

**(c) Non derivative financial liabilities**

Fair Value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**4.12 Current / non- current classification**

An asset is classified as current if:

- (a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realized within twelve months after the reporting period; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**4.13 Cash and cash equivalent**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

**4.14 First Time Adoption of Ind AS**

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

**1 Mandatory exceptions to retrospective application of other Ind AS**

**(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) unless there is an objective evidence that those estimates were in error.

The company has not made any changes to estimates made in accordance with Previous GAAP.

- (b) Ind AS 109 - Financial Instruments (Derecognition of previously recognized Financial Assets/ Financial Liabilities)

An entity shall apply the derecognition requirements in Ind AS 109 prospectively for the transactions occurring on or after date of transition to Ind AS.

The Company has applied the derecognition requirements prospectively.

- (c) Ind AS 109 "Financial Instruments" (Classification and Measurement of Financial Assets/ Financial Liabilities)

Classification and measurement of Financial Assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of Financial Assets and accordingly has classified and measured financial assets on the date of transition.

- (d) Ind AS 109 "Financial Instruments" (Impairment of Financial Assets): Impairment requirements under Ind AS 109 should be applied retrospectively based on reasonable and supportable information that is available on the date of transition without undue cost or effort.

Accordingly, the company applied impairment requirements retrospectively.

## **2. Optional exemptions**

- (a) Deemed cost for property, plant and equipment, and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets".

Accordingly, the Company has elected to measure all of its property, plant and equipment, and intangible assets at their previous GAAP carrying value.

- (b) Investments in subsidiaries, joint ventures and associates

IND AS 101 provides the option to the first-time adopter to account for its investments in subsidiaries, joint ventures and associates at either cost determined in accordance with IND AS 27 or in accordance with IND AS 109.

Accordingly, the Company has elected to measure such investments at cost in accordance with Ind AS 27.

**Note 5 : Property, Plant and Equipment****Note 5.1 : As at March 31, 2018**

[Rs in Lacs]

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at 01/04/2017	Additions	Deductions	As at 31/03/2018	Upto 31/03/2017	For the year	Adjustments	Upto 31/03/2018	As at 31/03/2018
<b>Owned Assets</b>									
Computer Equipments	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10
Electrical Installation	0.09	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.09
Office Equipments	0.25	0.00	0.00	0.25	0.00	0.00	0.00	0.00	0.25
Office Furniture	0.11	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.11
Building	16.03	0.00	0.00	16.03	2.35	2.35	0.00	4.70	11.33
	16.58	0.00	0.00	16.58	2.35	2.35	0.00	4.70	11.88

**Note 5.2 : As at March 31, 2017**

[Rs in Lacs]

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at 01/04/2016	Additions	(Adjustments / Deletions during the year)	As at 31/03/2017	Upto 31/03/2016	For the year	(Adjustments / Deletions during the year)	Upto 31/03/2017	As at 31/03/2017
<b>Owned Assets</b>									
Computer Equipments	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10
Electrical Installation	0.09	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.09
Office Equipments	0.25	0.00	0.00	0.25	0.00	0.00	0.00	0.00	0.25
Office Furniture	0.11	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.11
Building	16.03	0.00	0.00	16.03	0.00	2.35	0.00	2.35	13.68
	16.58	0.00	0.00	16.58	0.00	2.35	0.00	2.35	14.23

**Note :** The company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated depreciation and net block as per Indian GAAP are given in note 5.3

**Note 5.3 : Gross block, accumulated depreciation and net block as per Indian GAAP as at April 1, 2016**

[Rs in Lacs]

Particulars	Gross carrying amount	Accumulated Depreciation	Net carrying amount
<b>Owned Assets</b>			
Computer Equipments	39.16	39.06	0.10
Electrical Installation	1.71	1.62	0.09
Office Equipments	5.09	4.84	0.25
Office Furniture	6.10	5.99	0.11
Building	31.89	15.86	16.03
	83.95	67.37	16.58

**Note 6 : Investments**

[Rs in Lacs]

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non current</b>				
<b>Financial instruments at FVTOCI</b>				
Investment in other entities	6.1	0.00	0.00	0.00
<b>Financial instruments at Cost</b>				
Investment in Subsidiaries	6.2	1585.00	1585.00	1585.00
Less: Impairment Loss		( 1.23)	( 1.01)	0.00
<b>Total (A)</b>		<u>1583.77</u>	<u>1583.99</u>	<u>1585.00</u>
<b>Current</b>				
<b>Financial instruments at FVTPL</b>				
Investment in Mutual Funds	6.3	0.00	12.44	34.07
<b>Total (B)</b>		<u>0.00</u>	<u>12.44</u>	<u>34.07</u>
<b>Total (A) + (B)</b>		<u>1583.77</u>	<u>1596.43</u>	<u>1619.07</u>
Aggregate amount of quoted investments and market value thereof		0	12	34
Aggregate amount of unquoted investments		1584	1584	1585

**Note 6.1 : Details of investments in equity instruments – other than subsidiaries (fully paid up) – classified as FVTOCI (\*)**

Name of the entity	Curren- cy	Face Value (₹)	Number of Units as at			Balances as at (Rs. in lacs)		
			March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>Equity Instrument Quoted</b>								
Adarsh Chemicals & Fertilisers Ltd	INR	10	34 000	34 000	34 000	0.00	0.00	0.00
Gujarat Himalaya Cement Ltd	INR	10	42 796	42 796	42 796	0.00	0.00	0.00
Jayant Paper Mills Ltd (Rs 5/- paid up)	INR	10	1 00 000	1 00 000	1 00 000	0.00	0.00	0.00
K.J.International Ltd	INR	10	20 300	20 300	20 300	0.00	0.00	0.00
Malvika Steel Ltd (Rs 5/- paid up)	INR	10	1 53 900	1 53 900	1 53 900	0.00	0.00	0.00
Samrat Ashoka Exports Ltd	INR	10	7 900	7 900	7 900	0.00	0.00	0.00
Somani Iron & Steel Co Ltd	INR	10	13 100	13 100	13 100	0.00	0.00	0.00
Vikram Projects Ltd	INR	10	26 600	26 600	26 600	0.00	0.00	0.00
<b>Total (A)</b>			<u>3 98 596</u>	<u>3 98 596</u>	<u>3 98 596</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Unquoted</b>								
Indo Deutche Metallo Chemique Ltd	INR	10	1 71 400	1 71 400	1 71 400	0.00	0.00	0.00
<b>Total (B)</b>			<u>1 71 400</u>	<u>1 71 400</u>	<u>1 71 400</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total (A+B):</b>			<u>5 69 996</u>	<u>5 69 996</u>	<u>5 69 996</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

(\*) In view of Market Value of quoted equity instruments as on April 1, 2016 is NIL and necessary provision having already made in earlier financial years, the value of the same is considered at ₹ NIL and accordingly disclosed.

**Note 6.2 : Details of investment in unquoted equity instruments of subsidiaries**

Name of the entity	Curren- cy	Face Value (₹)	Number of Units as at			Balances as at (Rs. in lacs)		
			March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>Equity Instruments</b>								
GLFL Housing Finance Limited	INR	10	60 00 000	60 00 000	60 00 000	600.00	600.00	600.00
GLFL Housing Finance Limited	INR	10	30 00 000	30 00 000	30 00 000	225.00	225.00	225.00
GLFL Securities Limited	INR	10	75 00 000	75 00 000	75 00 000	750.00	750.00	750.00
GLFL International Limited	INR	10	1 00 007	1 00 007	1 00 007	8.77	8.99	10.00
<b>Total</b>			<u>1 66 00 007</u>	<u>1 66 00 007</u>	<u>1 66 00 007</u>	<u>1 583.77</u>	<u>1 583.99</u>	<u>1 585.00</u>

**Note 6.3 : Investment in Mutual Funds**

Particulars	Number of Units as at			NAV per Unit as at		Balances as at (Rs. in lacs)		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
"Investment in Mutual Funds IDFC Cash Fund Growth (Regular Plan)	0.00	630.92	1 852.69	1 970.93	1 838.83	0.00	12.44	34.07
Total	0.00	630.92	1 852.69	1 970.93	1 838.83	0.00	12.44	34.07
Aggregate amount of quoted investments and market value thereof						0.00	12.44	34.07
Aggregate amount of unquoted investments						1 583.77	1 583.99	1 585.00

**Note 7 : Other financial assets (Non-current)**

[Rs in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed Deposits with Original Maturity for more than 12 months	15.00	15.00	15.00
Interest accrued but not due	0.28	0.25	0.29
	15.28	15.25	15.29

**Note 8 : Cash and cash equivalents**

Balance with Bank			
Current accounts	15.98	1.07	1.23
Cash on hand	0.13	0.24	0.18
<b>Total cash and cash equivalents</b>	<b>16.11</b>	<b>1.31</b>	<b>1.41</b>

**Note 9 : Current tax assets**

Advance tax (Net of Provisions)	3.35	3.38	3.58
	3.35	3.38	3.58

**Note 10 : Other Current Assets**

<b>Current</b>			
Pre-paid expenses	0.05	0.04	0.04
Advance to staff	0.04	0.04	0.04
<b>Total:</b>	<b>0.09</b>	<b>0.08</b>	<b>0.08</b>

**Note 11 : Equity share capital**

<b>Authorised share capital</b>			
5,00,00,000 (March 31, 2017: 5,00,00,000; April 01, 2016: 5,00,00,000) Equity Shares of Rs 10/ each fully paid up	5 000.00	5 000.00	5 000.00
<b>Issued share capital</b>			
2,80,15,117(March 31, 2017: 2,80,15,117; April 01, 2016: 2,80,15,117) Equity Shares of Rs 10/ each fully paid up	2 801.51	2 801.51	2 801.51
<b>Subscribed share capital</b>			
2,71,99,017(March 31, 2017: 2,71,99,017; April 01, 2016: 2,71,99,017) Equity Shares of Rs 10/ each fully paid up	2 719.90	2 719.90	2 719.90
<b>Fully Paid up share capital</b>			
2,71,25,767(March 31, 2017: 2,71,25,767; April 01, 2016: 2,71,25,767) Equity Shares of Rs 10/ each fully paid up	2 712.58	2 712.58	2 712.58
Forfeited Shares	3.47	3.47	3.47
	2 716.05	2 716.05	2 716.05



## Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

Particulars	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	2 71 25 767	2 71 25 767
<b>Add:</b>		
Shares issued for Cash or Right Issue	0	0
	2 71 25 767	2 71 25 767
<b>Less:</b>		
Shares bought back / Redemption	0	0
At the end of the year	2 71 25 767	2 71 25 767

## Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

## Details of Shareholders holding more than 5% Shares in the company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Torrent Pvt Ltd	80 15 525	29.55	80 15 525	29.55	80 15 525	29.55
Gujarat Industrial Investment Corp. Ltd.	17 93 572	6.61	17 93 572	6.61	17 93 572	6.61

## Note 12 : Other Equity

[Rs in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General Reserve	2 757.33	2 297.33	2 297.33
Securities Premium	6 759.39	6 759.39	6 759.39
Capital reserve	2 358.77	2 358.77	2 358.77
Retained Earnings	(16 356.88)	(16 327.84)	(16 300.66)
Statutory General Reserve	0.00	460.00	460.00
	(4 481.39)	(4 452.35)	(4 425.17)

## Note 12 : Other Equity

### Securities Premium

Balance as per previous financial statements	6 759.39	6 759.39	6 759.39
Add : Additions during the year	0.00	0.00	0.00
Balance at the end of the year	6 759.39	6 759.39	6 759.39

### General Reserve

Balance as per previous financial statements	2 297.33	2 297.33	2 297.33
Add : Additions during the year (Transfer from Statutory General reserve)	460.00	0.00	0.00
Balance at the end of the year	2 757.33	2 297.33	2 297.33

### Capital reserve

Balance as per previous financial statements	2 358.77	2 358.77	2 358.77
Add : Additions during the year	0.00	0.00	0.00
Balance at the end of the year	2 358.77	2 358.77	2 358.77

### Statutory General Reserve

Balance as per previous financial statements	460.00	460.00	460.00
Add : Additions during the year	0.00	0.00	0.00
Less: Transfer to General Reserve (*)	( 460.00)	0.00	0.00
Balance at the end of the year	0.00	460.00	460.00

Particulars	[Rs in Lacs]		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Surplus / (Deficit) in Statement of Profit &amp; Loss</b>			
Balance as per previous financial statements	(16 327.84)	(16 300.66)	(16 300.66)
Add : Profit for the year	( 29.04)	( 27.18)	0.00
Add / (Less): OCI for the year	0.00	0.00	0.00
Balance available for appropriation	(16 356.88)	(16 327.84)	(16 300.66)
<b>Less: Appropriation</b>	0.00	0.00	0.00
	0.00	0.00	0.00
Net Surplus / (Deficit)	(16 356.88)	(16 327.84)	(16 300.66)
	(4 481.39)	(4 452.35)	(4 425.17)

(\*) **Note** : As the Company is no longer an Non-Banking Finance Company, the company is no longer required to maintain statutory general reserve and therefore balance of the same is transferred to general reserve.

**Note 13 : Borrowings**

Particulars	[Rs in Lacs]		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured (Refer note below)</b>			
<b>From related parties</b>			
Wholly owned subsidiaries (Refer note 1 below)	1 850.05	1 824.38	1 826.82
Associate Entity (Refer note 2 below)	1 500.00	1 500.00	1 500.00
<b>Total:</b>	3 350.05	3 324.38	3 326.82

**Note : Terms of Repayment of Loans**

1. Due to precarious financial condition of the company, it had taken loan from its subsidiary companies in the earlier years. The Company and its subsidiaries have discontinued their business and concentrated only on recovery of assets with a view to repay / liquidate its outside liabilities. As a result, there is no outside liability in the Company except mentioned above. Since there was no scope for any business activity in the Company, no terms and conditions were stipulated so far as interest and repayment of such borrowings while taking such loans. The Company does not intend to pay any interest or repay such borrowings within next 12 months period and hence it continue to classify such borrowings as "Non-Current Borrowings" and also not able to work out the amortised cost of such borrowings. Accordingly, the Company considers its' carrying amount as amortised cost.

2. Due to precarious financial condition of the company, the Company had decided to settle outside liabilities of Banks and Debenture holders through a Scheme of Compromise and Arrangement. Hon'ble High Court of Gujarat vide its order dated February 19, 2002 approved the said Scheme. As per the aforesaid Scheme, one of the promoter company i.e. Torrent Private Limited was to fund the amount to enable the Company to settle the liabilities of Banks and Debenture holders as approved by the Hon'ble High Court of Gujarat. In view of the same, Torrent Private Limited had not stipulated any terms and conditions so far as interest and its repayment are concerned and gave amount interest free against which 0% unsecured debentures or instrument of like nature to be issued. Therefore, the Company does not intend to pay any interest or repay such borrowings within next 12 months period and it continue to classify such borrowings as "Non-Current Borrowings" and is not able to work out the amortised cost of such borrowings. Accordingly, the Company considers its' carrying amount as amortised cost.

**Note 14 : Trade Payables**

Particulars	[Rs in Lacs]		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Micro, Small and Medium Enterprise*	0.00	0.00	0.00
Others	2.33	1.94	0.70
	2.33	1.94	0.70

\*The company has not received any intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. In view of this, information required under Section 22 of MSMED Act, 2006 to that extent is not given.

**Note 15 : Other Financial liabilities (Current)****[Rs in Lacs]**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payable for Dividend (Refer Note 32)	24.55	22.39	19.96
Other Liability	0.50	0.50	0.50
<b>Total:</b>	<b>25.05</b>	<b>22.89</b>	<b>20.46</b>

**Note 16 : Other current liabilities**

Statutory Liabilities (Refer Note below)	16.98	16.82	16.66
Other Payable	0.00	0.00	0.00
<b>Total :</b>	<b>16.98</b>	<b>16.82</b>	<b>16.66</b>

**Note :** It includes an obligation amounting to Rs. 16.35 lacs in the nature of disputed sales tax matters in respect of which appeals have been preferred. The economic benefits in respect of the above matters are determinable only on receipt of decisions pending at various forums / authorities.

**Note 17 : Provisions (Current)**

Provision for employee benefits			
Leave obligation	1.41	0.95	0.49
<b>Total:</b>	<b>1.41</b>	<b>0.95</b>	<b>0.49</b>

**Note 18 : Other Income****[Rs in Lacs]**

Particulars	2017-2018	2016-2017
Interest Income		
From Banks	1.12	1.18
On IT refund	0.01	0.01
On IT refund of earlier years	0.00	0.02
	<b>1.13</b>	<b>1.21</b>
Profit on sale of Current Investments	0.04	0.13
Gain on fair valuation of Investments	0.00	1.24
	<b>1.17</b>	<b>2.58</b>

**Note 19 : Employee benefits expense**

Salary, Allowances & Bonus	3.12	2.90
Contribution to Provident & other funds	0.19	0.12
Staff Welfare expenses	0.31	0.26
	<b>3.62</b>	<b>3.28</b>

**Note 20 : Depreciation and Amortization**

Depreciation expense on property, plant and equipment	2.35	2.35
	<b>2.35</b>	<b>2.35</b>

**Note 21 : Other expenses**

Electricity Expenses	0.13	0.12
Advertisement Expenses	0.54	0.65
Auditors' Remuneration		
Statutory Audit Fees	0.59	0.57
Other Services	0.00	0.38
Postage Expense	1.44	1.45
Telephone Expenses	0.14	0.15
Rates and Taxes	0.28	0.28
Professional and legal expenses	6.87	4.63
Insurance	0.03	0.03
Printing and Stationery	2.92	2.89

	[Rs in Lacs]	
Particulars	2017-2018	2016-2017
Repairs and Maintenance	0.29	0.18
Conveyance expenses	0.19	0.23
Bank charges	0.02	0.03
Listing and Custodian Fees	7.13	7.23
Sitting Fees	1.40	1.70
Impairment on investment in subsidiary	0.22	1.01
Miscellaneous Expenses	2.05	2.60
	24.24	24.13
<b>Payment to Auditor</b>		
As Statutory Auditors	0.59	0.57
For other services	0.00	0.38
	0.59	0.95

#### Note 22 : Earning per Share

Profit attributable to Equity shareholders (Rs. in lacs)	( 29.04)	( 27.18)
Number of equity shares	2 71 25 767	2 71 25 767
Weighted Average number of Equity Shares	2 71 25 767	2 71 25 767
Basic earning per Share (₹)	( 0.11)	( 0.10)
Diluted earning per Share (₹)	( 0.11)	( 0.10)

#### Note 23 : Contingent Liabilities and Commitments

##### Contingent Liabilities not provided for in respect of:

Uncalled liability on partly paid-up shares	75.00	75.00
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#### Note 24 : Tax expense

- (a) In view of unabsorbed losses and in the absence of taxable income under the provisions of the Income Tax Act, 1961 in the current year, the company believes that there will be no tax liability. Accordingly, no provision for income tax for the year has been made in the accounts.
- (b) The Company has unabsorbed depreciation and carry forward losses under the Income Tax Act, 1961. In the absence of virtual certainty supported by convincing evidence of sufficient future taxable income, deferred tax assets are not recognized in the accounts.

#### Note 25 : Interest on Income Tax Refunds and short provision of income tax

The Company had received income tax refund in the earlier financial years which included interest on such Refund amounting to Rs. 1,060.94 lacs and resultant short provision of tax of Rs. 275.30 lacs of earlier assessment years. In view of the opinion of tax consultants and pendency of tax appeals, the Company as a matter of prudence neither adjusted the short provision for tax nor recognized the interest income received on such Income Tax refunds. Non-recognition of such interest has attracted qualification in the statutory auditor's report in the earlier years. In order to regularise the same, the management of the Company has decided to recognise the said interest income (net of short provision of tax) amounting to Rs 785.64 lacs. These items pertaining to earlier financial years, the Company has recognized the same in the opening reserves on April 1, 2016.

#### Note 26: Employee Benefits

##### Note 26.1 Defined contribution plan

The Company has defined contribution plan in form of Provident Fund for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

	[Rs in Lacs]	
Particulars	For the year 2017-2018	For the year 2016-2017
Contribution to Provident Fund	0.19	0.12

**Note 27: Segment Information**

As the Company has ceased operations, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

**Note 28:**

1. Related Party Disclosures for the year ended March 31, 2018

**(a) Details of Related Parties**

Description of Relationship	Sr. No.	Names of Related Parties
Subsidiary companies & LLPs	1	GLFL Housing Finance Ltd.
	2	GLFL Securities Ltd.
	3	GLFL International Ltd.
Controlling Company	4	Torrent Private Limited
Enterprises controlled by the entity exercising significant influence over the company	5	Torrent Power Limited
	6	Torrent Power Grid Limited
	7	Torrent Pipavav Generation Limited
	8	Torrent Pharmaceuticals Limited
	9	Torrent Power Services Private Limited
	10	Torrent Solargen Limited (Earlier known as Torrent Power Bhiwandi Limited)
	11	Puro Wellness Pvt. Ltd.
	12	Heumann Pharma GmbH & Co. Generica KG
	13	Torrent Do Brasil Ltda.
	14	ZAO Torrent Pharma
	15	Torrent Pharma GmbH
	16	Torrent Pharma Inc.
	17	Torrent Pharma Philippines Inc.
	18	Torrent Australasia Pty Ltd.
	19	Laborotrios Torrent SA de CV
	20	Torrent Pharma (Thailand) Co. Ltd.
	21	Norispharm GmbH.
	22	Heunet Pharma GmbH.
	23	Torrent Pharma (UK) Ltd.
	24	Torrent Pharma S.R.L.
	25	Laboratories Torrent (Malaysia) Sdn.Bhd.
	26	Torrent Pharmaceuticals(Sikkim)
	27	Torrent Pharma France S.A.S.
	28	Aptil Pharma Limited
	29	TPL (Ahmedabad) Gratuity Trust
	30	TPL (Ahmedabad) Superannuation Fund
	31	TPL (Surat) Gratuity Trust
	32	TPL (Surat) Superannuation Fund
	33	TPL (SUGEN) Gratuity Trust
	34	TPL (SUGEN) Superannuation Fund
	35	TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust)
	36	TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund)
	37	TPL (Cables) Gratuity Trust
	38	TPL (Cables) Superannuation Fund
	39	TPG Gratuity Trust
	40	TPG Superannuation Fund
	41	TSL Gratuity Trust
	42	TSL Superannuation Fund
	43	Torrent Financiers
	44	AEC Cements & Constructions Limited(under liquidation)
	45	Tidong Hydro Power Limited
	46	Torrent Fincorp Private Limited.
	47	Tornascent Care Institute

	48	UNM Foundation
	49	Radiant Urja LLP
Enterprise controlled by the company	50	GLFL Employees Gratuity Fund
Key Management Personnel (KMP)	51	Shri Harnish Patel
	52	Shri Anil Jhaveri

**b) Key management personnel compensation**

Particulars	Rs. in lacs
Short-term employee benefits	1.20
Total Compensation	1.20

**(c) Details of transactions with related parties for the year ended March 31, 2018 in the ordinary course of business:** [Rs. in lacs]

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies	Controlling Company	KMP & Relatives	Total
1	Loan Taken / (Repaid)				
	GLFL Housing Finance Ltd.	15.50	--	--	15.50
	GLFL Securities Ltd.	10.39	--	--	10.39
	GLFL International Ltd.	(0.22)	--	--	(0.22)

**(d) Amount due to / from related parties as at March 31, 2018**

[Rs. in lacs]

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies	Controlling Company	KMP & Relatives	Total
1	Amount Payable				
	Torrent Private Ltd.	--	1500.00	--	1,500.00
	GLFL Housing Finance Ltd.	1,546.83	--	--	1,546.83
	GLFL Securities Ltd.	294.53	--	--	294.53
	GLFL International Ltd.	8.69	--	--	8.69

**2. Related Party Disclosures for the year ended March 31, 2017**

**(a) Details of Related Parties**

Description of Relationship	Sr. No.	Names of Related Parties
Subsidiary companies & LLPs	1	GLFL Housing Finance Ltd.
	2	GLFL Securities Ltd.
	3	GLFL International Ltd.
Controlling Company	4	Torrent Private Limited
Enterprises controlled by the entity exercising significant influence over the company	5	Torrent Power Limited
	6	Torrent Power Grid Limited
	7	Torrent Pipavav Generation Limited
	8	Torrent Pharmaceuticals Limited
	9	Torrent Power Services Private Limited
	10	Torrent Solargen Limited (Earlier known as Torrent Power Bhiwandi Limited)
	11	Puro Wellness Pvt. Ltd.
	12	Heumann Pharma GmbH & Co. Generica KG
	13	Torrent Do Brasil Ltda.
	14	ZAO Torrent Pharma
	15	Torrent Pharma GmbH
	16	Torrent Pharma Inc.
	17	Torrent Pharma Philippines Inc.
	18	Torrent Australasia Pty Ltd.
	19	Laboratorios Torrent SA de CV
	20	Torrent Pharma (Thailand) Co. Ltd.
	21	Norispharm GmbH.
	22	Heunet Pharma GmbH.

- 23 Torrent Pharma (UK) Ltd.
- 24 Torrent Pharma S.R.L.
- 25 Laboratories Torrent (Malaysia) Sdn.Bhd.
- 26 Torrent Pharmaceuticals(Sikkim)
- 27 Torrent Pharma France S.A.S.
- 28 Aptil Pharma Limited
- 29 TPL (Ahmedabad) Gratuity Trust
- 30 TPL (Ahmedabad) Superannuation Fund
- 31 TPL (Surat) Gratuity Trust
- 32 TPL (Surat) Superannuation Fund
- 33 TPL (SUGEN) Gratuity Trust
- 34 TPL (SUGEN) Superannuation Fund
- 35 TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust)
- 36 TPL (DGEN) Superannuation Fund  
(formerly known as TEL Superannuation Fund)
- 37 TPL (Cables) Gratuity Trust
- 38 TPL (Cables) Superannuation Fund
- 39 TPG Gratuity Trust
- 40 TPG Superannuation Fund
- 41 TSL Gratuity Trust
- 42 TSL Superannuation Fund
- 43 Torrent Financiers
- 44 AEC Cements & Constructions Limited(under liquidation)
- 45 Tidong Hydro Power Limited
- 46 Torrent Fincorp Private Limited.
- 47 Tornascent Care Institute
- 48 UNM Foundation
- 49 Radiant Urja LLP

Enterprise controlled by the company 50 GLFL Employees Gratuity Fund

Key Management Personnel (KMP) 51 Shri Harnish Patel  
52 Shri Anil Jhaveri

**(b) Key management personnel compensation**

Particulars	Rs. in lacs
Short-term employee benefits	1.20
<b>Total Compensation:</b>	<b>1.20</b>

**(c) Details of transactions with related parties for the year ended March 31, 2017 in the ordinary course of business:** [Rs. in lacs]

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies	Controlling Company	KMP & Relatives	Total
1	Loan Taken / (Repaid)				
	GLFL Housing Finance Ltd.	(2.57)	--	--	(2.57)
	GLFL Securities Ltd.	0.36	--	--	0.36
	GLFL International Ltd.	(0.22)	--	--	(0.22)

**(d) Amount due to / from related parties as at March 31, 2017**

[Rs. in lacs]

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies	Controlling Company	KMP & Relatives	Total
1	Amount Payable				
	Torrent Private Ltd.	--	1,500.00	--	1,500.00
	GLFL Housing Finance Ltd.	1,531.33	--	--	1,531.33
	GLFL Securities Ltd.	284.14	--	--	284.14
	GLFL International Ltd.	8.91	--	--	8.91

### 3. Amount due to / from related parties as at April 1, 2016

[Rs. in lacs]

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies	Controlling Company	KMP & Relatives	Total
1	Amount Payable				
	Torrent Private Ltd.	--	1,500.00	--	1,500.00
	GLFL Housing Finance Ltd.	1,533.90	--	--	1,533.90
	GLFL Securities Ltd.	283.79	--	--	283.79
	GLFL International Ltd.	9.13	--	--	9.13

#### Note 29: Business Combinations

Hon'ble High Court of Gujarat had sanctioned the Scheme of Compromise and Arrangement between the Company and a consortium of 16 banks on 27th July, 2004 under section 391 of the Companies Act, 1956. Accordingly, amount was paid, as per the Hon'ble Court's Order, to the Banks in the accounting year 2004-2005. However, the final Deed of Assignment of the charged assets, as per the Hon'ble Court's Order, in favor of banks is yet to be made.

#### Note 30: Capital Management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. The capital of the Company consist of equity capital, and borrowings

#### Note 31:

As at March 31, 2018 the Company has investments in its three wholly owned subsidiaries with an aggregate carrying value of Rs. 1,583.77 lacs (net of impairment loss) in the following manner:

Name of the subsidiary Company	Rs. in lacs
GLFL Housing Finance Limited	825.00
GLFL Securities Limited	750.00
GLFL International Limited	8.77
<b>Total:</b>	<b>1,583.77</b>

These subsidiaries have ceased to carry on business. Based on the impairment provisions of Ind AS the company has recognized impairment loss in case of one of the subsidiary company i.e. GLFL International Limited for an amount of Rs 0.22 lacs during the financial year ended March 31, 2018 and Rs 1.01 lacs during the financial year ended March 31, 2017.

#### Note 32:

In accordance with the Memorandum of Understanding dated 9th January, 2008 entered into between the Company and Banks, 1,79,520 equity shares of Competent Automobiles Ltd of Rs 10/- each, belonging to the Banks will be sold / transferred by the Company as per the advice of the banks. Until such time, the Company will hold the shares on behalf of the Banks in its DEMAT Account. Therefore, the amount of dividend received on such shares on behalf of the Banks has been classified and disclosed under "Other Financial Liabilities (Current)".



**Note 33: Fair value measurements****A. Financial instruments by category**

Fair Value through Profit or loss	31-Mar-18			31-Mar-17			01-Apr-16		
	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI
Financial Assets									
Investments*	--	--	--	--	12.43	--	--	34.07	--
Cash and cash Equivalents	16.11	--	--	1.31	--	--	1.41	--	--
Other bank balances									
Other financial assets	15.28	--	--	15.25	--	--	15.29	--	--
<b>Total Financial Assets</b>	31.39	--	--	16.57	12.43	--	16.70	34.07	--
<b>Financial Liabilities</b>									
Borrowings	3,350.05	--	--	3,324.38	--	--	3,326.82	--	--
Trade payables	2.33	--	--	1.95	--	--	0.71	--	--
Other financial liabilities	25.05	--	--	22.90	--	--	20.46	--	--
<b>Total Financial Liabilities</b>	3,377.43	--	--	3,349.22	--	--	3,347.99	--	--

\* Excluding investments in subsidiaries, joint control entities and associates measured at cost in accordance with Ind AS-27

**Fair value hierarchy**

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**B. Fair value hierarchy for assets****Financial assets measured at fair value at March 31, 2018** [Rs. in lacs]

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments				
- Mutual Funds	--	--	--	--

**Financial assets measured at fair value at March 31, 2017** [Rs. in lacs]

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments				
- Mutual Funds	--	--	--	--

**Financial assets measured at fair value at April 1, 2016** [Rs. in lacs]

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments				
- Mutual Funds	--	--	--	--

**Notes:**

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**C. Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- (i) The use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 1

**D. Fair value of financial assets and liabilities measured at amortized cost**

The carrying amounts of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables are considered to be the same as their fair values, due to their short-term nature.

**Note 34: Financial risk management**

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management of risk</b>
Credit risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of bank deposit and Regular monitoring.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Price Risk	Investments in mutual funds	Credit ratings	Portfolio diversification and regular monitoring

**(a) Credit risk**

**Cash and Cash Equivalents**

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows

**Financing arrangements**

The working capital position of the Company is as given below:

<b>Particulars</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>01-Apr-16</b>
Cash and cash equivalents	16.11	1.31	1.41
Investments in mutual funds (quoted)	--	12.43	34.07

**Liquidity Table**

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**As at March 31, 2018**

<b>Financial Liabilities</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>5 years and above</b>
Non-current financial liabilities			
Borrowings	--	--	3,350.05
	--	--	3,350.05
Current financial liabilities			
Trade payables	2.33	--	--
Other financial liabilities	25.05	--	--
	27.38	--	--
Total financial liabilities	27.38	--	3,350.05

**As at March 31, 2017**

<b>Financial Liabilities</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>5 years and above</b>
Non-current financial liabilities			
Borrowings	--	--	3,324.38
	--	--	3,324.38
Current financial liabilities			
Trade payables	1.95	--	--
Other financial liabilities	22.89	--	--
	24.84	--	--
Total financial liabilities	24.84	--	3,324.38

**As at April 1, 2016**

<b>Financial Liabilities</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>5 years and above</b>
Non-current financial liabilities			
Borrowings	--	--	3,326.82
	--	--	3,326.82
Current financial liabilities			
Trade payables	0.70	--	--
Other financial liabilities	20.46	--	--
	21.16	--	--
Total financial liabilities	21.16	--	3,326.82

**(iii) Price Risk****Exposure**

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses.

Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

### Note 35 Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### Reconciliation of equity as on March 31, 2017

[Rs. in lacs]

	Reference Notes	Amount as per IGAAP* INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment		14.24	--	14.23
Financial Assets				
Investments	1	1,120.90	463.09	1,583.99
Other Financial assets		15.25	--	15.25
<b>Current assets</b>				
Financial assets				
Investments	2	11.35	1.09	12.44
Cash and Cash Equivalents		1.31	--	1.31
Current Tax Assets (Net)	3	(782.26)	785.64	3.38
Other Current Assets		0.08	--	0.08
<b>Total Assets</b>		<b>380.89</b>	<b>1,249.81</b>	<b>1,630.68</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		2,716.05	--	2,716.05
Other Equity	1,2,3	(5,702.17)	1,249.81	(4,452.35)
<b>Liabilities</b>				
Non-current Liabilities				
Financial Liabilities				
Borrowings		3,324.38	--	3,324.38
<b>Current liabilities</b>				
Financial Liabilities				
Trade Payables		1.95	--	1.95
Other Financial Liabilities		22.90	--	22.90
Other Current liabilities		16.83	--	16.82
Provisions		0.95	--	0.95
<b>Total Equity and Liabilities</b>		<b>380.87</b>	<b>1,249.81</b>	<b>1,630.68</b>

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

#### Reconciliation of total equity as at March 31, 2017 and April 01, 2016

	Notes	As at March 31, 2017	As at April 1, 2016
Total equity (Shareholders' funds) under previous GAAP		(2,986.12)	(2,959.76)
<b>Ind AS adjustments:</b>			
Measurement of financial assets at fair value	1,2,3	1,249.81	1,250.64
Total equity (Shareholders' funds) under Ind AS		(1,736.30)	(1,709.12)

**Reconciliation of equity as on April 1, 2016**
**[Rs. in lacs]**

	Reference Notes	Amount as per IGAAP* INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment		16.58	--	16.58
Financial Assets				
Investments	1	1,120.90	4 64.10	1,585.00
Other financial assets		15.29	--	15.29
<b>Current assets</b>				
Financial assets				
Investments	2	33.17	0.90	34.07
Cash and Cash Equivalents		1.41	--	1.41
Current Tax Assets (Net)	3	(782.06)	785.64	3.58
Other Current Assets		0.08	--	0.08
<b>Total Assets</b>		<b>405.37</b>	<b>1,250.64</b>	<b>1,656.01</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		2,716.05	--	2,716.05
Other Equity	1,2,3	( 5,675.81)	1,250.64	(4424.17)
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
Borrowings		3,326.82	--	3,326.82
<b>Current liabilities</b>				
Financial Liabilities				
Trade Payables		0.70	--	0.70
Other Financial Liabilities		20.46	--	20.46
Other Current liabilities		16.66	--	16.66
Provisions		0.49	--	0.49
<b>Total Equity and Liabilities</b>		<b>405.37</b>	<b>1,250.64</b>	<b>1,656.01</b>

**The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.**

1. As the Company on the date of transition to Ind AS opted to measure its investment in subsidiaries at cost, the provision for diminution in the value of Investment amounting to Rs. 464.10 lacs already made in earlier financial years is reversed and accordingly the effect is given and further reference is invited to Note 31 to the Standalone financial statements.
2. The Company has measured its investments in Mutual Fund at Fair Value through profit and loss, and accordingly increase in the carrying amount of investments by Rs. 1.09 Lacs [April 1 , 2016 – Rs. 0.90 lacs] have been given effect.
3. Reference is invited to Note 25 to the Standalone Financial Statements.

**Reconciliation of total comprehensive income for the period March 31, 2017**
**[Rs. in lacs]**

	Refer- ence Notes	Amount as per IGAAP* INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR
<b>INCOME</b>				
Other Income	1	2.39	0.19	2.58
<b>Total Income</b>		2.39	0.19	2.58
<b>EXPENSES</b>				
Employee benefits expense		3.28	--	3.28
Depreciation and Amortization		2.35	--	2.35
Other Expenses	2	23.12	1.01	24.13
<b>Total expenses</b>		<b>28.75</b>	<b>1.01</b>	<b>29.76</b>
<b>Profit before exceptional items and tax</b>		<b>( 26.36)</b>	<b>(0.82)</b>	<b>( 27.18)</b>
Exceptional Items		0	0	0
<b>Profit Before Tax</b>		<b>( 26.36)</b>	<b>(0.82)</b>	<b>( 27.18)</b>
<b>Tax expense</b>				
Current tax		--	--	--
Deferred tax		--	--	--
<b>Total tax expense</b>		<b>--</b>	<b>--</b>	<b>--</b>
<b>Profit for the year from continuing operations</b>		<b>( 26.36)</b>	<b>(0.82)</b>	<b>( 27.18)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss		--	--	--
Income tax relating to items that will not be reclassified to profit or loss		--	--	--
Items that will be reclassified to profit or loss		--	--	--
Income tax relating to items that will be reclassified to profit or loss		--	--	--
<b>Total comprehensive income for the year, net of tax</b>		<b>( 26.36)</b>	<b>(0.82)</b>	<b>( 27.18)</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

1. The Company has measured its investments in Mutual Fund at Fair Value through profit and loss, and accordingly increase in the carrying amount of investments by Rs. 0.19 lacs have been given effect.
2. Reference is invited to Note 31 to the Standalone Financial Statements

**Note 36: Statement of Management**

- (a) The non-current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.
- (b) Balance Sheet, Statement of Profit and Loss, cash flow statement and change in equity read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and financial performance of the Company for the year under review.

**Note 37:** The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year. Figures are rounded off to nearest lakhs.

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]  
Chartered Accountants

**ROHIT K. CHOKSI**

Partner  
Mem. No. 31103

**FOR AND ON BEHALF OF THE BOARD**

**S.M.Shah**  
Chairperson  
(DIN: 00016578)

**Harnish Patel**  
Director-In-Charge  
(DIN: 00114198)

**Janak Mehta**  
Chief Financial Officer

**Preeti Singh**  
Company Secretary  
Place: Ahmedabad  
Date: 25th May, 2018

Place: Ahmedabad  
Date: 25th May, 2018

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
**GUJARAT LEASE FINANCING LIMITED**  
Ahmedabad.

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of GUJARAT LEASE FINANCING LIMITED ("hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flows Statement, the Consolidated Statement of Change in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent'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 and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant Rules issued thereunder. The respective Board of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the 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 the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 thereunder.

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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including Ind AS, of the consolidated state of affairs of the Group as at 31st March, 2018 and their consolidated profit, Consolidated total comprehensive income, consolidated cash flows and the Consolidated statement of changes in equity for the year ended on that date.

### Emphasis of Matters

We draw attention to Note 2 to the consolidated financial statements, which indicates that the Company incurred a net loss of Rs. 32.23 lacs for the year ended 31st March, 2018, and as that date the accumulated losses exceeded its networth and the Company's current liabilities exceeded its current assets. These conditions, along with other matters set forth in note indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of the said matter.



#### Other Matter

- (a) The comparative financial information of the Group for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 17th May 2017 and 19th May 2016 respectively expressed modified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

The predecessor auditors expressed modified opinion on the ground of possible effects of non-recognition of Income of Rs. 1060.94 lacs (previous year ended 31st March, 2016: Rs. 1060.94 lacs) being interest on income tax refunds received in earlier years by the Company and consequential short provision of tax of Rs. 277.21 lacs (previous year ended 31st March, 2016: 277.21 lacs). During the current financial year the Company has addressed such qualification giving necessary impact in the opening reserves as on April 1, 2016.

- (b) We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rs 2622.54 Lacs as on March 31, 2018 ( March 31, 2017: Rs. 2439.43 Lacs, March 31, 2016: 2296.25 Lacs) total revenues of Rs. 6.04 Lacs for the year ended on March 31, 2018 ( March 31, 2017: Rs. 7.62 Lacs, and net cash flows amounting to Rs. 1.50 Lacs (March 31, 2017: Rs. 0.32 Lacs), as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management .

#### Report on Other Legal and Regulatory Requirements

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

- (a) 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 of the aforesaid consolidated Ind AS financial statement.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Cash Flows statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statement.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rules issued thereunder.
- (e) On the basis of written representations received from the directors of Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent and the reports of statutory auditors, of its subsidiary companies incorporated in India, none of the directors of Group companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and associates and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditors reports of the Parent company and subsidiary companies incorporated in India.
- (g) 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 Group does not have any pending litigations which would impact its consolidated financial position.
- (ii) The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

**ROHIT K. CHOKSI**  
Partner  
Mem. No. 31103

Place: Ahmedabad  
Date: 25th May, 2018

## **“Annexure A” to the Independent Auditors’ Report**

**(Referred to in our Report of even date to the members of GUJARAT LEASE FINANCING LIMITED)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Group as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting GUJARAT LEASE FINANCING LIMITED (“hereafter referred to as “the Parent”) and its subsidiary companies which are companies incorporated in India, as on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). 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 respective 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 Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on internal financial controls over financial reporting of Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 and the audit evidence obtained by other auditors in terms of their report is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Parent and its subsidiary, which are companies incorporated in India.

#### **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 authorisations 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 to the best of our information and according to the explanations given to us, the Parent and its subsidiary companies and associates, which are companies incorporated in India, have, 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 31st March 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matter**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to financial statement of three subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the other auditor of such companies.

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]  
Chartered Accountants

**ROHIT K. CHOKSI**

Partner

Mem. No.31103

Place: Ahmedabad  
Date: 25th May, 2018

#### **GUJARAT LEASE FINANCING LIMITED DETAILS OF SUBSIDIARIES COMPANIES FOR THE FINANCIAL YEAR 2017-18**

NAME OF THE SUBSIDIARIES COMPANY	GLFL HOUSING FINANCE LTD.	GLFL SECURITIES LTD.	GLFL INTERNATIONAL LTD.
Capital	825.00	750.00	10.00
Reserve/Other Equity	728.43	308.45	(1.23)
Total Assets	1553.90	1059.84	8.80
Total Liabilities	1553.90	1059.84	8.80
Investments	NIL	NIL	NIL
Turnover/Total Income	1.22	4.82	0.00
Profit(+)/ Loss(-)Before Tax	(3.74)	0.55	(0.22)
Taxation	0.00	0.00	0.00
Profit(+)/ Loss(-)after Tax	(3.74)	0.55	(0.22)
Proposed Dividend	NIL	NIL	NIL

## Consolidated Balance Sheet as at March 31, 2018

(Rs.In Lacs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	5	11.96	14.31	16.67
Financial Assets				
Investments	6	763.48	577.21	431.73
Other financial assets	7	18.04	48.27	48.61
		<u>793.48</u>	<u>639.79</u>	<u>497.01</u>
<b>Current assets</b>				
Financial assets				
Investments	6	0.00	12.43	34.07
Cash and Cash Equivalents	8	18.74	2.44	2.23
Current Tax Assets (Net)	9	6.90	7.00	7.06
Other Current Assets	10	0.09	0.09	0.08
		<u>25.73</u>	<u>21.96</u>	<u>43.44</u>
		<u>819.21</u>	<u>661.75</u>	<u>540.45</u>
<b>EQUITY AND LIABILITIES</b>				
Equity				
Equity Share Capital	11	2 716.05	2 716.05	2 716.05
Other Equity	12	( 3 444.52)	( 3 598.56)	( 3 715.31)
		<u>( 728.47)</u>	<u>( 882.51)</u>	<u>( 999.26)</u>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
Borrowings	13	1 500.00	1 500.00	1 500.00
		<u>1 500.00</u>	<u>1 500.00</u>	<u>1 500.00</u>
<b>Current liabilities</b>				
Financial Liabilities				
Trade Payables	14	2.42	2.03	0.79
Other Financial Liabilities	15	26.86	24.46	21.77
Other Current liabilities	16	16.99	16.82	16.66
Provisions	17	1.41	0.95	0.49
		<u>47.68</u>	<u>44.26</u>	<u>39.71</u>
<b>Total Equity and Liabilities:</b>		<u>819.21</u>	<u>661.75</u>	<u>540.45</u>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

Chartered Accountants

**ROHIT K. CHOKSI**

Partner

Mem. No. 31103

**S.M.Shah**  
Chairperson  
(DIN: 00016578)

**Janak Mehta**  
Chief Financial Officer

**Harnish Patel**  
Director-In-Charge  
(DIN: 00114198)

**Preeti Singh**  
Company Secretary

Place: Ahmedabad  
Date: 25th May, 2018

Place: Ahmedabad  
Date: 25th May, 2018

## Statement of Consolidated Profit and Loss for the year ended March 31, 2018

(Rs.In Lacs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
<b>INCOME</b>			
Other Income	18	7.21	10.20
<b>Total Income:</b>		<u>7.21</u>	<u>10.20</u>
<b>EXPENSES</b>			
Employee benefits expense	19	8.93	8.17
Depreciation and Amortization	20	2.35	2.47
Other Expenses	21	28.16	28.29
<b>Total Expenses:</b>		<u>39.44</u>	<u>38.93</u>
<b>Profit before exceptional items and tax</b>		<u>(32.23)</u>	<u>(28.73)</u>
Exceptional Items		0.00	0.00
<b>Profit Before Tax</b>		<u>(32.23)</u>	<u>(28.73)</u>
<b>Tax expense</b>			
Current tax		0.00	0.00
Deferred tax		0.00	0.00
Tax pertaining to earlier year		0.00	0.00
<b>Total tax expense:</b>		<u>0.00</u>	<u>0.00</u>
<b>Profit for the year from continuing operations</b>		<u>(32.23)</u>	<u>(28.73)</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Gain on measurement of equity instruments at FVTOCI		186.27	145.48
Tax relating to measurement of equity instruments at FVTOCI		0.00	0.00
<b>Items that will be reclassified to profit or loss</b>		0.00	0.00
<b>Income tax relating to items that will be reclassified to profit or loss</b>		0.00	0.00
		<u>186.27</u>	<u>145.48</u>
<b>Total comprehensive income for the year, net of tax</b>		<u>154.04</u>	<u>116.75</u>
<b>Earning per Equity Share</b>	22		
Basic		(0.12)	(0.11)
Diluted		(0.12)	(0.11)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR AND ON BEHALF OF THE BOARD

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

**ROHIT K. CHOKSI**  
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Director-In-Charge  
(DIN: 00114198)

**Preeti Singh**  
Company Secretary

Place: Ahmedabad  
Date: 25th May, 2018

Place: Ahmedabad  
Date: 25th May, 2018

## Statement of Consolidated Cash Flows for the year ended March 31, 2018

(Rs. In Lacs)		
Particulars	2017-2018	2016-2017
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) for the year before taxation	( 32.23)	( 28.73)
<b>Adjustments for</b>		
Depreciation and amortisation	2.35	2.47
Finance cost		
Interest Income from financial assets measured at amortised cost		
- on fixed deposits with Bank	( 2.74)	( 3.75)
Profit on sale of investments	( 0.04)	( 0.13)
Dividend Income	( 4.43)	( 3.83)
Interest on IT Refund	0.00	0.00
Gain on fair valuation of investments	0.00	0.00
Operating profit before working capital changes	<b>( 37.09)</b>	<b>( 33.97)</b>
<b>Adjustments for</b>		
Decrease / (Increase) in Other current assets	0.00	( 0.01)
Decrease / (Increase) in Other financial assets	0.00	0.00
Increase / (Decrease) in Other current financial liabilities	2.40	2.69
Increase / (Decrease) in Other current liabilities	0.17	0.16
Increase / (Decrease) in Trade Payables	0.39	1.24
Increase / (Decrease) in Provisions	0.46	0.46
Cash generated from operations	( 33.67)	( 29.43)
Direct taxes Refund/(paid)	0.10	0.06
<b>Net Cash from Operating Activities</b>	<b>[A] ( 33.57)</b>	<b>( 29.37)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed property, plant and equipment	0.00	( 0.11)
Investment in fixed deposits (net)	30.00	0.06
Payment for purchase of investments	12.47	21.77
Interest received	2.97	4.03
Dividend Income	4.43	3.83
<b>Net Cash from / (used in) investing activities</b>	<b>[B] 49.87</b>	<b>29.58</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from allotment of shares	0.00	0.00
<b>Net cash flow from financial activities</b>	<b>[C] 0.00</b>	<b>0.00</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>[A+B+C] 16.30</b>	<b>0.21</b>
Cash and cash equivalents opening	2.44	2.23
Cash and cash equivalents closing	<u>18.74</u>	<u>2.44</u>
Components of Cash and cash equivalent		
Balances with scheduled banks	18.61	2.20
Cash in hand	0.13	0.24
	<u>18.74</u>	<u>2.44</u>

### Explanatory Notes to Cash Flow Statement

- The above Cash Flow Statement has been prepared under the Indirect method as set out in IND AS - 7 on Statement of Cash Flows notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended.
- Figures in brackets indicate cash outflow. The above statement of cash flow should be read in conjunction with the accompanying notes.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

As per our report of even date

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

**ROHIT K. CHOKSI**  
Partner  
Mem. No. 31103

Place : Ahmedabad  
Date : 25th May, 2018

**FOR AND ON BEHALF OF THE BOARD**

**S.M.Shah**  
Chairperson  
(DIN: 00016578)

**Janak Mehta**  
Chief Financial Officer  
Place : Ahmedabad  
Date : 25th May, 2018

**Harnish Patel**  
Director-In-Charge  
(DIN: 00114198)

**Preeti Singh**  
Company Secretary

**Consolidated Statement of changes in Equity for the year ended March 31, 2018**

(Rs.In Lacs)

**A. Equity share capital**

<b>As at April 1, 2016</b>	<b>2 716.05</b>
Issue of Equity Share capital	0.00
<b>As at March 31, 2017</b>	<b>2 716.05</b>
Issue of Equity Share capital	0.00
<b>As at March 31, 2018</b>	<b>2 716.05</b>

**B. Other equity**

Particulars	Reserves and Surplus							Other Comprehensive Income		
	Securities Premium	Capital Reserve	Retained Earnings	Special reserve	Reserve fund	General Reserve	Statutory General Reserve	Equity Instruments through OCI	Other Items of comprehensive Income	Total equity
Balance as at April 1, 2016										
Profit for the year	6 759.39	2 358.77	(16 346.90)	678.10	0.80	2 374.53	460.00	0.00	0.00	(3 715.31)
Addition during the year	0.00	0.00	( 28.73)	0.00	0.00	0.00	0.00	0.00	0.00	( 28.73)
Deduction during the year										
Other comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	145.48	0.00	145.48
Balance as at March 31, 2017	6 759.39	2 358.77	(16 375.63)	678.10	0.80	2 374.53	460.00	145.48	0.00	(3 598.56)
Profit for the year	0.00	0.00	( 32.24)	0.00	0.00	0.00	0.00	0.00	0.00	( 32.24)
Addition during the year	0.00	0.00	0.00	0.00	0.00	460.00	0.00	0.00	0.00	460.00
Deduction during the year	0.00	0.00	0.00	0.00	0.00	0.00	( 460.00)	0.00	0.00	( 460.00)
Other comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	186.27	0.00	186.27
Balance as at March 31, 2018	6 759.39	2 358.77	(16 407.87)	678.10	0.80	2 834.53	0.00	331.75	0.00	( 3 444.53)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

Chartered Accountants

**ROHIT K. CHOKSI**

Partner

Mem. No. 31103

Place : Ahmedabad

Date : 25th May, 2018

**FOR AND ON BEHALF OF THE BOARD****S.M.Shah**

Chairperson

(DIN: 00016578)

**Janak Mehta**

Chief Financial Officer

**Harnish Patel**

Director-In-Charge

(DIN: 00114198)

**Preeti Singh**

Company Secretary

Place : Ahmedabad

Date : 25th May, 2018

## Notes to the Consolidated Financial Statements

### Note 1 : Group Overview

Gujarat Lease Financing Limited ("the Company") together with its subsidiaries GLFL Housing Finance Limited, GLFL Securities Limited, GLFL International Limited is herein after referred to as ("the Group") were engaged in the various spheres of financial services. However, the Group has ceased to carry out business since 1999-2000.

Hitherto the parent Company was a registered Non-Banking Finance Company ("NBFC"). The Board of Directors at its meeting held on 23rd June, 2016 had decided to surrender voluntarily a Certificate of Registration (CoR) under category "B" as Non-Banking Finance Company (NBFC) issued by Reserve Bank of India as the Company at present, was not in a position to comply the requirements of NBFCs Regulations.

Based on the Company's request RBI has issued order cancelling Certificate of Registration (CoR) under category "B" with effect from 8th March, 2017 vide its letter no. DNBS (AHO) No. 1315/01.10.234/2016-17 dated 22nd March, 2017.

The consolidated financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 25, 2018.

### Note 2 : Basis of Preparation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2017, the Group Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ("previous GAAP"). These are the Group's first consolidated Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. The comparative figures in the consolidated Balance Sheet as at March 31, 2017 and April 1, 2016 and consolidated Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2017 have been restated accordingly. Accounting Policies have been consistently applied except where newly issued accounting standard is initially adopted or revision to the existing standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

Refer Note 4.14 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Group.

The consolidated financial statements are prepared in INR and all the values are rounded to the nearest lacs, except when otherwise indicated.

During the year the Group continued to not having any significant business operations. The parent Company has also surrendered its license as stated above. The Group has incurred losses amounting to Rs. 32.23 lacs (2016-17: Rs. 28.73 lacs) and as at March 31, 2018, its accumulated losses exceed its paid-up capital and reserves by Rs. 728.47 lacs (March 31, 2017: Rs. 882.51 lacs). These conditions may cast a doubt on the Group's ability to continue as a going concern.

However, the Group is exploring avenues for restructuring of its capital and operations. In terms of the Scheme of Compromise and Arrangement (refer note 25) sanctioned by High Court of Gujarat in 2004 borrowings from a promoter group company of Rs. 1,500.00 lacs (March 31, 2017: Rs. 1,500.00 lacs), would not be repaid before repayment of all other liabilities. Further, the said promoter group company continues to provide support to the Company. The assets of the Group continue to be stated at least at their realisable values and the Group would continue its current activities at least till such time it realises its dues and settles its obligations.

In view of the above, the consolidated financial statements have been prepared on going concern basis and do not include any adjustments relating to recorded amounts and the classification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

#### 2.1 Statement of Compliance

The consolidated financial statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement, together with notes for the year ended March 31, 2018 have been prepared in accordance with Ind AS as notified above duly approved by the Board of Directors at its meeting.

#### 2.2 Basis of Measurement

The consolidated financial statements of the Group have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain Assets and Liabilities as stated below:

- (a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through OCI are measured at Fair Value.



- (b) The defined benefit asset/liability is recognised as the present value of defined benefit obligation less fair value of plan assets.

The above items have been measured at Fair Value and the methods used to measure Fair Values are discussed further in Note 4.12.

## **2.3 Basis of Consolidation**

Subsidiaries are all entities over which the parent Company has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## **2.4 Functional and Presentation Currency**

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). Indian Rupee is the functional currency of the Group.

The consolidated financial statements are presented in Indian Rupees (Rs.) which is the Group's presentation currency.

## **2.5 Standard issued but not yet effective**

Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, ('The Rules') on 28 March 2018. The rules notify the new Revenue Standard Ind AS 115 'Revenue from Contracts with Customers' and also bring in amendments to existing Ind AS. The rules shall be effective from reporting period beginning on or after 1 April, 2018 and cannot be reported early. Hence, not applied in the preparation of financials.

## **Note 3 : Significant accounting judgments, estimates and assumptions**

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Group's accounting policies, management has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the standalone financial statements.

### **3.1 Useful lives of property, plant and equipment**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

### **3.2 Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

### **3.3 Litigations**

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation arising at the reporting period.

## **Note 4 : Significant Accounting Policies**

### **4.1 Financial Instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

#### **(a) Financial Assets**

Financial Assets comprises of investments in equity instruments, cash and cash equivalents and other financial assets.

##### **Initial Recognition:**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at Fair Value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group committed to purchase or sell the asset.

##### **Subsequent Measurement:**

##### **(i) Financial assets measured at Amortized Cost:**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):**

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the Group classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

##### **(iii) Fair Value through Profit or Loss (FVTPL):**

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

##### **De-recognition of Financial Assets:**

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

#### **(b) Financial Liabilities**

##### **Initial Recognition and Measurement**

Financial Liabilities are initially recognized at Fair value plus any transaction costs that are attributable to acquisition of the financial liabilities except financial liabilities through profit or loss which are initially measured at Fair Value.

##### **Subsequent Measurement:**

Financial Liabilities are classified for subsequent measurement into following categories:

##### **(i) Financial liabilities at Amortized Cost:**

The Group is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others

- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective Interest Method of any differences between the initial amount and maturity amount.

**(ii) Financial liabilities at Fair Value through Profit or Loss:**

Financial liabilities held for trading are measured at FVTPL.

**De-recognition of Financial Liabilities:**

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

**(c) Offsetting of Financial assets and Financial Liabilities**

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Group has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

**(d) Reclassification of Financial Assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Group's Operations. A Change in business occurs when the Group either begins or ceased to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## 4.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

## 4.3 Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

**Estimated useful lives of the assets are as follows:**

Type of Asset	Useful Life
Buildings (Freehold)	30 years
Data Processing Equipment / Computers	3 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office equipment	5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item

of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised net within "other income / other expenses" in the Statement of profit and loss.

#### **Transition to Ind AS**

For transition to Ind AS, the Group has elected to adopt the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### **4.4 Intangible assets**

##### **Intangible Assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

##### **Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

#### **4.5 Impairment**

##### **I Financial assets (other than at fair value)**

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

##### **II Non-financial assets**

###### **Tangible and Intangible assets**

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

##### **Reversal of impairment loss**

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

#### **4.6 Provisions**

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with the contract.

#### **4.7 Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

##### **Dividend and Interest Income**

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **4.8 Employee benefits**

##### **(a) Short-term obligations**

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### **(b) Post-employment obligations**

The Group does not operate any post-employment schemes except defined contribution plan i.e. provident fund.

##### **(i) Defined contribution plans**

The Group has defined contribution plan for the post-employment benefits namely Provident Fund which is administered through the Regional Provident Fund Commissioner and the contributions towards such fund are recognised as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Group does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

#### **4.9 Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax

##### **(i) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### **(ii) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to

be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

#### **(iii) Current and deferred tax for the year**

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### **4.10 Earnings per share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

#### **4.11 Fair Value Measurement**

A number of Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

- (a) Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.
- (b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (c) Level 3- unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization

at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**(a) Investment in equity and debt securities**

The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

**(b) Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due to short term nature of such assets.

**(c) Non derivative financial liabilities**

Fair Value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**4.12 Current / non- current classification**

An asset is classified as current if:

- (a) it is expected to be realized or sold or consumed in the Group's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realized within twelve months after the reporting period; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**4.13 Cash and cash equivalent**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

**4.14 First Time Adoption of Ind AS**

The Group has prepared the opening consolidated balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101

availed by the Group as detailed below:

## **1 Mandatory exceptions to retrospective application of other Ind AS**

### **(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) unless there is an objective evidence that those estimates were in error.

The Group has not made any changes to estimates made in accordance with Previous GAAP.

### **(b) Ind AS 109 - Financial Instruments (Derecognition of previously recognized Financial Assets/ Financial Liabilities)**

An entity shall apply the derecognition requirements in Ind AS 109 prospectively for the transactions occurring on or after date of transition to Ind AS.

The Group has applied the derecognition requirements prospectively.

### **(c) Ind AS 109 "Financial Instruments" (Classification and Measurement of Financial Assets/ Financial Liabilities)**

Classification and measurement of Financial Assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Group has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of Financial Assets and accordingly has classified and measured financial assets on the date of transition.

### **(d) Ind AS 109 "Financial Instruments" (Impairment of Financial Assets): Impairment requirements under Ind AS 109 should be applied retrospectively based on reasonable and supportable information that is available on the date of transition without undue cost or effort.**

Accordingly, the Group applied impairment requirements retrospectively.

## **2. Optional exemptions**

### **(a) Deemed cost for property, plant and equipment, and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets".

Accordingly, the Group has elected to measure all of its property, plant and equipment, and intangible assets at their previous GAAP carrying value.



**Note 5 : Property, Plant and Equipment****Note 5.1 : As at March 31, 2018**

[Rs in Lacs]

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at 01/04/2017	Additions	Deductions	As at 31/03/2018	Upto 31/03/2017	For the year	Adjustments	Upto 31/03/2018	As at 31/03/2018
<b>Owned Assets</b>									
Computer Equipments	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10
Electrical Installation	0.09	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.09
Office Equipments	0.45	0.00	0.00	0.45	0.12	0.00	0.00	0.12	0.33
Office Furniture	0.11	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.11
Building	16.03	0.00	0.00	16.03	2.35	2.35	0.00	4.70	11.33
	16.78	0.00	0.00	16.78	2.47	2.35	0.00	4.82	11.96

**Note 5.2 : As at March 31, 2017**

[Rs in Lacs]

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at 01/04/2016	Additions	(Adjustments / Deletions during the year)	As at 31/03/2017	Upto 31/03/2016	For the year	(Adjustments / Deletions during the year)	Upto 31/03/2017	As at 31/03/2017
<b>Owned Assets</b>									
Computer Equipments	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10
Electrical Installation	0.09	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.09
Office Equipments	0.34	0.11	0.00	0.45	0.00	0.12	0.00	0.12	0.33
Office Furniture	0.11	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.11
Building	16.03	0.00	0.00	16.03	0.00	2.35	0.00	2.35	13.68
	16.67	0.11	0.00	16.78	0.00	2.47	0.00	2.47	14.31

**Note :** The company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated depreciation and net block as per Indian GAAP are given in note 5.3

**Note 5.3 : Gross block, accumulated depreciation and net block as per Indian GAAP as at April 1, 2016**

[Rs in Lacs]

Particulars	Gross carrying amount	Accumulated Depreciation	Net carrying amount
<b>Owned Assets</b>			
Computer Equipments	39.16	39.06	0.10
Electrical Installation	1.71	1.62	0.09
Office Equipments	6.90	6.56	0.34
Office Furniture	6.10	5.99	0.11
Building	31.89	15.86	16.03
	85.76	69.09	16.67

**Note 6 : Investments**

[Rs in Lacs]

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non current</b>				
<b>Financial instruments at FVTOCI</b>				
Investment in equity Instruments of other entities	6.1	763.48	577.21	431.73
<b>Total (A)</b>		<u>763.48</u>	<u>577.21</u>	<u>431.73</u>
<b>Current</b>				
<b>Financial instruments at FVTPL</b>				
Investment in mutual funds	6.2	0.00	12.43	34.07
<b>Total (B)</b>		<u>0.00</u>	<u>12.43</u>	<u>34.07</u>
<b>Total (A) + (B)</b>		<u>763.48</u>	<u>589.64</u>	<u>465.80</u>
Aggregate amount of quoted investments and market value thereof		763.48	589.64	465.80
Aggregate amount of unquoted investments		0.00	0.00	0.00

**Note 6.1 : Details of investments in equity instruments – other than subsidiaries (fully paid up) – classified as FVTOCI**

Name of the entity	Curren- cy	Face Value (₹)	Number of Units as at			Balances as at (Rs. in lacs)		
			March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Equity Instrument Quoted								
Adarsh Chemicals & Fertilisers Ltd	INR	10	34 000	34 000	34 000	0.00	0.00	0.00
Gujarat Himalaya Cement Ltd	INR	10	42 796	42 796	42 796	0.00	0.00	0.00
Jayant Paper Mills Ltd (Rs 5/- paid up)	INR	10	1 00 000	1 00 000	1 00 000	0.00	0.00	0.00
K.J.International Ltd	INR	10	20 300	20 300	20 300	0.00	0.00	0.00
Malvika Steel Ltd (Rs 5/- paid up)	INR	10	1 53 900	1 53 900	1 53 900	0.00	0.00	0.00
Samrat Ashoka Exports Ltd	INR	10	7 900	7 900	7 900	0.00	0.00	0.00
Somani Iron & Steel Co Ltd	INR	10	13 100	13 100	13 100	0.00	0.00	0.00
Vikram Projects Ltd	INR	10	26 600	26 600	26 600	0.00	0.00	0.00
Amethi Textiles Ltd.	INR	10	200	200	200	0.00	0.00	0.00
Bluechip Stockspin Ltd.	INR	10	100	100	100	0.00	0.00	0.00
HDFC BANK ( Bank of Punjab)	INR	10	40 305	40 305	40 305	762.35	577.21	431.73
Chemo Pharma Ltd.	INR	10	3 000	3 000	3 000	1.13	0.00	0.00
Energy Products (India) Ltd.	INR	10	39 800	39 800	39 800	0.00	0.00	0.00
Excel Glasses Ltd.	INR	10	100	100	100	0.00	0.00	0.00
Galaxy Appliances Ltd.	INR	10	500	500	500	0.00	0.00	0.00
Harvic Management Serv. (I) Ltd.	INR	10	200	200	200	0.00	0.00	0.00
Jolly Plastics Ind. Ltd.	INR	10	1 500	1 500	1 500	0.00	0.00	0.00
Liverpool Finance Ltd.	INR	10	100	100	100	0.00	0.00	0.00
Malhotra Steel Ltd.	INR	10	1 500	1 500	1 500	0.00	0.00	0.00
Merry Sherefin Ltd.	INR	10	900	900	900	0.00	0.00	0.00
Pan Auto Ltd.	INR	10	3 50 000	3 50 000	3 50 000	0.00	0.00	0.00
Preyanshu Exports Ltd.	INR	10	800	800	800	0.00	0.00	0.00
Rahi Chemicals Ltd.	INR	10	200	200	200	0.00	0.00	0.00
Rahul Dairy & Allied Prod. Ltd.	INR	10	100	100	100	0.00	0.00	0.00
Reil Products Ltd.	INR	10	500	500	500	0.00	0.00	0.00
Sarthak Securities Ltd.	INR	10	500	500	500	0.00	0.00	0.00
Shree Araveli Finlease Ltd.	INR	10	100	100	100	0.00	0.00	0.00
SIEL Financial Services Ltd.	INR	10	25	25	25	0.00	0.00	0.00
Silver Oak (India) Ltd.	INR	10	1 000	1 000	1 000	0.00	0.00	0.00
Somani Cement Company Ltd.	INR	10	100	100	100	0.00	0.00	0.00

Name of the entity	Currency	Face Value (₹)	Number of Units as at			Balances as at (Rs. in lacs)		
			March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Somani Iron & Steel Ltd.	INR	10	26 200	26 200	26 200	0.00	0.00	0.00
Somani Strips Ltd.	INR	10	500	500	500	0.00	0.00	0.00
Sonal Sil-Chem Ltd.	INR	10	400	400	400	0.00	0.00	0.00
Sonell Clocks & Gift Ltd.	INR	10	100	100	100	0.00	0.00	0.00
SSP Polymer Industries Ltd.	INR	10	400	400	400	0.00	0.00	0.00
<b>Total (A) :</b>			8 67 726	8 67 726	8 67 726	763.48	577.21	431.73
<b>Equity Instrument Unquoted</b>								
Indo Deutsche Metallo Chemique Ltd.	INR	10	1 71 400	1 71 400	1 71 400	0.00	0.00	0.00
<b>Total (B):</b>			1 71 400	1 71 400	1 71 400	0.00	0.00	0.00
<b>Total (A+B):</b>			10 39 126	10 39 126	10 39 126	763.48	577.21	431.73

#### Note 6.2 : Investment in Mutual Funds

Particulars	Number of Units as at			Amount / Unit as at		Balances as at (Rs. in lacs)		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>"Investment in Mutual Funds"</b>								
IDFC Cash Fund Growth (Regular Plan)	0	631	1853	1971	1839	0.00	12.43	34.07
	0	631	1853	1971	1839	0.00	12.43	34.07
Aggregate amount of quoted investments and market value thereof						763.48	589.64	465.80
Aggregate amount of unquoted investments						0.00	0.00	0.00

#### Note 7 : Other Financial Assets (Non-Current)

[Rs in Lacs]

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security deposit	1.00	1.00	1.00
Interest accrued but not due	0.29	0.52	0.80
Fixed deposit with original maturity more than 12 months	16.75	46.75	46.81
<b>Total :</b>	<b>18.04</b>	<b>48.27</b>	<b>48.61</b>

#### Note 8 : Cash and cash equivalents

Balance with Bank			
Current accounts	18.61	2.20	2.05
Cash on hand	0.13	0.24	0.18
<b>Total cash and cash equivalents</b>	<b>18.74</b>	<b>2.44</b>	<b>2.23</b>

#### Note 9 : Current tax assets

Advance tax (Net of provisions)	6.90	7.00	7.06
<b>Total:</b>	<b>6.90</b>	<b>7.00</b>	<b>7.06</b>

#### Note 10 : Other Current Assets

Pre-paid expenses	0.05	0.05	0.04
Advance to staff	0.04	0.04	0.04
<b>Total:</b>	<b>0.09</b>	<b>0.09</b>	<b>0.08</b>

**Note 11 : Equity share capital****[Rs in Lacs]**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Authorised share capital</b> 5,00,00,000 (March 31, 2017: 5,00,00,000; April 01, 2016: 5,00,00,000) Equity Shares of Rs 10/ each	5 000.00	5 000.00	5 000.00
<b>Issued share capital</b> 2,80,15,117 (March 31, 2017: 2,80,15,117; April 01, 2016: 2,80,15,117) Equity Shares of Rs 10/ each	2 801.51	2 801.51	2 801.51
<b>Subscribed share capital</b> 2,71,99,017 (March 31, 2017: 2,71,99,017; April 01, 2016: 2,71,99,017) Equity Shares of Rs 10/ each	2 719.90	2 719.90	2 719.90
<b>Fully Paid up share capital</b> 2,71,25,767 (March 31, 2017: 2,71,25,767; April 01, 2016: 2,71,25,767) Equity Shares of Rs 10/ each fully paid up	2 712.58	2 712.58	2 712.58
Forfeited shares	3.47	3.47	3.47
	2 716.05	2 716.05	2 716.05

**Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year**

Particulars	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	2 71 25 767	2 71 25 767
<b>Add:</b>		
Shares issued for Cash or Right Issue	0	0
Bonus Shares	0	0
	2 71 25 767	2 71 25 767
<b>Less:</b>		
Shares bought back / Redemption	0	0
At the end of the year	2 71 25 767	2 71 25 767

**Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Torrent Pvt Ltd	80 15 525	29.55	80 15 525	29.55	80 15 525	29.55
Gujarat Industrial Investment Corp. Ltd.	17 93 572	6.61	17 93 572	6.61	17 93 572	6.61

**Note 12 : Other Equity****[Rs in Lacs]**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General Reserve	2 834.53	2 374.53	2 374.53
Securities Premium	6 759.39	6 759.39	6 759.39
Capital redemption reserve	2 358.77	2 358.77	2 358.77
Retained Earnings	( 16 076.11)	( 16 230.15)	( 16 346.90)
Statutory General Reserve	0.00	460.00	460.00
Special reserve	678.10	678.10	678.10
Reserve fund	0.80	0.80	0.80
	( 3 444.52)	( 3 598.56)	( 3 715.31)

**Note 12.1 : Other Equity****[Rs in Lacs]**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>Securities Premium</b>			
Balance as per previous financial statements	6 759.39	6 759.39	6 759.39
Add : Additions during the year	0.00	0.00	0.00
Less: Utilised on issue of Bonus Shares (Refer Note below)	0.00	0.00	0.00
Balance at the end of the year	6 759.39	6 759.39	6 759.39
<b>Capital reserve</b>			
Balance as per previous financial statements	2 358.77	2 358.77	2 358.77
Add : Additions during the year	0.00	0.00	0.00
Balance at the end of the year	2 358.77	2 358.77	2 358.77
<b>Special reserve</b>			
Balance as per previous financial statements	678.10	678.10	678.10
Add : Additions during the year	0.00	0.00	0.00
Balance at the end of the year	678.10	678.10	678.10
<b>Reserve fund</b>			
Balance as per previous financial statements	0.80	0.80	0.80
Add : Additions during the year	0.00	0.00	0.00
Balance at the end of the year	0.80	0.80	0.80
<b>General reserve</b>			
Balance as per previous financial statements	2 374.53	2 374.53	2 374.53
Add : Additions during the year (Transfer from Statutory General reserve)	460.00	0.00	0.00
Balance at the end of the year	2 834.53	2 374.53	2 374.53
<b>Statutory General Reserve</b>			
Balance as per previous financial statements	460.00	460.00	460.00
Add : Additions during the year	0.00	0.00	0.00
Less: Transfer to General Reserve (*)	( 460.00)	0.00	0.00
Balance at the end of the year	0.00	460.00	460.00
<b>Surplus / (Deficit) in Statement of Profit &amp; Loss</b>			
Balance as per previous financial statements	( 16 230.15)	( 16 346.90)	( 16 346.90)
Add : Profit for the year	( 32.24)	( 28.73)	0.00
Add / (Less): OCI for the year	186.27	145.48	0.00
Balance available for appropriation	( 16 076.12)	( 16 230.15)	( 16 346.90)
<b>Less: Appropriation</b>	0.00	0.00	0.00
	0.00	0.00	0.00
<b>Net Surplus / (Deficit)</b>	( 16 076.12)	( 16 230.15)	( 16 346.90)
	( 3 444.53)	( 3 598.56)	( 3 715.31)

(\*) **Note** : As the holding company is no longer an Non-Banking Finance Company, the holding company is no longer required to maintain statutory general reserve and therefore balance of the same is transferred to general reserve.

**Note 13 : Borrowings (Non- Current)****Unsecured (Refer Note Below)**

From Related parties

Associate entity

**Total:**

1 500.00	1 500.00	1 500.00
1 500.00	1 500.00	1 500.00

**Note****Terms of Repayment of Loans**

Due to precarious financial condition of the company, the Company had decided to settle outside liabilities of Banks and Debenture holders through a Scheme of Compromise and Arrangement. Hon'ble High Court of Gujarat vide its order dated February 19, 2002 approved the said Scheme. As per the aforesaid Scheme, one of the promoter company i.e. Torrent Private Limited was to fund the amount to enable the Company to settle the liabilities of Banks and Debenture holders as approved by the Hon'ble High Court of Gujarat. In view of the same, Torrent Private Limited had not stipulated any terms and conditions so far as interest and its repayment are concerned and gave amount interest free against which 0% unsecured debentures or instrument of like nature to be issued. Therefore, the Company does not intend to pay any interest or repay such borrowings within next 12 months period and it continue to classify such borrowings as "Non-Current Borrowings" and is not able to work out the amortised cost of such borrowings. Accordingly, the Company considers its carrying amount as amortised cost.

**Note 14 : Trade Payables**

Particulars	[Rs in Lacs]		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Micro, Small and Medium Enterprise*	0.00	0.00	0.00
Others	2.42	2.03	0.79
	<u>2.42</u>	<u>2.03</u>	<u>0.79</u>

\* The group has not received any intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. In view of this, information required under Section 22 of MSMED Act, 2006 to that extent is not given.

**Note 15 : Other Financial Liabilities**

Payable for Dividend (Refer Note 26)	26.36	23.96	21.27
Bank-G Series Deb.-Other Liability	0.50	0.50	0.50
<b>Total :</b>	<u>26.86</u>	<u>24.46</u>	<u>21.77</u>

**Note 16 : Other current liabilities**

Statutory Liabilities (Refer Note below)	16.99	16.82	16.66
Other Payable	0.00	0.00	0.00
<b>Total :</b>	<u>16.99</u>	<u>16.82</u>	<u>16.66</u>

**Note:** It includes an obligation amounting to Rs.16.35 lacs in the nature of disputed sales tax matters in respect of which appeals have been preferred. The economic benefits in respect of the above matters are determinable only on receipt of decisions pending at various forums / authorities.

**Note 17 : Provisions (Current)**

Provision for employee benefits			
Leave obligation	1.41	0.95	0.49
	<u>1.41</u>	<u>0.95</u>	<u>0.49</u>

**Note 18 : Other Income**

Particulars	[Rs in Lacs]	
	2017-2018	2016-2017
Interest Income		
From Banks	2.73	3.73
On IT refund	0.01	0.01
On IT refund of earlier years	0.00	0.01
	<u>2.74</u>	<u>3.75</u>
Profit on sale of Current Investments	0.04	0.13
Dividend Income	4.43	3.83
Gain on fair valuation of Investments	0.00	1.24
Bad debts recovered	0.00	1.25
	<u>4.47</u>	<u>6.45</u>
	<u>7.21</u>	<u>10.20</u>

**Note 19 : Employee benefits expense****[Rs in Lacs]**

Particulars	2017-2018	2016-2017
Salary, Allowances & Bonus	8.43	7.79
Contribution to Provident & other funds	0.19	0.12
Staff Welfare expenses	0.31	0.26
	<u>8.93</u>	<u>8.17</u>

**Note 20 : Depreciation and Amortization**

Depreciation expense on property, plant and equipment

	2.35	2.47
	<u>2.35</u>	<u>2.47</u>

**Note 21 : Other expenses**

Electricity expenses	0.38	0.37
Advertisement Expenses	0.54	0.65
Auditors' Remuneration		
Statutory audit fees	0.77	0.74
Other services	0.00	0.38
Postage expenses	1.44	1.45
Telephone expenses	0.43	0.45
Rates and Taxes	0.57	0.57
Professional and legal expenses	7.96	5.99
Insurance	0.03	0.03
Printing and Stationery	2.92	2.89
Repairs and Maintenance	0.43	0.32
Conveyance expenses	0.58	0.69
Bank charges	0.05	0.07
Listing and custodian fees	7.13	7.23
Sitting fees	1.40	1.70
Impairment on investment in subsidiary	0.00	0.00
Miscellaneous Expenses	3.53	4.76
	<u>28.16</u>	<u>28.29</u>

**Payment to Auditor**

Statutory audit fees	0.77	0.74
Other services	0.00	0.38

**Note 22 : Earning Per Share**

Profit attributable to Equity shareholders (₹)	(32.23)	(28.73)
Number of equity shares	2 71 25 767	2 71 25 767
Weighted Average number of Equity Shares	2 71 25 767	2 71 25 767
Basic earning per Share (₹)	(0.12)	(0.11)
Diluted earning per Share (₹)	(0.12)	(0.11)

**Note 23 : Tax expense**

- (a) In view of unabsorbed losses and in the absence of taxable income under the provisions of the Income Tax Act, 1961 in the current year, the company believes that there will be no tax liability. Accordingly, no provision for income tax for the year has been made in the accounts.
- (b) The Company has unabsorbed depreciation and carry forward losses under the Income Tax Act, 1961. In the absence of virtual certainty supported by convincing evidence of sufficient future taxable income, deferred tax assets are not recognized in the accounts.

**Note 24 : Interest on Income Tax Refunds**

The Parent Company had received income tax refund in the earlier financial years which included interest on such Refund amounting to Rs.1,060.94 lacs and resultant short provision of tax of Rs. 275.30 lacs of earlier assessment years. In view of the opinion of tax consultants and pendency of tax appeals, the Company as a matter of prudence neither adjusted the short provision for tax nor recognized the interest income received on such Income Tax refunds. Non-recognition of such interest has attracted qualification in the statutory auditor's report in the earlier years. In order to regularise the same, the management of the Company has decided to recognise the said interest income (net of short provision of tax) amounting to Rs. 785.64 lacs. These items pertaining to earlier financial years, the Company has recognized the same in the opening reserves on April 1, 2016.

**Note 25 : Business Combinations**

Hon'ble High Court of Gujarat had sanctioned the Scheme of Compromise and Arrangement between the parent Company and a consortium of 16 banks on 27th July, 2004 under section 391 of the Companies Act, 1956. Accordingly, amount was paid, as per the Hon'ble Court's Order, to the Banks in the accounting year 2004-2005. However, the final Deed of Assignment of the charged assets, as per the Hon'ble Court's Order, in favor of banks is yet to be made.

**Note 26 :**

In accordance with the Memorandum of Understanding dated 9th January, 2008 entered into between the Company and Banks, 1,79,520 equity shares of Competent Automobiles Ltd of ` 10/- each, belonging to the Banks will be sold / transferred by the Company as per the advice of the banks. Until such time, the Company will hold the shares on behalf of the Banks in its DEMAT Account. Therefore, the amount of dividend received on such shares on behalf of the Banks has been classified and disclosed under "Other Financial Liabilities (Current)".

**Note 27 :**

One of the subsidiary Company has discontinued the business of broking & trading since 2001-02. Therefore, the shares were in the nature of investment then and not held as stock-in-trade in the said subsidiary company. Pursuant to resolution passed by the Board of Directors of the said subsidiary company, the same is rectified as investment by giving necessary effect in the books of accounts in the financial year 2017-18. The Company, while compiling its financial statements for the F Y 2017-18 has accordingly rectified the classification of shares in the opening balance sheet as on 01-04-2016 and in comparative F Y 2016-17 to make disclosure comparable.

**Note 28 : Employee Benefits****Defined contribution plan**

The Group has defined contribution plan in form of Provident Fund for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

Particulars	[Rs in Lacs]	
	For the year 2017-2018	For the year 2016-2017
Contribution to Provident Fund	0.19	0.12

**Note 29: Segment Information**

As the Group has ceased operations, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.



**Note 30 :**

**1. Related Party Disclosures for the year ended March 31, 2018**

**(a) Details of Related Parties**

<b>Description of Relationship</b>	<b>Sr. No.</b>	<b>Names of Related Parties</b>
Controlling Company	1	Torrent Private Limited
Enterprises controlled by the entity exercising significant influence over the company	2	Torrent Power Limited
	3	Torrent Power Grid Limited
	4	Torrent Pipavav Generation Limited
	5	Torrent Pharmaceuticals Limited
	6	Torrent Power Services Private Limited
	7	Torrent Solargen Limited (Earlier known as Torrent Power Bhiwandi Limited)
	8	Puro Wellness Pvt. Ltd.
	9	Heumann Pharma GmbH & Co. Generica KG
	10	Torrent Do Brasil Ltda.
	11	ZAO Torrent Pharma
	12	Torrent Pharma GmbH
	13	Torrent Pharma Inc.
	14	Torrent Pharma Philippines Inc.
	15	Torrent Australasia Pty Ltd.
	16	Laborotrios Torrent SA de CV
	17	Torrent Pharma (Thailand) Co. Ltd.
	18	Norispharm GmbH.
	19	Heunet Pharma GmbH.
	20	Torrent Pharma (UK) Ltd.
	21	Torrent Pharma S.R.L.
	22	Laboratories Torrent (Malaysia) Sdn.Bhd.
	23	Torrent Pharmaceuticals(Sikkim)
	24	Torrent Pharma France S.A.S.
	25	Aptil Pharma Limited
	26	TPL (Ahmedabad) Gratuity Trust
	27	TPL (Ahmedabad) Superannuation Fund
	28	TPL (Surat) Gratuity Trust
	29	TPL (Surat) Superannuation Fund
	30	TPL (SUGEN) Gratuity Trust
	31	TPL (SUGEN) Superannuation Fund
	32	TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust)
	33	TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund)
	34	TPL (Cables) Gratuity Trust
	35	TPL (Cables) Superannuation Fund
	36	TPG Gratuity Trust
	37	TPG Superannuation Fund
	38	TSL Gratuity Trust
	39	TSL Superannuation Fund
	40	Torrent Financiers
	41	AEC Cements & Constructions Limited(under liquidation)
	42	Tidong Hydro Power Limited
	43	Torrent Fincorp Private Limited.
	44	Tornascent Care Institute
	45	UNM Foundation
	46	Radiant Urja LLP
Enterprise controlled by the company	47	GLFL Employees Gratuity Fund
Key Management Personnel (KMP)	48	Shri Harnish Patel
	49	Shri Anil Jhaveri

**b) Key management personnel compensation**

Particulars	Rs. in lacs
Short-term employee benefits	3.60
Total Compensation	3.60

**(c) Amount due to / from related parties as at March 31, 2018**

Nature of Relationship / Transaction	Rs. in lacs
Amount Payable Torrent Private Ltd. (Controlling Company)	1,500.00

**2. Related Party Disclosures for the year ended March 31, 2017**

**(a) Details of Related Parties**

Description of Relationship	Sr. No.	Names of Related Parties
Controlling Company	1	Torrent Private Limited
Enterprises controlled by the entity exercising significant influence over the company	2	Torrent Power Limited
	3	Torrent Power Grid Limited
	4	Torrent Pipavav Generation Limited
	5	Torrent Pharmaceuticals Limited
	6	Torrent Power Services Private Limited
	7	Torrent Solargen Limited (Earlier known as Torrent Power Bhiwandi Limited)
	8	Puro Wellness Pvt. Ltd.
	9	Heumann Pharma GmbH & Co. Generica KG
	10	Torrent Do Brasil Ltda.
	11	ZAO Torrent Pharma
	12	Torrent Pharma GmbH
	13	Torrent Pharma Inc.
	14	Torrent Pharma Philippines Inc.
	15	Torrent Australasia Pty Ltd.
	16	Laborotrios Torrent SA de CV
	17	Torrent Pharma (Thailand) Co. Ltd.
	18	Norispharm GmbH.
	19	Heunet Pharma GmbH.
	20	Torrent Pharma (UK) Ltd.
	21	Torrent Pharma S.R.L.
	22	Laboratories Torrent (Malaysia) Sdn.Bhd.
	23	Torrent Pharmaceuticals(Sikkim)
	24	Torrent Pharma France S.A.S.
	25	Aptil Pharma Limited
	26	TPL (Ahmedabad) Gratuity Trust
	27	TPL (Ahmedabad) Superannuation Fund
	28	TPL (Surat) Gratuity Trust
	29	TPL (Surat) Superannuation Fund
	30	TPL (SUGEN) Gratuity Trust
	31	TPL (SUGEN) Superannuation Fund
	32	TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust)
	33	TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund)
	34	TPL (Cables) Gratuity Trust
	35	TPL (Cables) Superannuation Fund
	36	TPG Gratuity Trust
	37	TPG Superannuation Fund
	38	TSL Gratuity Trust
	39	TSL Superannuation Fund
	40	Torrent Financiers

	41	AEC Cements & Constructions Limited(under liquidation)
	42	Tidong Hydro Power Limited
	43	Torrent Fincorp Private Limited.
	44	Tornascent Care Institute
	45	UNM Foundation
	46	Radiant Urja LLP
Enterprise controlled by the company	47	GLFL Employees Gratuity Fund
Key Management Personnel (KMP)	48	Shri Harnish Patel
	49	Shri Anil Jhaveri

**(b) Key management personnel compensation**

Particulars	Rs. in lacs
Short-term employee benefits	3.60
Total Compensation:	3.60

**(c) Amount due to / from related parties as at March 31, 2017**

Nature of Relationship / Transaction	Rs. in lacs
Amount Payable Torrent Private Ltd. (Controlling Company)	1,500.00

**3. Amount due to / from related parties as at April 1, 2016**

Nature of Relationship / Transaction	Rs. in lacs
Amount Payable Torrent Private Ltd. (Controlling Company)	1,500.00

**Note 31 : Interest in other entities**

**Subsidiaries**

The Group's subsidiaries as at March 31, 2018 are set out below. They have share capital consisting equity shares which in substance has an existence ownership that currently gives it access to the returns associated with an ownership interest, that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business / Country of Incorporation	Ownership interest held by the Group		
		March 31, 2018	March 31, 2017	April 1, 2016
GLFL Housing Finance Limited	India	100%	100%	100%
GLFL Securities Limited	India	100%	100%	100%
GLFL International Limited	India	100%	100%	100%

**Note 32 : Additional information pursuant to Schedule III of the Companies Act, 2013:**

Name of the entity in the group	Net assets / (liabilities) i.e. total assets minus total liabilities		Share in Profit (Loss)		Share in other comprehensive income (OCI)		Share in Total comprehensive income (OCI)	
	As % of Consolidated net assets/(liabilities)	Amount in ₹	As % of Consolidated Profit / (loss)	Amount in ₹	As % of Consolidated OCI	Amount in ₹	As % of Consolidated Total OCI	Amount in ₹
<b>Parent</b>								
Gujarat Lease Financing Limited	205.79%	(1,499.07)	89.42%	(28.83)	--	--	(18.72%)	(28.83)
<b>Indian Subsidiaries</b>								
GLFL Housing Finance Limited	(0.91%)	6.60	11.61%	(3.74)	--	--	(2.43%)	(3.74)
GLFL Securities Limited	(104.87%)	763.92	(1.71%)	0.55	100%	1 86.27	121.29%	1 86.82
GLFL International Limited	(0.01%)	0.08	0.68%	(0.22)	--	--	(0.14%)	(0.22)
<b>Total:</b>	100%	(728.47)		(32.24)	100%	1 86.27	100.00%	154.03

**Note 33 : Fair value measurements****A. Financial instruments by category**

	31-Mar-18			31-Mar-17			01-Apr-16		
	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI
<b>Financial Assets</b>									
Investments									
Mutual Funds	--	--	--	--	12.43	--	--	34.07	--
Equity Instruments	--	--	763.48	--	--	577.21	--	--	431.73
Cash and cash Equivalents	18.74	--	--	2.44	--	--	2.23	--	--
Other financial assets	18.03	--	--	48.27	--	--	48.61	--	--
<b>Total Financial Assets</b>	<b>36.77</b>	<b>--</b>	<b>763.48</b>	<b>50.71</b>	<b>12.43</b>	<b>577.21</b>	<b>50.84</b>	<b>34.07</b>	<b>431.73</b>
<b>Financial Liabilities</b>									
Borrowings	1,500.00	--	--	1,500.00	--	--	1,500.00	--	--
Trade payables	2.42	--	--	2.03	--	--	0.79	--	--
Other financial liabilities	26.86	--	--	24.46	--	--	21.77	--	--
<b>Total Financial Liabilities</b>	<b>1529.28</b>	<b>--</b>	<b>--</b>	<b>1,526.49</b>	<b>--</b>	<b>--</b>	<b>1522.56</b>	<b>--</b>	<b>--</b>

**Fair value hierarchy**

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**B. Fair value hierarchy for assets****Financial assets measured at fair value at March 31, 2018 [Rs. in lacs]**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments				
- Mutual Funds	--	--	--	--
- Equity Instruments	763.48	--	--	763.48

**Financial assets measured at fair value at March 31, 2017 [Rs. in lacs]**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments				
- Mutual Funds	12.43	-	-	12.43
- Equity Instruments	577.21	-	-	577.21

**Financial assets measured at fair value at April 1, 2016 [Rs. in lacs]**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments				
- Mutual Funds	34.07	-	-	34.07
- Equity Instruments	431.73	-	-	431.73

**Notes:**

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV) and equity instruments that have quoted price by the respective stock exchanges.

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**C. Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- (i) The use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 1

**D. Fair value of financial assets and liabilities measured at amortized cost**

The carrying amounts of cash and cash equivalents, other financial assets and trade payables are considered to be the same as their fair values, due to their short-term nature. The fair values for security deposits, Investment in preference shares and investment in debentures and borrowings are calculated based on cash flows discounted using a current lending rate, however the change in current rate does not have any significant impact on fair values as at the current year end.

**Note 34 : Capital Management**

The Group's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. The capital of the Company consist of equity capital, and borrowings

**Note 35 : Financial risk management**

The Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management of risk</b>
Credit risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of bank deposit and Regular monitoring.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, and borrowing facilities
Price Risk	Investments in mutual funds	Credit ratings	Portfolio diversification and regular monitoring

**(a) Credit risk**

**Cash and Cash Equivalents**

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Group maintains flexibility in funding by maintaining liquidity through investments in fixed deposits and liquid funds.

**Liquidity Table**

The Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**As at March 31, 2018**

<b>Financial Liabilities</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>5 years and above</b>
Non-current financial liabilities			
Borrowings	--	--	1,500.00
	--	--	1,500.00
Current financial liabilities			
Trade payables	2.42	--	--
Other Financial liabilities	26.86	--	--
Total financial liabilities	29.28	--	1,500.00

**As at March 31, 2017**

<b>Financial Liabilities</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>5 years and above</b>
Non-current financial liabilities			
Borrowings	--	--	1,500.00
	--	--	1,500.00
Current financial liabilities			
Trade payables	2.03	--	--
Other Financial liabilities	24.46	--	--
Total financial liabilities	26.49	--	1,500.00

As at April 1, 2016

[Rs. in lacs]

Financial Liabilities	Less than 1 year	1-2 years	5 years and above
Non-current financial liabilities			
Borrowings	--	--	1,500.00
	--	--	1,500.00
Current financial liabilities			
Trade payables	0.79	--	--
Other Financial liabilities	21.77	--	--
Total financial liabilities	22.56	--	1,500.00

(iii) Price Risk

Exposure

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses.

Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

**Note 36 : Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as on March 31, 2017

[Rs. in lacs]

	Reference Notes	Amount as per IGAAP* INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment		14.31	--	14.31
Financial Assets				
Investments	1	11.48	565.73	577.21
Other Financial assets		48.27	--	48.27
<b>Current assets</b>				
Financial assets				
Investments	2	11.35	1.08	12.43
Cash and Cash Equivalents		2.44	--	2.44
Current Tax Assets (Net)	3	(778.66)	785.66	7.00
Other Current Assets		0.09	--	0.09
<b>Total Assets</b>		<b>(690.72)</b>	<b>1,352.47</b>	<b>661.75</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		2,716.05	--	2,716.05
Other Equity	1,2,3	(4,951.03)	1,352.47	(3,598.56)
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
Borrowings		1,500.00	--	1,500.00
<b>Current liabilities</b>				
Financial Liabilities				
Trade Payables		2.03	--	2.03
Other Financial Liabilities		24.46	--	24.46
Other Current liabilities		16.82	--	16.82
Provisions		0.95	--	0.95
<b>Total Equity and Liabilities</b>		<b>(690.72)</b>	<b>1,352.47</b>	<b>661.75</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**Reconciliation of total equity as at March 31, 2017 and April 01, 2016**

[Rs. in lacs]

	Notes	As at March 31, 2017	As at April 1, 2016
Total equity (Shareholders' funds) under previous GAAP		(2,234.98)	(2,206.05)
<b>Ind AS adjustments:</b>			
Measurement of financial assets at fair value	1,2,3	1,352.47	1,206.79
Total equity (Shareholders' funds) under Ind AS		(882.51)	(999.26)

**Reconciliation of equity as on April 1, 2016**

[Rs. in lacs]

	Reference Notes	Amount as per IGAAP* INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment		16.67	--	16.67
Financial Assets				
Investments	1	11.48	420.25	431.73
Other financial assets		48.61	--	48.61
<b>Current assets</b>				
Financial assets				
Investments	2	33.17	0.90	34.07
Cash and Cash Equivalents		2.23	--	2.23
Current Tax Assets (Net)	3	(778.57)	785.64	7.06
Other Current Assets		0.08	--	0.08
<b>Total Assets</b>		<b>(666.34)</b>	<b>1,206.79</b>	<b>540.45</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		2,716.05	--	2,716.05
Other Equity	1,2,3	(4,922.10)	1,206.79	(3,715.31)
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
Financial Liabilities				
Borrowings		1,500.00	--	1,500.00
<b>Current liabilities</b>				
Financial Liabilities				
Trade Payables		0.79	--	0.79
Other Financial Liabilities		21.77	--	21.77
Other Current liabilities		16.66	--	16.66
Provisions		0.49	--	0.49
<b>Total Equity and Liabilities</b>		<b>(666.34)</b>	<b>1206.79</b>	<b>540.45</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

1. The Group has measured its investments in equity instruments (other than those in subsidiaries) at Fair Value through Other Comprehensive Income, and accordingly increase in the carrying amount of investments by Rs. 565.73 Lacs [April 1, 2016 - Rs. 420.25 Lacs] have been given effect.
2. The Group has measured its investments in Mutual Fund at Fair Value through profit and loss, and accordingly increase in the carrying amount of investments by Rs 1.08 Lacs [April 1, 2016 - Rs. 0.90 lacs] have been given effect.
3. Reference is invited to Note 24 to the Consolidated Financial Statements.



**Reconciliation of total comprehensive income for the period March 31, 2017**

[Rs. in lacs]

	Refer- ence Notes	Amount as per IGAAP* INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR
<b>INCOME</b>				
Other Income	1	10.01	0.19	10.20
<b>Total Income</b>		10.01	0.19	10.20
<b>EXPENSES</b>				
Employee benefits expense		8.17	--	8.17
Depreciation and Amortization		2.47	--	2.47
Other Expenses		28.29	--	28.29
<b>Total expenses</b>		<b>38.93</b>	<b>--</b>	<b>38.93</b>
<b>Profit before exceptional items and tax</b>		<b>(28.92)</b>	<b>0.19</b>	<b>(28.73)</b>
Exceptional Items		--	--	--
<b>Profit Before Tax</b>		<b>(28.92)</b>	<b>0.19</b>	<b>(28.73)</b>
<b>Tax expense</b>				
Current tax		--	--	--
Deferred tax		--	--	--
<b>Total tax expense</b>		<b>--</b>	<b>--</b>	<b>--</b>
<b>Profit for the year from continuing operations</b>		<b>(28.92)</b>	<b>0.19</b>	<b>(28.73)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss		--	145.48	145.48
Income tax relating to items that will not be reclassified to profit or loss		--	--	--
Items that will be reclassified to profit or loss		--	--	--
Income tax relating to items that will be reclassified to profit or loss		--	--	--
			145.48	145.48
<b>Total comprehensive income for the year, net of tax</b>		<b>(28.92)</b>	<b>145.67</b>	<b>116.75</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

- The Group has measured its investments in Mutual Fund at Fair Value through profit and loss, and accordingly increase in the carrying amount of investments by Rs. 0.19 lacs have been given effect.

**Note 37 : Statement of Management**

- The non-current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.
- Balance Sheet, Statement of Profit and Loss, cash flow statement and change in equity read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and financial performance of the Company for the year under review.

**Note 38 :** The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year. Figures are rounded off to nearest lakhs.

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

Chartered Accountants

**ROHIT K. CHOKSI**

Partner

Mem. No. 31103

**FOR AND ON BEHALF OF THE BOARD**

**S.M.Shah**

Chairperson

(DIN: 00016578)

**Harnish Patel**

Director-In-Charge

(DIN: 00114198)

**Janak Mehta**  
Chief Financial Officer

**Preeti Singh**  
Company Secretary

Place : Ahmedabad  
Date : 25th May, 2018

Place : Ahmedabad  
Date : 25th May, 2018

**Gujarat Lease Financing Limited****G/L/F/L****Registered Office :** 6th Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad-380 006.

CIN L65990GJ1983PLC6345

**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) off..... Shares of the Gujarat Lease Financing Limited, hereby appoint.

1. Name : ..... Address : .....  
Email ID : ..... Signature : .....  
2. Name : ..... Address : .....  
Email ID : ..... Signature : .....  
3. Name : ..... Address : .....  
Email ID : ..... Signature : .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual General meeting of the Company, to be held on Tuesday, August 7<sup>th</sup>, 2018 at 10.00 a.m. at ATMA Hall, Ahmedabad Textile Mill Association, Law Gajjar Chamber, Ashram Road, Ahmedabad-380 009. and at any adjournment thereof in respect of such resolutions as are Indicated below :

Item No.	Please Indicate (Assent or Dissent)	Item No.	Please Indicate Please (Assent or Dissent)	Item No.	Please Indicate (Assent or Dissent)
1.		2.		3.	

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_ Signature of Shareholder (S)

\_\_\_\_\_ Signature of Proxy holder (S)

Affix  
Revenue  
Stamp

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

**Gujarat Lease Financing Limited****G/L/F/L****Registered Office :** 6th Floor, Hasubhai Chambers, Opp. Town Hall, Ellisbridge, Ahmedabad-380 006.

CIN L65990GJ1983PLC6345

**ATTENDANCE SLIP**(To be handed over at the entrance of the Meeting Hall)  
35<sup>th</sup> Annual General Meeting - August 7<sup>th</sup>, 2018I hereby record my presence at the THIRTY FIFTH ANNUAL GENERAL MEETING of the Company at ATMA Hall, Ahmedabad Textile Mill Association, Law Gajjar Chamber, Ashram Road, Ahmedabad-380 009 on Tuesday, August 7<sup>th</sup>, 2018 At 10.00 a.m.

Full Name of the Member (in BLOCK LETTERS) : .....

Folio No. .... DP ID ..... Client ID ..... No. of Shares held .....

Full name of proxy (in BLOCK LETTERS) : .....

Member's/Proxy's Signature : .....

**G/L/F/L**

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## Atma House



If undelivered, please return to :

**GUJARAT LEASE FINANCING LIMITED**

(CIN NO. : L65990GJ1983PLC006345)

6th Floor, Hasubhai Chambers, Opp. Town Hall,  
Ellisbridge, Ahmedabad - 380 006.

