

**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 31<sup>st</sup> March, 2016, 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**

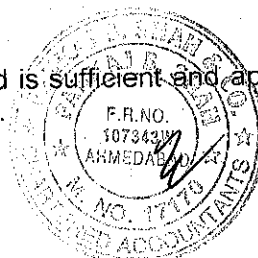
Our responsibility is to express an opinion on these financial statements based on our audit.

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.





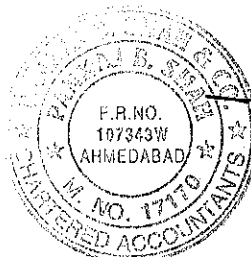
## Opinion

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 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

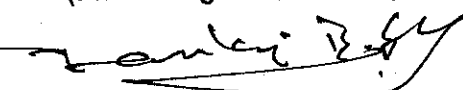
## Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) order, 2016 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 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting system.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including 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: 19-05-2016



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

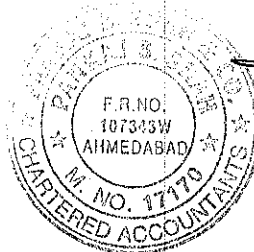
  
(Pankaj B. Shah)  
(Proprietor)  
(Membership No. 017170)

**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT**

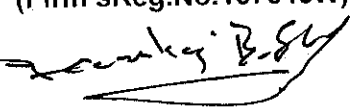
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. The nature of the Company's activities during the year have been such that clause (ii), (iv), (v), (vi), (vii), (viii), (ix), (xi), (xii), (xiii), (xiv), (xv), and (xvi) of paragraph 3 of Company's (Auditors Report) Order, 2016 are not applicable to the Company for the year.
2. 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.
  - (c) The title deeds are in the name of Company.
3. 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) As regards terms & conditions for repayment of principal & interest, the note no. 2.15 & 2.16 included in notes forming part of financial statements are self explanatory.
  - b) In respect of overdue amounts 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.
  - c) The overdue amount of more than 90 days is Rs. 153,389,836/- for which action taken for its recovery are as per note no. 2.15 & 2.16 of the notes.
4. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company, or on the company by its officers or employees has been noticed or reported during the year.

Place : Ahmedabad  
Date: 19-05-2016



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

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



**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **GLFL HOUSING LIMITED** as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

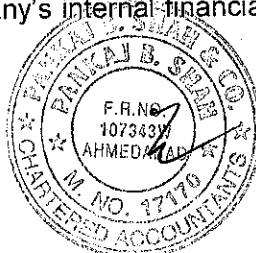
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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





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

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

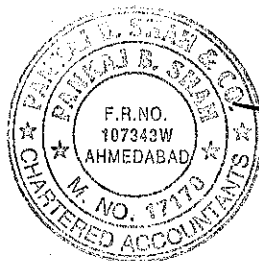
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

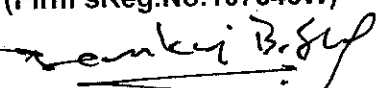
### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ahmedabad  
Date: 19-05-2016



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

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

**GLFL HOUSING FINANCE LTD  
ANNUAL ACCOUNTS**

**YEAR - 2015-16**

## GLFL HOUSING FINANCE LIMITED

## BALANCE SHEET AS AT MARCH 31, 2016

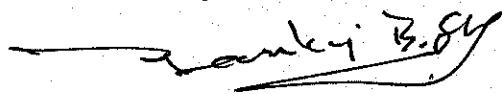
Particulars	Note No.	As at 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	82,500,000	82,500,000
(b) Reserves & Surplus	2.2	73,467,937	73,948,668
		155,967,937	156,448,668
<b>(2) Current Liabilities</b>			
(a) Other Current Liabilities	2.3	20,768	15,715
<b>Total</b>		<b>155,988,705</b>	<b>156,464,383</b>
<b>II ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Tangible Fixed Assets	2.4	8,219	19,620
(b) Loans and Advances	2.5	153,389,836	153,867,006
		153,398,055	153,886,626
<b>(2) Current Assets</b>			
(a) Cash & Cash Equivalents	2.6	2,231,549	2,203,236
(b) Short Term Loans and Advances	2.7	340,246	355,018
(c) Other Current Assets	2.8	18,855	19,503
		2,590,650	2,577,757
<b>Total</b>		<b>155,988,705</b>	<b>156,464,383</b>

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



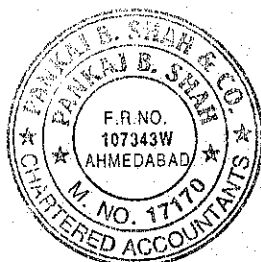
Harnish Patel  
Director  
DIN: 00114198



V A Shah  
Director  
DIN: 00011596

Place: Ahmedabad  
Date: 19.05.2016

Place: Ahmedabad  
Date: 19.05.2016



**GLFL HOUSING FINANCE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENED MARCH 31, 2016**

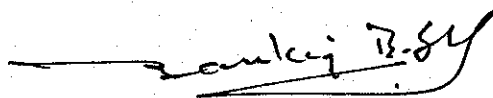
Particulars	Note No.	Year ended 31/03/2016 (Rs.)	Year ended 31/03/2015 (Rs.)
<b>I REVENUE FROM OPERATIONS</b>			
Other Income	2.9	177,782	229,812
<b>Total Revenue</b>		177,782	229,812
<b>II EXPENDITURE</b>			
Administrative Expenses	2.10	647,112	617,520
Depreciation		11,401	36,921
<b>Total Expenses</b>		658,513	654,441
<b>III (Loss) before Tax</b>		(480,731)	(424,629)
<b>IV Tax Expenses</b>			
Current Tax		-	-
<b>V (Loss) for the Year</b>		(480,731)	(424,629)
<b>VI (Deficit) Per Equity Share</b>			
Basic & Diluted	2.17	(0.06)	(0.05)

Significant Accounting Policies &  
Notes Forming Part of Accounts

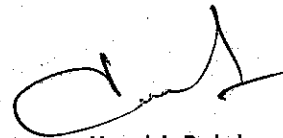
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As per our report of even date

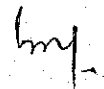
For Pankaj B Shah & Co.  
Chartered Accountants  
Firm Registration No.: 107343W



**Pankaj B Shah**  
Proprietor



**Harnish Patel**  
Director  
DIN: 00114198



**V A Shah**  
Director  
DIN: 00011596

Place: Ahmedabad  
Date: 19.05.2016

Place: Ahmedabad  
Date: 19.05.2016





## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

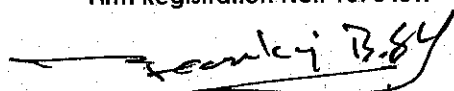
Particulars	Year ended 31/03/2016 (Rs.)	Year ended 31/03/2015 (Rs.)
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
(Loss) before Tax	(480,731)	(424,629)
Adjustments for:		
Interest Earned on Bank Deposits	(177,782)	(229,812)
Depreciation	11,401	36,921
Operating (Loss) before working capital changes	(647,112)	(617,520)
Adjustment for working capital:		
(Increase) in Interest Accrued but not Due	648	(2,637)
Increase / (Decrease) in other payable	5,053	1,947
Cash (used in) operations	(641,411)	(618,210)
(Payment) / Refund of Taxes	14,772	(9,863)
Net cash (used in) Operating Activities	(626,639)	(628,073)
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest Earned on Bank Deposits	177,782	229,812
Net cash from Investing Activities	177,782	229,812
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of Loan	477,170	261,431
Net cash from Financing Activities	477,170	261,431
Net (Decrease) / Increase In Cash And Cash Equivalents (A+B+C)	28,313	(136,830)
Cash And Cash Equivalents – Opening Balance	2,203,236	2,340,066
Cash And Cash Equivalents – Closing Balance	2,231,549	2,203,236

Note:

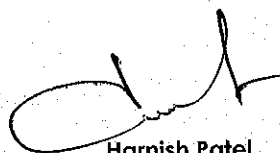
1 The above cash flow statement has been prepared by using the Indirect Method.

As per our report of even date

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



Pankaj B Shah  
Proprietor



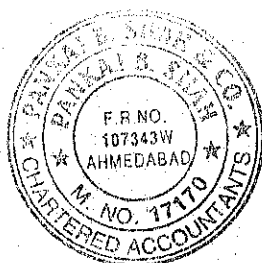
Harnish Patel  
Director  
DIN: 00114198



V A Shah  
Director  
DIN: 00011596

Place: Ahmedabad  
Date: 19.05.2016

Place: Ahmedabad  
Date: 19.05.2016



**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,

**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 Section 205 2(a) at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 on pro rata basis.

**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

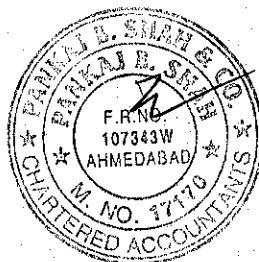
**1.6 INCOME TAX:**

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.

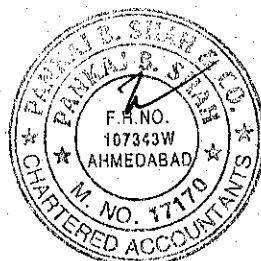
**1.7 CONTINGENT LIABILITIES:**

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



**GLFL HOUSING FINANCE LIMITED**  
Notes forming part of financial statements

Particulars	As at 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)
<b>2 Notes to Accounts</b>		
<b>2.1 SHARE CAPITAL</b>		
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
	<u>200,000,000</u>	<u>200,000,000</u>
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
<b>Total</b>	<u><b>82,500,000</b></u>	<u><b>82,500,000</b></u>
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:		
<b>Sr. Name of the shareholder</b>	<b>Equity Shares (In Nos)</b>	
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
<b>Total</b>	<u><b>9,000,000</b></u>	<u><b>9,000,000</b></u>
D Holder of equity share is entitled to one vote per share.		
<b>2.2 RESERVES AND SURPLUS</b>		
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
	<u>67,810,298</u>	<u>67,810,298</u>
B RESERVE FUND		
As per Last Balance Sheet	80,000	80,000
	<u>80,000</u>	<u>80,000</u>
C GENERAL RESERVE		
As per Last Balance Sheet	7,719,282	7,719,282
	<u>7,719,282</u>	<u>7,719,282</u>
D PROFIT & LOSS ACCOUNT		
As per Last Balance Sheet - Debit Balance	(1,660,912)	(1,236,283)
(Addition) during the year	(480,731)	(424,629)
	<u>(2,141,643)</u>	<u>(1,660,912)</u>
<b>Total</b>	<u><b>73,467,937</b></u>	<u><b>73,948,668</b></u>
<b>2.3 OTHER CURRENT LIABILITIES</b>		
Other Payable	20,768	15,715
<b>Total</b>	<u><b>20,768</b></u>	<u><b>15,715</b></u>

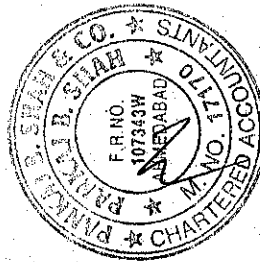


**GLFL HOUSING FINANCE LIMITED**  
Notes forming part of financial statements

**2.4 Own Tangible Fixed Assets**

Particulars	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK			
	As at April 01, 2015	Additions during the year	Sale / Disposal during the year	As at Mar 31, 2016	Upto April 01, 2015	For the year	Adjustment	Upto Mar 31, 2016	As at Mar 31, 2016	As at March 31, 2015
Office Equipment	180,112	-	-	180,112	160,492	11,401	-	171,893	8,219	19,620
Total	180,112	-	-	180,112	160,492	11,401	-	171,893	8,219	19,620
Previous Year	180,112	-	-	180,112	123,571	36,921	-	160,492	19,620	

Includes additional depreciation of NIL (PY: 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 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)
<b>2.5 LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured Considered Good)		
Loan to Gujarat Lease Financing Limited (Holding Company)	153,389,836	153,867,006
<b>Total</b>	<b>153,389,836</b>	<b>153,867,006</b>
<b>2.6 CASH &amp; CASH EQUIVALENTS</b>		
Balances with Banks in Current Account	50,069	60,490
Balances with Banks in Fixed Deposit	2,181,480	2,142,746
<b>Total</b>	<b>2,231,549</b>	<b>2,203,236</b>
<b>2.7 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
Advance Income-tax and TDS - Net	340,246	355,018
<b>Total</b>	<b>340,246</b>	<b>355,018</b>
<b>2.8 OTHER CURRENT ASSETS</b>		
Interest Accrued but not Due	18,855	19,503
<b>Total</b>	<b>18,855</b>	<b>19,503</b>
	<b>Year ended 31/03/2016 (Rs.)</b>	<b>Year ended 31/03/2015 (Rs.)</b>
<b>2.9 OTHER INCOME</b>		
Other Interest	177,782	229,812
<b>Total</b>	<b>177,782</b>	<b>229,812</b>
<b>2.10 ADMINISTRATIVE EXPENSES</b>		
Conveyance	22,521	34,197
Auditors Remuneration - Audit Fee	8,588	5,618
Bank Charges	12,157	65
Legal and Professional Fees	74,379	224,486
Office Expenses	492,978	285,231
Rates and Taxes	-	33,825
Electricity	13,627	12,657
Telephone	13,862	7,641
Filing Fees	9,000	13,800
<b>Total</b>	<b>647,112</b>	<b>617,520</b>
<b>2.11 CONTINGENT LIABILITIES:</b>		
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.

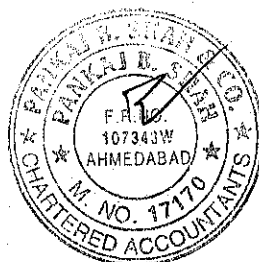
**2.14 DEFERRED TAX:**

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	
	2015-16 Rs.	2014-15 Rs.
(A) Volume of Transactions		
Loan given to Gujarat Lease Financing Ltd.	(477,170)	(261,431)
(B) Balance at the end of the year		
Loan Receivable - Gujarat Lease Financing Ltd.	153,389,836	153,867,006



**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	2015-16 Rs.	2014-15 Rs.
(Loss) for the year	(480,731)	(424,629)
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)	(0.06)	(0.05)

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.

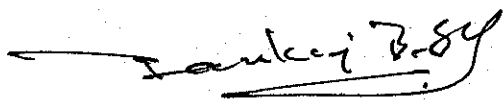
2.20 There is no impairment of assets.

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

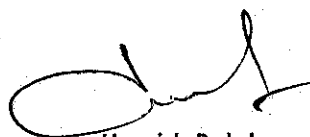
Signature to Note 1 and 2

As per our report of even date

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



**Pankaj B Shah**  
**Proprietor**



**Harnish Patel**  
**Director**  
**DIN: 00114198**



**V A Shah**  
**Director**  
**DIN: 00011596**

Place: Ahmedabad  
Date: 19.05.2016

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