

CORPORATE INFORMATION

DIRECTORS

Mr. Surendra M. Shah
Mr. Vasant Shah
Mr. Ajay Mehta (Up to 27th January, 2011)
Mr. R. R. Rajyaguru (Up to 27th January, 2011)
Mr. Ashok B. Shah
Mr. S. M. Khanjiwala (From 27th January, 2011)
Mr. Pradip J. Mehta (From 27th January, 2011)
Mr. Harnish Patel (Up to 23rd May, 2011) Director in Charge
Mr. Viren Thakkar (From 24th May, 2011) Director in Charge

AUDITORS

M/s C.C. Chokshi & Company
Chartered Accountants,
Ahmedabad

BANKERS

Bank of India
Dena Bank
Bank of Baroda
Canara Bank
Federal Bank Limited
Central Bank of India
Oriental Bank of Commerce
Calyon Bank
State Bank of India
Andhra Bank
State Bank of Saurashtra
Vysya Bank Limited
Vijaya Bank
Dhanlaxmi Bank Limited
Development Credit Bank Limited
Union Bank of India

REGD. OFFICE

6th Floor, Hasubhai Chambers,
Opp. Town Hall,
Ellisbridge,
Ahmedabad - 380 006

BRANCH OFFICE

Ahmedabad, Mumbai, New Delhi

REGISTRARS & TRANSFER AGENTS

MCS Limited
101, Shatdal Complex, Opp. Bata Show Room,
Off Ashram Road, Ahmedabad-380 009.
Telephone No. 079-30070671
Fax No. 079-30070678
email-mcsmum@vsnl.com

28th Annual General Meeting

Date : 13th July-2011
Day : Wednesday
Time : 10.00 AM
Venue : ATMA Hall, Ahmedabad Textile Mills Association,
Opp. La-Gajjar Chamber, Ashram Road,
Navrangpura, Ahmedabad-380 009.

G/L/F/L

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NOTICE

NOTICE IS HEREBY GIVEN THAT the 28th Annual General Meeting of GUJARAT LEASE FINANCING LIMITED will be held on Wednesday, 13th July 2011 at 10-00 A.M. at ATMA Hall Ahmedabad Textile Mills Association, Opp La-Gajjar Chamber, Ashram Road Ahmedabad 380 009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Audited Profit & Loss Account of the Company for the year ended on that day, together with Auditors' Report thereon and Directors' Report for the year ended on that date.
2. To appoint a Director in place of Shri S.M. Shah, who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of section 198, 269 and 309 read with Schedule XIII and subject to the approval of the shareholders at the ensuing AGM and other applicable provisions, if any of the Companies Act 1956, Shri Harnish Patel be and is hereby appointed as Director-In-Charge of the Company for the period **1st April 2011 to 23rd May 2011**, without any remuneration.

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

"RESOLVED THAT Shri Viren Thakkar was appointed as an Additional Director under section 260 of the Companies Act, 1956 and who holds office till the date of the Annual General Meeting and for whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956 and accordingly Shri Viren Thakkar be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, Shri Viren Thakkar be and is hereby appointed as the Director In Charge of the Company for a period of 2 years effective from 24th May, 2011, not liable to retire by rotation.

RESOLVED FURTHER THAT Shri Viren Thakkar shall be in charge of operations and overall affairs of the company and shall have substantial powers of management of the Company subject to superintendence, control and direction of the Board of Director.

RESOLVED FURTHER THAT Shri Viren Thakkar shall not be entitled to receive any remuneration or sitting fees during his tenure as the Director In Charge of the Company.

RESOLVED THAT in terms of Articles 41 of the Articles of Association of the company Shri Viren Thakkar shall not be liable to retire by rotation during his tenure as Director In-Charge of the Company.

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

"RESOLVED THAT Shri S.M. Khanjiwala was appointed as an Additional Director under section 260 of the Companies Act, 1956 and who holds office till the date of the Annual General Meeting and for whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956 and accordingly Shri S. M. Khanjiwala be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

"RESOLVED THAT Shri Pradip J. Mehta was appointed as an Additional Director under section 260 of the Companies Act, 1956 and who holds office till the date of the Annual General Meeting and for whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956 and accordingly Shri Pradip J Mehta be and is hereby appointed as a Director of the Company, liable to retire by rotation.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF OF THE COMPANY AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hitherto in respect of Special Business and forms part of this notice.
3. The Share Transfer Books and Register of Members will remain closed from Thursday, 7th July, 2011, to Wednesday 13th July 2011 (both days inclusive).
4. At the ensuing Annual General Meeting, Shri S.M. Shah retires by rotation, and being eligible, offer him selves for reappointment. The details pertaining to these directors as stipulated under Cause 49 of the Listing Agreement are provided in the Report on Corporate Governance forming part of the Annual Report.
5. Members are requested to intimate immediately, change of address if any, to the Company quoting reference of their Registered Folio Number.
6. Members desiring any information about Accounts at the meeting are requested to write to the Company at least 5 days prior to the Annual General Meeting.
7. The relevant documents are open for inspection at the Registered Office of the Company on any working days except Saturdays, Sundays and public holidays between 10.30 AM to 12.30 P.M. upto the date of AGM or any adjournment(s) thereof.
8. Members/Proxies are requested to produce the Attendance Slip at the entrance of the Meeting Hall.
9. Members are requested to bring the copy of Annual Report at the Meeting.

Registered Office :

6th Floor, Hasubhai Chambers
Opp. Town Hall, Ellisbridge,
Ahmedabad 380 006

Place : Ahmedabad
Date : 24/5/2011

By Order of the Board of Directors
Viren Thakkar
Director In-charge

EXPLANATORY STATEMENT

Item No. 4

Shri Harnish Patel was reappointed as Director-In-Charge of the Company for a further period of two years with effect from 1st April 2011 by the Board on 27th January 2011. He is in charge of operations and overall affairs of the company in compliance with requirement of Section 269 and other applicable provisions of the Companies Act 1956.

Shri Harnish Patel is a Chartered Accountant and has been working with Torrent group 17 years in various capacities. He has vast experience in the field of finance and related matters.

Shri Harnish Patel has tendered his resignation as Director-In-Charge with effect from **24th May 2011**. However, he shall continue to be a Director of the Company.

The explanatory statement together with the notice should be treated as an extract of the terms of appointment and memorandum of concerns or interests under section 302 of the Companies Act, 1956.

None of the Directors except Shri Harnish Patel is concerned or interested in the said resolution.

The directors recommend approval of the appointment of Shri Harnish Patel as Director-In-Charge of the company for the period ^{1st} April 2011 to **23rd May 2011**.

Item No.5 & 6

Shri Viren Thakkar is Chartered Accountant and Cost Accountant. He has experience of 20 years with expertise in Accounting, Finance, Taxation and Treasury and is associated with Torrent Group for 4 years. At present, he is General Manager (Finance) Torrent Power Limited. He is In-Charge of operations and overall affairs of the company in compliance with the requirements of the section 269 and other applicable provisions of the Companies Act, 1956.

Board of Directors at its meeting held on 24th May 2011 has appointed Shri Viren Thakkar as Director In Charge of the company for a period of two years w.e.f. 24th May, 2011 without any remuneration.

The explanatory statement together with the notice should be treated as an abstract of the terms of the appointment and memorandum of concerns or interest under Section 302 of Companies Act, 1956.

None of the director except Shri Viren Thakkar is concerned or interested in the said resolution.

The Directors recommend the resolution for approval.

ITEM NO.7

Shri S.M. Khanjiwala was appointed as an Additional Director under section 260 of the Companies Act, 1956 on the Board of the Company on 27th January, 2011. He holds office till the date of the Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director and is eligible for appointment.

Shri S.M. Khanjiwala is Chartered Accountant. He has rich experience of 30 years in Accounts and Finance as well as Banking operations. At present he is working as Head of Accounts with GIIC Ltd

None of the Director except Shri S.M. Khanjiwala is concerned or interested in the said resolution.

The Directors recommend the resolution for approval.

ITEM NO.8

Shri Pradip J Mehta was appointed as an Additional Director under section 260 of the Companies Act, 1956 on the Board of the Company on 27th January, 2011. He holds office till the date of the Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director and is eligible for appointment.

Shri Pradip J Mehta is Chartered Accountant. He has rich experience of 30 years in Accounts and Finance as well as General Administration. At present, he is Vice President (Finance) Torrent Power Limited. He is associated with Torrent group with since last 26 years.

None of the Director except Shri Pradip J Mehta is concerned or interested in the said resolution.

The Directors recommend the resolution for approval.

Place: Ahmedabad
Date: 24/5/2011

Registered Office :
6th Floor, Hasubhai Chambers
Opp. Town Hall, Ellisbridge
Ahmedabad 380 006

By Order of the Board of Directors
Viren Thakkar
Director In Charge

DIRECTORS' REPORT

Your Directors present the Twenty Eighth Annual Report of your Company together with the Audited Accounts for the year ended 31-March, 2011.

Financial Results

The highlights of the financial results are given below:

Particulars	(Rs. in lacs)	
	Year ended 31.3.2011	Year ended 31.3.2010
Other Income	1.39	8.07
Provision written back as no longer required	16.25	12.85
Total Income	17.64	20.92
Expenditure :		
Administrative & other expenses	15.65	29.92
Profit/(Loss) for the year before Depreciation.	1.99	(9.00)
Depreciation	1.83	1.88
Profit/(Loss) before taxation	0.16	(10.88)
Provision of tax	0	0
Profit/ (Loss)After Taxation	0.16	(10.88)

YEAR UNDER REVIEW

It may be observed from the Profit and Loss Account that Income during the year is Rs.1.39 lacs as against last year income of Rs. 8.07 lacs. The income for the year under review includes interest on fixed deposits. The interest income of last year includes interest on deposits of Rs 2.25 lacs and other income of Rs 5.82 lacs received by way of recovery of expenses charged to subsidiary companies. The income is declining year by year due to reducing activity of the Company. In addition to above, company has written back provision of Rs. 16.25 lacs mainly on account of sale of investments as against last year of Rs.12.85 lacs. After meeting the expenses, the Company earned the marginal profit of Rs 0.16 lacs as against the loss of Rs10.88 lacs in the previous year. There is no provision for tax during the year. As a result there is a marginal profit of Rs.0.16 lacs as against loss of Rs.10.88 lacs. for the previous year.

During the year 2004-05, the scheme of compromise and arrangement under section 391 of the Companies Act to discharge the liability of the banks was sanctioned by the Hon'ble High Court of Gujarat. Your company has released payment as per the court order. Approval in respect of deed of assignment of receivables is awaited from the banks.

As per the court's order, the income received pertaining to assigned assets after July, 2004 is transferred to the consortium of Banks. Subsequent to the court's order, GLFL has recovered Rs.344 lacs till date from the charged assets and deposited with the member banks.

It is worthwhile to note that the company has **no external debts at the end of the year.**

FIXED DEPOSITS

The company has discontinued accepting fixed deposits since September, 2000. There was no outstanding liability of fixed deposit as on 31-March, 2011.

TRANSFER TO THE INVESTOR EDUCATION FUND

The company does not have any liability towards unclaimed Fixed Deposits, Debentures and other liabilities. The liabilities have been discharged / transferred on completion of prescribed period to the Investor Education and Protection Fund, formed by the Central Government.

SUBSIDIARIES

GLFL Housing Finance Limited

After disinvestments of the major Housing Loan Portfolio, along with liabilities, in favour of LIC Housing Finance Ltd., recovery from balance accounts has been the main thrust area during the year. The company has been able to recover Rs 2.40 lacs, from the overdue /NPA accounts, during the year under report. The company has earned the profit of Rs. 0.39 lacs mainly on account of recovery from written off and NPA accounts as against the profit of Rs 11.00 lacs, during the previous year.

GLFL Securities Limited

The Company has earned profit of Rs. 0.32 lacs mainly on account of sale of shares held by the company.

GLFL International Limited

The Company has yet not commenced business.

EMPLOYEES

The Company does not have any employee in the category as specified under Section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

The Company has no activities relating to conservation of energy or technology absorption. There has been no foreign exchange earning or outgo during the year under review.

DIRECTORS

The Board in its meeting held on 27.1.2011 reappointed Shri Harnish Patel as Director In Charge for the further period of TWO years from 1st April 2011 to 31st March 2013 without any remuneration subject to the approval of the share holders at next AGM. Shri Harnish Patel has tendered his resignation as Director In Charge wef 24th May, 2011. However he shall continue to be the director of the company.

In his place, the board in its meeting held on 24th May 2011 has appointed Shri Viren Thakkar as Director in Charge for a period of two years wef 24th May, 2011 without any remuneration and shall look after affairs of the company and shall not be liable to retire by rotation.

He shall be in-charge of operations and overall affairs of the company and has been delegated with necessary power to look after the affairs of the company under section 269 and other applicable provisions of the Companies Act, 1956.

The Board proposed the appointment of Shri Viren Thakkar at the ensuing General Meeting.

Shri S.M. Khanjiwala and Shri Pradip J Mehta are appointed as Additional Directors of the company with effect from 27th January, 2011. On the same day, Shri R.R. Rajyaguru and Shri Ajay Mehta have resigned from the Board. The Board of Directors appreciated the contribution made by them, during their tenure. Board also place on record sincere appreciation for the valuable services rendered by Shri Harnish Patel during his tenure as Director In Charge. Additional Directors are proposed to be appointed as Director in the ensuing General Meeting.

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri S.M. Shah, Director of the Company retire by rotation and is eligible for re-appointment.

CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Company's Auditors regarding compliance of conditions of Corporate Governance is annexed to the said Report.

AUDITORS' REPORT

Notes on accounts are self-explanatory and do not require any further explanations on the Auditors' qualifications.

AUDITORS

The Auditors M/s C.C. Chokshi & Company, Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Audit Committee in their meeting held on 24th May, 2011 has recommended the re appointment of M/s. C.C. Chokshi & Company, Chartered Accountants, as Auditors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

1. In the preparation of the annual accounts, the applicable accounting standards, as specified by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures.
2. The Accounting Policies have been applied consistently and judgments and estimates that have been made for the preparation of the accounts are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the Company for the year;
3. Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and taken steps to safeguard the assets of the Company and to prevent fraud and irregularities;
4. Directors have prepared accounts on going concern basis.

ACKNOWLEDGEMENTS

Your Directors are grateful to RBI, GIIC Limited, the Government of Gujarat and Torrent Group for their continued guidance and support to the Company. The Directors are pleased to place on record their appreciation for the excellent support extended by the Banks.

The Board would also like to express great appreciation for the understanding and support extended by the employees and Shareholders of the company in the difficult period.

For and on behalf of the Board

Ahmedabad
Date : 24-05-2011

Director In-Charge

REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereafter the code) through clause 49 in the listing agreement executed by the Company with the stock exchanges. Clause 49 lays down several corporate governance practices which listed companies are required to adopt. The code has been periodically upgraded to ensure the adoption of best corporate governance practices by the corporates. While most of the practices laid down in clause 49 require mandatory compliance, few are recommendatory in nature. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in clause 49, for the financial year 2010-11.

Company's Philosophy on Corporate Governance:

The Philosophy on Corporate Governance aims at attainment of the highest levels of transparency, accountability and equity in the functioning of the Company vis-à-vis interactions with employees, shareholders, creditors and customers. The objective of the Company is not only to meet the statutory requirements of the code but also go well beyond it by instituting such systems and procedures as are required in accordance with the latest global trend of making management completely transparent and institutionally sound.

1. Board of Directors :

The Board comprises of 7 Directors of which 3 are non-executive independent (43 % of the Board strength) and 4 are Non-independent Directors. The Chairman of the Board is non-executive independent Director. The composition of the Board complies with the requirements of the Code.

The Board of Directors of the Company met five times during the year on 15th May, 2010, 5th August, 2010, 2nd November, 2010, 5th January, 2011 and 27th January, 2011.

Composition of Board and other related matters:

Name of the Director & Designation	Category	No. of other Directorship held in public companies in India	No. of other Board committees of which Member(M)/ Chairman (C)	Board meeting attended	Attendance at the last AGM	No. of Shares held (of the Company)
Mr. Vasant Shah Director	Non Executive Non Independent Director	4	1(C)	5	Yes	No
\$ Mr. Ajay Mehta Director	Non Executive Non Independent Director	4	1(M)	4	Yes	No
Mr. Surendra M. Shah, Director	Non Executive Independent Director	1	Nil	5	Yes	No
\$ Mr.R. Rajyaguru Director	Non Executive Independent Director	3	Nil	4	Yes	No
Mr. Ashok B. Shah Director	Non Executive Independent Director	5	Nil	5	Yes	No
**Harnish J.Patel Director in charge	Executive Non Independent Director	3	Nil	5	Yes	No
* Mr. Pradip J. Mehta Director	Executive Non Independent Director	3	Nil	N.A	N.A	No
*Mr S.M.Khanjiwala Director	Non Executive Independent Director	Nil	Nil	N.A	N.A	No
@ Mr Viren Thakkar Director In Charge	Executive Non Independent Director	1	1 (M)	N.A	N.A	No

\$ Resigned with effect from 27th January, 2011.

* Appointed with effect from 27th January, 2011.

** ceased to be DIC with effect from 24th May, 2011

@Appointed as DIC with effect from 24th May, 2011

The Board in its meeting held on 27.1.2011 reappointed Shri Harnish Patel as Director In Charge for the further period of TWO years from 1st April 2011 to 31st March 2013 without any remuneration subject to the approval of the share holders at next AGM. Shri Harnish Patel has tendered his resignation and shall cease to be Director In Charge. However he shall continue to be the director of the company.

In his place the board in its meeting held on 24th May 2011 has appointed Shri Viren Thakkar as Director in Charge for a period of two years wef 24th May, 2011 without any remuneration and shall look affairs of the company and shall not be liable to retire by rotation.

As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the directors hold directorship in more than 15 public companies, membership of board committees (audit /remuneration/investors grievance committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

None of the Non-executive Directors has any pecuniary relationship with the Executive Director of the Company. Non-executive Directors have no transaction with the company, and they are not paid any remuneration or sitting fees.

Details of the Directors seeking Appointment/Re-appointment in forthcoming Annual General Meeting:

Name of Director	Mr. Surendra M. Shah	Mr Pradip J. Mehta	Mr S.M.Khanjiwala	Mr. Viren Thakkar
Date of Birth	23/11/1936	30/5/1955	20/4/1954	08/06/1967
Date of Appointment	26/05/2006	27/1/2011	27/1/2011	24/05/2011
Qualifications	B.Sc	C.A	CA	CA, Grad, CWA
Expertise in specific functional areas	Banking & Finance	Banking & Finance	Accounts & Finance	Accounts, Finance, Treasury
List of Public Ltd. Co. in which Directorship held	1. Marks Biosciences Ltd.	Radiant Urja Ltd GLFL Securities Ltd GLFL International Ltd	-	Torrent Power Grid Limited
Chairman/Member of the Committees of the Board of Directors of the Company	Audit Committee 1 (C) Share holders Grievance Committee (M) Remuneration Committee(M)	Audit Committee 1 (M) Share holders Grievance Committee (M)	Audit Committee 1 (M) Share holders Grievance Committee (M) Remuneration Committee(M)	-
Chairman/Member of the Committees of the Board of Directors of other Company	-	-	-	Audit Committee (M)

2. Remuneration of Directors

The Remuneration Committee as a sub-committee of the Board has been constituted mainly to determine and recommend to Board, the company's policies on remuneration packages for executive and non executives. The company has Remuneration Committee consisting of independent directors, consisting of Shri S.M. Shah as Chairman of the Committee and Shri R.Rajyaguru and Shri Ashok B. Shah, as members up to 27th January, 2011.

The company has reconstituted Remuneration committee with effect from 27th January, 2011 consisting of Shri S.M.Shah, Shri A.B.Shah and Shri S.M. Khanjiwala.

During the period under review, no committee meeting was held.

No Director is drawing any remuneration or sitting fees from the Company. The Company does not pay any severance fee.

3. Audit Committee

Audit Committee consisting of two third independent directors and one third non independent directors. The Manager (Finance) acts as the Secretary of the Audit Committee. Shri S.M. Shah acts as Chairman of audit committee.

The company has reconstituted Audit Committee with effect from 27th January, 2011 consisting of Shri S.M. Shah, Shri A.B. Shah, Shri S.M. Khanjiwala and Shri Pradip J Mehta.

During the period under review, four meetings were held on 15th May, 2010, 5TH August, 2010, 2nd November, 2010 and 27th January, 2011. The chairman of Audit Committee had attended last Annual General Meeting of the company held on 5th August, 2010. The Audit Committee at its meeting held on 15th May, 2010, reviewed the Annual Accounts for the year 2009-10 and recommended the accounts for approvals by the Board of Directors. The Audit Committee at its meeting held on 5TH August, 2010, 2nd November, 2010 and 27th January, 2011, reviewed the un-audited financial results for the quarter ended on 30th June, 2010, 30th September, 2010 and 31st December, 2010.

The Audit Committee shall consist of following :-

Name	Designation	Attendance
Shri S.M.Shah	Non Executive Independent	4
\$ Shri Ajay Mehta	Non-Executive – Non-Independent	3
\$ Shri R.Rajyaguru	Non Executive Independent	3
Shri Ashok B.Shah	Non Executive – Independent	4
*Shri Pradip J. Mehta	Non Executive – Non-Independent	-
* Shri S.M. Khanjiwala	Non Executive – Independent	-

\$ Resigned with effect from 27th January, 2011.

* Appointed with effect from 27th January, 2011.

The above composition meets all the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The terms of reference for the Audit Committee are as stipulated in clause 49 of the Listing Agreement and as laid down in Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October, 2004- Annexure 1- Clause II (D).

The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange. Broadly, the same are (i) oversee company's financial reporting process, (ii) recommend the appointment or removal of External Auditors, decide the audit fee as well as approve fees for other services, discuss the nature and scope of audit and ascertain the areas of concern, (iii) review the annual and quarterly financial statement, (iv) review changes in the accounting policies and practices of major accounting entries, (v) review adjustments in financial statements, highlighted by audit findings, (vi) review disclosure of related party transactions, (vii) review with the Management the performance of statutory and internal audit and adequacy of internal control system, (viii) review the adequacy of internal audit function and discuss with them, significant findings (if any) (ix) review the findings of internal investigations in case of suspected fraud or irregularity and (x) probe into the reasons for substantial default in payment of declared dividend.

4. Shareholders / Investors Grievance Committee

The Shareholders Grievance Committee as a sub-committee of the Board has been constituted mainly to focus on the re-dressal of Shareholders / Investors Grievances, if any, like Transfer / Transmission / Demat of Shares, Loss of Share Certificates, Non-receipt of Annual Report, Dividend Warrants, repayment of principal and/or interest on Fixed Deposits / Debentures, etc.

The company has reconstituted Shareholders/ Investors Grievance Committee with effect from 27th January, 2011 consisting of Shri S.M. Shah, Shri A.B. Shah and Shri S.M. Khanjiwala and Shri Pradip J Mehta.

The company has Shareholders Grievance Committee consisting of all non-executive Directors out of which three independent directors and one Non independent director. During the year, four meetings were held on 15th May, 2010, 5th August, 2010, 2nd November, 2010 and 27th January, 2011. The Company had received 74 complaints from the Shareholders, all of them have been resolved and no complaint was pending as on 31st March 2011. The Company has no transfers pending at the close of the financial year.

Manager (Finance), provides secretarial support to the Committee and he is also the designated Compliance Officer for such matters.

Name	Designation	Attendance
Shri S.M. Shah	Non Executive Independent	4
\$ Shri Ajay Mehta	Non-Executive – Non-Independent	3
\$ Shri R. Rajyaguru	Non-Executive – Independent	3
Shri Ashok B. Shah	Non Executive – Independent	4
* Shri Pradip J Mehta	Non-Executive – Non-Independent	-
* Shri S.M. Khanjiwala	Non Executive – Independent	-

\$ Resigned with effect from 27th January, 2011.

* Appointed with effect from 27th January, 2011.

The company is in process of appointing a Company Secretary and till such time, Mr. A.K. Jhaveri, Manager (Finance) is shouldering the responsibility of Compliance Officer.

5. Subsidiary Companies

GLFL has following subsidiary Companies :

1. GLFL Housing Finance Limited
2. GLFL Securities Limited
3. GLFL International Limited

The above Subsidiary companies have discontinued their operations since long and have no material transactions during the year except recovery / realization of assets

6. Code of Conduct

The Board of Directors has adopted the Code of Business Conduct and Ethics for the Directors and Senior Management. The said Code has been communicated to the Directors and the Members of the senior Management. The Code has also been posted on the Company's website www.gujaratleasefinancing.com.

7. Disclosures

- (a) The Company has no materially significant related party transactions with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interests of the Company at large.

For details about related parties transactions, see Note No.13 of Schedule 12 of the financial statement for the financial year 2010-11

- (b) There were no instances of non-compliance or Penalties, imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

8. Means of Communication

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings and were also published in two newspapers, Western Times (English) and Western Times (Gujarati). These results are also put on the Company's website: www.gujaratleasefinancing.com.

The Company also informs by way of intimation to the stock exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters.

9. Share Transfer System

The Company has appointed M/s MCS Limited as Registrar and Transfer Agents. Valid Share transfer in physical form and complete in all respects as well as transfer in dematerialized form were approved and registered within stipulated period.

10. Dematerialization of Shares and Liquidity

Consequent upon the compulsory demat of the Equity Shares of the Company as notified by SEBI, about 84.28% of the Equity Capital of the Company has been dematerialized as on 31st March, 2011. The shares are traded on Bombay and National Stock Exchanges.

- 11. Date, time and venue of 28th Annual General Meeting** : 13th July -2011, Wednesday
at 10-00 AM at
ATMA Hall
Ahmedabad Textile Mills Association
Opp La Gujjar Chamber
Ashram Road, Ahmedabad 380009

- 12. Book Closure Date** : 7th July, 2011 to
13th July, 2011
(Both the days inclusive)

- 13. Dividend Payment Date** : Not Applicable

- 14. Details of last three Annual General Meetings** :

Meeting	Year	Venue of AGM	Date	Time	No. of Special Resolution passed
25 th AGM	2007-08	Sheth Shri Amrutlal Hargovandas Memorial Hall, Gujarat Chamber of Commerce & Industries, Ashram Road, Ahmedabad 380009	18 th October, 2008	10.00 AM	1
26 th AGM	2008-09	Sheth Shri Amrutlal Hargovandas Memorial Hall, Gujarat Chamber of Commerce & Industries, Ashram Road, Ahmedabad 380009	27 th July, 2009	10.00 AM.	1
27 th AGM	2009-10	ATMA Hall Ahmedabad Textile Mills Association opp La Gujjar Chamber, Ashram Road Ahmedabad-380009	5 th August, 2010	10.00 AM.	1

No Extra Ordinary General Meeting (EGM) was held during last three years.

The special resolutions indicated above were passed by show of hands. The Company has not passed any Resolution, through postal ballot during these years under reference.

The Company has not issued any GDRs/ ADRs/ Warrants/any other Convertible Instruments during these years.

15. Tentative Financial Calendar for the year 2011-12

Financial reporting for the quarter ending June 30, 2011 End of July, 2011

Financial reporting for the quarter /half year ending September 30, 2011 End of Oct.2011

Financial reporting for the quarter ending December 31,2011 End of Jan.,2012

Financial reporting for the year ending March 31, 2012 End of May,2012

Annual General Meeting for the year ending March 31, 2012 will be in July, 2012