

Annual Report 2012-13



GWL PROPERTIES LIMITED



GWL PROPERTIES LIMITED

Board of Directors

Ashok K. Kapur	Director
Sanjeev Jain	Director
Ravindra K. Raje	Wholetime Director

Company Secretary

Ninad Junnarkar

Auditors

M/s Lodha & Co.
Chartered Accountants
Chennai

Bankers

HDFC Bank Ltd.

Registered Office

36 Rajaji Salai, Chennai 600 001

Corporate Office

No. 43, Darga Road,
Pallavaram, Chennai - 600 043

Registrar & Share Transfer Agents

M/s GNSA Infotech Ltd.
STA Department
Nelson Chambers
4th Floor, F Block
No.115 Nelson Manickam Road
Aminjikarai, Chennai 600 029
Email: sta@gnsaindia.com

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NOTICE OF EIGHTYEIGHTH ANNUAL GENERAL MEETING

Notice is hereby given that the eighty-eighth Annual General Meeting of the Company will be held on Thursday, 5th September, 2013 at 9.30 a.m. at "Sri Reddiapatti Swarnigal Thirumana Mandapam", 251, Kali Amman Koil Street, Natesan Nagar, Virugambakkam, Chennai – 600 092 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with the Report of the Board of Directors and also the Report of the Auditors thereon.
2. To re-appoint Mr. Ashok Kumar Kapur as a Director who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

4. 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 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force, the Company hereby approves of the re-appointment of Mr. Ravindra K Raje as a Whole-Time Director of the Company for a period of three years with effect from 26th September, 2013, without remuneration on terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Ravindra K Raje."

By Order of the Board of Directors
For **GWL Properties Limited**

Place : Mumbai
Date : 5th July, 2013

Ninad Junnarkar
Company Secretary

Registered Office:
36 Rajaji Salai, Chennai – 600 001

NOTES:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Item 4 of Special Business to be conducted at the Meeting is annexed hereto.
2. The Register of Members/Beneficial Owners and the Share Transfer Registers relating to the Equity Shares of the Company will remain closed from 29th August, 2013 to 5th September, 2013 (both days inclusive).
3. **A MEMBER/BENEFICIAL OWNER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/HER STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**

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4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Members/Beneficial Owners are requested to notify change of address, if any, to their respective Depository Participant in case of shares held in, electronic form or to the Registrar & Share Transfer Agents, M/s GNSA Infotech Ltd., STA Department, Nelson Chambers, 4th Floor, F Block, No.115 Nelson Manickman Road, Aminjikarai, Chennai 600 029, in case of shares held in physical form.
6. Any Member/Beneficial Owner desirous of obtaining any information pertaining to the Accounts may forward such queries in writing to the Finance & Accounts Department at the Registered Office at least 7 days prior to the Meeting in order to enable the Company to keep the information ready to the extent possible.
7. Members/Beneficial Owners or their Authorised Representatives/Proxies are requested to bring their copies of Annual Report at the Meeting.
8. Members having multiple accounts in identical names or joint accounts in the same order are requested to intimate to the Company's Registrar & Share Transfer Agents, the ledger folios of such accounts, for consolidation of all such shareholdings into one account.
9. Members intending to dematerialise their shareholdings may approach any Depository Participant for opening a Beneficiary Demat Account. For any additional information/clarifications, members may contact National Securities Depositories Ltd. or Central Depository Services (India) Ltd.
10. In terms of the provisions of Section 109A read with 109B of the Companies Act, 1956, a Member may nominate, at any time, in the prescribed manner, a person to whom his/her shares in a Company shall vest in the event of his/her death. The prescribed Nomination Form No. is 2B. (Vide Rules 4CCC and 5D of the Companies Central Government's General Rules and Forms, 1956) This form may be sent to the Company Secretary at the Registered Office of the Company, duly completed.
11. Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their 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/Registrar and Share Transfer Agents, M/s GNSA Infotech Ltd.
12. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. **Members who hold shares in physical form are requested to send their e-mail addresses to the Company/Registrar and Share Transfer Agents, M/s GNSA Infotech Ltd.**

EXPLANTORY STATEMENT PURSUANT TO SECTION 172(2) OF THE COMPANIES ACT, 1956

Item No.4

The Board of Directors of the Company at its meeting held on 5th July, 2013, has subject to the approval of the members, re-appointed Mr. Ravindra K Raje as a Wholetime Director for a further period of three years from the expiry of his present term which will expire on 25th September, 2013 without remuneration, as approved by the Board. Mr. Ravindra K Raje, aged 58 years, is a Chartered Accountant, Law Graduate and Licentiate Member of ICSI and has 37 years' experience at various levels in private sector companies. He is also on the Board of various Jumbo Group Companies.

The main terms and conditions of the re-appointment of Mr. Ravindra K Raje are as follows:

- A. **Tenure of Agreement:** The re-appointment of Mr. Ravindra K Raje is for a period of three years effective from 26th September, 2013.
- B. **Nature of Duties:** The Appointee shall devote his time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and/or its subsidiary.
- C. **Remuneration:** No remuneration will be paid to Mr. Ravindra K Raje.
- D. **Other Terms of Appointment:**
 - (i) The terms and conditions of the appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, subject to such approvals as may be required.
 - (ii) The terms and conditions of the appointment of Mr. Ravindra K Raje also include clauses pertaining to adherence with the Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.

The Board is of the opinion that continuation of Mr. Ravindra K Raje as Wholetime Director will be beneficial to the company and recommends his appointment by the shareholders.

In compliance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956, the terms of the appointment of Mr. Ravindra K Raje, are now placed before the Members in the Annual General Meeting for their approval.

Except Mr. Ravindra K Raje, none of the other Directors is concerned or interested in this resolution.

By Order of the Board of Directors
For **GWL Properties Limited**

Place : Mumbai
Date : 5th July, 2013

Ninad Junnarkar
Company Secretary

Registered Office:
36 Rajaji Salai, Chennai – 600 001

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the 88th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2013.

FINANCIAL RESULTS

	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
PARTICULARS		
Profit/(Loss) before Interest and Depreciation	(18,145,112)	(1,101,630)
Interest	7,712	12,217
Depreciation	64,220	62,844
Profit/(Loss) before Tax	(18,217,044)	(1,176,691)
Deferred Tax	(2,355,909)	(561,855)
Profit/(Loss) after Tax	(15,861,135)	(614,836)
Balance brought forward from previous year	53,930,957	54,545,793
Balance carried to Balance Sheet	38,069,822	53,930,957

REVIEW OF OPERATIONS

During the year under review, the Company incurred a loss of ₹ 15,861,135 compared to a loss of ₹ 614,836 in the previous year.

DIVIDEND

The Directors do not recommend any dividend for the year under review.

FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from the public during the year. The Company does not have any fixed deposits as at the date of the Balance Sheet.

AUDITORS' REPORT

In respect of the observations/remarks in the Auditors' Report, the relevant notes to the accounts are self-explanatory.

SUBSIDIARY COMPANY

The Audited Accounts of SMN Engineers Limited for the financial year ended 31st March, 2013 together with the Directors' Report and the Auditors' Report are attached to this report, in accordance with Section 212 of the Companies Act, 1956.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ashok K Kapur, Director of the Company, retires by rotation, and being eligible, offers himself for re-appointment.

Mr. Ravindra K Raje's term of three years as a Wholetime Director is expiring on 25th September 2013. In view of Mr. Raje's vast experience and wide knowledge in finance and management, the Board has recommended his continuity with the Company and accordingly recommended his reappointment as a Whole-time director w.e.f. 26th September, 2013, without any remuneration subject to the approval of the shareholders. Resolution seeking approval of the Members for re-appointment of Mr. Raje as a Whole-time director have been incorporated in the Notice of the forthcoming Annual General meeting along with brief details about him.

All the appointments of the Directors of the Company are in compliance with the provisions of Section 274(1)(g) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- (a) in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had 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 ended 31st March, 2013 and of the loss of the Company for that year;
- (c) the Directors had, as far as possible, taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of their knowledge and ability;
- (d) the Directors had prepared the Annual Accounts on a going concern basis.

AUDITORS

M/s Lodha & Co., Chartered Accountants, who hold office upto the conclusion of ensuing Annual General Meeting, have signified their willingness to be re-appointed as Statutory Auditors and have confirmed that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment/re-appointment within the meaning of Section 226 of the said Act.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, ETC. AND FOREIGN EXCHANGE EARNINGS & OUTGO

Since the Company is not engaged in manufacturing activities, disclosure of information relating to Conservation of Energy and Technology Absorption under 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, is not applicable.

The Company neither incurred any expenditure nor earned any income in foreign exchange.

PARTICULARS OF EMPLOYEES

None of the employees of the Company is in receipt of remuneration exceeding the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. Therefore, the information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not applicable to the Company.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the statutory authorities, banks, shareholders, employees and other stakeholders for their valued support.

For and on behalf of the Board of Directors

Sanjeev Jain
Director

Ravindra K Raje
Wholetime Director

Place : Mumbai
Date : 5th July, 2013

Auditors' Report

To

The Members

GWL PROPERTIES LIMITED

Chennai

We have audited the accompanying financial statements of **GWL PROPERTIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("The Act"). This responsibility includes design, implementation and maintenance of internal controls 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 judgement, 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 control 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 the accounting policies used and the reasonableness of the accounting estimates made by the 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.

MATTERS REQUIRING THE ATTENTION OF MEMBERS

Note 21 of Notes to Accounts regarding non-obtaining of the deed of conveyance in respect of land included under stock in trade and Note 3 (IV) of Notes to Accounts on Injunction order regarding restraining the Company from alienating its assets and consequently non redemption of certain preference shares which have fallen due.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies, contingent liabilities and other notes and **subject to above para inviting the attention of the members mentioned supra**, 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (ii) in the case of Statement of Profit and Loss, of the Loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies [Auditors' Report] Order, 2003 and other amendments to the order, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and information and explanation given to us, we further report that :

- (i) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (ii) We were informed that the physical verification of the assets was carried out by the management during the year, and no material discrepancies between the book records and physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (iii) During the year, the Company has not disposed off any fixed assets.
- (iv) As informed to us, the inventories lying with the company were physically verified by the management at reasonable intervals.
- (v) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- (vi) The Company is maintaining proper records of inventory. In our opinion, no material discrepancies have been noticed during the verification.
- (vii) 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 Act. Hence the question of commenting on clauses (iii)(b),(c),(d), (e),(f) of the order, regarding the rate of interest and term and conditions, regularity of the receipt of principal and interest thereon and over due amount does not arise.
- (viii) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale/supply of services. We have neither come across nor have we been informed of any major weakness in internal control procedures.
- (ix) In our opinion and according to the information and explanations given to us, the contracts or arrangements that are required to be entered into the register covered in Section 301 of the Act, have been entered in the register maintained under that section.
- (x) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register in pursuance of Section 301 of the Act and exceeding the value of ₹ five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (xi) The Company has not accepted any deposits from the public.
- (xii) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that the coverage of the internal audit function carried out by the management is commensurate with the size of the company and nature of the business.
- (xiii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Act for the company.
- (xiv) The Company is generally regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Wealth tax, Service tax, Sales tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. There were no undisputed statutory dues outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.

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- (xv) According to the records of the Company, there are no dues in respect of Sales tax, Income tax, Customs duty, Wealth tax, Service tax, Excise duty, Cess which have not been deposited on account of any dispute except ₹ 21,245,061 as detailed below pending before the concerned authorities:

Sl. No.	Name of Statute	Nature of Dues	Assessment Year	Amount ₹	Pending before
1.	Income Tax Act, 1961	Income tax	2003-04	3,783,295	CIT, Chennai
2.	Income Tax Act, 1961	Income tax	2005-06	2,755,662	CIT, Chennai
3.	Income Tax Act, 1961	Income tax	2009-10	5,832,317	A.O, Chennai
4.	Income Tax Act, 1961	Income tax	1998-99	225,400	ITAT, Kolkata
5.	Income Tax Act, 1961	Income tax	2000-01	4,470,688	ITAT, Kolkata
6.	Income Tax Act, 1961	Income tax	1999-00	3,838,621	CIT, Kolkata
7.	Income Tax Act, 1961	Income tax	1997-98	339,078	ITAT, Kolkata

- (xvi) Even though the Company does not have accumulated losses at the end of the year, the Company has incurred cash loss during the current year as well as in the immediate preceeding year.
- (xvii) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from banks/financial institutions.
- (xviii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xix) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of paragraph 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xx) In our opinion and according to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other securities except under and through portfolio management scheme. The investments shown in the accounts are held in the name of the company except to the extent of the exemption granted under Section 49 of the Act.
- (xxi) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xxii) According to the information and explanations given to us, the company has not availed of any term loans from any bank or financial institution during the year.
- (xxiii) On the basis of the overall examination of the Balance Sheet of the Company, in our opinion; there are no funds raised on short term basis which have been used for long term investments.
- (xxiv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xxv) According to the information and explanations given to us, the Company has not issued any debentures and hence the question of creating any security does not arise.
- (xxvi) According to the information and explanations given to us, the Company has not raised any money through public issues.
- (xxvii) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the company, noticed or reported during the year nor have we been informed of such case by the management.