

**GLFL HOUSING FINANCE LTD
ANNUAL ACCOUNTS**

YEAR - 2014-15

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF
GLFL HOUSING LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **GLFL HOUSING LIMITED**, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

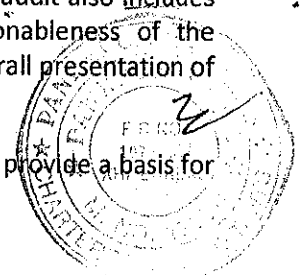
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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





Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

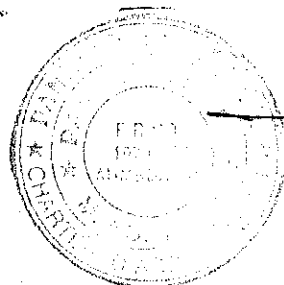
Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) order, 2015 issued by the Central Government in terms of section 143(11) of the Companies Act, 2013, we give in Annexure-A a statement on the matters specified in paragraph 3 of the order.

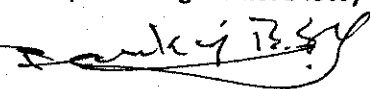
2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

Place : Ahmedabad
Date: 19-05-2015



For, Pankaj B. Shah & Co
Chartered Accountants
(Firm's Reg.No.107343W)


(Pankaj B. Shah)
(Proprietor)
(Membership No. 017170)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. The nature of the Company's activities during the year have been such that clause (ii), (v), (vi), (vii), (ix), (x) and (xi) of paragraph 3 of Company's (Auditors Report) Order, 2015 are not applicable to the Company for the year.

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 were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

2. According to the information and explanations given to us, the Company has granted unsecured loans, to companies, covered in the Register maintained under Section 189 of the Companies Act, 2013.

In respect of such loans:

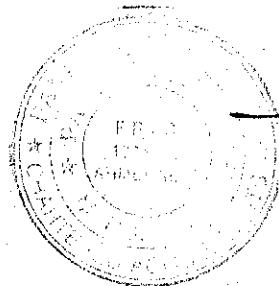
- a) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon. (Refer note 2.15 & 2.16 of Notes.)
- b) In respect of overdue amounts of over Rs. 1 lakh remaining outstanding as at the year-end, as explained to us, Management has entered in to arrangement with Loney as referred to in note no. 2.15 & 2.16 of notes. for recovery of the principal amounts and interest.

3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of Shares and for the sale of Shares during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.

5. The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

6. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For, Pankaj B. Shah & Co
Chartered Accountants
(Firm's Reg. No. 107343W)



Pankaj B. Shah

(Pankaj B. Shah)
(Proprietor)
(Membership No. 017170)

Place : Ahmedabad
Date: 19-05-2015

GLFL HOUSING FINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	As at 31/03/2015 (Rs.)	As at 31/03/2014 (Rs.)
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	82,500,000	82,500,000
(b) Reserves & Surplus	2.2	73,948,668	74,373,297
		156,448,668	156,873,297
(2) Current Liabilities			
(a) Other Current Liabilities	2.3	15,715	13,768
Total		156,464,383	156,887,065
II ASSETS			
(1) Non-current Assets			
(a) Tangible Fixed Assets	2.4	19,620	56,541
(b) Loans and Advances	2.5	153,867,006	154,128,437
		153,886,626	154,184,978
(2) Current Assets			
(a) Cash & Cash Equivalents	2.6	2,203,236	2,340,066
(b) Short Term Loans and Advances	2.7	355,018	345,155
(c) Other Current Assets	2.8	19,503	16,866
		2,577,757	2,702,087
Total		156,464,383	156,887,065

Significant Accounting Policies &
Notes Forming Part of Accounts

1 & 2

As per our report of even date

For Pankaj B Shah & Co.
Chartered Accountants
Firm Registration No.: 107343W

Pankaj B. Shah

Pankaj B Shah
Proprietor

Harnish Patel

Harnish Patel
Director
(DIN: 00114198)

V A Shah

V A Shah
Director
(DIN :00011596)

Place: Ahmedabad
Date: 19.05.2015



Place: Ahmedabad
Date: 19.05.2015

GLFL HOUSING FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENED MARCH 31, 2015

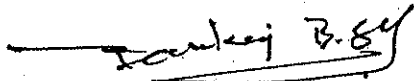
Particulars	Note No.	Year ended 31/03/2015 (Rs.)	Year ended 31/03/2014 (Rs.)
I REVENUE FROM OPERATIONS			
Other Income	2.9	229,812	278,771
Total Revenue		229,812	278,771
II EXPENDITURE			
Administrative Expenses	2.10	617,520	320,697
Depreciation		36,921	11,401
Total Expenses		654,441	332,098
III (Loss) before Tax		(424,629)	(53,327)
IV Tax Expenses			
Current Tax		-	-
V (Loss) for the Year		(424,629)	(53,327)
VI (Deficit) Per Equity Share Basic & Diluted	2.17	(0.05)	(0.01)

Significant Accounting Policies &
Notes Forming Part of Accounts

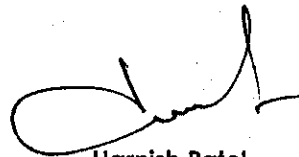
1 & 2

As per our report of even date

For Pankaj B Shah & Co.
Chartered Accountants
Firm Registration No.: 107343W



Pankaj B Shah
Proprietor

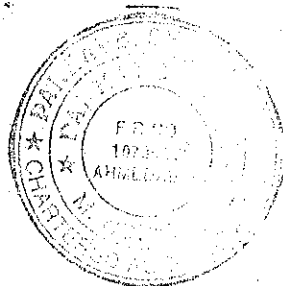


Harnish Patel
Director
(DIN: 00114198)



V A Shah
Director
(DIN :00011596)

Place:Ahmedabad
Date: 19.05.2015



Place: Ahmedabad
Date: 19.05.2015

GLFL HOUSING FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

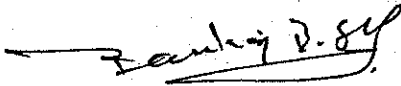
Particulars	Year ended 31/03/2015 (Rs.)	Year ended 31/03/2014 (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES:		
(Loss) before Tax	(424,629)	(53,327)
Adjustments for:		
Interest Earned on Bank Deposits	(229,812)	(187,157)
Depreciation	36,921	11,401
Operating (Loss) before working capital changes	(617,520)	(229,083)
Adjustment for working capital:		
(Increase) in Interest Accrued but not Due	(2,637)	(937)
Increase / (Decrease) in other payable	1,947	(1,640)
Cash (used in) operations	(618,210)	(231,660)
Payment (Refund) of Taxes	(9,863)	(14,434)
Net cash (used in) Operating Activities	(628,073)	(246,094)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Earned on Bank Deposits	229,812	187,157
Net cash from Investing Activities	229,812	187,157
C CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Loan	261,431	140,024
Net cash from Financing Activities	261,431	140,024
Net (Decrease) / Increase In Cash And Cash Equivalents (A+B+C)	(136,830)	81,087
Cash And Cash Equivalents – Opening Balance	2,340,066	2,258,979
Cash And Cash Equivalents – Closing Balance	2,203,236	2,340,066

Note:

- The above cash flow statement has been prepared by using the Indirect Method.

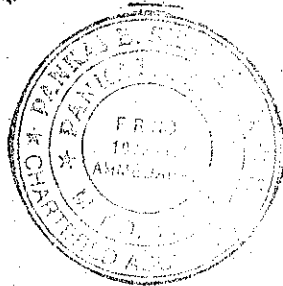
As per our report of even date

For Pankaj B Shah & Co.
Chartered Accountants
Firm Registration No.: 107343W



Pankaj B Shah
Proprietor

Place: Ahmedabad
Date: 19.05.2015




Harnish Patel
Director
(DIN: 00114198)

Place: Ahmedabad
Date: 19.05.2015



V A Shah
Director
(DIN :00011596)

GLFL HOUSING FINANCE LIMITED
Notes forming part of financial statements

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

1 Significant Accounting Policies:

1.1 SYSTEM OF ACCOUNTING:

The Company adopts the accrual concept in the preparation of accounts.

1.2 INTEREST ON HOUSING LOANS:

Repayment of housing loans is by way of Equated Monthly installments (EMIs) comprising of principal and interest. Interest is calculated each year on the outstanding balance at the beginning of the Company's financial year. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre EMI interest is chargeable every month.

1.3 FIXED ASSETS:

Fixed Assets are capitalised at cost inclusive of installation expenses.

1.4 DEPRECIATION:

Depreciation on own fixed assets is provided on the "Straight Line Method" as per useful life prescribed in Schedule II to the Companies Act, 2013.

1.5 PRUDENTIAL NORMS:

Provision for Non-Performing Assets has been made as per the prudential norms prescribed by the National Housing Bank (NHB).

In compliance with the prudential norms prescribed by the National Housing Bank (NHB) for non-recognition of income, such income has not been

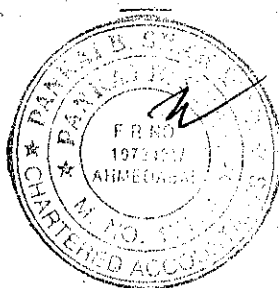
1.6 INCOME TAX:

Provision for tax is made for both current and deferred taxes. Provision for current tax is made at the current tax rates based on assessable income.

In accordance with Accounting Standard 22- Accounting for Taxes on Income, issued by the Institute of Chartered Accountant of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future.

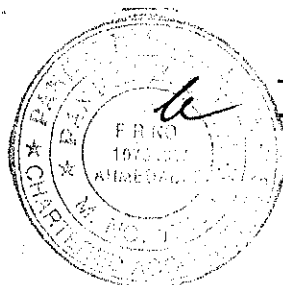
1.7 CONTINGENT LIABILITIES:

These are disclosed by way of notes to the Balance Sheet.



GLFL HOUSING FINANCE LIMITED
Notes forming part of financial statements

Particulars	As at 31/03/2015 (Rs.)	As at 31/03/2014 (Rs.)
2 Notes to Accounts		
2.1 SHARE CAPITAL		
A The Company has only one class of shares referred as equity shares. The details thereof are as under:		
AUTHORISED		
2,00,00,000 Equity Shares of Rs.10/- each	200,000,000	200,000,000
	200,000,000	200,000,000
ISSUED, SUBSCRIBED & PAID-UP		
60,00,000 (60,00,000) Equity shares of Rs. 10/- each fully paid-up	60,000,000	60,000,000
30,00,000 (30,00,000) Equity shares of Rs. 10/- each (Called and Paid-up Rs. 7.50 per share)	22,500,000	22,500,000
Total	82,500,000	82,500,000
B The equity shares are held by Gujarat Lease Financing Limited, the holding company.		
C Details of shareholders holding more than 5% of issued share capital:		
Sr. Name of the shareholder	Equity Shares (In Nos)	
1 Gujarat Lease Financing Ltd. (Rs. 10/- paid-up)	6,000,000	6,000,000
Gujarat Lease Financing Ltd. (Called and Paid-up Rs. 7.50 per share)	3,000,000	3,000,000
Total	9,000,000	9,000,000
D Holder of equity share is entitled to one vote per share.		
2.2 RESERVES AND SURPLUS		
A SPECIAL RESERVE (In terms of section 36 (1) (viii) of the Income-tax Act, 1961)		
As per Last Balance Sheet	67,810,298	67,810,298
	67,810,298	67,810,298
B RESERVE FUND		
As per Last Balance Sheet	80,000	80,000
	80,000	80,000
C GENERAL RESERVE		
As per Last Balance Sheet	7,719,282	7,719,282
	7,719,282	7,719,282
D PROFIT & LOSS ACCOUNT		
As per Last Balance Sheet - Debit Balance	(1,236,283)	(1,182,956)
(Addition) during the year	(424,629)	(53,327)
	(1,660,912)	(1,236,283)
Total	73,948,668	74,373,297
2.3 OTHER CURRENT LIABILITIES		
Other Payable	15,715	13,768
Total	15,715	13,768

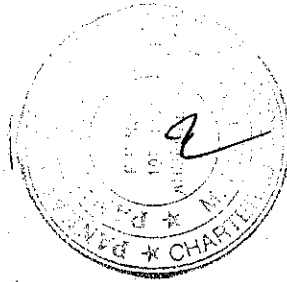


GLFL HOUSING FINANCE LIMITED
Notes forming part of financial statements

2.4 Own Tangible Fixed Assets

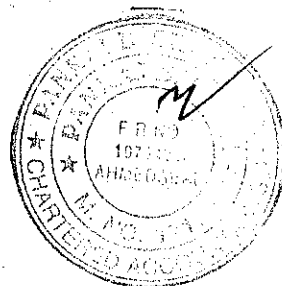
Particulars	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK			
	As at April 01, 2014	As at April 01, 2014 Additions during the year	As at Mar 31, 2015	Upto April 01, 2014	For the year	Adjustment	Upto Mar 31, 2015	As at Mar 31, 2015	As at Mar 31, 2014
Office Equipment	180,112	-	180,112	123,571	36,921	-	160,492	19,620	56,541
Total	180,112	-	180,112	123,571	36,921	-	160,492	19,620	56,541
Previous Year	180,112	-	180,112	100,769	11,401	-	112,170	67,942	

Includes additional depreciation of Rs. 30938/- due to adoption of Schedule II of the Companies Act, 2013.



GLFL HOUSING FINANCE LIMITED
Notes forming part of financial statements

Particulars	As at 31/03/2015 (Rs.)	As at 31/03/2014 (Rs.)
2.5 LONG TERM LOANS & ADVANCES (Unsecured Considered Good) Loan to Gujarat Lease Financing Limited (Holding Company)	153,867,006	154,128,437
Total	153,867,006	154,128,437
2.6 CASH & CASH EQUIVALENTS Balances with Banks in Current Account Balances with Banks in Fixed Deposit	60,490 2,142,746	233,478 2,106,588
Total	2,203,236	2,340,066
2.7 SHORT TERM LOANS AND ADVANCES (Unsecured Considered Good) Advance Income-tax and TDS - Net	355,018	345,155
Total	355,018	345,155
2.8 OTHER CURRENT ASSETS Interest Accrued but not Due	19,503	16,866
Total	19,503	16,866
Particulars	Year ended 31/03/2015 (Rs.)	Year ended 31/03/2014 (Rs.)
2.9 OTHER INCOME Other Interest Bad Debts Recovered	229,812 -	187,157 91,614
Total	229,812	278,771
2.10 ADMINISTRATIVE EXPENSES Conveyance Printing and Stationery Auditors Remuneration - Audit Fee Bank Charges Legal and Professional Fees Office Expenses Rates and Taxes Electricity Telephone Filing Fees	34,197 - 5,618 65 224,486 285,231 33,825 12,657 7,641 13,800	32,430 195 5,618 - 71,447 161,009 34,811 5,875 8,312 1,000
Total	617,520	320,697
2.11 CONTINGENT LIABILITIES: There are no contingent liabilities.		



GLFL HOUSING FINANCE LIMITED
Notes forming part of financial statements

2.12 The financial statements have been drawn up on a going concern basis. The Company has not done any new business during the year. As per the stipulation contained in the deed for assignment of loan portfolio executed with LIC Housing Finance Limited (the Assignee), the Company has undertaken that, except for continuing with and servicing the individual loans, not assigned to the Assignee, it shall not directly, indirectly or otherwise become engaged or concerned or interested in or aid in any business, venture, activity or company which provides loans for the purpose of construction and / or purchase of dwelling units or other property. The Company however continues to recover its dues from the remaining loan portfolio in the normal course of business.

2.13 HOUSING LOANS:

The loans were secured or partly secured by:

- (a) Equitable mortgage of property and / or
- (b) Pledge of shares, units, other securities, assignment of LIC Policies and / or
- (c) Company Guarantees or personal Guarantees.

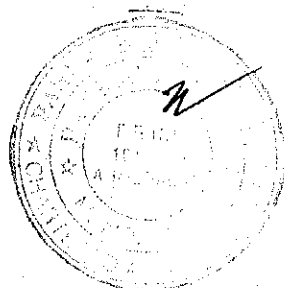
2.14 DEFERRED TAX:

The Accounting Standard -22 for accounting of Taxes on Income requires the company to review the carrying amount of Deferred Tax Assets at each Balance Sheet date. Presently, the balance of Deferred Tax Assets as per books is NIL. The company is not certain of future taxable income against which the said Deferred Tax Assets can be realised. Therefore based on the concept of prudence, the company has decided not to recognise Deferred Tax Assets during the year under review.

2.15 GLFL Housing Finance Limited had extended loan to Gujarat Lease Financing Limited (GLFL), the holding company. Till accounting year 2003-04, GLFL Housing Finance Limited was charging interest @ 6% on the loan amount. During financial year 2004-05, GLFL has arrived at the settlement under the scheme of compromise and arrangement under section 391 of the Companies Act with the consortium of banks and settled the liability at 65% of the principal outstanding as of 01-04-1999 and assignment of receivables. Considering the negative net-worth of the company and adverse financial position, it has been decided not to charge interest from 1-4-2004. Further, in view of the schemes of arrangement under contemplation for both the companies, the loan outstanding from GLFL, the holding company, has not been considered as doubtful of recovery.

2.16 Related party transactions:

Nature of Transactions	Controlling Company and Total	
	2014-15 Rs.	2013-14 Rs.
(A) Volume of Transactions		
Loan given to/(repaid by) Gujarat Lease Financing Ltd.	(261,431)	(140,024)
(B) Balance at the end of the year		
Loan Receivable - Gujarat Lease Financing Ltd.	153,867,006	154,128,437



GLFL HOUSING FINANCE LIMITED
Notes forming part of financial statements

2.17 Deficit per Share

The calculation of basic and diluted Earning per share is as under:

Particulars	2014-15 Rs.	2013-14 Rs.
(Loss) for the year	(424,629)	(53,327)
Weighted no. of shares outstanding during the year	8,250,000	8,250,000
Nominal value of equity share	10	10
Basic and Diluted Deficit per share (Non annualized)	(0.05)	(0.01)

2.18 There are no Micro, Small and Medium enterprises, to which the Company owe dues, which are outstanding for more than 45 days at balance sheet date.

2.19 The Company has only one revenue segment – housing finance.

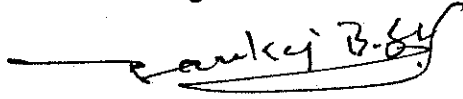
2.20 There is no impairment of assets.

2.21 Figures of the previous year have been regrouped wherever necessary. Paise have been rounded off to the nearest Rupee.

Signature to Note 1 and 2

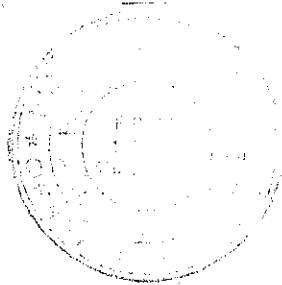
As per our report of even date

For Pankaj B Shah & Co.
Chartered Accountants
Firm Registration No.: 107343W



Pankaj B Shah
Proprietor

Place: Ahmedabad
Date: 19.05.2015



Harnish Patel
Director
(DIN: 00114198)

Place: Ahmedabad
Date: 19.05.2015



V A Shah
Director
(DIN :00011596)