

**26TH
ANNUAL REPORT
2013-2014**

SUN FINLEASE (GUJARAT) LIMITED

SUN FINLEASE (GUJARAT) LIMITED

Company Information

BOARD OF DIRECTORS

Mr. Parag P. Shah	Chairman
Mrs. Punita R. Solanki	Independent Director
Mr. Ghanshyam K. Vekaria	Independent Director (Resigned w.e.f. 17.05.2014)
Mr. Paras K. Sharma	Independent Director (Appointed w.e.f. 16.05.2014)

AUDITORS

M/s. Talati & Talati
Chartered Accountant
Ambica Chambers ,
Near Old High Court,
Navarangpura,
Ahmedabad- 380 009

REGISTERED OFFICE

3, Ravipush Apartment,
B/s Navneet House,
Memnagar, Ahmedabad – 380 052
(Gujarat)

REGISTRAR AND SHARE TRANSFER AGENTS:

Sharepro Services (India) Pvt. Ltd.
13AB, Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road,
Sakinaka, Mumbai- 400 072

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SUN FINLEASE (GUJARAT) LIMITED

SUN FINLEASE (GUJARAT) LIMITED

(CIN No. - L65910GJ1988PLC010293)

Regd. Office: 3, Ravipushp Apartment, B/s. Navneet House, Memnagar, Ahmedabad-380052.

Phone No. 079 27496313 Email id- sfgl_1988@yahoo.com

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of **SUN FINLEASE (GUJARAT) LIMITED** will be held on Tuesday, the 9th September, 2014 at 11:00 a.m. at the Registered Office of the Company at 3, Ravipushp Apartment, B/s Navneet House, Memnagar, Ahmedabad-380 052 to transact the following businesses:

ORDINARY BUSINESS:

- (1) To receive, consider, approve and adopt the Audited Statement of Profit & Loss and Cash flow statement for the period ended on March 31, 2014 and the Balance Sheet as at the said date together with the Auditor's and Director's Report thereon.
- (2) To appoint a Director in place of Mr.Parag P. Shah (DIN : 00228965) who retires by rotation and being eligible offers himself for reappointment.
- (3) To appoint Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Talati & Talati, Chartered Accountants, Ahmedabad (Firm Registration No. 110758W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Ninth AGM of the Company (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

- (4) **To appoint Mrs. Punita R. Solanki (DIN: 00225663) as an Independent Director of the Company :**

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

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mrs. Punita R. Solanki (DIN: 00225663), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 5 years from the date of this Annual General Meeting."

- (5) **To appoint Mr. Paras K. Sharma (DIN: 06872890) as an Independent Director of the Company :**

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

"RESOLVED THAT Mr. Paras K. Sharma (DIN: 06872890), who was appointed as an Additional Director by the Board of Directors of the Company on 16th May, 2014 as per provisions of Section 161(1) of the Companies Act, 2013, who hold office upto the date of this Annual General Meeting , and in respect of whom the Company has received notice in writing from member under section 160 of the Companies Act, 2013, proposing his candidature for the office of the Director, and pursuant to the applicable provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, said Mr. Paras K. Sharma (DIN: 06872890), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 5 years from the date of this Annual General Meeting."

- (6) **To approve borrowing limits of the Company :**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the 18th Annual General Meeting of the shareholders of the Company held on September 30, 2006 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 500 Crores (Rupees Five Hundred Crores Only)."

- (7) **Creation of Charges on the Assets of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Eighteenth Annual General Meeting of the shareholders of the Company held on September 30, 2006 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013

SUN FINLEASE (GUJARAT) LIMITED

and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded for creation by the Board of Directors on behalf of the Company, of such mortgages/ charges/ hypothecation and floating charges (in addition to the existing mortgages / charges / hypothecation created by the Company in favour of the lenders) in such form and in such manner as may be agreed to between the Board of Directors and the lenders, on all or any of the present and future immovable and / or movable properties of the Company wherever situated, of every nature and kind whatsoever to secure any Indian Rupee or foreign currency loans, Debentures, advances and all other moneys payable by the Company to the lenders concerned, subject, however, to an overall limit of ₹ 500 Crores (Rupees Five Hundred Crores Only) of loans or advances already obtained or to be obtained from, in any form including by way of subscription to debentures issued or to be issued by the Company to, any financial institution, bank, body corporate, company, insurer or to the general public.”

Regd. Office:

“3 Ravipushp Apartment,
B/S Navneet House,
Memnagar,
Ahmedabad-380 052
Gujarat
PLACE: Ahmedabad
Date : 29.05.2014

**BY ORDER OF BOARD OF DIRECTORS
FOR SUN FINLEASE (GUJARAT) LIMITED**

**PARAG P. SHAH
(CHAIRMAN)
(DIN: 0028965)**

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than 10 % of the total share Capital of the Company carrying voting rights. A member holding more than 10% of total voting right may appoint a signal person or a proxy and such person shall not act as a proxy for any other person or shareholder.
- The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting and proxy form is submitted herewith.
- Proxies submitted on behalf of the Companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.
- The relative Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 in respect to Special Business is annexed hereto.
- Members/proxies should fill in the attendance slip for attending the meeting.
- The Register of Members and Share Transfer books of the Company will remain closed from 02nd September, 2014 to 09th September, 2014 (Both days Inclusive).
- Shareholders desiring any information as regards the accounts and operations of the Company are requested to write to the Company at least 10 days in advance of the date of the Meeting, so as to enable the Management to reply.
- All the documents referred to in the accompanying notice and Explanatory statement will be kept open for inspection at the registered office of the company on all working days between 11:00 a.m. to 5:00 p.m. prior to the date of Annual General Meeting.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- Electronic Notice is being sent to all the members whose email ids are registered with the company or Depository Participant(s) for communication purpose unless any member requested for hard copy of the same. For members who have not registered their email address, physical copies of the notice is being sent in the permitted mode.
- Members who hold shares in physical form are requested to notify immediately any change in their address to Registrars and Share Transfer Agents of the Company at the above address and to their respective Depository Participants, in case Shares are held in electronic mode.
- Members are requested to bring their Client ID and DP ID or Folio Numbers, as may be applicable, for easy identification of attendance at the meeting.
- Information required under clause 49 (IV) of the Listing Agreement (relating to Corporate Governance) with respect to the Director being appointed and Directors retiring by rotation and being eligible seeking re-appointment is as under.

Shri Parag P. Shah born in the year of 1961 is the senior director in the Company. Since 2000 he is associated with the Company. He possesses long and rich experience in finance business and connected with the Company since long time.

As far as concerned with the financial progress, positive growth etc. he has contributed well as he is well versed with the finance activities and Company has developed positive business relations with all the concerns in his directorship.

Moreover during his tenure as a director, the track record of the Company in timely Compliances of the statutes, rules and regulations was good and there may not be any negative remarks from the concerned authorities as regards with the Company.

SUN FINLEASE (GUJARAT) LIMITED

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4 & 5

The Securities and Exchange Board of India (SEBI) has, wide a circular dated 17th April, 2014 sought to amend Clause 49 of the Listing Agreement, Inter alia, stipulating the condition for appointment of Independent Directors by Listed Companies. This amendment will come into force with effect from 1st October, 2014. Pursuant to such amendment, Non- Executive Directors who have served as independent Directors of the Company for more than 5(Five) years, shall be eligible for appointment for five years only.

Pursuant to the provisions of section 149 of Companies Act, 2013, which come into effect from 1st April, 2014, every listed Company is required to have at least one-Third of total number of Director as Independent Directors, who are not liable to retire by rotation.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mrs. Punita R. Solanki and Mr. Paras K. Sharma, as Independent Directors at various times, in compliance with the requirements of the clause.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Independent Directors to be appointed is given below:

Mrs. Punita R. Solanki (DIN: 00225663)

She is a Non-Executive Independent director of the Company. She is having a qualification of Bachelor Arts. She joined the Company in the year 2004. She possesses long and rich experience in business development and connected with the Company since long time. As far as concerned with the growth of the Company she has contributed well as and Company has developed positive business relations with all the concerns in his directorship. The Board Considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail service of her as an Independent Director, for the approval of shareholders of the Company.

None of the Directors (except Mrs. Punita R.Solanki), relatives of Directors and Key Managerial Personnel of the Company is directly/ indirectly interested in the above resolution except to the extent of their respective interest as shareholders of the Company.

Mr. Paras K. Sharma (DIN: 06872890)

The Board at its meeting held on 16th May, 2014 appointed Mr. Paras K. Sharma as an Additional Director of the Company, pursuant to section 161 of the Companies Act, 2013. He is Non-Executive Independent Director. He holds Bachelor's Degree in Commerce . As far as concerned with the growth of the Company he has contributed well as and Company has developed positive business relations with all the concerns in his directorship. The Board Considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail service of Mr. Paras K. Sharma as a Non Executive Independent Director, for the approval of shareholders of the Company.

None of the Directors (except Mr. Paras K. Sharma), relatives of Directors and Key Managerial Personnel of the Company is directly/ indirectly interested in the above resolution except to the extent of their respective interest as shareholders of the Company.

ITEM NO. 6 & 7

At the Eighteenth Annual General Meeting of the Company held on September 30, 2006, the Members had, by way of Ordinary Resolutions and in pursuance of the provisions of Section 293(1)(a) and (d) of the Companies Act, 1956, approved of:

- (i) borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of 500 Crores (Rupees Five Hundred Crores Only) at any point of time; and
- (ii) creation of a mortgage or charge for the said borrowings, as security by way of mortgage / hypothecation on the Company's assets in favour of lending agencies and trustees for the amounts borrowed i.e. upto 500 Crores (Rupees Five Hundred Crores Only), including interest, charges, etc. payable thereon, as the documents for the said purpose could contain the power to take over the management of the Company, in certain events.

Under Section 180 of the Act, the above powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively.

The Directors commend the Resolutions at Item Nos. 6 and 7 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions at Item Nos. 6 and 7.

Regd. Office:

"3 Ravipushp Apartment,
B/S Navneet House,
Memnagar,
Ahmedabad-380 052
Gujarat

PLACE: Ahmedabad

Date : 29.05.2014

**BY ORDER OF BOARD OF DIRECTORS
FOR SUN FINLEASE (GUJARAT) LIMITED**

**PARAG P. SHAH
(CHAIRMAN)
(DIN: 00228965)**

SUN FINLEASE (GUJARAT) LIMITED

DIRECTORS' REPORT

(CIN No. - L65910GJ1988PLC010293)

To,
The Members,

We have pleasure in presenting the 26th Annual General Meeting of the Company along with the audited statements of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS:

The summarized financial results for the financial year ended 31st March, 2014 and for the previous year ended 31st March, 2013 are as under:

Particulars	(In Thousands)	
	For the year ended 31.03.2014	For the year ended 31.03.2013
Total Revenue	20,102.38	25,755.57
Total Expense	24,662.47	21,205.76
Profit/(Loss) before tax	(4560.09)	4549.81
Less : Provision for Tax	Nil	907.50
Less : MAT Credit Entitlement	Nil	(1027.67)
Less : Short Provision of Income Tax	(138.44)	Nil
Less : Deferred tax	(51.60)	123.79
Profit/(Loss) after Tax	(4750.125)	4546.186
Less : Transfer to Statutory Reserve	Nil	909.24
Add : Balance B/f. from Previous year	6638.92	3001.97
Profit/ Loss available for appropriation	Nil	Nil
Profit/(Loss) transferred to Balance Sheets	1888.79	6638.92

DIVIDEND :

Due to loss incurred during the year under review, your Directors are not able to recommend any dividend.

PUBLIC DEPOSIT :

During the year under review, the Company has not accepted any Public Deposits

LISTING FEES

The Equity Shares of the Company are listed on Ahmedabad Stock Exchange and the Company has paid Annual Listing Fees to the stock Exchange up to the year 2014-15.

DIRECTORS

Shri Parag P. Shah, Director of the Company retires by rotation from office of the Director and being eligible, offers himself for re-appointment. Brief resume of the Director, nature of him, expertise in specific areas and her directorship and membership of the committees of the board, as stipulated under clause 49 of the Listing Agreement with the stock exchange is given as annexure to the notice convening the Annual General Meeting.

AUDITORS

M/s. Talati & Talati, Chartered Accountants, Ahmedabad (Firm Registration No. 110758W) who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/s. Talati & Talati, as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the Twenty Ninth Annual General Meeting to be held in the year 2017, subject to ratification of their appointment at every AGM.

AUDITOR'S REPORT

Observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

Additional information required under the provisions of the section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of Energy, Technology Absorption are not applicable as the company is not carrying out any manufacturing operation.

PARTICULARS OF EMPLOYEES

The Company does not have any employee who was in receipt of remuneration aggregating to the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011.

SECRETARIAL COMPLIANCE CERTIFICATE

In pursuance of Companies (Appointment and Qualification of Secretary) Amendment Rules, 2009 and in accordance with the proviso to sub-section (1) of Section 383A of the Companies Act, 1956 the Secretarial Compliance Certificate obtained from the Company Secretary in Whole Time Practice.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the company has neither earned any foreign exchange nor incurred any foreign expenses.

SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA), the Board of Directors confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- that the directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE REPORT

Pursuant to the Clause 49 of the Listing Agreement with Stock Exchanges, a separate section entitled 'Corporate Governance' and the Certificate from the Auditors of the Company confirming Compliance with the conditions of the Corporate Governance has been included in this Annual Report.

PERSONNEL

Personnel relations with all employees remained cordial and harmonious through out the year. Your Directors wish to place on record their sincere appreciation to the employees of the Company for their devoted service.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the valuable guidance and support received from Reserve Bank of India, Securities and Exchange Board of India and other Government and Regulatory Agencies. Your Directors acknowledge the support of shareholders and also wish to place on record their appreciation of employees for their commendable efforts.

Regd. Office:

"3 Ravipushp Apartment,
B/S Navneet House,
Memnagar,
Ahmedabad-380 052
Gujarat

PLACE: Ahmedabad

Date : 29.05.2014

BY ORDER OF BOARD OF DIRECTORS
FOR SUN FINLEASE (GUJARAT) LIMITED

PARAG P. SHAH
(CHAIRMAN)
(DIN: 00228965)

SUN FINLEASE (GUJARAT) LIMITED

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, lenders, creditors and employees. The Company and its Board of Directors firmly believe that strong governance, by maintaining a simple and transparent corporate structure, is integral to creating value on a sustainable basis. Good governance is a continuing exercise and the Company reiterates its commitment to pursue the same in all aspects of its operations in the overall interest of all its stakeholders.

BOARD OF DIRECTORS:

Composition of Board of Directors as on 31/03/2014:

Name of the Directors	Category	Attendance at Last AGM	No. of other Directorship in Public Ltd. Companies	No. of other Board Committees of which member/ chairman
Mr. Parag P. Shah	Chairman & Non Executive	Yes	Nil	Nil
Mr. Ghanshyam K. Vekaria	Non Executive Independent	Yes	Nil	Nil
Mrs. Punita R. Solanki	Non Executive Independent	Yes	Nil	Nil

Attendance of each Directors at Board Meetings as on 31/03/2014:-

Sr. No.	Name of Director	No. of Board meeting attended
1	Mr. Parag P. Shah	22
2	Mr. Ghanshyam K. Vekaria	Nil
3	Mrs. Punita R. Solanki	22

Number of Board meetings held during the financial year and dates of Board Meetings :

During the year 2013-14 Twenty Two (22) Meetings were held on 01.04.2013, 27.04.2013, 20.05.2013, 22.05.2013, 27.06.2013, 28.06.2013, 03.07.2013, 13.08.2013, 21.08.2013, 24.08.2013, 26.08.2013, 04.09.2013, 25.10.2013, 01.11.2013, 25.01.2014, 18.02.2014, 05.03.2014, 10.03.2014, 14.03.2014, 18.03.2014, 19.03.2014, and 29.03.2014.

The last Annual General Meeting (AGM) was held on 28.09.2013.

During the year the Company has not paid any sitting fees to its Directors for attending the Board Meeting.

No Remuneration/ Compensation were paid to Non Executive Directors during the year.

The information as required under Annexure I to Clause 49 of the Listing Agreement is being made available to the Board.

1. **Audit Committee**

The Company Constituted Audit Committee Comprising of Non-Executive Directors. The term of reference of Audit Committee pertain to the area referred to in Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement with the Stock Exchange.

The Audit Committee of the Board of Directors as on 31.03.2014 consist 3 Members. All being Non-Executive Directors.

During the financial year 2013-14 Five (5) Audit Committee Meetings were held on 24th April, 2013, 02nd July, 2013, 25th August, 2013 (Annual Accounts reviewed), 23rd October, 2013 and 23rd January, 2014.

The Composition and attendance detail of Audit Committee is as under:

Sr. No.	Name	Category	No. of Meeting Attended
1.	Mr. Parag P. Shah	Non-Executive & Chairman	5
2.	Mr. Ghanshyam K. Vekaria	Non-Executive Independent	0
3.	Mrs. Punita R. Solanki	Non-Executive Independent	5

The terms of reference of the Audit Committee include:

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Reviewing with the management the annual financial statements before submission to the Board for approval with particular reference to:
 - Matters required being included in the Directors Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of the Section 217 of the Companies Act, 1956.

SUN FINLEASE (GUJARAT) LIMITED

- Changes, if any, in accounting policies and practices and reason for the same.
 - Compliance with listing and other legal requirements relating to the financial Statements.
 - Disclosure of any related party transaction.
 - Qualification in the draft Auditors Report.
3. Reviewing with the management the quarterly financial statements before submission to the Board for approval.
 4. Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of the auditor and fixation of audit fees.
2. **Shareholders' / Investors' Grievance Committee**

Terms of Reference:

The role of the committee is to review the mechanism adopted to redress shareholder/depositor complaints, if any. The Committee also reviews adherence to service the standards and investor services initiatives undertaken by the Company.

The Shareholders/Investor Grievance Committee consist of three members as on 31.03.2014, all being non-executive Directors.

During the financial year 2013-14 Four (4) meetings of the Shareholders'/Investors' grievance Committee were held on 26th April, 2013, 01st July, 2013, 24th October 2013 and 24th January, 2014.

The Composition and attendance detail of Committee is as under:

Sr. No.	Name	Category	No. of Meeting Attended
1.	Mr. Parag P. Shah	Non-Executive & Chairperson	4
2.	Mr. Ghanshyam K. Vekaria	Non-Executive Independent	0
3.	Mrs. Punita R. Solanki	Non-Executive Independent	4

Shri Parag P. Shah who act as Chairperson of the Shareholders'/Investors' grievance committee meetings was present at the 25th Annual General Meeting of the Company held on 28th September 2013 to answered the Shareholders queries.

No complaint was pending as on the date of this report.

5. Annual General Meetings (AGM)

The details of the last three years AGM are given as under:

Financial Year	Venue	Day	Date	Time
2012-13	3, Ravi Pushpa Apartment, Beside Navneet House, Memnagar, Ahmedabad – 52	Saturday	28.09.2013	10:00 A.M.
2011-12	3, Ravi Pushpa Apartment, Beside Navneet House, Memnagar, Ahmedabad – 52	Wednesday	26.09.2012	10:00 A.M.
2010-11	3, Ravi Pushpa Apartment, Beside Navneet House, Memnagar, Ahmedabad – 52	Monday	26.09.2011	10:00 A.M.

There were no resolutions put through postal ballot in the last Three Annual General Meeting. There is no business at the ensuing AGM requiring implementation of the postal ballot under the applicable rules.

6. Compliance with other Mandatory Requirements

• Disclosures

1. Related Party Transaction

The related party Transaction made by the Company are disclosed in the notes to Financial Statements.

2. Compliance Report

The Board periodically reviews the Compliance of all applicable laws and gives appropriate directions, wherever necessary.

3. Means of Communication

Company is generally providing a detailed Annual Report on the working of the Company, consisting of Directors' Report (containing management discussion analysis and annual accounts)

7. Compliance with Non Mandatory Requirements:

▪ Audit Qualification

During the period under review there was no audit qualification in Company's financial statements. The Company continues to adopt best accounting practices and has complied with the Accounting Standards and there is no difference in the treatment.

SUN FINLEASE (GUJARAT) LIMITED

8. Shareholder's Information

a. Annual General Meeting to be held

Date and Time : Tuesday, 9th September, 2014 at 11.00 A.M.
Venue : 3, Ravipushpa Apartment, B/s Navneet House, Memnagar, Ahmedabad – 380 052
Financial Year : 1st April, 2013 to 31st March, 2014
Date of Book Closure : 2nd September, 2014 to 9th September, 2014 (Both days Inclusive).
Dividend Payment Date : Not Applicable since no dividend has been Recommended

b. Registrar and Transfer Agents

Sharepro Services (India) Pvt. Ltd.

13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Lane, Off. Andheri – Kurla Road, Andheri (East), Mumbai – 400 072.

c. Financial Calendar

Company's financial year is from April to March and the results for each quarter are generally published.

Results for quarter ending June 30, 2014 : On or before 14/08/2014

Results for quarter ending Sept. 30, 2014 : On or before 15/11/2014

Results for quarter ending Dec. 31, 2014 : On or before 15/02/2015

Results for quarter ending March 31, 2015 : On or before 30/05/2015

9. Exchange on which listed

Name & Address of Stock Exchange	Stock Code	ISIN No.
Ahmedabad Stock Exchange Limited Kamdheni Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad- 380 015	58059	INE098D01010

10. Market Price Data

High-Low prices of the Company's shares and volume of trading is not available as the trading of the securities of the Company has been suspended. Hence no trading of shares is made during the period.

11. Share Transfer System

Application for transfers, transmission and transposition are received by the Company at its registered address or at the office Registrar and Transfer Agent.

The shares of the Company which are in dematerialised form, the transfers are duly processed by NSDL/CDSL in electronic form through the respective Depository Participants. Shares which are in physical form are processed by the Registrar and Share Transfer Agent.

12. Share Holding

• Shareholding Pattern (As on 31st March, 2014)

Category	No. of Shares Held	Percentage of Shares
A. Promoters Holding		
Promoters	611070	20.14
B. Others		
a. Private Body Corporate	584200	19.26
b. Indian Public	1659500	54.71
c. NRIs/OCBs/Foreign Bodies	178600	5.89
d. Any Other (Specify)	NIL	NIL
Grand Total	3033370	100

SUN FINLEASE (GUJARAT) LIMITED

• **Distribution of Shareholding as on 31st March, 2014**

No. of EquityShares held	No. of Shareholders	No. of Shares held	% of Holding
1 – 5000	2169	321300	10.60
5001 – 10000	14	89900	2.96
10001 – 20000	11	132900	4.38
20001 – 30000	6	161700	5.33
30001 – 40000	7	251500	8.29
40001 – 50000	2	95000	3.13
50001 – 100000	20	1440570	47.49
100001 and above	4	540500	17.82
Total à	2233	3033370	100.00

13. Dematerialization of Shares and Liquidity :

Sr. No.	Particular	Demat Segment		Physical Segment	
		No. of Shares	Percentage	No. of Shares	Percentage
1.	Promoter	338000	11.14	273070	9.00
2.	Other	1002200	33.04	1420100	46.82
	Total	1340200	44.18	1693170	55.82

14. Address for Correspondence

Sharepro Services (India) Pvt. Ltd.

13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072

Mr. Parag P. Shah

3, Ravipushp, Apartment, Beside Navneet House, Memnagar, Ahmedabad – 380 052

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To,
The Members of
SUN FINLEASE (GUJARAT) LIMITED
3, Ravipushp Apartment,
B/s. Navneet House, Memnagar,
Ahmedabad-380 052

We have examined the compliance of conditions of Corporate Governance by Sun Finlease (Gujarat) Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above - mentioned Listing Agreements.

As required by the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, We have to state that based on the report given by the Registrars to the Company as on March, 31, 2014, there were no investor Grievance matters against the Company remaining unattended / pending for more than 30 days.

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

For, **TALATI & TALATI**
Chartered Accountants

(ANAND SHARMA)
Partner

Mem. No. 129033

Place : Ahmedabad
Date : 29/05/2014

SUN FINLEASE (GUJARAT) LIMITED

INDEPENDENT AUDITORS' REPORT

To The Members of **SUN FINLEASE (GUJARAT) LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Sun Finlease (Gujarat) Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards notified under the Companies Act, 1956("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Basis of Qualified Opinion

We draw your attention to note no 27 of the notes to financial statements regarding non provision of gratuity and leave encashment which is a departure from AS 15 "Employee Benefits. In absence of available data and non provision of gratuity and leave encashment during the year, effect of the same on Profit and Loss account is not ascertainable. Further we draw your attention regarding valuation of Stock of Shares and Securities, whereby, the company has valued its shares and securities held for sale at cost instead of cost or Fair value whichever is lower as required by Accounting Standard 13 "Accounting for Investments". In case of Mutual Fund where Fair value is not available or not ascertainable the same has been carried out at Cost. Due to that the effect of the same on Profit and Loss account is not ascertainable. In case of other shares and securities, current year closing stock is over Valued by Rs.2,07,03,196 and loss for the year and Reserves & Surplus is over Stated by Rs 2,07,03,196.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph*, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
- (b) In the case of statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. 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;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account,
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013;
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956:

For, **TALATI & TALATI**
Chartered Accountants

(ANAND SHARMA)
Partner
Mem. No. 129033

Place : Ahmedabad
Date : 29/05/2014

SUN FINLEASE (GUJARAT) LIMITED

ANNEXURE TO INDEPENDENT AUDITORS' REPORT:

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

- i. In respect of its fixed asset
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) During the year, the company has not disposed off any major part of the Fixed Assets.
- ii. The Company being Non-Banking Financial Company, and is dealing in shares and securities, hence Para 3 sub-clause (a), (b) and (c) clause (ii) of CARO is not applicable.
- iii. (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clause (b), (c) and (d) are not applicable to the company.
(e) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clause (f) ,(g) are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase and sales of securities and fixed assets. During the course of our audit, we have not observed any major weakness in the internal control system.
- v. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions with the parties registered under Section 301. Hence this clause is not applicable to the company.
- vi. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public and hence the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the company.
- vii. In our opinion and according to the information and explanations given to us , the company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for Non-Banking Financial Companies. Hence the provision of this clause is not applicable to the company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the company produced before us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor Education and Protection fund, Income-tax, Sales-tax, Wealth-tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to it.
Further according to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales Tax, Customs duty and Excise duty were outstanding, as at 31st March, 2014 for a period of more than six months from the date they become payable.
(b) According to the records of the company, There are no dues in relation to Sales tax, Service tax, Income-tax, Custom duty, Wealth tax, Excise duty, Cess, which have not been deposited on account of any dispute.
- x. The Company's accumulated losses at the end of the Financial year are less than 50% of its net worth. The company has incurred cash loss of Rs 46,30,375 for the current year and Rs Nil in the previous year.
- xi. In our opinion and according to the information and explanations given to us and the records of the company produced before us, the company has not defaulted in repayment of dues to the financial institutions, banks or debenture holders.
- xii. Based on our examination of the records and the information and explanations given to us the company has not granted any loans against security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of this Order are not applicable to the company.
- xiv. The company is dealing in or trading in shares, securities, debentures and other investments and all the records for transactions have been kept and appropriate entries are made in the register. The investments are made in the name of company.
- xv. The Company has not given any guarantee for loans taken by others from bank or financial institutions. Hence provision of this clause is not applicable to the company.
- xvi. The company has not raised any term loans and therefore the provision of this clause of the Order is not applicable to the company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The company has not made any preferential allotment of shares to any parties and companies covered under the register maintained u/s 301 of the Act.
- xix. During the period covered by our audit report, the company has not issued any debentures.
- xx. The company has not raised any money out of public issue during the year.
- xxi. In our opinion and according to the information and explanations given to us and the records of the company produced before us, we report that no material fraud on or by the company has been noticed or reported during the course of our audit.

For, **TALATI & TALATI**
Chartered Accountants

(ANAND SHARMA)
Partner
Mem. No. 129033

Place : Ahmedabad
Date : 29/05/2014

SUN FINLEASE (GUJARAT) LIMITED**BALANCE-SHEET AS ON 31ST MARCH, 2014**

Particulars	Note No	As at March 31,2014 Amount in (₹)	As at March 31,2013 Amount in (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	30,333,700	30,333,700
(b) Reserves and Surplus	3	5,468,892	10,219,017
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	74,866	23,267
(3) Current Liabilities			
(a) Short-Term Borrowings	5	729,930,666	247,657,555
(c) Other Current Liabilities	6	980,198	630,942
(d) Short-Term Provisions	7	76,840	62,703
Total		<u>766,865,162</u>	<u>288,927,184</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	8	1,926,589	2,140,639
(b) Non-Current Investments	9	8,509,000	31,455,945
(d) Long Term Loans and Advances	10	34,840	26,000
(e) Other Non-Current Assets	11	-	103,614
(2) Current Assets			
(a) Current Investments	12	-	1,228,000
(b) Inventories	13	467,005,250	63,356,118
(c) Cash and Cash Equivalents	14	60,563,496	51,560,434
(d) Short-Term Loans and Advances	15	225,651,627	133,866,864
(e) Other Current Assets	16	3,174,360	5,189,570
Total		<u>766,865,162</u>	<u>288,927,184</u>

The accompanying notes are an integral part
of these Financial Statements

1 to 32

As per our separate report of even date attached
For Talati & Talati
Chartered Accountants
(Firm Reg No: 110758W)

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Anand Sharma

Partner
Mem. No. 129033

Date : 29/05/2014
Place : Ahmedabad

Parag Shah
Director

Punita Solanki
Director

SUN FINLEASE (GUJARAT) LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

Particulars	Note No	As at March 31,2014 Amount in (₹)	As at March 31,2013 Amount in (₹)
I. Revenue From Operations	17	13,691,023	9,058,437
II. Profit on Sale of Investment (Net)	18	2,983,393	6,813,126
III. Other Income	19	3,427,968	9,884,008
IV. Total Revenue		20,102,384	25,755,571
V. Expenses:			
Employee Benefit Expense	20	490,350	419,600
Finance Costs	21	22,803,515	12,829,513
Depreciation and Amortization Expense	8	219,750	175,440
Other Expenses	22	1,148,855	7,781,222
VI. Total Expenses		24,662,470	21,205,775
VII. Profit Before Exceptional and Extraordinary Items and Tax (IV - VI)		(4,560,086)	4,549,796
VIII. Exceptional Items		-	-
IX. Profit Before Tax (VII - VIII)		(4,560,086)	4,549,796
X. Tax Expense:			
Current Tax		-	907,500
MAT Credit Entitlement		-	(1,027,668)
Excess/(Short) Provision for Income Tax		(138,440)	-
Deferred Tax		(138,440)	(120,168)
		(51,599)	123,778
XI. Profit/(Loss) for The Period (IX - X)		(4,750,125)	4,546,186
X. Earning Per Equity Share (Face value of ₹ 10 per share)			
(1) Basic		(1.57)	1.50
(2) Diluted			

The accompanying notes are an integral part of these Financial Statements

1 to 32

As per our separate report of even date attached
For Talati & Talati
Chartered Accountants
(Firm Reg No: 110758W)

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Anand Sharma
Partner
Mem. No. 129033
Date : 29/05/2014
Place : Ahmedabad

Parag Shah
Director

Punita Solanki
Director

SUN FINLEASE (GUJARAT) LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2014**

PARTICULARS	2013-14	2012 - 2013
A) CASH FLOWS FROM OPERATING ACTIVITIES		
NET PROFIT/ (LOSS) BEFORE TAX AS PER PROFIT & LOSS ACCOUNT	(4,560,086)	4,549,796
Add/ Less Adjustments for:		
ADD: DEPRECIATION	219,750	175,440
INTEREST PAID & BANK CHARGES	22,822,423	12,839,504
LOSS ON SALE OF FIXED ASSET	-	-
WRITEDOWN OF INVESTMENT	-	5,945,876
TRANSFER OF NON CURRENT INVESTMENT TO STOCK IN TRADE	27,746,945	-
LOSS ON SALE OF INVESTMENT	205,763	
EXCESS / (SHORT) PROVISION OF INCOME TAX	(138,440)	
LESS: INTEREST INCOME	(13,081,488)	(8,208,437)
PROFIT ON SALES OF INVESTMENTS	-	(9,079,119)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	33,214,867	6,223,060
ADJUSTMENTS FOR WORKING CAPITAL:		
INCREASE IN CURRENT ASSET	(492,185,884)	(66,784,310)
INCREASE IN CURRENT LIABILITIES	363,393	(118,418)
CASH GENERATED FROM OPERATIONS	(458,607,624)	(60,679,668)
LESS: TAXES PAID	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	(458,607,624)	(60,679,668)
B) CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST INCOME	13,081,488	8,208,437
PURCHASE OF INVESTMENT	(4,800,000)	(27,746,945)
PURCHASE OF FIXED DEPOSIT	(60,000,000)	(5,198,858)
PROCEEDS FROM SALE OF INVESTMENT	51,060,428	27,383,024
PURCHASE OF FIXED ASSETS	(5,700)	(910,214)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(663,784)	1,735,444
C) CASH FLOWS FROM FINANCING ACTIVITIES		
PROCEEDS FROM SECURED LOANS	11,370,416	(12,424,840)
PROCEEDS FROM UNSECURED LOANS	470,902,695	84,067,371
INTEREST PAID	(22,822,423)	(12,839,504)
NET FLOWS FROM FINANCING ACTIVITIES	459,450,688	58,803,027
NET INCREASE/ (DECREASE) (A+B+C)	179,280	(141,197)
CASH AND CASH EQUIVALENTS AS ON 01.04.2013	284,216	425,413
CASH AND CASH EQUIVALENTS AS ON 31.03.2014	463,496	284,216
	179,280	(141,197)

As per our separate report of even date attached

For Talati & TalatiChartered Accountants
(Firm Reg No: 110758W)**Anand Sharma**Partner
Mem. No. 129033Date : 29/05/2014
Place : Ahmedabad**FOR AND ON BEHALF OF BOARD OF DIRECTORS****Parag Shah**
Director**Punita Solanki**
Director

Notes to financial statement for the year ended 31st March 2014**1. Significant Accounting Policies:****1.1 Basis of Accounting:**

The financial statements are prepared on historical cost convention. The Company follows the accrual basis of accounting. The Financial Statement are prepared in accordance with the accounting standards notified under the Companies Act, 1956 ("the Act") read with the general Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and the guidance issue by the Reserve Bank of India (RBI) as applicable to a Non Banking Finance Company (NBFC). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

1.2 Inventory Valuation:

Inventory of Shares & Securities is valued at cost. Cost is determined on FIFO basis.

1.3 Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment loss if any. The company capitalizes all costs relating to the acquisition.

1.4 Depreciation:

Depreciation on all Fixed Assets has been provided on Straight Line Method basis at the rate prescribed in Schedule XIV of the Companies Act, 1956. In case of Assets acquired during the year Depreciation is provided on pro-rata basis.

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

1.5 Revenue Recognition:

Income is recognized when there is reasonable certainty of its ultimate realization / collection.

All income is accounted on accrual basis except dividend, which is accounted on receipt basis.

1.6 Employees' Benefits:**Short Term:**

Short Term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

Long Term:

The Company has not framed any policy for providing long term benefits to the employees as the relevant Acts for the same are not applicable to the company. Hence the long term benefits are not recognised by the company.

1.7 Provisions, Contingent liability and Contingent assets:

Provisions involving substantial degree of estimation are recognized as and when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not provided for in accounts. The same are determined on the basis of available information and separately disclosed by way of a note to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

1.8 Taxes on Income:

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income-tax Act, 1961.

Deferred tax is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carried forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The disclosure of DTL / DTA is given as per the vide Circular No. DNBS PD/CC No. 142/03.05.02, dated June 9, 2009

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered

SUN FINLEASE (GUJARAT) LIMITED

Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income tax during the specified period.

1.9 Investments:

Long term investments are stated at cost. Provision is made to recognize a diminution, other than temporary, in the value of investments. Current investment is valued at cost or market value whichever is lower.

1.10 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares in issue during the year. Diluted earning per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

1.11 Impairment of Assets:

The carrying value of assets of the group's cash generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor. Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sales.

1.12 Cash Flow Statement:

The Cash Flow Statement is prepared by the "indirect method" set out in accounting standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the Cash Flow Statements consist of cash on hand and deposits with banks.

SUN FINLEASE (GUJARAT) LIMITED

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

2 SHARE CAPITAL :

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
Authorised Capital:		
34,60,000 Equity Shares of ₹10/- each (P.Y.:34,60,000 Equity Shares of ₹10/- each)	34,600,000	34,600,000
40,000 2% Cumulative Preference Shares Of ₹10 each (P.Y.:40,000 2% Cumulative Preference Shares Of ₹10 each)	400,000	400,000
50,00,000 6% Non-Cumulative Preference Shares Of ₹10 each (P.Y.: 50,00,000 6% Non -Cumulative Preference Shares Of ₹10 each)	50,000,000	50,000,000
Issued, Subscribed & Fully Paid up Capital :		
30,33,370 - Equity Shares of ₹10/- each fully paid up (P.Y. 30,33,370 Equity Shares of ₹10/-each)	30,333,700	30,333,700
	30,333,700	30,333,700

(a) Reconciliation of number of shares :

Equity shares:	As at March 31, 2014		As at March 31, 2013	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	3,033,370	30,333,700	3,033,370	30,333,700
Add: Issue of shares during the year	-	-	-	-
Shares outstanding at the end of the year	3,033,370	30,333,700	3,033,370	30,333,700

(b) Terms/rights ,preferences and restrictions attached to securities:

- Equity Shares:

The company has one class of equity shares having a par value of ₹10 each. Each share holder is eligible for one vote per share held. The dividend proposed by the board of director is subject to the approval of share holders in the ensuing Annual General meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential dues, in proportion to their shareholding.

(c) Details of share holders holding more than 5% shares in the company:

Name of share holders	As at March 31, 2014		As at March 31, 2013	
	No of Shares held	% of holding	No of Shares held	% of holding
a) Unilon Private Limited	277,500	9.15%	134,500	4.46%

3 Reserves & Surplus

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
Other Reserves		
General Reserve	87,500	87,500
Statutory Reserve		
(Reserve fund in terms of section 45 (1C(i) of the Reserve Bank of India Act, 1934)		
Balance as per last accounts	3,492,598	2,583,361
Add: Transferred from Profit & Loss Account	-	909,237
	3,492,598	3,492,598
Surplus in Statement of Profit & Loss		
Balance as per last accounts	6,638,919	3,001,970
Add : Profit/ (loss) for the year	(4,750,125)	4,546,186
Less: Appropriations		
Transfer to Statutory Reserve	-	(909,237)
	1,888,794	6,638,919
	5,468,892	10,219,017

SUN FINLEASE (GUJARAT) LIMITED

4 DEFERRED TAX LIABILITIES (NET):

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
Deferred Tax Liabilities		
Fixed Asset: Impact of difference between tax depreciation and depreciation charged for the financial reporting	23,267	23,267
Add : Current year Deferred Tax liability	51,599	
Gross deferred tax liability	74,866	23,267
Deferred Tax Assets	-	-
Gross deferred tax asset	-	-
Net deferred tax liability	74,866	23,267

5 SHORT TERM BORROWINGS:

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
Secured :		
From Banks:		
- Overdraft Facility	40,009,440	28,639,024
Unsecured :		
Loans and Advances-Payable on Demand		
- Inter Corporate Deposits	236,469,239	219,018,531
- From Financial Institution	453,451,987	-
Total	729,930,666	247,657,555

6 OTHER CURRENT LIABILITIES:

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
Other payables:		
- Statutory dues	980,198	630,942
Total	980,198	630,942

7 SHORT TERM PROVISIONS:

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
Provision for Expenses	76,840	62,703
Total	76,840	62,703

SUN FINLEASE (GUJARAT) LIMITED

Note - 8 : TANGIBLE FIXED ASSETS

	Furniture	Vehicles	Office Equipment	Computers	Air Conditioners	Mobile	Cycle	Total
Cost of assets								
As at 1 April 2012	12,960	1,286,758	115,175	184,065	154,500	3,500	4,500	1,761,458
Additions	-	910,214	-	-	-	-	-	910,214
Disposal / Adjustment	-	-	-	-	-	-	-	-
As at 31 March 2013	12,960	2,196,972	115,175	184,065	154,500	3,500	4,500	2,671,672
Additions	-	-	-	5,700	-	-	-	5,700
Disposal / Adjustment	-	-	-	-	-	-	-	-
As at 31 March 2014	12,960	2,196,972	115,175	189,765	154,500	3,500	4,500	2,677,372
Depreciation								
As at 1 April 2012	6,938	18,370	106,609	162,772	52,904	3,500	4,500	355,593
Charge for the year	820	145,459	7,291	12,090	9,780	-	-	175,440
Disposal / Adjustment	-	-	-	-	-	-	-	-
As at 31 March 2013	7,758	163,829	113,900	174,862	62,684	3,500	4,500	531,033
Charge for the year	820	208,712	-	438	9,780	-	-	219,750
Disposal / Adjustment	-	-	-	-	-	-	-	-
As at 31 March 2014	8,578	372,541	113,900	175,300	72,464	3,500	4,500	750,783
Net Block								
As at 31 March 2013	5,202	2,033,143	1,275	9,203	91,816	-	-	2,140,639
As at 31 March 2014	4,382	1,824,431	1,275	14,465	82,036	-	-	1,926,589

9 NON CURRENT INVESTMENT:

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
Other Investments Valued at Cost		
Investment in Equity Investment (At Cost) (quoted)		
TBZ Limited (IN 75125 Shares @₹10/- fully paidup)	-	27,746,945
Investment in Equity Investment (At Cost) (un quoted)		
Yuva Trading Company Ltd (40,000 Equity Shares)	4,800,000	-
Investment in Government or Trust Securities (quoted)		
Investment in NHAI Bonds (In 3709 Bonds @₹1000/- fully paid up)	3,709,000	3,709,000
Total	8,509,000	31,455,945

10 LONG-TERM LOANS & ADVANCES:

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
(Unsecured, considered good, unless otherwise stated)		
(Unsecured, considered good, unless otherwise stated)		
Security deposits	34,840	26,000
Total	34,840	26,000

SUN FINLEASE (GUJARAT) LIMITED

11 Other Non-Current Assets

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
Fixed Deposit (more than 12 months)	-	113,641
Less: Accrued Interest	-	(10,027)
Total	-	103,614

12 CURRENT INVESTMENT

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
At cost or Market Value whichever is lower		
Investment in Equity Shares (quoted)		
Sawaka Business Machines Ltd (40000 shares @₹10/- fully paid-up) (market value of ₹12,28,000/- as on year end)	-	7,173,876
Less: Writtendown of current Investments	-	5,945,876
Total	-	1,228,000

13 INVENTORIES:

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
(valued at lower of cost or net realizable value)		
Valued at cost		
Stock in trade:		
- Shares	165,834,831	63,356,118
- Mutual fund	301,170,419	-
(Above inventories taken, valued and certified by the management)		
Total	467,005,250	63,356,118

14 CASH AND BANK BALANCES:

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
Cash and cash equivalent :		
a Balance with Banks :		
- In Current accounts	448,303	270,873
b Cash on hand	15,193	13,343
c Other Bank Balance		
Fixed Deposit (Less than 12 months)	60,100,000	56,455,761
Fixed Deposit (more than 12 months)	-	113,641
Total	60,100,000	56,569,402
Less: More than 12 months transferred to Non- Current Assets	-	(113,641)
Less: Accrued Interest On FD Less Than 12 Months	-	(5,179,543)
Total	60,100,000	51,276,218
Total	60,563,496	51,560,434

SUN FINLEASE (GUJARAT) LIMITED

15 SHORT-TERM LOANS AND ADVANCES:

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
Unsecured considered good, unless otherwise stated: (Unsecured considered good, unless otherwise stated)		
Other loans and advances:		
- Advances recoverable in cash or kind	220,121,257	5,427
- Prepaid Insurance	30,603	
- Advance tax and advance TDS (Net of provision)	1,705,853	908,594
- Mat Credit Entitlement	1,662,943	1,662,943
- Loans and Advances to others	2,503,722	131,656,392
Less: Provision for Standard Assets (0.25%) as required by RBI Regulations	(372,751)	(366,492)
Total	225,651,627	133,866,864

16 Other Current Assets:

	As at March 31,2014 Amount in (₹)	As at March 31,2014 Amount in (₹)
Unsecured considered good, unless otherwise stated:		
Interest Receivable	3,174,360	5,189,570
Total	3,174,360	5,189,570

17 REVENUE FROM OPERATIONS:

	Year ended March 31,2014 Amount in (₹)	Year ended March 31,2014 Amount in (₹)
Interest		
Interest Income		
- From Fixed Deposits	8,099,467	5,199,969
- From Loans & Advances	4,674,174	2,798,190
Interest Income from Long term Investment (Tax Free)	307,847	210,278
Other Financial Service		
Consultancy / Brokerage Income	609,535	850,000
Total	13,691,023	9,058,437

18 PROFIT/(LOSS) ON SALE OF INVESTMENT (NET)

	Year ended March 31,2014 Amount in (₹)	Year ended March 31,2014 Amount in (₹)
Trading of Shares , Securities and Mutual Fund:		
Sales	1,117,434,885	435,451,348
Add: Closing Stock in Trade (at cost)	467,005,250	70,529,994
	1,584,440,135	505,981,342
Less: Opening Stock in Trade (at cost)	70,529,994	108,210,406
Less: Transferred to Current Investment	7,173,876	-
	63,356,118	108,210,406
Purchase	1,490,519,976	390,231,815
	1,553,876,094	498,442,221
Total Profit /(Loss)	30,564,041	7,539,121
Trading Of Shares F&O	(23,942,565)	152,018
Profit/Loss on Commodity derivatives	(3,255,526)	-
Loss on Sale of Shares (Speculative)	(382,557)	(878,013)
Total	2,983,393	6,813,126

SUN FINLEASE (GUJARAT) LIMITED

19 OTHER INCOME

	Year ended March 31,2014 Amount in (₹)	Year ended March 31,2014 Amount in (₹)
Dividend	3,245,679	802,234
Profit on sale of Long Term Investments	-	9,079,119
Other Non Operating Income		
- Interest on Income Tax refund	175,621	-
- Other Income	6,668	2,655
Total	3,427,968	9,884,008

20 EMPLOYEE'S BENEFIT EXPENSE:

	Year ended March 31,2014 Amount in (₹)	Year ended March 31,2014 Amount in (₹)
Salaries	490,350	419,600
Total	490,350	419,600

21 FINANCE COSTS:

	Year ended March 31,2014 Amount in (₹)	Year ended March 31,2014 Amount in (₹)
Interest Expenses		
Interest paid to Bank for overdraft against FDR	4,829,121	2,153,966
Interest to Others	17,974,394	10,675,547
Total	22,803,515	12,829,513

22 OTHER EXPENSES:

	Year ended March 31,2014 Amount in (₹)	Year ended March 31,2014 Amount in (₹)
Legal & Professional Charges	114,120	70,010
Car Petrol & Repairing	326,943	318,488
Rent	72,000	108,000
Share Registrar Fees	80,902	67,418
Conveyance Expenses	48,583	62,945
Provision For Standard Assets	6,259	329,141
Printing, Stationery & Computer expenses	91,590	17,039
Electricity Expenses	48,781	35,785
Postage & Telegram	27,783	6,662
Demat charges	3,115	55,543
Payment to Auditors		
As Auditor	13,483	13,483
As Tax Auditor	5,618	5,618
Listing Fees	16,854	16,854
Travelling Expenses	9,482	29,087
Office & Miscellaneous Expense	28,632	9,840
Telephone & Trunkcall Expenses	13,731	8,447
Bank Charges	18,908	9,991
Insurance Premium	7,208	21,495
Filing Fees	9,100	649,500
Write down of current investment	-	5,945,876
Loss on sale of Investment	205,763	-
Total	1,148,855	7,781,222

SUN FINLEASE (GUJARAT) LIMITED

ANNEXURE-23

SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding)
Companies Prudential Norms (Reserve Bank) Directions, 2007)

(₹ in lakhs)

Particulars	Amount out-standing As on 31-03-2014	Amount overdue As on 31-03-2014
Liabilities side :		
1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures		
Secured	NIL	NIL
Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	2364.69	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans	4934.61	NIL
Assets side :		
	Amount outstanding	
2 Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured		NIL
(b) Unsecured		2256.86
3 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(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) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL
4 Break-up of Investments :		
Current Investments :		
1. Quoted :		
(i) Shares		
(a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and Bonds		
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others (please specify)		NIL
2. Unquoted :		NIL
(i) Shares		
(a) Equity		
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others (please specify)		NIL

SUN FINLEASE (GUJARAT) LIMITED

4 Break-up of Investments : [contd...]

Long Term investments :	NIL
1 Quoted :	
(i) Shares	
(a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	37.09
(v) Others (please specify)	NIL
2. Unquoted :	
(i) Shares	
(a) Equity	48.00
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL

5 Borrower group-wise classification of assets financed as in (2) and (3) above :

Category	Amount net of provisions		Total
	Secured	Unsecured	
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
Total	NIL	NIL	NIL

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

Category	Market Value / Break up or fair value or 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	NIL	NIL
Total	NIL	NIL

As per Accounting Standard of ICAI

7 Other information

Particulars	Amount
(1) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(2) Net Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(3) Assets acquired in satisfaction of debt	NIL

As per our separate report of even date attached

FOR AND ON BEHALF OF BOARD OF DIRECTORS

For Talati & Talati

Chartered Accountants
(Firm Reg No: 110758W)

Anand Sharma

Partner
Mem. No. 129033

Date : 29/05/2014
Place : Ahmedabad

Parag Shah
Director

Punita Solanki
Director

SUN FINLEASE (GUJARAT) LIMITED

24. Previous year figures have been re-arranged and re-grouped, wherever necessary to make them comparable with those of current year.
25. Loans & Advances, deposits and other loans are as per the book and subject to confirmation from respective parties.
26. In the opinion of the management, the Trade receivables, loans and advances appearing in the balance sheet have a value equivalent to the amount stated therein, if realized during the ordinary course of the business and all known liabilities have been provided.
27. No Provision has been made for liability in respect of Gratuity and Leave Encashment. The effect of the same can not be quantified, to the extent Profit for the year and balance of Reserve and Surplus are overstated and balance of Current / Non-Current Liability is understated.
28. Related Party Disclosure

Key Management Personnel and Relatives.

Name	Designation
Parag Shah	Director (Non Executive Director)
Ghanshyam K. Vekaria	Director (Non Executive Director)
Punita Solanki	Director (Non Executive Director)

29. No personal expenses of Directors have been charged to revenue account other than those payable under contractual obligation or in accordance with generally accepted business practice.
30. There is no expenditure or income in foreign currency.
31. Earnings per share:

Particulars		31.03.2014	31.03.2013
Net profit for the year attributable to Equity Shareholders		(47,50,125)	45,46,186
Weighted average number of Equity Shares outstanding	No.	30,33,370	3,033,370
Basic earnings per share (face value of ₹ 10 each)	₹	(1.57)	1.50

32. As per the provision of the Section 383A of the Companies Act, 1956 the company is liable to appoint the whole time Company Secretary but there is no Company Secretary in the Company.

As per our separate report of even date attached

FOR AND ON BEHALF OF BOARD OF DIRECTORS

For Talati & Talati

Chartered Accountants
(Firm Reg No: 110758W)

Anand Sharma

Partner
Mem. No. 129033

Date : 29/05/2014
Place : Ahmedabad

Parag Shah
Director

Punita Solanki
Director

SUN FINLEASE (GUJARAT) LIMITED

NON-BANKING FINANCIAL COMPANIES AUDITORS REPORT

To,
The Board of Directors,
SUN FINLEASE (GUJARAT) LTD.
Ahmedabad.

Dear Sir,

In addition to the report made under Section 227 of the Companies Act, 1956 on the Accounts of a Non-Banking Financial Companies, The Reserve Bank of India issued Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 for all NBFC as defined in section 45I(f) of the Reserve Bank of India Act, 1934 and considering it necessary in the public interest and for the purpose of proper assessment of books of accounts of NBFCs, in exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank of India Act, 1934.

We report on the examined accounts of SUN FINLEASE (GUJARAT) LIMITED, a Non-Banking Financial Companies (not accepting Public Deposit) for financial year ended 31st March, 2014, as per the matters specified in para 3 and 4 of the said Directions in vide Circular no RBI/2009-10/4 DNBS(PD)CC No.146 /03.02.001/2009-10 dated July 1, 2009, with reference to the directions reproduced in Notification No. DNBS. 201/DG(VL)-2008 dated September 18,2008 and to the extent applicable to the company as follows:

1. The Company is engaged in the business of Non-Banking Financial Institution, had applied for registration as provided in Section 45-IA of the Reserve Bank of India Act,1934 and it has also been Granted Certificate of Registration (CoR) by the Reserve Bank of India, Reg.No: 01.00120 on dated 19/03/1998.
2. The Company is holding the Certificate of Registration (CoR) issued by RBI and the company is entitled to continue to hold such CoR in terms of its asset/ income pattern as on March 31, 2014
3. As per Circular no. DNBS. PD. CCNo. 85/03.02.089/ 2006-07 dated December 6,2006, the company is not classified as Asset Finance Company (AFC) and hence, Non-Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is applicable in respect of Non-Deposit taking NBFC.
4. The Company has not accepted any public deposits during the year 2013-14, Board of Directors of the company has passed resolution for non-acceptance of any public deposits in the 1st Board Meeting held on 01/04/2013.
5. For the Financial Year ended 31.03.2014 the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification, provisioning for bad and doubtful debts & capital adequacy and exposure norms as applicable to it in terms of Non-Banking Financial (Non-Deposits Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, subject to our comments in Annexure to Auditors Report, We draw your attention to note no 27 of the notes to financials t a t e m e n t s regarding non provision of gratuity and leave encashment which is a departure from AS 15 "Employee Benefits. Further we draw your attention regarding valuation of Stock of Shares and Securities, whereby, the company has valued its shares and securities held for sale at cost instead of cost or Fair value whichever is lower as required by Accounting Standard 13 "Accounting for Investments". As a consequence of this, current year closing stock is over Valued by ₹2,07,03,196 and profit for the year and Reserves & Surplus is over Stated by Rs 2,07,03,196.
6. In respect of Systemically Important Non-Deposits taking NBFC as defined in paragraph 2(1)(xix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the Company is not required to submit the return in Form NBS-7, as per Circular No. DNBS (PD). CC. No.141 / 03.10.001/ 2008- 2009 dated June 4, 2009.

For, **TALATI & TALATI**
Chartered Accountants

(ANAND SHARMA)
Partner
Mem. No. 129033

Place : Ahmedabad
Date : 29/05/2014

SUN FINLEASE (GUJARAT) LIMITED

(CIN No. - L65910GJ1988PLC010293)

Regd. Office: 3, Ravipushp Apartment, B/s. Navneet House, Memnagar, Ahmedabad-380052.

Phone No. 079 27496313 Email id- sfgl_1988@yahoo.com

ATTENDANCE SLIP

Members attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company at 3, Ravipushp Apartment, B/s. Navneet House, Memnagar, Ahmedabad-380052 held on Tuesday the 9th day of September, 2014 at 11:00 A.M.

Name Member : _____

DP Id *	Folio No.
Client Id*	No of Shares

Name Proxy : _____

Signature of the Member / Proxy

NOTE:

1. *Applicable for investors holding shares in dematerialized form.

SUN FINLEASE (GUJARAT) LIMITED

(CIN No. - L65910GJ1988PLC010293)

Regd. Office: 3, Ravipushp Apartment, B/s. Navneet House, Memnagar, Ahmedabad-380052.

Phone No. 079 27496313 Email id- sfgl_1988@yahoo.com

Form No. MGT-11

PROXY FORM

[Pursuant to Section (6) of the Companies Act, 2013 and rule 19(3) of Companies (Management and Administration) Rules, 2014]

CIN : L65910GJ1988PLC010293

Name of the Company : Sun Finlease (Gujarat) Limited

Registered office : 3, Ravipushp Apartment, B/s. Navneet House, Memnagar, Ahmedabad-380052

Name of member(s) :	Email Id :
Registered Address :	Folio No/Client Id :
	DP Id :

I/We, being a member(s) of _____ shares of Vishal Fabrics Limited, hereby appoint:

- Name : _____ Address : _____
E-mail Id : _____ Signature : _____ or falling him
- Name : _____ Address : _____
E-mail Id : _____ Signature : _____ or falling him
- Name : _____ Address : _____
E-mail Id : _____ Signature : _____ or falling him

as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 26th Annual General Meeting of the Company, to be held on Tuesday, the 9th day of September, 2014 at 11:00 A.M. at 3, Ravipushp Apartment, B/s. Navneet House, Memnagar, Ahmedabad- 380 052 and at any adjournment thereof in respect of such resolution as are indicated below :

P.T.O.

	Resolutions	Optional	
	Ordinary Business :		
1.	To approve Financial Results for the year ended on 31 st March, 2014.		
2.	To appoint a Director in place of Mr. Parag P. Shah (DIN : 00228965) who retires by rotation and being eligible offers himself for reappointment.		
3.	To re-appoint Auditors and to fix their remuneration		
	Special Business :		
4.	To Appoint Mrs. Punita R. Solanki (DIN : 00225663) as an Independent Director		
5.	To appoint Mr. Paras K. Sharma (DIN : 06872890) as an Independent Director		
6.	To approve borrowing Limits of the Company.		
7.	To Create Charge on the Assets of the Company.		

Signed this _____ day of _____, 2014

Signature of the Shareholder : _____

Signature of Proxy holder(s) : _____

Affix requisite Revenue Stamp
--

Note : This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.

To,

If undelivered please return to :

SUN FINLEASE (GUJARAT) LIMITED
(CIN No. - L65910GJ1988PLC010293)
Regd. Office: 3, Ravipushp Apartment,
B/s. Navneet House, Memnagar,
Ahmedabad-380052.
Phone No. 079 27496313
Email id- sfgl_1988@yahoo.com