

10th November, 2014

To,

BSE Limited, Corporate Relationship Department 14 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001	National Stock Exchange of India Limited Corporate Relationship Department “Exchange Plaza”, C-1, Block G Bandra- Kurla Complex, Bandra (East), Mumbai 400051
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Dear Sirs,

Re: Clause - 41 of the Listing Agreement

Unaudited financial results for the quarter and half year ended 30th September, 2014

Scrip Code: 500174

Scrip Symbol: GLFL

In terms of Clause – 41 of the Listing Agreement, we are enclosing herewith statement of unaudited financial results for the quarter and half year ended on 30th September, 2014 as approved by the Board of Directors of the Company at its meeting held on 10th November, 2014.

Yours faithfully,

For Gujarat Lease Financing Limited


Pradip Mehta
Director-in- Charge
DIN: 00254359



GUJARAT LEASE FINANCING LTD.
Hasubhai Chambers, Opp : Town Hall,
Ellisbridge, Ahmedabad - 380 006.
CIN65990GJ1983PLC006345

PART-I Unaudited Standalone Financial Results for the Quarter and Six Months Ended 30th September, 2014

(Rs. in lacs)

Sr. No.	Particulars	Quarter ended			Year to date for period ended		Year ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from Operations	0.00	0.00	0.00	0.00	0.00	0.00
	Total Income from Operations	0.00	0.00	0.00	0.00	0.00	0.00
2	Expenses						
	a) Employee Benefits Expense	0.73	0.74	0.34	1.47	0.58	1.11
	b) Printing & Stationary	1.96	0.07	1.75	2.03	1.79	1.86
	c) Postage Expenses	1.41	0.01	1.92	1.42	1.94	1.97
	d) Depreciation	1.13	1.13	0.41	2.26	0.81	1.57
	e) Other Expenditure	2.09	5.92	1.37	8.01	6.00	8.57
	Total Expenses	7.32	7.87	5.79	15.19	11.12	15.08
3	Loss (-) from operations before Other Income, Finance Costs & Exceptional Items (1-2)	(7.32)	(7.87)	(5.79)	(15.19)	(11.12)	(15.08)
4	Other Income	0.35	0.35	0.57	0.70	0.90	1.67
5	Loss (-) from ordinary activities before Finance Costs & Exceptional Items(3+4)	(6.97)	(7.52)	(5.22)	(14.49)	(10.22)	(13.41)
6	Finance Cost	0.00	0.00	0.00	0.00	0.00	0.00
7	(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items(5-6)	(6.97)	(7.52)	(5.22)	(14.49)	(10.22)	(13.41)
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
9	(Loss) from Ordinary Activities before Tax (7+8)	(6.97)	(7.52)	(5.22)	(14.49)	(10.22)	(13.41)
10	Tax Expenses	0.00	0.00	0.00	0.00	0.00	0.00
11	Loss (-) from ordinary activities after tax (9 -10)	(6.97)	(7.52)	(5.22)	(14.49)	(10.22)	(13.41)
12	Extraordinary Items (Net of tax Expense)	0.00	0.00	0.00	0.00	0.00	0.00
13	Net Loss for the period (11+12)	(6.97)	(7.52)	(5.22)	(14.49)	(10.22)	(13.41)
14	Paid up Equity Share Capital(Face Value Rs. 10/- each)	2,712.58	2,712.58	2,712.58	2,712.58	2,712.58	2,712.58
15	Reserves Excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	-	(5,653.54)
16	Earnings/(Loss) per share (of Rs. 10/- each) (Not annualised)						
	Basic (In Rs.)	(0.03)	(0.03)	(0.02)	(0.06)	(0.04)	(0.05)
	Diluted (In Rs.)	(0.03)	(0.03)	(0.02)	(0.06)	(0.04)	(0.05)

PART -II Select Information for the Quarter and Six Months Ended 30.09.2014

A							
Particulars of Shares Holding							
1	Public Shareholding						
	Number of shares	14,738,545	14,738,545	15,954,321	14,738,545	15,954,321	14,738,545
	Percentage of Shareholding	54.34	54.34	58.82	54.34	58.82	54.34
2	Promoters and Promoter Group Shareholding						
(a)	Pledged / Encumbered						
	-Numbers of shares	-	-	-	-	-	-
	- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	-	-	-	-	-	-
	- Percentage of share(as a % of the total share capital of the company)	-	-	-	-	-	-
(b)	Non-Encumbered						
	-Numbers of shares	12,387,222	12,387,222	11,171,446	12,387,222	11,171,446	12,387,222
	- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	100	100	100	100	100	100
	- Percentage of share(as a % of the total share capital of the company)	45.66	45.66	41.18	45.66	41.18	45.66

B		Particulars	Quarter ended 30.9.2014
Sr. No.	Investor Complaints		
1	Pending at the beginning of the quarter		0
2	Received during the quarter		0
3	Disposed of during the quarter		0
4	Remaining unresolved at the end of the quarter		0



Notes:

1) Statement of Standalone Assets and Liabilities as at 30th September, 2014

(Rs. in lacs)

Particulars	As at 30th September, 2014 (Unaudited)	As at 31st March, 2014 (Audited)
Equity and Liabilities		
Shareholders' Funds		
Share Capital	2716.05	2716.05
Reserves and Surplus	(5668.18)	(5653.54)
Sub total - Shareholders' Funds	(2952.13)	(2937.49)
Non Current Liabilities		
Long Term Borrowings	3356.84	3344.17
Long Term Provisions	-	-
Sub total - Non Current Liabilities	3356.84	3344.17
Current Liabilities:		
Trade Payables	0.36	0.56
Other Current Liabilities	44.54	37.95
Short Term Provisions	746.67	747.02
Sub total - Current Liabilities	791.57	785.53
Total Equity and Liabilities	1196.28	1192.21
Assets		
Non Current Assets:		
Fixed Assets		
Tangible Assets	34.64	54.46
Intangible Assets	-	-
Sub total - Non Current Assets	34.64	54.46
Non Current Investments	1120.91	1120.91
Current Assets:		
Cash and Bank Balances	7.96	1.37
Loans and Advances	0.04	0.15
Other Current Assets	32.73	15.32
Sub total - Current Assets	40.73	16.84
Total Assets	1196.28	1192.21

- 2) The above results were reviewed by the audit committee and approved by the Board of Directors at their respective meetings held on 10th November, 2014 and a limited review of the same has been carried out by the Statutory Auditors of the Company.
- 3) The Auditors' Review report on the accounts for the quarter and half year ended September 30, 2014 contains qualification regarding non-recognition of income of interest on tax refunds amounting to Rs. 1,033.66 lacs (Previous quarter and half year ended September 30, 2013: Rs.1033.66 lacs and as at March 31, 2014: Rs.1,033.66 lacs) and short provision of tax and interest thereon of Rs.284.96 lacs (Previous quarter and half year ended September 30, 2013 Rs.284.96 lacs and as at March 31, 2014: Rs.284.96 lacs). Had the aforesaid amount of interest on tax refund been accounted for in the books of account, the accumulated losses as at September 30, 2014 would have been Rs.16,794.84 lacs (Previous period quarter and half year ended September 30, 2013: Rs.16,777.14 lacs and as at March 31, 2014: Rs.16,780.33 lacs) as against the reported figure of Rs.17,543.54 lacs (Previous quarter and half year ended September 30, 2013: Rs.17,525.84 lacs and as at March 31, 2014: Rs. 17,529.03 lacs), The auditors have qualified their limited review report for the quarter and half year ended September 30, 2013 and audit report as at March 31, 2014 for the above matter.

The Management response is set out in note 4 below.



- 4) The Company received refund of tax pertaining to earlier assessment year amounting to Rs. 3067.45 lacs which includes interest on refund amounting to Rs. 1033.66 lacs. In view of opinion received from the Tax Consultants and pendency of appeals, the Company has, as a matter of prudence neither adjusted the book provisions nor recognized the interest on tax refund amounting to Rs. 1033.66 lacs as income and short provision of tax and interest thereon of Rs. 284.96 lacs. Necessary entries for the same shall be made on settlement of pending matters/disputes with the tax/appellate authorities.
- 5) These financial statements have been prepared on going concern basis. The appropriateness of this assumption of going concern is dependent upon the continued support from one of the promoter group Company and the resolution of the tax dispute referred to in the note 3 above. The Statutory Auditors have drawn attention to this matter in their limited review report.
The Management response is set out in note 6 below.
- 6) The Honorable High Court of Gujarat had sanctioned a Scheme of Compromise and Arrangement ("the Scheme") between the Company and consortium of 16 banks under section 391 of the Companies Act, 1956. The Company had made payments to banks in the year 2004-05 as per High Court order. The deed of Assignment of the charged assets/investments in favour of banks is yet to be entered into. The Company prepares its financial results on a going concern basis. The ability of the Company to continue as a going concern depends upon the full implementation of the Scheme.
- 7) The Company has unabsorbed depreciation and carry forward losses under the Income Tax Act, 1961. In the absence of virtual certainty of sufficient future taxable income, net deferred tax assets have not been recognized in the results under review.
- 8) The Company has revised its policy of providing depreciation on fixed assets effective 1st April, 2014. Remaining useful life of fixed assets has been revised as per Schedule II of Companies Act 2013, and now depreciation is provided based on remaining useful life of assets as per Companies Act, 2013. The carrying amount as on 1st April, 2014 is depreciated over the remaining useful life.
As a result of change, the Company has (i) adjusted Rs. 0.13 lacs against retained earnings towards carrying amount of assets for which remaining useful life of fixed asset was Nil as at 1st April, 2014 and (ii) depreciation for the quarter and half year ended on September 30, 2014 is higher by Rs. 0.76 lacs and Rs. 1.52 lacs respectively.
- 9) The Company operates in a single segment - Lease and Hire Purchase Income. In the context of Accounting Standard 17, on segment reporting issued by the Institute of Chartered Accountants of India, the same is considered to constitute one single primary segment.
- 10) Figures of the previous quarter/period/year have been regrouped, wherever necessary.

For Gujarat Lease Financing Ltd

Place: Ahmedabad
Date: 10th November, 2014



Pradip J Mehta
Director in Charge
DIN No. 00254359



**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
GUJARAT LEASE FINANCING LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **GUJARAT LEASE FINANCING LIMITED** ("the Company") for the Quarter and Six Months ended 30th September, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Attention is invited to Notes 3 and 4 of the Statement regarding non-recognition of income of interest on tax refunds amounting to Rs. 1,033.66 lacs and short provision of tax and interest thereon of Rs.284.96 lacs. Had the same been accounted for, net loss for the quarter would have been lower by Rs.748.70 lacs and accumulated losses would have been lower by the said amount. Our audit report for the year ended March 31, 2014 and the limited review report for the quarter and half year ended September 30, 2014 were also qualified in respect of the above matter.*
4. Based on our review conducted as stated above, *except for the effects of the matter described in paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Notes 5 and 6 to the Statement regarding preparation of the Statement on going concern basis for the reasons stated therein. The appropriateness of this assumption of going concern is dependent upon the continuity of support from one of the promoter group company and the resolution of the tax dispute referred to in the said note.

Our review report is not qualified in respect of this matter.



C. C. Chokshi & Co.

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6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter Ended September 30, 2014 of the Statement, from the details furnished by the Management.

For **C. C. CHOKSHI & CO.**
Chartered Accountants
(Firm's Registration No. 101876W)



Kartikeya Raval
Partner

(Membership No. 106189)

Ahmedabad, 10th November, 2014