

**GOWRA**  
**LEASING &**  
**FINANCE**  
**LIMITED**

# **17th Annual Report**

**2009 - 2010**



## **BOARD OF DIRECTORS**

<b>Mr. D.SURESH</b>	-	Chairman
<b>Mr. TILAK.SHANKAR</b>	-	Director
<b>Mr. GOWRA LAKSHMINARAYANA</b>	-	Director
<b>Mr. GOWRA S.RAJAGOPAL</b>	-	Director
<b>Mr. SOMA DAYANAND</b>	-	Director
<b>Dr. TUMBALAM GOOTY SURENDRANATH</b>	-	Director
<b>Mr. GOWRA SRINIVAS</b>	-	Managing Director
<b>Mr. GOWRA L.PRASAD</b>	-	Executive Director

### **REGISTERED OFFICE**

No.501, 5<sup>th</sup> Floor, Gowra Grand, Behind Gowra Plaza,  
1-8-384 & 385, S.P.Road, Begumpet, Secunderabad – 500 016

### **BANKERS**

#### **ING Vysya Bank Limited**

General Bazar Branch, Secunderabad – 500 003

#### **State Bank of India**

PB Branch, S.P.Road, Begumpet, Secunderabad – 500 003

#### **HDFC Bank**

Begumpet, Hyderabad – 500 016.

### **AUDITORS**

DAGLIYA & CO.,  
Chartered Accountants,  
II Floor, Srinivasa Building  
Ranigunj, Secunderabad – 500 003

## NOTICE

NOTICE is hereby given that the 17<sup>th</sup> Annual General Meeting of the Members of **GOWRA LEASING & FINANCE LIMITED**, will be held on Saturday, the 25<sup>th</sup> day of September, 2010 at 11:00 a.m. at Fortune Select Manohar, Airport Exit Road, Begumpet, Hyderabad – 500 016 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2010 and Profit & Loss Account for the year ended 31<sup>st</sup> March 2010 along with the Schedules and other statements and Auditor's Report and Directors Report thereon.
2. To declare Dividend for the year ended 31<sup>st</sup> March, 2010
3. To appoint a Director in place of Mr. T.G.Surendranath, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Soma Dayanand, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s. Dagliya & Co., Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

**SPECIAL BUSINESS :**

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Gowra Surya Prakash who was appointed as an Additional Director with effect from 11<sup>th</sup> August, 2010, pursuant to Section 260 of the Companies Act, 1956 and who holds office upto this Annual General Meeting and for the appointment of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to retirement by rotation”.

By Order of the Board  
for **GOWRA LEASING & FINANCE LIMITED**,

Place : Secunderabad  
Dated : August 11, 2010

Sd/-  
**(GOWRA SRINIVAS)**  
**Managing Director**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON A POLL INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2010 to 25.09.2010 (both days inclusive).
3. The Explanatory Statement relating to **Item No.6** of the Special Business of the Meeting referred to above, is annexed to this Notice as required by Section 173(2) of the Companies Act, 1956.
4. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the points.
5.
  - a) Members are requested to convert their physical holding to demat to avoid hassels involved with physical shares, such as possibility of loss, mutilation, and to ensure safe and speedy transaction in securities. Members are also requested to notify change of address, bank details, ECS mandates, email id, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar & Transfer Agent of the Company i.e. M/s. Sathguru Management Consultants Pvt. Ltd., Hyderabad, in respect of their physical share folios to avoid procedural delays.
  - b) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar & Share Transfer Agent for consolidation into a single folio.
  - c) Members holding shares in physical form are requested to send certified copy of their Income Tax Permanent Account Number (PAN) card, including for all joint holders, to the Registrar & Transfer Agent of the Company.
6. Members/Beneficial Owners are requested to bring Annual Report with them for the Annual General Meeting. No copies of Annual Report will be distributed at the meeting.
7. Members/Beneficial Owners/Proxies should bring the attendance slips duly filled in for attending the meeting.

8. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, Dividend for the financial year ended 2002-2003 and thereafter, which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 (c) of the Companies Act, 1956.

Information in respect of the due date for transfer of such unclaimed dividend to the said fund is given below :

Financial Year	Date of Declaration	Due Date for Transfer to IEPF
2002-2003	22-09-2003	22-10-2010
2003-2004	29-09-2004	29-10-2011
2004-2005	18-07-2005	17-08-2012
2005-2006	18-09-2006	18-10-2013
2006-2007	26-09-2007	26-10-2014
2007-2008	24-09-2008	24-10-2015
2008-2009	30-09-2009	30-10-2016

The members who have not encashed the Dividend Warrants so far for the financial year ended 31-03-2003 or any subsequent financial years are requested to make their claim to the Company at its Registered Office. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.

**EXPLANATORY STATEMENT  
(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)**

**Item No.6 :**

Mr. Gowra Surya Prakash was appointed as an Additional Director of the Company with effect from 11<sup>th</sup> August, 2010 by the Board of Directors of the Company under the provisions of Section 260 of the Companies Act, 1956 and Articles 96 of the Articles of Association of the Company and he would holds the office upto the date of this Annual General Meeting.

The Company has received a notice from a member along with a deposit of Rs.500/- as per Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Shri Gowra Surya Prakash for the office of Director of the Company.

A brief profile of Mr.Gowra Surya Prakash has been annexed herewith pursuant to clause 49 of the Listing Agreement.

The Board of Directors recommends his appointment as Director of the Company, liable to retire by rotation.

None of the Directors, other than Mr. Gowra Srinivas, Mr. Gowra L.Prasad, Mr. Gowra Lakshminarayana, Mr. Soma Dayanand and Mr. Gowra Surya Prakash is in any way concerned or interested in this resolution.

By Order of the Board  
for **GOWRA LEASING & FINANCE LIMITED,**

Place : Secunderabad  
Dated : August 11, 2010

Sd/-  
**(GOWRA SRINIVAS)**  
Managing Director

## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010.

### **FINANCIAL RESULTS :**

The performance during the period ended 31<sup>st</sup> March 2010 has been as under:

(Rs.in lakhs)

### **OPERATIONS:**

Sl. No.	Particulars	As at 31-03-2010	As at 31-03-2009
1	Total Income	233.98	198.85
2	Total Expenses	34.47	19.73
3	Depreciation	0.97	0.93
4	Profit before tax	198.54	178.19
5.	Provision for Tax	68.52	57.86
6.	Net Profit	130.02	120.33
7.	Taxation adjustment for the earlier years	3.32	0.01
8.	Net Profit after Tax	126.70	120.32

During the year under review, the Company recorded a total income of Rs. 233.98 lakhs as against Rs. 198.85 lakhs during the previous year and a net profit of Rs.126.70 lakhs against Rs. 120.32 lakhs in the previous year.

### **FUTURE OUTLOOK :**

Your Company is focusing mainly on giving Loans and ICDs. The future outlook of the company is bright.

### **DIVIDEND :**

Considering the performance during the year under review, your Directors recommended a Dividend @ 12% amounting to Rs.36.00 lakhs for the year ended 31<sup>st</sup> March, 2010. This will entail an outflow of Rs.42.12 lakhs (inclusive of tax thereon).

### **FIXED DEPOSITS:**

Your Company has not invited any deposits from the Public for the year under review within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

### **INTERNAL CONTROL SYSTEMS :**

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

### **CORPORATE GOVERNANCE :**

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Clause 49 of the Listing Agreement are complied with.

A separate report on Corporate Governance and a Management Discussion and Analysis Report are being produced as a part of the Annual Report of the Company.

The Auditors of the Company have certified that conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement are complied by the Company and their certificate is annexed to the report on Corporate Governance.

### **DIRECTORS :**

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

Mr. Gowra Surya Prakash was appointed as an Additional Director of the Company with effect from 11<sup>th</sup> August, 2010 by the Board in terms of Section 260 of the Companies Act, 1956. He holds the office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a notice from a member along with a deposit of Rs.500/- as per Section 257 of the Companies Act, 1956 for appointment of Mr. Gowra Surya Prakash as Director liable to retire by rotation.

Mr. Gowra S.Rajagopal resigned from the post of Director of the Company with effect from 11<sup>th</sup> August, 2010. Your Directors place on record their appreciation of the valuable services and guidance provided by Mr. Gowra S.Rajagopal as the Director of the Company.

**INSURANCE :**

The Properties and assets of your Company are adequately insured.

**AUDITORS' REPORT :**

The observations of the auditors are explained, wherever necessary, in appropriate notes to the accounts.

**AUDITORS :**

M/s. Dagliya & Co., Chartered Accountants, Auditors of the Company retires at the conclusion of this Annual General Meeting and the Company has received a letter from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

**DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:**

In compliance of section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000, in the Companies Act, 1956, your directors confirm : -

- a) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year under review;
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That the directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2010 on a going concern basis.

**COMPLIANCE CERTIFICATE :**

In accordance with the requirement of Section 383A of the Companies Act, 1956, Certificate from Mr. V.K.Bafna, a Practicing Company Secretary, certifying that all legal requirements, in respect of the Company for the year ended 31<sup>st</sup> March, 2010 have been complied with, which forms part of this report is annexed hereto.

**CONSERVATION OF ENERGY, FOREIGN EXCHANGE ETC. :**

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

**PERSONNEL :**

None of the employees are drawing Rs.2,00,000/- and above per month or Rs.24,00,000/- and above in aggregate per annum, the limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence the information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not annexed to this report.

**ACKNOWLEDGEMENTS:**

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

The Directors also take this opportunity to express their appreciation for the sincere and dedicated services of the Employees of the Company at all levels.

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

Place : Secunderabad  
Dated : August 11, 2010

**Sd/-**  
**(D.SURESH)**  
**Chairman**

## COMPLIANCE CERTIFICATE

C I N : L65910AP1993015349

Nominal Capital : Rs.5,00,00,000/-

Paidup Capital : Rs.3,00,03,000/-

To

The Members,

**GOWRA LEASING & FINANCE LIMITED,**

Regd.Off. : 501, 5<sup>th</sup> Floor,

Gowra Grand, Behind Gowra Plaza,

1-8-384 & 385, S.P.Road, Begumpet

Secunderabad-500016.

We have examined the registers, records, books and papers of **GOWRA LEASING & FINANCE LIMITED** as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited company, the restriction clauses as provided in Section 3(1)(iii) of the Companies Act, 1956 is not applicable.
4. The Board of Directors duly met Five times on 26<sup>th</sup> June, 2009, 28<sup>th</sup> July, 2009, 30<sup>th</sup> September, 2009, 24<sup>th</sup> October, 2009 and 28<sup>th</sup> January, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 25-09-2009 to 30-09-2009 and necessary compliance of Section 154 of the Act has been made.

6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2009 was held on 30<sup>th</sup> September, 2009 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
  - i) has delivered all the certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
  - ii) has deposited the amount of dividend in a separate bank account which is within five days from the date of declaration of such dividend
  - iii) has paid/posted cheques/warrants for dividends to all the members within a period of 30 days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank Limited
  - iv) has transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.

15. The Company has not appointed any Managing Director/Whole-time Director/ Manager during the financial year.
16. The Company has not appointed any Sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any Equity Shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year.
22. There were no transaction necessitating the Company to keep up in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from directors, financial institutions and banks during the financial year ended on 31<sup>st</sup> March, 2009 are within the borrowing limits of the Company and that the necessary resolutions as per Section 293(1)(d) of the Act has been duly passed.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.

31. There was no prosecution initiated against or show cause notices received by the company and no fines and penalties or any other punishment was imposed on the company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted any Provident Fund and accordingly the provisions of the Section 418 of the Act are not applicable.

**For V.K.BAFNA & CO.,  
Company Secretaries,**

Place : Secunderabad  
Date : 04-08-2010

Sd/-  
(V.K.BAFNA)

**ANNEXURE - " A "**

(forming part of Compliance Certificate dated 04-08-2010)

**STATUTORY REGISTERS/RETURNS AS MAINTAINED BY THE COMPANY:**

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

**OTHER REGISTERS**

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

**ANNEXURE - " B "**

(forming part of Compliance Certificate dated 04-08-2010)

**FORMS & RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES, ANDHRA PRADESH, HYDERABAD, DURING THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2010.**

Sl. No.	Form No./	Filed Return	for U/s.	Date of Filing	Whether filed Within the Prescribed Time (Yes / No)	If delay in filing whether requisite fee paid (Yes / No)
1.	Form 23AC	220	F.Y.Ended 31-03-2009	10-10-2009	Yes	N.A.
2.	Form 66	383A	F.Y.Ended 31-03-2009	10-10-2009	Yes	N.A.
3.	Form 20B	159	AGM dated 30-09-2009	17-11-2009	Yes	N.A.
4.	Form 1(Inv)	Rule 3	Transfer of Unclaimed Divided To IEPF	17-11-2009	Yes	N.A.

## ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Code of Governance

The Company's philosophy of Corporate Governance aims at assisting the management of the Company in conducting its business efficiently and in meeting its responsibilities to all the stakeholders and to provide customer satisfaction through best quality at a reasonable price. It is towards this end that efforts are made to maintain high standards of disclosure to the shareholders and internal compliance guidelines for better Corporate Governance.

### 2. Board of Directors

#### a) The Board consists of 8 members comprising:

- 3 Independent Non-Executive Directors
- 3 Dependent Non-Executive Director
- 2 Executive Directors

#### Attendance Record : 2009-2010

Sl. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance in last AGM held on 30-09-2009
1	Mr. D.Suresh	Independent Non-Executive	4	Yes
2	Mr. Gowra Srinivas	Executive	5	Yes
3	Mr. Gowra L.Prasad	Executive	5	Yes
4	Mr. Gowra Lakshminarayana	Non-Executive	5	Yes
5	Mr. Gowra S. Rajagopal	Non-Executive	5	Yes
6	Mr. Soma Dayanand	Non-Executive	3	Yes
7	Mr. T.Shankar	Independent Non-Executive	4	Yes
8	Dr.T.G.Surendranath	Independent Non-Executive	1	No

**b) Number of other Directorships & Committee Memberships/ Chairmanships**

Sl. No.	Name of the Director	Other Directorships	Committee Memberships	Committee Chairmanships
1	Mr. D.Suresh	2	—	—
2	Mr. Gowra Srinivas	6	—	—
3	Mr. Gowra L.Prasad	4	—	—
4	Mr. Gowra Lakshminarayana	1	—	—
5	Mr. Gowra Rajagopal	1	—	—
6	Mr. Soma Dayanand	10	—	—
7	Mr. T.Shankar	1	—	—
8	Dr. T.G.Surendra Nath	—	—	—

As per the disclosures received from the directors, none of the directors serve as members of more than 10 committees nor are they chairman of more than 5 committees, as per the requirements of the Listing Agreement.

**c) Number of Board Meetings held and the date on which held:**

5 (Five) Board Meetings were held during the year. The maximum gap between any two meetings was not more than four months.

The dates on which the Board meetings were held are as follows:

26-06-2009	28-07-2009	30-09-2009	24-10-2009	28-01-2010
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**d) Board Agenda**

Agenda papers are circulated well in advance of the Board Meeting to the members. It contains important and adequate information facilitating deliberations at the meeting. The draft minutes are circulated to the Board members. These are approved at the next meeting after incorporating changes, if any, which are affirmed by the Chairman.

As a process of governance, the agenda also includes a review of the action taken / pending on the decisions of the Board of previous meeting(s).

**e) Pecuniary relationship or transactions of Non-Executive Directors:**

Apart from receiving directors remuneration, non-executive directors do not have any other material pecuniary relationship or transactions with the company, its promoters or its management, which in the judgment of the board may affect independence of judgment of the director.

**f) Code of Conduct for the Board & Senior Management Personnel :**

The Board laid down the Code of Conduct for all Board members and Senior Managerial Personnel of the Company. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect duly signed by Managing Director of the Company is attached herewith and forms Part of Corporate Governance Report.

**g) CEO/CFO Certification :**

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director and Whole-time Director have certified to the Board the financial statements for the year ended 31<sup>st</sup> March, 2010.

**3. Audit Committee:**

The Audit Committee comprises of 4 Non Executive Directors and is chaired by Mr.T.Shankar. Mr. Gowra Srinivas, Managing Director, Mr. Gowra L.Prasad, Executive Director, Statutory Auditors are permanent invitees to the meetings. Any other person/ Executive, where necessary, is also required to attend the meetings.

**Role :**

The terms of reference of the Audit Committee are as under :

- ❖ Recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment for any other services.
- ❖ Reviewing with the management the annual financial statements, before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e., transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.



- ❖ Reviewing the Quarterly and Annual financial statements and submit the same to the Board with recommendations, if any.
- ❖ Discussions with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.
- ❖ Reviewing the Company's financial and risk management policies.
- ❖ To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, share holders (in case of non-payment of declared dividends) and creditors.
- ❖ The Chairman of the Audit Committee shall attend the Annual General Meeting of the Company to provide any clarifications on matters relating to audit as may be required by the members of the Company.

The Committee met 4 times during the year 2009-2010 on June 29, 2009, July 28, 2009, October 24, 2009 and January 28, 2010. The attendance details of the members of the Committee are given below :

Sl. No.	Name of the Director	No. of Meetings attended
1.	Mr. T. Shankar	4
2.	Mr. D. Suresh	3
3.	Mr. Gowra S. Rajagopal	4
4.	Dr. T.G. Surendra Nath	1

#### **Remuneration Committee :**

The composition of Remuneration Committee is as follows :

- Dr. T.G. Surendranath - Chairman
- Mr. Soma Dayanand - Member
- Mr. Gowra S. Rajagopal - Member

During the year, no meeting of the Remuneration Committee took place.

#### **Remuneration of Directors :**

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



GOWRA GROUP

The details of remuneration paid to Executives and Non - Executive Directors during the year 2009-10 are as under :

(In Rupees)

Sl. No.	Name of the Director	Salary	Perquisites & Other benefits	Performance Bonus/ Commission	Sitting Fee	Total
1.	Mr. Gowra Srinivas	240000	144000	-	-	384000
2.	Mr. Gowra L. Prasad	180000	114000	-	-	294000
3.	Mr. D. Suresh	-	-	-	8000	8000
4.	Mr. T. Shankar	-	-	-	8000	8000
5.	Mr. Gowra S. Rajagopal	-	-	-	8000	8000
6.	Mr. Gowra Lakshminarayana	-	-	-	8000	8000
7.	Mr. Soma Dayanand	-	-	-	3000	3000
8.	Dr. T.G. Surendranath	-	-	-	2500	2500

**5. Shareholders/Investors Grievance Committee:**

The Shareholders/Investors Grievance Committee constituted by the Board of Directors and comprising of following Non-Executive Directors, inter-alia oversees the transfer of shares and redressal of Shareholders/Investors Grievances and other complaints.

- Mr Gowra S. Rajagopal - Chairman
- Mr. Soma Dayanand - Member
- Mr. Gowra Lakshminarayana - Member

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 1. There are no outstanding complaints as on 31st March, 2010.

The Committee had received and approved 7 request for transfer and 24 request for Dematerialisation of Physical Shares during the year under review. There were no transfers or demat request pending as on 31st March, 2010.

The Board has designated Mr. Gowra L.Prasad, as the Compliance Officer.

## 6. General Body Meetings:

a) Location and time of last 3 years Annual General Meetings of the Company were :

Year	Category	Location	Date	Time
2008-2009	AGM	Fortune Select Manohar Airport Exit Road, Begumpet, Hyderabad-500016.	30-09-2009	11.00 a.m.
2007-2008	AGM	"MOKSH", 5-4-187, Karbala Maidan, Necklace Road, Secunderabad-500003.	24-09-2008	5.00 p.m.
2006-2007	AGM	Raj Comfort Inn, 7-1-54/B, S.D. Road, Paradise Circle, Secunderabad-500003	26-09-2007	4.00 p.m.

b) No special resolution was put through postal ballot last year nor it is proposed to put any special resolution to vote through postal ballot this year.

## 7. Disclosures:

There was no materially significant transaction with related parties entered into by the Company with its promoters, Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large. The Register of Contracts contained the transactions in which Directors are interested is placed at the Board Meetings.

Disclosures on transactions with related parties as required under Accounting Standard 18 have been incorporated in the notes to the Accounts.

There were no strictures or penalties imposed on the Company by Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority for non-compliance of any matter related to capital markets, during the last three years.

The Implementation of the risk assessment and minimization procedure containing the project/potential risk areas, its intensity, its effects, causes and measures taken by the Company are reviewed by the Committee periodically.

**8. Means of Communication :**

Half yearly results sent to each household of shareholder	No, as the quarterly results of the Company are generally published in a leading English Newspaper & in a local language Newspaper.
Quarterly Results	-Do-
Newspapers in which Published	Financial Chronical (English) and Andhra Bhoomi (Telugu)
Website where the results and other official news releases are displayed	The results of the Company are being posted at Company's Website. The results are sent to the Stock Exchange, wherein the same is posted in their website.

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

A separate Report of Management discussion and analysis is attached as a part of the Annual Report.

**10. General Shareholder Information:**

**Annual General Meeting**

Date : 25-09-2010  
 Time : 11:00 am  
 Venue : Fortune Select Manohar,  
 Airport Exit Road, Begumpet,  
 Hyderabad – 500 016. Ph: 040-6654 3456

**Financial Calendar**

Quarter ended June, 2010	On or before August 15, 2010
Quarter ended September, 2010	On or before November 15, 2010
Quarter ended December, 2010	On or before February 15, 2011
Audited Results for the year ended March, 2011	On or before May 31, 2011

**Date of Book Closure** : 21-09-2010 to 25-09-2010

### Listing on Stock Exchange

Name of the Stock Exchange	Address	Scripe code / Scrip ID
Bombay Stock Exchange Limited (BSE)	25th Floor, P.J. Towers, Dalal Street, Mumbai - 400001	230709 GOWRALE

The Company has paid listing fees to BSE for the year 2010-11.

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

Market Price Data (BSE) in the last financial year :

Month	High (Rs.)	Low (Rs.)
Apr, 2009	13.00	11.50
May, 2009	16.06	10.99
Jun, 2009	19.65	15.80
Jul, 2009	18.40	14.80
Aug, 2009	18.90	16.35
Sep, 2009	20.85	16.90
Oct, 2009	17.45	14.10
Nov, 2009	16.70	14.00
Dec, 2009	19.10	14.50
Jan, 2010	19.60	16.00
Feb, 2010	18.45	15.65
Mar, 2010	19.30	17.50

**Registrar & Share Transfer Agent** : **Sathguru Management Consultants Pvt.Ltd.**

Plot No.15, Hindi Nagar Colony,  
Behind Sai Baba Temple, Punjagutta,  
Hyderabad - 500 034.

**Share Transfer System** :

Share transfer requests, which are received in physical form are processed and the share certificates returned within a period of 15 days in most cases, and in any case within 30 days, from the date of receipt, subject to the documents being in order and complete in all respects.

### Shareholding Pattern as on 31st March, 2010

Sl.No.	Category	No.of Shares held	Percentage to Total issued Shares
1.	Promoters	17,53,636	58.45
2.	Mutual Funds	—	—
3.	Banks/FI	—	—
4.	Private Corporate Bodies	10,294	0.34
5.	Public	12,18,570	40.62
6.	NRIs/OCBs	17,800	0.59
	<b>TOTAL</b>	<b>30,00,300</b>	<b>100.00</b>

### Distribution of Shareholding Pattern as on 31st March, 2010.

Share or Debentures Holding of nominal value of	Share/Debentures Holders		Share/Debenture Amount	
	Number	% of Total	In Rs.	% of Total
(1)	(2)	(3)	(4)	(5)
Upto-5000	888	56.42	2834820	9.45
5001-10000	355	22.55	3195100	10.65
10001-20000	138	8.77	2164190	7.21
20001-30000	67	4.26	1648660	5.49
30001-40000	23	1.46	851480	2.84
40001-50000	31	1.97	1460490	4.87
50001-100000	40	2.54	3495940	11.65
100001 and above	32	2.03	14352320	47.84
<b>Total</b>	<b>1574</b>	<b>100.00</b>	<b>3,00,03,000</b>	<b>100.00</b>

### Dematerialization of Shares & Liquidity :

The trading in Company's shares is permitted only in dematerialised form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with NSDL and CDSL.

### Share Dematerialisation Records :

The following data indicates the extent of Dematerialisation of Company's shares as on 31st March, 2010 :

No. of Shares holders in dematerialisation form	373	23.70% of the total no. of share holders
No. of Shares in Demat form	9,70,585	32.35% of the total Share Capital

**Outstanding GDRs/ADRs/Warrant or any convertible instruments, conversion date and likely impact on Equity:** The Company has not issued any of these instruments till date.

### Address for Correspondence :

Sl. No	Shareholders Correspondence for	Addressed to
1.	Transfer/Dematerialization/Consolidation/Split of Shares, Issue of Duplicate Share Certificate, Change of Address of members and beneficial owners and any other query relating to the shares of the Company	<b>M/s. Sathguru Management Consultants Pvt. Ltd.,</b> Plot No.15, Hindi Nagar Colony, Behind Sai Baba Temple, Punjagutta, Hyderabad-500034. Phone : 23356507/23356975 Fax : 23354042 Email : sta@sathguru.com
2.	Investor Correspondence/Query on Annual Report	<b>Mr. GOWRA L.PRASAD</b> Compliance Officer Gowra Leasing & Finance Ltd., No.501, 5 <sup>th</sup> Floor, Gowra Grand, S.P.Road, Begumpet, Secunderabad - 500016. Phone : 040-27843086 /27846275 Fax : 040- 27816817 Email : glfl@gowra.net

## **Depository Services :**

For guidance on depository services, Shareholders may write to the Company or to the respective Depositories :-

### **National Securities Depository Ltd.**

Trade World, 4th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai-400013.  
Tel : 091-022-24972964-70  
Fax: 091-022-24972993/24976351  
Email : [info@nsdl.co.in](mailto:info@nsdl.co.in)

### **Central Depository Services (India) Ltd.**

Phiroze Jeejeebhoy Towers,  
28th Floor, Dalal Street,  
Mumbai-400023.  
Tel : 091-022-22723333  
Fax : 091-022-22723199  
Email : [investors@cDSLindia.com](mailto:investors@cDSLindia.com)

## **11. Secretarial Audit for Reconciliation of Capital :**

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

## **12. Nomination Facility:**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company the prescribed Form 2B for this purpose.

## **13. Company's Policy on prevention of Insider Trading:**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company had framed a Code of Conduct for prevention of insider trading. Mr.Gowra L. Prasad had been appointed as the Compliance Officer for the purpose. The code is applicable to all the Board Members and Senior Management of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

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

Name	<b>Mr. SOMA DAYANAND</b>
Date of Birth	30-09-1946
Date of Appointment	26-09-2007
Qualification	Graduate-Electrical Engineering
Directorship held in other Companies	Parvatavardhini Power Pvt. Ltd. Sreyas Infra Ventures Pvt. Ltd. Soma Power Projects Pvt. Ltd. Sindhura Power Projects Pvt. Ltd. Superna Power Projects Pvt. Ltd. Srija Power Projects Pvt. Ltd. Supraja Power Projects Pvt. Ltd. Prajeet Investment & Fin. Pvt. Ltd. Pravara Finance & Investments Pvt. Ltd. Sreyas Holistic Remedies Pvt. Ltd.
Membership/Chairmanships of Committees across public Companies	- NIL -
Brief Profile covering experience, achievements etc.	<b>Mr. Soma Dayanand, aged about 64 years</b> is a graduate in Electrical Engineering. He has expert domain knowledge in Power Generation Sector, Banking and Industry. He was on the board of The Vysya Bank Ltd. (Presently known as ING Vysya Bank Ltd.) for 14 years
Shares held in the Company	3000 Equity Shares



**GOWRA GROUP**

**GOWRA  
LEASING &  
FINANCE  
LIMITED**

Name	<b>Mr. GOWRA SURYA PRAKASH</b>
Date of Birth	01-07-1952
Date of Appointment	11-08-2010
Qualification	ME (Structures)
Directorship held in other Companies	Gowra Petrochem Private Limited
Membership/Chairmanships of Committees across public Companies	- NIL -
Brief Profile covering experience, achievements etc.	Mr. Gowra Surya Prakash, aged about 58 years is a ME (Structures) with a distinction from Andhra University. He has 30 years of Business experience in the fields of Dyes, Chemicals, Metals, Polymers and PVC.
Shares held in the Company	9600 Equity Shares

Name	<b>Dr. T.G.SURENDRANATH</b>
Date of Birth	01-07-1942
Date of Appointment	30-04-2005
Qualification	M.Sc., Ph.D
Directorship held in other Companies	- Nil -
Membership/Chairmanships of Committees across public Companies	- Nil -
Brief Profile covering experience, achievements etc.	He is a Post Graduate in Chemistry with Doctorate. He has extensive experience in the Chemical and Finance Industry and held various important positions in difference companies.
Shares held in the Company	500 Equity Shares

### **DECLARATION UNDER CODE OF CONDUCT**

As required under Clause 49(ID) of the Listing Agreement, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year 2009-2010.

Date : 24-05-2010  
Place : Secunderabad

Sd/-  
**(GOWRA SRINIVAS)**  
Managing Director



## **MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW:**

Gowra Leasing & Finance Ltd was set up in the year 1993 to act as financier to the private sector. Over the past 17 years, the Company has grown with a focus.

The finance sector in India continues to remain sound, healthy, adequately capitalized and well regulated. Various agencies have estimated the GDP growth for the year 2010-11 as bright.

### **OPPORTUNITIES AND THREATS:**

The growth opportunity of your Company is going to be consistent since finance sector in India is unharmed from the financial crisis happened outside the country. Major risk of finance sector is NPAs, which your Company is able to handle effectively due to cautious approach of the management.

### **OUTLOOK**

Your Company's main outlook is to protect the interest of its shareholders and to create value for them.

### **RISKS AND CONCERNS**

The Company has a proactive approach towards risk management. The risk philosophy involves developing and maintaining a healthy port folio within its risk appetite and regulatory frame work. The Board of Directors of the company is primarily responsible for laying down risk parameters and establishing an integrated risk management and control system. The Company's Board approves Risk Management policies and also sets out limits taking into account the risk appetite of the Company and the skills available for managing the risks.

### **INTERNAL CONTROL SYSTEMS**

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. Internal controls are supplemented by an extensive program of internal audits, review by management and documented policies, guidelines and procedures. These controls are designed to ensure that financial and other records are reliable for preparing financial information and other reports, and for maintaining regular accountability of the Company's assets.

## HUMAN RESOURCES:

Your Company maintains a cordial and harmonious relationship with its employees. The productivity of staff of the Company has been consistently increasing.

## KNOW YOUR CUSTOMER AND ANTI MONEY LAUNDERING

Your Company has a policy on Know Your Customer and Anti-money Laundering in place as per the guidelines issued by Reserve Bank of India. The guidelines are incorporated in the frame work of the Company's policy.

## ASSET QUALITY MANAGEMENT

Your Company took pro active measures to maintain the asset quality. During the year of operation, NPAs are nil.

## CORPORATE SOCIAL RESPONSIBILITY

Being an integral part of the society, your Company is aware of its corporate responsibility and extended its helping hand by donating an amount of Rs.5,00,000/- to Chief Minister's Relief Fund of Andhra Pradesh to help Kurnool flood victims.

## COMPLIANCE FUNCTION

Compliance is an essential and critical process, aimed at mitigating the risk to the business. Your Company is having a commitment of adhering to the highest compliance standards in line with various statutes, regulatory bodies and various laws existing in place.

## TRANSPARENCY IN SHARING INFORMATION.

Your Company believes in total transparency in sharing information about its business operations with all its stake holders.

## CAUTIONARY STATEMENT:

The statements made in this report describing the Company's projections expectations and estimations may be forward looking within the meaning of applicable securities, laws and regulations. These statements are based on certain assumptions and expectations of future events. The actual results may differ from those expressed or implied in this report due to the influence of external and internal factors beyond the control of the Company. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.



GOWRA GROUP

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

## CERTIFICATE

To the Members  
**Gowra Leasing & Finance Limited.**

We have examined the compliance of conditions of Corporate Governance by **Gowra Leasing & Finance Limited** for the year ended March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

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

**For DAGLIYA & COMPANY,  
Chartered Accountants,**

Date : 24-05-2010  
Place : Secunderabad

**Sd/-  
(JITENDRA KUMAR JAIN)  
Partner  
M.No. 18398**

## **AUDITOR'S REPORT**

The Members of  
**GOWRA LEASING & FINANCE LIMITED**

1. We have audited the attached Balance Sheet of Gowra Leasing & Finance Limited as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii. In our opinion, proper books of account, as required by law, have been kept by the Company, so far as it appears from our examination of those books;
  - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
- ii) in the case of the Profit & Loss Account, of the profit of the Company, for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Dagliya & Co.,  
Chartered Accountants,  
(F.R.N. 671 S)

Place: Secunderabad  
Date : 24.05.2010

Sd/-  
(Jitendra Kumar Jain)  
Partner  
M.No: 18398

**ANNEXURE TO AUDITOR'S REPORT**  
(Referred to in paragraph 3 of our report of even date to the members of Gowra Leasing & Finance Limited)

1. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed such verification
  - c. Fixed assets disposed of during the year were not material enough to affect the going concern identity of the Company.
2. There was no opening or closing stock of inventory nor was there any purchases during the year. Hence clause Nos (ii)(a), (b) and (c) of paragraph 4 of the order are not applicable to the Company.
3.
  - a. According to the information and explanations given to us, the Company has taken loan from five parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.219.95 lakhs, and the year end balance of loan taken from such parties was Rs.58.37 lakhs.
  - b. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from firms or parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie , prejudicial to the interest of the company.
  - c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable.
  - d. There is no overdue amount of loans taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

- 5 a. Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits as defined under the Companies Act 1956 during the year and the Board of Directors of the Company has passed a resolution for the non-acceptance of any public deposits. The Company has complied with the directions issued by the R.B.I and N.B.F.C (Reserve Bank of India directions, 1988).
7. In our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.
8. As per the information given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of any activity of the Company. Accordingly paragraph 4(viii) of the order is not applicable.
9. In respect of statutory dues:
- a. According to the records of the Company and as per the information and explanations given to us, the company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, service tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as are applicable to the company, with the appropriate authorities during the year.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty and cess were in arrears as at 31.03.10 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

10. The Company does not have any accumulated losses at the end of the financial year, nor had it incurred any cash losses during the financial year under audit or in the immediately preceding financial year.
11. According to the records of the Company and as per the information and explanations given to us, the company has not taken any loans and borrowings from any financial institution or bank nor issued any debentures.
12. In our opinion, the company has maintained adequate records in cases where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Accordingly, paragraph 4(xiii) of the order is not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loans during the year.
17. The Company has not raised funds on short term/long term basis during the year covered by our audit. Hence the question of the usage of such funds does not arise.
18. The Company has not made any preferential allotment of shares during the period under audit to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any secured debentures during the year.
20. The Company has not raised any money by public issue during the year under audit.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

Place: Secunderabad  
Date : 24.05.2010

For Dagliya & Co.,  
Chartered Accountants,  
(F.R.N. 671 S)  
Sd/-  
(Jitendra Kumar Jain)  
Partner  
M.No: 18398

**BALANCE SHEET AS AT 31.03.2010**

		SCHE DULE	AS AT 31.03.2010 Rs.		AS AT 31.03.2009 Rs.	
I.	<b>SOURCES OF FUNDS:</b>					
1	<b>SHARE HOLDER'S FUNDS</b>					
i)	Equity Capital	"A"		30,003,000		30,003,000
ii)	Reserves & Surplus	"B"		67,625,279		59,167,844
2	<b>LOAN FUND</b>					
i)	Unsecured Loans	"C"		5,837,454		5,994,838
	<b>TOTAL</b>			<b>103,465,733</b>		<b>95,165,682</b>
II.	<b>APPLICATION OF FUNDS</b>					
i)	Fixed Assets	"D"				
	Gross Block		12,264,825		12,764,825	
	Less: Depreciation to date		929,362	11,335,463	1,332,495	11,432,330
ii)	Investments	"E"		738,256		238,256
iii)	Deferred Tax Asset (Net)			499,384		536,822
iv)	Current Assets, Loans & Advances	"F"	97,505,853		87,410,664	
	Less: Current Liabilities & Provisions	"G"	6,613,223		4,452,390	
	<b>NET CURRENT ASSETS</b>			90,892,630		82,958,274
	<b>TOTAL</b>			<b>103,465,733</b>		<b>95,165,682</b>
	Significant Accounting Policies and Notes to Accounts	"J"				

As per our Report of even date.  
For DAGLIYA & CO.  
Chartered Accountants  
(F.R.N. 671 S)

For and on Behalf of the Board

Sd/-  
(JITENDRA KUMAR JAIN)  
(Partner)  
M.No. 18398

Sd/-  
(GOWRASRINIVAS)  
Managing Director

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

Place: Secunderabad  
Date : 24.05.2010

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

	SCHEDULE	FOR THE YEAR ENDED 31.03.2010 Rs.	FOR THE YEAR ENDED 31.03.2009 Rs.
<b>INCOME</b>			
<b>FROM FINANCE ACTIVITY:</b>			
Interest (TDS Rs.31,90,026 PY:Rs.39,05,898)		20,932,736	17,574,731
Dividend		9,901	7,542
Profit on sale of Fixed Assets		-	1,578,240
Other Income		2,455,540	724,238
		<b>23,398,177</b>	<b>19,884,751</b>
<b>EXPENDITURE</b>			
Salaries & Other benefits to Employees	"H"	971,862	201,339
Administrative & Other Expenses	"I"	2,434,351	1,751,291
Auditor's Remuneration		41,363	19,854
Depreciation	"C"	96,867	93,113
	<b>TOTAL</b>	<b>3,544,443</b>	<b>2,065,597</b>
Net Profit Before Tax		19,853,734	17,819,154
Less: Provision for Current Tax		6,814,561	5,604,988
Less: Provision for Deferred Tax		37,438	170,180
Provision for FBT		-	10,577
		<b>13,001,735</b>	<b>12,033,409</b>
Less: Taxation adjustment for earlier years		332,059	591
Net Profit After Tax		<b>12,669,676</b>	<b>12,032,818</b>
Add: Surplus in P&L A/c. as per last Balance Sheet		37,226,562	32,414,190
Balance available for appropriation		<b>49,896,238</b>	<b>44,447,008</b>



GOWRA GROUP

**GOWRA  
LEASING &  
FINANCE  
LIMITED**

	SCHEDULE	FOR THE YEAR ENDED 31.03.2010 Rs.	FOR THE YEAR ENDED 31.03.2009 Rs.
<b>APPROPRIATIONS:</b>			
General Reserve		316,742	601,641
Statutory Reserve		2,533,935	2,406,564
Proposed Dividend		3,600,360	3,600,360
Dividend Tax		611,881	611,881
Surplus carried to Balance Sheet		42,833,320	37,226,562
		<b>49,896,238</b>	<b>44,447,008</b>
Earnings per Share of Rs.10/- each fully paid up (Basic & Diluted)		4.22	4.01
Significant Accounting Policies and Notes to Accounts	"J"		

As per our Report of even date.  
For DAGLIYA & CO.  
Chartered Accountants  
(F.R.N. 671 S)

For and on Behalf of the Board

Sd/-  
(JITENDRA KUMAR JAIN)  
(Partner)  
M.No. 18398

Sd/-  
(GOWRA SRINIVAS)  
Managing Director

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

Place: Secunderabad

Date : 24.05.2010

**Schedules attached to and forming part of the Balance Sheet as at 31-03-2010**

	AS AT 31.03.2010 Rs.		AS AT 31.03.2009 Rs.	
<b>SCHEDULE "A"</b>				
<b><u>SHARE CAPITAL</u></b>				
<b><u>Authorised</u></b>				
50,00,000 (Prev. yr. 50,00,000) Equity Shares of Rs.10/- each		<b>50,000,000</b>		<b>50,000,000</b>
<b><u>Issued, Subscribed &amp; Paid up:</u></b>				
30,00,300 ( P.Y 30,00,300) Equity Shares of Rs.10/- each fully paid up.		30,003,000		30,003,000
		<b>30,003,000</b>		<b>30,003,000</b>
<b><u>SCHEDULE "B"</u></b>				
<b><u>RESERVES &amp; SURPLUS:</u></b>				
i) General Reserve				
Balance as per last B/S	2,238,372		1,636,731	
Add: Transfer from surplus in profit & loss a/c	316,742	2,555,114	601,641	238,372
ii) Statutory Reserve :				
Balance as per last balance sheet	19,702,910		17,296,346	
Add: Transfer from surplus in profit & loss a/c	2,533,935	22,236,845	2,406,564	19,702,910
iii) Surplus in Profit & Loss a/c		42,833,320		37,226,562
		<b>67,625,279</b>		<b>59,167,844</b>
<b><u>SCHEDULE "C"</u></b>				
<b><u>UNSECURED LOANS</u></b>				
Unsecured Loans				
- From Directors		3,131,974		5,994,838
- Inter Corporate Deposits		2,705,480		-
		<b>5,837,454</b>		<b>5,994,838</b>

**Schedules attached to and forming part of the Balance Sheet as at 31-03-2010**

	<b>AS AT 31.03.2010</b>	<b>AS AT 31.03.2009</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>SCHEDULE "E"</b>		
<b>INVESTMENTS (NON TRADE)</b>		
<b>LONG TERM</b>		
<b>(A) QUOTED ( OTHERS)</b>		
<b>EQUITY SHARES:</b>		
1 Jaysynth Dyechem Ltd 100 Equity Shares of Rs. 10/- each fully paid up	13500	13500
2 Oriental Bank of Commerce 300 Equity Shares of Rs. 10/- each fully paid up	3000	3000
3 Indofrench Biotech Enterprises Limited 200 Equity Shares of Rs. 10/- each fully paid up	2000	2000
4 SIRIS Limited 100 Equity Shares of Rs. 10/- each fully paid up	27500	27500
5 Jayaswals Neco Limited 200 Equity Shares of Rs. 10/- each fully paid up	16000	16000
6 Finolex Industries Limited 300 Equity Shares of Rs. 10/- each fully paid up	11616	11616
7 Glenmark Pharmaceuticals Limited 500 Equity Shares of Rs. 2/- each fully paid up	20000	20000
8 Pertech Computer Limited 100 Equity Shares of Rs. 10/- each fully paid up	2810	2810
9 Jolly Rides Limited 99,900 Equity Shares of Rs. 10/- each fully paid up	10490	10490
10 Andhra Bank Limited 1065 Equity Shares of Rs. 10/- each fully paid up	95850	95850



	AS AT 31.03.2010 Rs.		AS AT 31.03.2009 Rs.	
11 Entertainment Network India Limited 40 Equity Shares of Rs.10/- each fully paid up	6480		6480	
<b>MUTUAL FUND</b>				
SBI Mutual Fund - Magnum Multiplier 3335.112 Units - fully paid up	500000		0	
Aggregate Market Value Rs.4.27lakhs (p.y Rs.2.25 Lakhs)	<b>709246</b>		<b>209246</b>	
Less: Provision for diminution in Value of investments	40990		40990	
		668256		168256
<b><u>B. UNQUOTED</u></b>				
1 DHFL Vysya Bank Housing Fin. Limited 2000 Equity Shares of Rs.10/- each fully paid up	70000	70000	70000	70000
<b>TOTAL INVESTMENTS (A+B)</b>		<b>738256</b>		<b>238256</b>

**SCHEDULE "D"  
SCHEDULE OF FIXED ASSETS ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH '2010**

Sl.No.	Particulars	GROSS BLOCK			DEPRECIATION			NET DEPRECIATED BLOCK			
		Gross Block As At 31-03-2009	Additions	Sales / Adjust	Gross Block As At 31-03-2010	Written Off Up to 31-03-2009	Depreciation During The Year	Depreciation On Account of Sales / Adjustment	Total Depreciation Up to 31-03-2010	As At 31-03-2010	As At 31-03-2009
1	Land	10,209,175.00			10,209,175.00	-	-		-	10,209,175.00	10,209,175.00
2	Flat	1,094,741.00			1,094,741.00	164,637.00	17,844.00		182,481.00	912,260.00	930,104.00
3	Furniture & Fixtures	602,680.00			602,680.00	425,036.00	38,150.00		463,186.00	139,494.00	177,644.00
4	Office Equipments	150,049.00			150,049.00	102,789.00	7,127.00		109,916.00	40,133.00	47,260.00
5	Computers	106,630.00			106,630.00	63,729.00	17,285.00		81,014.00	25,616.00	42,901.00
6	Computer Software	87,750.00			87,750.00	68,803.00	14,224.00		83,027.00	4,723.00	18,947.00
7	TVSE MSP 355 XL Printer	13,800.00			13,800.00	7,501.00	2,237.00		9,738.00	4,062.00	6,299.00
<b>INTANGIBLE ASSETS:</b>											
1	Franchise (Akiko Callnet)	500,000.00		500,000.00	-	500,000.00		500,000.00			
		<b>12,764,825.00</b>		<b>500,000.00</b>	<b>12,264,825.00</b>	<b>1,332,495.00</b>	<b>96,867.00</b>	<b>500,000.00</b>	<b>929,362.00</b>	<b>11,335,463.00</b>	<b>11,432,330.00</b>
	Previous Year	10,615,375.00	10,233,325.00	8,083,875.00	12,764,825.00	9,192,747.00	93,113.00	7,953,365.00	1,332,495.00	11,432,330.00	

**Schedules attached to and forming part of the Balance Sheet as at 31-03-2010**

	AS AT 31.03.2010 Rs.		AS AT 31.03.2009 Rs.	
<b>SCHEDULE "F"</b>				
<b>A. CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
<b>I. CURRENT ASSETS</b>				
<b>i) DEBTORS (FINANCE)</b>				
a) Outstanding for more than six months (considered doubtful)	808,175		936,322	
b) Other Debts (Secured and Considered Good)	71,725,709		85,638,034	
c) Other Debts (Unsecured and Considered Good)	21,766,227		-	
	94,300,111		86,574,356	
Less : Provision for non performing assets	808,175	93,491,936	936,322	85,638,034
<b>ii) TRADE DEBTORS: (Unsecured &amp; Considered Good)</b>				
a) Outstanding for more than six months	-		23,815	
b) Other Debts	-		-	23,815
<b>CASH &amp; BANK BALANCES</b>				
a) Cash on Hand		65,618		26,663
b) Balances with Scheduled Banks				
l) In Current Accounts		3,555,737		937,473

Schedules attached to and forming part of the Balance Sheet as at 31-03-2010

	AS AT 31.03.2010		AS AT 31.03.2009	
	Rs.		Rs.	
<b>II) LOANS &amp; ADVANCES</b> <b>(Unsecured &amp; Considered Good)</b>				
1 Advances (recoverable in cash or in kind or for value to be received)		12,500		17,057
2 Tax Deducted at Source	-		332,060	
3 Advance Income Tax & FBT	380,062		380,062	
4 Deposits	-	380,062	55,500	767,622
		<b>97,505,853</b>		<b>87,410,664</b>
<b><u>SCHEDULE: "G"</u></b>				
<b><u>CURRENT LIABILITIES &amp; PROVISIONS:</u></b>				
<b><u>A CURRENT LIABILITIES:</u></b>				
Other Liabilities		1,601,832		91,304
Total 'A'		1,601,832		91,304
<b><u>B. PROVISIONS:</u></b>				
i) Provision for Income Tax (Net)	728,635		99,090	
ii) FBT	-		7,745	
iii) Provision for Gratuity	70,515		42,010	
iv) Proposed Dividend	3,600,360		3,600,360	
v) Provision for Dividend Tax	611,881		611,881	
Total 'B'		5,011,391		4,361,086
Amounts due and outstanding to be credited to investor Education and Protection Fund - Nil (p.y Nil)				
Total 'A+B'		<b>6,613,223</b>		<b>4,452,390</b>

**Schedules attached to and forming part of the Balance Sheet as at 31-03-2010**

	<b>AS AT 31.03.2010</b>	<b>AS AT 31.03.2009</b>
	<b>Rs.</b>	<b>Rs.</b>
<b><u>SCHEDULE : "H"</u></b>		
<b>SALARIES &amp; OTHER BENEFITS</b>		
1 Salaries & Allowances	908,000	180,000
2 Contribution to Provident Fund	26,722	10,378
3 Staff Welfare Expenses	3,355	3,068
4 Profession Tax	5,280	1,940
5 Gratuity	28,505	5,953
	<b>971,862</b>	<b>201,339</b>
<b><u>SCHEDULE "I"</u></b>		
<b><u>ADMINISTRATIVE &amp; OTHER EXPENSES:</u></b>		
1 Advertisement Expenses	44,854	65,358
2 Legal & Professional Charges	121,817	97,154
3 Postage, Telephones & Internet Charges	38,906	23,390
4 Printing & Stationery	49,275	52,471
5 Rates & Taxes	44,983	89,097
6 Subscription	25,938	34,074
7 Bank Commission	4,301	22,624
8 Donation	500,000	100,001
9 Miscellaneous Expenses	19,491	64,517
10 Vehicle Maintenance	14,339	14,328
11 Directors Sitting Fees	37,500	22,000
12 Office Maintenance	3,539	5,280
13 Interest	241,401	219,862
14 Rent	330,908	4,500
15 Travelling & Conveyance Expenses	206,542	129,824
16 Directors Remuneration	678,000	678,000
17 Sundry Balances Written Off	72,557	-
18 Sales Tax (00-01)	-	128,811
	<b>2,434,351</b>	<b>1,751,291</b>

**Schedule 'J'**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART  
OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

**A. Significant Accounting Policies**

**i. Method of Accounting**

- a. The Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956.
- b. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the directions issued by the Reserve Bank of India in terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, as applicable to it.

- ii. **Fixed Assets**: Fixed Assets are stated at cost, less accumulated depreciation and impairment loss if any. All costs which are incidental to the acquisition/ installation of the fixed assets are capitalized.
- iii. **Intangible Assets**: Intangible assets are stated at cost of acquisition less accumulated amortization.
- iv. **Depreciation**: Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- v. **Impairment of Assets**:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable

amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**vi. Income Recognition**

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

**vii. Employee Benefits:**

- a. **Defined Contribution Plans:** The company has defined contribution plans for employees, comprising of Government administered Employees Provident Fund. The contribution paid/payable to this plan during the year is charged to the Profit & Loss Account for the year. There are no other obligations other than the contribution payable to P.F.

**b. Defined Benefit Plans:**

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

**c. Short term Employee Benefits:**

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

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

- ix. **Taxation:** Provision for current tax is made on the basis of tax payable in respect of taxable income for the period in accordance with the provisions of the Income Tax Act, 1961. The deferred tax is calculated for timing difference between the book profit and tax profit for the year which is accounted for using the tax rates and tax laws that have been enacted or substantively enacted as at the Balance Sheet date. Deferred Tax Asset arising from the timing difference is recognized to the extent that there is virtual certainty that the asset will be realized in future.
- x. **Provisions, Contingent Liabilities and Contingent Assets:** The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation.

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

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

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

**B. NOTES TO ACCOUNTS:**

- i. Contingent liabilities not provided for: Nil (p.y nil)

- ii. Break up of Auditor's Remuneration

	<b>Amount in Rupees</b>	
	<b><u>For the year</u></b> <b><u>Ended 31.03.10</u></b>	<b><u>For the year</u></b> <b><u>Ended 31.03.09</u></b>
1. Audit Fee	33090.00	16,545.00
2. Tax Audit Fees	8273.00	3,309.00
	41363.00	19854.00
	41363.00	19854.00

iii. Legal & Professional charges include Rs. 24817/- (p.y. Rs. 31854/-) paid to statutory auditors towards Tax Representation Fee.

iv. Directors' Remuneration:

( Amount in Rupees )

	<u>For the year</u> <u>Ended 31.03.10</u>	<u>For the year</u> <u>Ended 31.03.09</u>
1. Remuneration to Managing Director	3,84,000.00	3,84,000.00
2. Remuneration to Whole time Director	2,94,000.00	2,94,000.00
	6,78,000.00	6,78,000.00
3. Directors' Sitting Fee	37,500.00	22,000.00

v. Earning per share in accordance with Accounting Standard (AS-20) issued by the Institute of Chartered Accountants of India

	<u>For the year</u> <u>2009-10</u>	<u>For the year</u> <u>2008-09</u>
Net Profit after tax	1,26,69,676.00	1,20,32,818.00
Weighted Average No. of Equity Shares	30,00,300	30,00,300
Earnings per share (Basic & Diluted)	4.22	4.01

vi. Major components of deferred tax assets / (Liabilities) are: ( Amount in Rupees )

S.No.	Particulars	As at 31.03.09	Movement during the year	As at 31.03.09
1	Deferred Tax Assets/Liabilities:			
	1.Relating to Fixed Assets	204287	(-)3570	200717
	2.Provision for Gratuity	14279	(+ )9689	23968
	3.Provision for Non-performing Assets	318256	(-)43557	274699
	Deferred Tax Asset (Net)	536822	(-)37438	499384

vii. The company does not have any non cancellable lease arrangements. Office premises are taken on operating lease and such lease rentals are charged to revenue on accrual basis.

viii. **Related Party Disclosures:**

Disclosures as required by the Accounting Standard (AS-18)

"Related party disclosures are given below:

1. Names of related parties and description of the relationship

- a. Associates :
1. M/s.Gowra Ventures Pvt. Ltd.
  2. M/s Gowra Petrochem Pvt. Ltd.
  - 3 M/s G.S. Orangics
- b. Key Management Personnel:
1. Mr. G.Srinivas – Managing Director
  2. Mr. G.L.Prasad – Executive Director
- c. Relatives of key Management Personnel :
1. Mr. G. S. Rajagopal
  2. Mr. G. Laxminarayana
  3. Mrs. G. S. Sabitha

2. Related Party Transactions: ( Amount in Rupees )

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid	- (4,500)	82,727 (-)	82,727 (-)	1,65,454 (4,500)
Remuneration paid to Directors	-	6,78,000 (6,78,000)	-	6,78,000 (6,78,000)
Director Sitting Fees	61,644 (1,61,918)	-	16,000 (6,000)	16,000 (6,000)
Interest Paid	-	86,556 (6,986)	93,018 (50,958)	2,41,218 (2,19,862)
Interest Received on Capital & Others	- (21,07,941)	-	-	- (21,07,941)
Balance Due by the Company as on 31.03.10	27,05,480 (-)	71,613 (5,00,000)	30,60,361 (54,94,838)	58,37,454 (59,94,838)

\* Figures in brackets represent figures of previous year

- ix. **Segment Reporting:** During the year the Company was engaged only in Investment and Financing activities and its activities were confined to India. Hence there are no reportable segments of the Company.
- x. No enterprises have been identified as a “supplier” under the Micro, Small and Medium Enterprises Development Act, 2006. The aforesaid identification has been done on the basis of information, to the extent provided by the vendors to the Company.
- xi. Balances under the head Debtors, Loans & Advances and other liabilities are subject to confirmation from the respective parties.
- xii. **Impairment of Assets:** The company has carried out an impairment test as per ‘Accounting Standard – 28’, issued by I.C.A.I on all the assets and no provision was found to be required towards impairment of assets for the period ending 31<sup>st</sup> March, 2010.
- xiii. The Company has provided for its gratuity liability on accrual basis on the basis of completed years of service as provided under the Payment of Gratuity Act. However, the provisions of Payment of Gratuity Act, do not apply to the Company, since the Company does not employ the requisite number of employees as required under the Payment of Gratuity Act.
- xiv. Figures have been rounded off to the nearest rupee.
- xv. Previous year figures have been regrouped / recasted / reclassified / rearranged wherever deemed necessary to conform with current year’s classification.
- xvi. Current Assets Loans & Advances are approximately of the value as stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of the amount considered reasonably necessary.
- |  |         |         |
|--|---------|---------|
|  | 2009-10 | 2008-09 |
| xvii. Expenditure in Foreign Currency                        | Nil     | Nil     |
| xviii. Earnings in Foreign Exchange<br>-FOB Value of Exports | Nil     | Nil     |
- xix. Additional information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI to the Companies Act, 1956 – Quantitative Particulars – N.A.



**GOWRA GROUP**

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

xx. Schedules "A" to "J" form integral part of accounts.

"As per our Report of even dated attached"

For DAGLIYA & CO  
Chartered Accountants,  
(F.R.N. 671 S)

Sd/-  
(JITENDRA KUMAR JAIN)  
Partner  
M.No. 18398

For and on Behalf of the Board

Sd/-  
(GOWRA SRINIVAS)  
Managing Director

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

**SCHEDULE VI  
PART IV**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE**

**A. Registration Details**

Registration No.	15349	State Code	01
Balance Sheet Date	31.03.2010		

**B. Capital Raised during the year (Amount in Rs.Thousands)**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**C. Position of Mobilisation and Deployment of Funds  
(Amount in Rs.Thousands)**

Total Liabilities	103,466	Total Assets	103,466
-------------------	---------	--------------	---------

**Sources of Funds**

Paid-up Capital	30,003
Reserve & Surplus	67,626
Unsecured Loans	5,837
Share Application Money	-

**Application of Funds**

Net Fixed Assets	11,336
Investments	738
Net Current Assets	90,893
Deferred Tax Assets	499

**D. Performance of Company (Amount in Rs.Thousands)**

Turnover	23,398	Total Expenditure	3,544
Profit Before Tax	19,854	Profit After Tax	12,670
Earning per Share (in Rs.)	4.22	Dividend Rate	12%

**E. Generic Names of Three Principal Products/Services of Company  
(As per monetary terms)**

<u>Product Description</u>	<u>Item Code No.(ITC Code)</u>
1. Loans & I.C.Ds	- N.A.-
2. Investments	
3. Bill Discounting	



GOWRA GROUP

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

As per our Report of even date.  
For DAGLIYA & CO.  
(Chartered Accountants)  
(F.R.N.671 S)

For and on Behalf of the Board

Sd/-  
(JITENDRA KUMAR JAIN)  
(Partner)  
M.No. 18398

Sd/-  
(GOWRA SRINIVAS)  
Managing Director

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

Place: Secunderabad  
Date : 24.05.2010



GOWRA GROUP

**GOWRA**  
**LEASING &**  
**FINANCE**  
**LIMITED**

**CASH FLOW STATEMENT**

(Rs. in '000)

Sl. No.	Particulars	2009 - 10		2008 - 09	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
1	Net Profit/(Loss) before Tax and Extraordinary Items		19,854		17,819
2	<u>Adjustments for:</u>				
	- NPA Provision (Decreased) / Increased	(128)		(719)	
	- Depreciation	97		93	
	- Dividend received	(10)		(8)	
	- Gratuity Provision	29		6	
	- Sundry Balances Written off	73		-	
	- (Profit) / loss on sale of Fixed Asset	-	61	(1,578)	(2,206)
	Operating Profit before Working Capital Changes		19,915		15,613
3.	<u>Adjustments For</u>				
	- (Increase) / Decrease in Sundry Debtors	(7,702)		(81,895)	
	- (Increase) / Decrease in Advance & Deposits	(13)		362	
	- Increase / (Decrease) in Sundry Creditors & Other Liabilities & Provisions	1,511	(6,204)	25	(81,508)
	Direct Taxes Paid (Net)		13,711 (6,195)		(65,895) (5,714)
	<b>Net Cash from Operating Activities</b>		<b>7,516</b>		<b>(71,609)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>				
	Sale of Fixed Assets	-		1,709	
	Purchase of Fixed Assets	-		(10,233)	
	Dividends	10		8	
	(Increase) / Decrease in Investments	(500)		79,187	
	<b>Net Cash from Investments Activities</b>		<b>(490)</b>		<b>70,671</b>
<b>C.</b>	<b>Cash Flow Financing Activities</b>				
	Borrowing/repayment of Unsecured Loans	(157)		5,995	
	Dividend Paid	(3,600)		(3,600)	
	Dividend Tax Paid	(612)		(612)	
	<b>Net Cash from Financing Activities</b>		<b>(4,369)</b>		<b>1,783</b>
	Net Charge in Cash & Cash Equivalent (A+B+C)		2,657		845
	Opening Cash and Bank Balance		964		119
	Closing Cash and Bank Balance		3,621		964

Note: (i) Figures in brackets are outflows

(ii) Previous Year's figures have been re-grouped wherever necessary

As per our Report of even date.  
For DAGLIYA & CO  
Chartered Accountants  
(F.R.N. 671 S)

For and on Behalf of the Board

Sd/-  
(JITENDRA KUMAR JAIN)  
(Partner)  
M.No. 18398

Sd/-  
(GOWRA SRINIVAS)  
Managing Director

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

Place: Secunderabad  
Date : 24.05.2010



	<b>Amount Outstanding</b>
<b>4) Break-up of Leased Assets and stock in hire and hypothecation loans counting towards EL/ HP activities</b>	
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial Lease	Nil
(b) Operating Lease	Nil
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
(iii) Hypothecation loans counting towards EL/HP activities :	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil
<b>5) Break-up Investments:</b>	
<b>Current Investments</b>	
1) Quoted:	Nil
2) Unquoted	Nil
<b>Long Term Investments:</b>	
<b>1. Quoted:</b>	
(i) Shares	1.68
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
<b>2. Unquoted:</b>	
(i) Shares	0.70
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	5.00
(iv) Government Securities	Nil
(v) Others – investments in Partnership Firms	Nil

**6) Borrower group-wise classification of all leased assets:  
Stock-on-hire and loans and advances:**

Category	Amount net of provisions		
	Secured	Unsecured	Total
1) Related Parties			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2) Other than related parties	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**7) Investor group-wise classification of all investments  
( current & long term) in shares and securities  
( both quoted & unquoted):**

Category	Market value / Breakup or fair value of NAV	Book value (Net of Provisions)
1. Related parties		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related Parties	Nil	Nil
2. Other than related Parties	7.38	7.38
<b>Total</b>	<b>7.38</b>	<b>7.38</b>



GOWRA GROUP

**GOWRA  
LEASING &  
FINANCE  
LIMITED**

**8) Other Information**

<b>Particulars</b>	<b>Amount</b>
(i) Gross Non-performing Assets	8.08
(a) Related Parties	Nil
(b) Other than related Parties	8.08
(ii) Net Non-performing assets ( 100% Provision made)	
(a) Related Parties	Nil
(b) Other than related Parties	Nil
(iii) Assets acquired in satisfaction of debt	Nil

For and on behalf of the Board

Sd/-  
GOWRA SRINIVAS  
(Managing Director)

Place : Secunderabad  
Date : 11-08-2010

**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow Statement of M/s.Gowra Leasing & Finance Limited for the year ended 31.03.2010. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Bombay and Hyderabad Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company, covered by our Report dated 24-05-2010 to the members of the Company.

Place: Secunderabad  
Date : 24-05-2010

for DAGLIYA & CO.,  
Chartered Accountants  
(F.R.N. 671 S)

**Sd/-**  
(JITENDRA KUMAR JAIN)  
Partner  
M.No.18398

**GOWRA LEASING & FINANCE LIMITED**

**Regd. Office :** No.501, 5th Floor, Gowra Grand, Behind Gowra Plaza,  
1-8-384 & 385, S.P.Road, Begumpet, Secunderabad - 500016

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member of GOWRA LEASING & FINANCE LIMITED, SECUNDERABAD and having  
Regd. Folio No./ DP & Client ID No. \_\_\_\_\_ holding \_\_\_\_\_  
shares and hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing  
him \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to attend and vote for  
me to / us on my / our behalf at the 17th Annual General Meeting of the Company to be held on  
Saturday, the 25th September, 2010, at 11.00 a.m. and at any adjournment thereof. Signed  
this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Affix one  
Rupee  
Revenue  
Stamp

(Signature of the Shareholder)

**Note:** The proxy must be deposited duly filled and stamped at the Registered Office of the  
Company not less than 48 hours before the time fixed for the meeting.

**GOWRA LEASING & FINANCE LIMITED**

**Regd. Office :** No.501, 5th Floor, Gowra Grand, Behind Gowra Plaza,  
1-8-384 & 385, S.P.Road, Begumpet, Secunderabad - 500016

**ATTENDANCE SLIP**

(Please present this slip at the entrance of the Meeting Hall)

I hereby record my presence at the 17th Annual General Meeting of the Company held at  
Fortune Select Manohar, Airport Exit Road, Begumpet, Hyderabad - 500016 on Saturday the  
25th day of September, 2010 at 11.00 a.m.

Regd. Folio No/DP & Client ID \_\_\_\_\_ No. of Shares \_\_\_\_\_

Name of Shareholder \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
(Signature of the shareholer / Proxy)  
(To be signed at the time of meeting  
over at the Meeting Hall)

**PRINTED MATTER**  
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To,



**GOWRA GROUP**

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**GOWRA LEASING & FINANCE LIMITED**

Regd. Office : No.501, 5th Floor, Gowra Grand, Behind Gowra Plaza,  
1-8-384 & 385, S.P.Road, Begumpet, Secunderabad - 500016