

ANNUAL REPORT

2012-2013



YULE FINANCING & LEASING CO. LTD.
A MEMBER OF THE ANDREW YULE GROUP

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YULE FINANCING & LEASING COMPANY LIMITED

Board of Directors Basab Roy - Chairman
N.J. Verma
Kalyan Roy
A.N. Bhattacharyya
Debasis Basu.

Auditors Nandy, Halder & Ganguli
(Chartered Accountants)
18, N.S. Road, 2nd Floor,
Kolkata-700 001.
Ph. 2230-0008.

Banker AXIS Bank Ltd.

Registered Office 8, Dr. Rajendra Prasad Sarani,
Kolkata-700 001
Tel.:2242-8210/8550
E-mail:yulefc@gmail.com
Telegram : "YULETIDE"
Fax : 91-33-2242-9770/5477/1087

Registrars MCS SHARE TRANSFER AGENT LIMITED
12/1/5, Manoharpukur Road,
Ground Floor, Kolkata - 700 026.
Phone: 033-4072 4051/4052/4053.

YULE FINANCING & LEASING COMPANY LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the Annual General Meeting of the members of Yule Financing & Leasing Company Limited will be held at the auditorium of the Rabindra Okakura Bhavan, Paschim Banga Bangla Academy, 27/A/1, DD-Block, Salt Lake, Kolkata- 700 064 on Monday, the 23rd day of September, 2013 at 11-00 a.m. to transact the following business :

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2013, Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Nishith Jayant Verma who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Basab Roy who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

The Register of Members and the Share Transfer Register of the Company will remain closed from 17th September, 2013 (Tuesday) to 23rd September, 2013 (Monday), both days inclusive.

Registered Office :
"Yule House",
8, Dr. Rajendra Prasad Sarani,
Kolkata 700 001.

By Order of the Board,

Basab Roy
Chairman.

Dated : 21st August, 2013.

Notes :

1. A member who is entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his/her stead. Proxies, in order to be effective must be received at the Company's Registered Office not less than forty-eight hours before the commencement of the Meeting.

Members who hold shares in dematerialized form are requested to bring their Client ID and DP-ID number for easy identification for attendance at the Meeting.

2. Members holding shares in more than one account are requested to intimate MCS Share Transfer Agent Ltd. at their office 12/1/5, Manoharpukur Road, Ground Floor, Kolkata-700 026, the Ledger Folio Nos. to enable the Company to consolidate the same into one account.

3. **KINDLY BRING YOUR COPY OF THE ANNUAL REPORT TO THE MEETING.**

YULE FINANCING & LEASING COMPANY LIMITED

Details of Directors seeking appointment/
re-appointment in the forthcoming Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Shri N.J. Verma	Shri Basab Roy
Date of Birth	20.12.1952	12.09.1954
Date of Appointment	25.11.2008	30.06.2008
Expertise in specific functional area	Administration	Finance, Accounts and Corporate Planning
Qualification	B.Sc., MBA, LLB	B.Sc., LLB, FCMA, Grad OR Dip MA.
Shareholding in the Company	NIL	100 Shares.
List of other Public Limited Companies in which directorship held	NIL	1. Hooghly Printing Co. Ltd. 2. The Bengal Coal Co. Ltd. 3. The New Beerbhoom Coal Co. Ltd. 4. Katras Jherriah Coal Co. Ltd.
Chairman/Member of the Committees of the Board across all Public Companies in which he is a Director.	NIL	NIL
Chairman/Member of the Committees of the Board of Directors of the Company.	NIL	Chairman – Audit Committee Chairman – Committee of the Board of Directors
Disclosure of relationships between Directors inter-se	No relationship shared between Directors inter-se	No relationship shared between Directors inter-se

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Annual Report with the Audited accounts for the year ended 31st March, 2013.

1. Financial Results :	(Rs. in lakhs)
Loss before Depreciation	
Add : Depreciation	(14.07)
Loss for the year	4.08
Add: Loss brought forward from last A/c.	(18.15)
Loss brought forward to Balance Sheet	(998.80)
	(1016.95)

2. DIVIDEND :

In view of the loss incurred during the year, your Directors regret their inability to declare any dividend for the year 2012-13.

3. OPERATIONS AND FUTURE PROSPECTS :

Due to liquidity constraints during the year under review, your Company's performance was adversely affected. The Company recorded a loss of Rs.18.15 lakhs in 2012-13 as compared to loss of Rs. 19.03 lakhs in 2011-12.

In order to ensure revival of the Company through generation of its own funds, the Company has entered into the Insurance Business which has a good market and is expanding very fast. During the year, your Company has earned Rs.5.35 lakhs from the Insurance Agency business.

Your Directors feel that by increasing its volume of business in the Insurance Sector and from recovery of its old outstanding dues from the debtors, a turn around of the Company is a distinct possibility.

4. FIXED DEPOSITS :

Fixed Deposits from the Public outstanding with the Company at the end of the Financial Year stood at Rs. 1.35 crores (inclusive of interest due and net of loans) and total number of depositors were 904.

The Company has discontinued accepting fresh deposits or renewing the existing deposits with effect from 4th February, 1999.

5. SIGNIFICANT ACCOUNTING POLICIES :

A Statement detailing Significant Accounting Policies of the Company is annexed to the Accounts.

6. AUDITORS' REPORT :

The Company's views on the Auditors' 'Opinion' have been adequately explained in the Notes to the Accounts. However, in respect of other comments in the Auditors' Report, your Directors have to state as under :-

The repayment of matured deposits together with interest due thereon could not be possible within the stipulated time due to severe fund crisis. Accordingly, a scheme for rephasing of repayment of such dues was submitted to the Company Law Board (CLB). The Company being aggrieved by the decision of CLB, preferred an Appeal against the said order with the Hon'ble High Court at Kolkata for revision. Hon'ble High Court has since disposed of the Company's appeal directing CLB to re-hear the matter. Order from CLB is awaited.

The Company has relied on a legal opinion that the order of the Company Law Board having been contested and pending before the Hon'ble Kolkata High Court, the Directors of the Company are not disqualified under Clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956 for default in repayment of Public Deposits together with interest thereon.

7. CORPORATE GOVERNANCE :

As per Clause 49 of the Listing Agreement with the Stock Exchange, a Report on Corporate Governance together with the Auditors' Certificate on Compliance of conditions of Corporate Governance, form part of the Annual Report.

8. DIRECTORS' RESPONSIBILITY STATEMENT :

In terms of Section 217 (2AA) of the Companies Act, 1956 your Directors have :

- (a) followed in the preparation of the Annual Accounts the applicable accounting standards with proper explanation relating to material departures;
- (b) selected such accounting policies and applied them consistently and made judgements;
- (c) 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 your Company and for preventing and detecting fraud and other irregularities; and
- (d) prepared the Annual Accounts for the year ended 31st March, 2013 on a going concern basis.

9. STATUTORY INFORMATION :

- (a) Considering the nature of business of the Company, the provisions of Section 217(1)(e) of the Companies Act, 1956, requiring disclosure relating to conservation of energy and technology absorption are not applicable. Further, there has been no income and outflow of foreign exchange during the year under review.
- (b) There was no employee of the Company who received remuneration in excess of the limit as prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

10. DIRECTORS :

Sarbashri N. J. Verma and Basab Roy retire from the Board by rotation and being eligible offer themselves for re-appointment.

11. AUDITORS :

Messrs. Nandy, Halder and Ganguli, Chartered Accountants, retires from office and being eligible offer themselves for re-appointment.

12. ACKNOWLEDGEMENTS :

The Board of Directors acknowledges the recognition given and trust reposed in your Company by the esteemed Shareholders, Depositors, Financial Institutions, Banks and their continued support even in the current crisis period. The Directors are also grateful to the various departments in both Central and State Governments as well as Reserve Bank of India for the assistance and guidance received from them.

The Board records its appreciation of the support received from the Andrew Yule Group of Companies.

Your Directors also place on record their appreciation of the valuable contribution made by the employees of the Company.

Registered Office :
"Yule House",
8, Dr. Rajendra Prasad Sarani,
Kolkata 700 001.

By Order of the Board,

Basab Roy
Chairman.

Dated : 21st August, 2013.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy:

The Company is committed to attain the highest standard of Corporate Governance by placing emphasis on transparency, professionalism, accountability, integrity and to promote ethical conduct throughout the organization with the main object to enhance the value of all stakeholders namely shareholders, customers, creditors, employees and bankers.

2. Board of Directors:

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board of Directors to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of the Shareholders.

2.1. Composition:

The Board of Directors of the Company comprises of qualified Non-Executive Directors. The total number of Directors of the Company as on 31st March, 2013 was 5 (five).

The composition of the Board of Directors and the number of other Directorship and Membership/ Chairmanship held by the Directors in the Committees of various Companies as on 31st March, 2013 are given below :-

Name of Directors	Category of Directorship	No. of other Directorships held on 31.03.2013 (*)	Committee membership held in other Companies (**)	
			As Member	As Chairman
1. Shri Basab Roy	Non-Executive Director	4	Nil	Nil
2. Shri N. J. Verma	Non-Executive Director	Nil	Nil	Nil
3. Shri Kalyan Roy	Non-Executive Director	1	Nil	Nil
4. Shri Amiya N. Bhattacharyya	Non-Executive Director	2	Nil	Nil
5. Shri Debasis Basu	Non-Executive Director	1	Nil	Nil

* Excludes Directorship in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 and memberships of Managing Committees of various Chambers/bodies.

** Represents Membership/Chairmanship of Audit Committee, Investors Grievance Committee and Remuneration Committee.

2.2. Board Meetings :

Dates of Board Meetings are fixed in advance and Agenda papers are circulated to Directors at least seven days before the meeting.

YULE FINANCING & LEASING COMPANY LIMITED**Meetings and Attendance :**

During the financial year ended 31st March, 2013, 4 (four) meetings of the Board of Directors were held on 15th May, 2012, 14th August, 2012, 12th December, 2012 and 25th March, 2013.

Attendance of Directors at the Board Meetings and at the Last Annual General Meeting:

Name of Directors	No. of Board Meetings attended	Attendance at the last AGM held on 20th September, 2012	Remarks
Shri Basab Roy	3	Yes	
Shri N. J. Verma	3	Yes	
Shri Kalyan Roy	4	No	
Shri A.N.Bhattacharyya	4	Yes	
Shri Debasis Basu	3	Yes	

3. Committee of the Board of Directors:

The Company is having a Committee of the Board of Directors, duly constituted by the Board of Directors, for last several years to supervise smooth functioning of the day to day operations of the company and some of the major powers/authorities delegated to the said Committee.

The Committee of the Board of Directors as on 31st March, 2013, was comprised of Sarbashri Basab Roy and Kalyan Roy. Meetings of such Committee are held as and when necessary.

During the financial year ended 31st March, 2013, 5(Five) meetings of the Committee were held on 18th May, 2012, 16th July, 2012, 14th August, 2012, 9th November, 2012 and 12th February, 2013. Minutes of the proceedings of each of the Committee Meetings are placed before the Board for its perusal and noting.

4. Audit Committee :

a) The Audit Committee as on 31st March, 2013, consists of Sarbashri Basab Roy, A.N. Bhattacharyya and Kalyan Roy, Non-Executive Directors.

b) During the financial year ended 31st March, 2013, 4 (four) meetings of the Audit Committee were held on 18th May, 2012, 13th August, 2012, 6th November, 2012 and 11th February, 2013.

c) The Attendance of each member at the meetings of the Audit Committee is as under :

Name of Directors	Status	No. of meetings Attended
Shri Basab Roy	Chairman	4
Shri A. N. Bhattacharyya	Member	4
Shri Kalyan Roy	Member	4

5. Remuneration Committee :

The need for constitution of a remuneration Committee is not felt by the Company in view of the fact that all the Directors are non-executive Directors. Due to the prevailing critical financial condition of the Company, all the Directors have decided to waive their rights to receive the fees for attending the meetings of Board of Directors and the Committee thereof.

6. Shareholders Grievance Redressal Committee :

The matters relating to redressal of shareholders' complaints viz. transfer/ transmission of shares, non-receipt of copy of Annual Report, etc. are being looked after by the Committee of the Board of Directors as mentioned under Paragraph 3 of this Report. 2 (two) complaints were received from the shareholders during the year 2012-13 and both of them have been attended to.

There is no complaint lying pending.

Number of shares pending transfer as on 31st March, 2013 : Nil

7. Code of Conduct :

The Code of Conduct for the Directors and the Employees of the Company has been laid down by the Board.

8. Disclosure :

There were no transactions of material nature with its promoters, the Directors or their relatives etc. that may have potential conflict with the interests of the Company at large.

9. GENERAL INFORMATION FOR SHAREHOLDERS :

CIN of the Company - L65910WB1918PLC001026

Registration No. 021-001026

Corporate and Registered Office	'YULE HOUSE', 8, Dr. Rajendra Prasad Sarani, Kolkata - 700 001. Tel :2242-8210, 2242-8550 E-mail : yulefic@gmail.com Telegram : "YULETIDE" Fax :91-33-2242-9770/2243-4741
Annual General Meeting (AGM) Date, Time and Venue	23rd September, 2013 at 11.00 a.m. Auditorium of Rabindra Okakura Bhavan, Paschim Banga Bangla Academy, 27/A/1, DD-Block, Salt Lake, Kolkata - 700 064:
Financial Calendar	April to March.
Date of Book Closure	From 17th September, 2013 to 23rd September, 2013 (both days inclusive)

YULE FINANCING & LEASING COMPANY LIMITED

Listing on Stock Exchange	The Calcutta Stock Exchange Ltd. BSE Limited Madras Stock Exchange Ltd. Ahmedabad Stock Exchange Limited
Registrar and Transfer Agents (for both Physical and Dematerialised Shares)	MCS SHARE TRANSFER AGENT LIMITED 12/1/5, Manoharpukur Road, Ground Floor, Kolkata - 700 026. Phone: 033-4072 4051/4052/4053
Share Transfer System	Transfer of shares in physical form are registered and dispatched within 15 days from the date of their receipt, in case documents are complete in all respects. The Committee of the Board of Directors is empowered to approve transfers.
Shares Transferred during the year	Total number of Shares transferred in physical form during the year was 2403 Shares (previous year - 2701 Shares).
Dematerialisation of Shares	40.97% Equity Shares have been dematerialized upto 31st March, 2013 and held with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).
ISIN	INE 490C01011.
Address for Correspondence	Shareholder's Correspondence should be addressed to : YULE FINANCING & LEASING CO. LTD. 8, Dr. Rajendra Prasad Sarani, Kolkata - 700 001. Telephone: 2242-8210/2242-8550. Fax: 2242-9770 E-mail: yuleflc@gmail.com

10. GENERAL BODY MEETINGS -

Details of the General Meeting held in last three years:

(i) Annual General Meeting:

Financial Year	Date	Time	Location
2009-2010	22.09.2010	11.00 a.m.	Conference Hall of Eastern Zonal Cultural Centre, Bidhan Nagar, IA-290, Sector-III, Salt Lake City, Kolkata - 700 091.
2010-2011	23.09.2011	11.00 a.m.	The Bengal National Chamber of Commerce & Industry, 'BNCCI HOUSE', 23, Sir R.N. Mukherjee Road, Kolkata - 700 001.
2011-2012	20.09.2012	11.00 a.m.	The Bengal National Chamber of Commerce & Industry, 'BNCCI HOUSE', 23, Sir R.N. Mukherjee Road, Kolkata - 700 001.

YULE FINANCING & LEASING COMPANY LIMITED

(ii) Extra Ordinary General Meeting: NIL

Postal Ballot	:	No Special Resolution requiring Postal Ballot was placed before the last Annual General Meeting. No Special Resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.
Stock Market Data	:	As the Shares of the Company were not traded in the Stock Exchanges at Calcutta, Mumbai, Chennai and Ahmedabad during the Year 2012-2013, quoted price is not available.

11. Distribution of Shareholdings on 31st March, 2013:

Shareholding of Nominal Value		Shareholders		Share	
(Rs.)	(Rs.)	Numbers	% of Total	Numbers	% of Total
upto	5,000	10887	95.14	15,63,315	43.43
5,001	10,000	350	3.06	2,74,022	7.61
10,001	20,000	125	1.09	1,80,520	5.01
20,001	30,000	30	0.26	75,170	2.09
30,001	40,000	8	0.07	29,120	0.81
40,001	50,000	12	0.10	55,691	1.55
50,001	1,00,000	17	0.15	1,09,300	3.04
1,00,001	And above	14	0.13	13,12,862	36.46

12. Shareholding Pattern of the Company as on 31st March, 2013:

Category	No. of Shares	% of total Shares
(A) Promoters Holding Indian Promoters (Andrew Yule & Group)	667982	18.55
(B) Non-Promoters Holding		
1. Mutual Fund & UTI	7700	0.21
2. Bank/ Financial Institutions		
(a) Life Insurance Corporation	166050	4.61
(b) Others	5200	0.15
(C) OTHERS		
1. Private Corporate Bodies	438890	12.19
2. Indian Public	2108948	58.59
3. NRI's /OCBS :		
(a) Non-Resident Indians	-	-
(b) Others	205230	5.70
Grand Total	3600000	100.00

Kolkata,

21st August, 2013.

YULE FINANCING & LEASING COMPANY LIMITED

**C E R T I F I C A T E O F C O M P L I A N C E
FROM AUDITORS AS STIPULATED IN CLAUSE 49 OF
THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

To
The Shareholders of
YULE FINANCING AND LEASING COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by YULE FINANCING AND LEASING COMPANY LIMITED for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges of India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation of the above adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement except –

- (a) There was no Independent Director in the Board of the Company as required by Clause 49 IA of the Listing Agreement.
- (b) That the composition of the Audit Committee did not meet the requirements of Clause 49 IIA(a) of the Listing Agreement.

We state that in respect of Investor Grievances received during the year ended 31st March, 2013 no investor grievances are pending against the Company as per records maintained by the Company and presented to Shareholders/Investor Grievance Committee.

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

For Nandy Halder & Ganguli
Chartered Accountants
Firm's Registration NO.302016E

S.N.Bandyopadhyay
Partner
Membership No. 052246

Place: Kolkata,
Date: 21st August, 2013

INDEPENDENT AUDITORS' REPORT

To
The Members of
YULE FINANCING AND LEASING COMPANY LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of The **YULE FINANCING AND LEASING COMPANY LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to 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 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 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.

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.

YULE FINANCING & LEASING COMPANY LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 subject to following comments :

- i) The net worth of the Company is negative. The accounts of the company has been prepared on "Going Concern" basis and the assets and liabilities continue to appear at their book value without any adjustments that may be necessary, if the entity is unable to continue as a going concern. [Refer Note No. (a) of Notes to accounts schedule 8].
 - ii) The discontinuance of leasing and their purchase business under NBFC Registration which has since been cancelled (Refer Note No.(g) of Notes -8).
 - iii) Non-compliance of section 58A & 58AA of the Companies Act 1956 and relevant provision of the Act to the extent applicable to the company and the provision of the Non-Banking Financial Companies (Reserve Bank of India) Direction 1977 in so far as it relates to repayment of overdue public deposit together with interest.
 - iv) As per instruction of RBI the company has opened an Escrow Account. (Refer Note no (e) of Notes to Accounts-8).
 - v) Regarding companies application before the hon'ble Calcutta High Court for extension of time for repayment of matured fixed deposits and reconsideration of the rate of interest payable to the deposit holders, pending judicial pronouncements we are unable to express our opinion as to the disqualification of all the directors under the companies Act,1956. [Refer Note No.(b) and (c) of Notes to Account - Note 8]
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - b) in the case of the 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 Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) (Amendment) Order, 2003 (the order) issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956 we give in the Annexure a statement on the matters specified in paragraphs iv and v of the order.

YULE FINANCING & LEASING COMPANY LIMITED

2. As required by section 227(3) of the Companies Act, 1956, 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 purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - e. On the basis of written representation received from the Directors as on 31/03/2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31/03/2013 from being appointed as a Director in terms of clause (g) of sub section 1 of section 274 of the Act..

For Nandy Haider & Ganguli
Chartered Accountants
Firm's Registration NO.302016E

S.N. Bandyopadhyay
Partner
Membership No. 052246

Place: Kolkata,
Date: 21st August, 2013

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 3 of the Auditors' Report to the Members of **YULE FINANCING AND LEASING COMPANY LIMITED** on the Accounts for the year ended 31st March, 2013.

- i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. Pursuant to the programme, a portion of the fixed assets other than assets given on lease has been physically verified by the management in a phased manner and no major discrepancies between physical inventory and book records have been noticed. In our opinion the frequency of verification is reasonable having regard to the size of the company and nature of its business. In respect of assets given on lease confirmations from some of the lessees have not been received.

(b) In our opinion no substantial part of Fixed Assets had been disposed off during the year.
- ii) During the year, the company did not have any inventories under the head 'Stock on Hire'. Hence, the question of physical verification, procedure of physical verification and discrepancies, if any, does not arise.
- iii) According to the information and explanations given to us, the company has neither taken nor granted any loans to any party in pursuance of the register maintained u/s 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii)(b), (c) and (d) of the order is not applicable.
- iv) According to the information and explanations given to us there are adequate internal control procedures commensurate with the size and nature of its business with regard to purchases of inventory, fixed assets and with regard to lease and hire purchase business. During the course of our audit the company did not purchase inventory, fixed assets and also did not lease and enter into any hire purchase agreement and therefore question of continuing failure to correct major weaknesses in Internal Control System does not arise.
- v) In our opinion and according to information and explanations given to us there were no transactions made in pursuance of any contract or arrangement entered into the register maintained u/s.301 of Companies Act, 1956 exceeding the value of Rs.5.00 lakh in respect of any party during the year. Accordingly paragraph 4(v)(b) of the order is not applicable.
- vi) The company did not accept any deposits from the public during the year. However, the directives issued by Reserve Bank of India and the provisions of Sections 58A & 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and rules framed there under have not been complied with in so far as it relates to the repayment of principal and interest thereon. The order passed by the Company Law Board has also not been complied with. The company however, has preferred an appeal before the Hon'ble Calcutta High Court for revision. Hon'ble High Court has since disposed of the company's appeal directing CLB to re-hear the matter, order from CLB is awaited since long.

YULE FINANCING & LEASING COMPANY LIMITED

- vii) In our opinion, the company has an Internal Audit System which is commensurate with the size and nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records under section 209(i)(d) of the Companies Act, 1956.
- ix) a) As explained to us the statutory dues comprised of Income Tax, Wealth Tax, Service Tax, Provident Fund, Sales Tax, Investor Protection & Education Fund and other material statutory dues are payable by the company. According to the record of the company and information and explanations given to us the company is regular in depositing the aforesaid statutory dues with the appropriate authority. There are no undisputed statutory dues as referred to above as at 31st March, 2013 outstanding for more than six months from the date they become payable.
b) According to the records of the company and information and explanations given to us there are dues of Income Tax and Sales Tax amounting to Rs.4,57,58,453.00 and Rs.5,60,716.00 respectively which have not been deposited on account of various disputes which are under consideration of Appellate Authority, the details of which are set out in Note No.(D) of Notes to Accounts - Schedule 8.
c) According to the information and explanations given to us there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Investor Protection and Education Fund, which have not been deposited on account of any disputes.
- x) In our opinion the accumulated losses of the company are more than 50% of the net worth of the company and it has not incurred cash losses during the financial year ended 31st March, 2013 and also in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to a financial institution or Banks.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities; paragraphs 4(xii) of the order is not applicable.
- xiii) In our opinion the Company is not a Chit Fund/Nidhi/Mutual Benefit Fund/Society to which the provisions are of special statute relating to chit fund are applicable, paragraphs 4(xiii) of the Order is not applicable.
- xiv) The Company is not dealing or trading in shares, securities, debenture and other investments, paragraphs 4(xiv) of the order is not applicable.
- xv) The Company has not given any guarantee in respect of loans taken by others from banks; paragraph 4(xv) of the Order is not applicable.

YULE FINANCING & LEASING COMPANY LIMITED

- xvi) In our opinion and according to the information and explanations given to us the company had not applied for any term loan during the year.
- xvii) On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register under section 301 of the Companies Act, 1956, paragraphs 4(xviii) of the Order is not applicable.
- xix) As the Company has not issued any debentures, paragraphs 4(xix) of the Order is not applicable.
- xx) As the Company has not raised money by way of public issue, paragraphs 4(xx) of the Order is not applicable.
- xxi) 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 explanations given to us we have neither come across any instance of material fraud, the company noticed or reported during the year, nor have we been informed of such case by the management.

For **NANDY HALDER & GANGULI**
Chartered Accountants
Firm Registration No.302017E

Place : Kolkata
Date : 21st August,2013

S.N.Bandyopadhyay
Partner
Membership No.052246

Significant Accounting Policies

1. Accounting Convention

The financial statement have been prepared under the historic cost convention in accordance with applicable standards and relevant presentational requirements of the Companies Act, 1956.

2. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties and levies and other attributable cost of bringing to their working condition, in case of lease assets, which are repossessed / taken into custody, are removed from fixed assets and are shown under "Other Current Assets".

3. Depreciation

Depreciation is provided as per written down value method as provided in Schedule XIV of the Companies Act, 1956.

4. Lease Accounting

The Company applied the rate of depreciation as prescribed under Schedule XIV under Companies Act, 1956 on its existing lease assets. The difference between the applicable depreciation rate as stated above and that stipulated in the lease agreement is provided for when the primary lease period terminates.

5. Investments

Non-current investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is permanent in nature in the opinion of the management. Current Investments are carried at lower of cost and fair value.

6. Stock on Hire Purchase

Stock on hire purchase is valued at agreement value less amounts received/receivable. The amounts receivable from the hirers are reflected as Sundry Debtors. In case of stock on hire which are repossessed/taken into custody are shown under "Other Current Assets".

7. Other Current Assets

The above include leased assets and stock on hire repossessed/taken into custody/awarded and rights acquired which are shown as "Assets and Rights acquired/repossessed/awarded in satisfaction of claims" and these are valued at lower of book value and estimated realizable value.

8. Revenue Recognition

- i) Hire purchase finance charges are accounted for on accrual and are recognized so as to produce a constant percentage periodic return on the hire purchase outstanding instalments.
- ii) Lease rental bill discounting charges and interest are accounted for on accrual basis.
- iii) Income from non-performing assets is recognized in accordance with the guidelines to non-banking financial companies on prudential norms for income etc. issued by the Reserve Bank of India as modified from time to time. Further provisions for hire purchase & lease assets, loan & advances and other current assets are made in accordance with such guidelines.
- iv) Art work, insurance agency commission, designing, printing and scanning etc are accounted for on completion of job

9. Management Fees/Processing charges

Management fees/processing charges are considered as income in the year the asset has been given on lease / hire purchase

YULE FINANCING & LEASING COMPANY LIMITED

10. Advertisement, Printing & Stationery & Brokerage

Advertisement, printing & stationery and brokerage, reimbursement of expenses for mobilization of public deposits are charged to profit & loss account in the year these are incurred as per guidelines provided in accounting standard 26 (AS-26).

11. Share Issue and Promotional Expenses

Share issue and promotional expenses are charged to profit and loss account in the year these are incurred as per guidelines provided in accounting standard 26 (AS-26).

12. Employees Benefits

Short term employee benefits (benefits which are payable within 12 months after the end of the period in which the employees rendered service) are measured at cost. The company does not have any defined obligation pertaining to post retirement medical benefits, pension and superannuation for existing / surviving employees. As such medical expenses are measured on cost to company basis.

Long term employee (benefits which are payable after the end of 12 months from the end of the period in which the employees rendered service) and post employment benefits (benefits which are payable after completion of employment i.e. gratuity and leave encashment) are measured on a discounted basis by the projected unit credit method on the basis of annual third party actuarial valuations.

13. Taxation

Current tax is determined on tax payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence, on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax asset is recognized on unabsorbed depreciation and carry forward losses only if there is virtual certainty of realization in future. Deferred tax assets / liabilities are reviewed at each balance sheet date based on development during the year and available judicial pronouncements, to reassess realization / liability.

YULE FINANCING & LEASING COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

	Notes	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	1.1	3,59,97,000.00	3,59,97,000.00
(b) Reserves and Surplus	1.2	-10,04,72,481.37	-9,86,57,240.00
TOTAL		-6,44,75,481.37	-6,26,60,240.00
(2) Non-current liabilities			
(a) Long-term borrowings	2.1		5,00,00,000.00
(b) Deferred tax liabilities(Net)	2.2	1,05,854.00	1,05,854.00
(c) Long Term Provision	2.3	30,11,101.00	30,11,101.00
TOTAL		31,16,955.00	5,31,16,955.00
(3) Current Liabilities			
(a) Trade Payable	3.1	1,73,38,167.00	1,86,98,264.00
(b) Other Current Liabilities	3.2	5,60,00,000.00	30,00,000.00
TOTAL		7,33,38,167.00	2,16,98,264.00
Total Liabilities	(1+2+3)	1,19,79,640.63	1,21,54,979.00
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	4.1	88,893.92	98,692.00
(b) Non-current investment	4.2	2,03,861.00	2,03,861.00
(2) Current assets			
(a) Trade receivables	4.3	8,69,963.00	7,25,990.00
(b) Cash and Cash equivalents	4.4	4,20,663.71	6,77,958.00
(c) Short-term loans and advances	4.5	1,03,96,259.00	1,04,48,478.00
TOTAL		1,16,86,885.71	1,18,52,426.00
Total Assets(1+2)		1,19,79,640.63	1,21,54,979.00

Notes on Accounts

8

On behalf of the Board,

B. Roy A. N. Bhattacharyya
Chairman Director

For NANDY, HALDER & GANGULI
Chartered Accountants,
S. N. Bandyopadhyay
Partner.
Membership No.052246
Firm Registration No. 302017E
Kolkata, 21st August, 2013

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YULE FINANCING & LEASING COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR

	Notes
INCOME	
(a) Revenue from operations	5.1
(b) Other Income	5.2
(c) Total Revenue (a+b) = A	
EXPENSES	
(a) Employee benefit expense	6.1
(b) Finance costs	6.2
(c) Depreciation and amortization expenses	6.3
(d) Other expenses	6.4
(e) Total Expenses (a+b+c+d) =B	
Profit before exceptional and extraordinary items and tax (A-B)	
Profit before Tax	
Profit/Loss for the year	
Basic & diluted earnings per share before & after extraordinary income	7.1
Notes on Accounts	8

For NANDY, HALDER & GANGULI

Chartered Accountants,
S. N. Bandyopadhyay
Partner.

Membership No.052246
Firm Registration No. 302017E
Kolkata, 21st August, 2013

The Notes from an integral part of the Accounts.
Per our Report attached

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YULE FINANCING & LEASING COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

	Notes	2012-13 (Rs.)	2011-12 (Rs.)
INCOME			
(a) Revenue from operations	5.1	22,33,777.00	33,48,575.00
(b) Other Income	5.2	19,08,117.92	8,61,083.00
(c) Total Revenue (a+b) = A		<u>41,41,894.92</u>	<u>42,09,658.00</u>
EXPENSES			
(a) Employee benefit expense	6.1	18,00,768.00	12,18,230.00
(b) Finance costs	6.2	30,00,000.00	30,65,447.00
(c) Depreciation and amortization expenses	6.3	4,07,665.00	4,72,705.00
(d) Other expenses	6.4	7,48,703.29	13,56,415.00
(e) Total Expenses (a+b+c+d) =B		<u>59,57,136.29</u>	<u>61,12,797.00</u>
Profit before exceptional and extraordinary items and tax (A-B)		-18,15,241.37	-19,03,139.00
Profit before Tax		-18,15,241.37	-19,03,139.00
Profit/Loss for the year		<u>-18,15,241.37</u>	<u>-19,03,139.00</u>
Basic & diluted earnings per share before & after extraordinary income	7.1	(-)0.50	(-)0.53
Notes on Accounts	8		

On behalf of the Board,

For NANDY, HALDER & GANGULI
Chartered Accountants,
S. N. Bandyopadhyay
Partner.

B. Roy
Chairman

A. N. Bhattacharyya
Director

Membership No.052246
Firm Registration No. 302017E
Kolkata, 21st August, 2013

The Notes form an integral part of the Accounts.
Per our Report attached

YULE FINANCING & LEASING COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13 (Rs.)	2011-12 (Rs.)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax and extra-ordinary Items	-1815241.00	-1903139.00
Add:-		
Depreciation	407665.00	472705.00
Increase in Trade Payable	51639903.00	2467814.00
	<u>52047568.00</u>	<u>2940519.00</u>
Less:-		
Provision for Pension Leave Encashment & Gratuity	0.00	34370.00
Impairment of Assets written back	398393.00	462957.00
Profit on Sale of Assets	124833.00	0.00
Dividend Income	4882.00	4480.00
Interest on Fixed Deposits	0.00	75858.00
Increase in Receivables	143973.00	80779.00
Increase in Loans & Advances	-52219.00	340462.00
	<u>619862.00</u>	<u>998906.00</u>
Net Cash from Operating Activities (A)	<u>49612465.00</u>	<u>38474.00</u>
Cash from Investing Activities:-		
Purchase of Assets	0.00	-10712.00
Sale of Assets	125359.00	0.00
Dividend	4882.00	4480.00
Purchase of Fixed Assets	0.00	75858.00
Increase in Loans & Advances	0.00	0.00
	<u>130241.00</u>	<u>69626.00</u>
Net Cash from Investing Activities (B)	<u>130241.00</u>	<u>69626.00</u>
Cash from Financing Activities:-		
Decrease in Long term borrowing	-50000000	0.00
	<u>-50000000</u>	<u>0.00</u>
Net Cash from Financing Activities (C)	<u>-50000000</u>	<u>0.00</u>
Net Change in Cash or Cash Equivalent (A)+(B)+(C)	<u>-257294.00</u>	<u>108100.00</u>
Opening Cash	677958.00	569858.00
Closing Cash	420664.00	677958.00

On behalf of the Board,

B. Roy A. N. Bhattacharyya
Chairman Director

For NANDY, HALDER & GANGULI
Chartered Accountants,
S. N. Bandyopadhyay
Partner.

Membership No.052246
Firm Registration No. 302017E
Kolkata, 21st August, 2013

The Notes form an integral part of the Accounts.
Per our Report attached

YULE FINANCING & LEASING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
NOTE 1.1		
SHARE CAPITAL		
Authorised		
50,00,000 Equity Shares of Rs.10 each	5,00,00,000	5,00,00,000
Issued and Subscribed		
35,00,000 Shares of Rs.10 each fully paid up issued for payment in cash	3,50,00,000	3,50,00,000
Less : Allotment money unpaid	3,000	3,000
	<u>3,49,97,000</u>	<u>3,49,97,000</u>
1,00,000 Shares of Rs.10 each fully paid up issued by way of Bonus Shares by Capitalisation of Reserves	10,00,000	10,00,000
	<u>3,59,97,000</u>	<u>3,59,97,000</u>

a) Reconciliation of Equity Shares

	31st March, 2013		31st March, 2012	
	No. of Shares	Amount (in crores)	No. of Shares	Amount (in crores)
Opening Balance	3599700	35997	3599700	35997
Change during the year	Nil	Nil	Nil	Nil
Closing Balance	3599700	35997	3599700	35997

- b) The Company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In view of the loss incurred during the year, your directors regret their inability to declare any dividend for the year 2012-13.
- c) Details of shares held by share holders holding more than 5% of the aggregate shares in the Company.

Equity Shares	31st March, 2013		31st March, 2012	
	No. of Shares	Amount (in crores)	No. of Shares	Amount (in crores)
Andrew Yule & Co. Ltd.	300000	8.33	300000	8.33
Tide Water Oil Company India Ltd.	194640	5.4	194640	5.4
D.P.S.C. Ltd.	297930	8.27	297930	8.27

YULE FINANCING & LEASING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS

2012-13 2011-12

NOTE 1.2

RESERVES & SURPLUS

Capital Reserve :

General :

Balance as per last account

12,23,256.00 12,23,256.00

Add during the year

SUB TOTAL :- 12,23,256.00 12,23,256.00

Less: Transfer to Profit and Loss Account

SUB TOTAL :- 12,23,256.00 12,23,256.00

Preference Share Capital Redemption Reserve :

General :

Balance as per last account

Add during the year

SUB TOTAL :- 12,23,256.00 12,23,256.00

Less: Transfer to Profit and Loss Account

SUB TOTAL :- 12,23,256.00 12,23,256.00

Revaluation Reserve :

General :

Balance as per last account

Add during the year

SUB TOTAL :-

Less: Transfer to Profit and Loss Account

SUB TOTAL :-

Share Option Outstanding Account

Other Reserves:

Central/State Subsidy for Capital Assets:

Balance as per last account

Add during the year

SUB TOTAL :-

Less: Transfer to Profit and Loss Account

SUB TOTAL :-

YULE FINANCING & LEASING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS

2012-13 2011-12

Tea Board Subsidy for Capital Assets:		
Balance as per last account		
Add during the year		
	SUB TOTAL :	
Less: Transfer to Profit and Loss Account		
	SUB TOTAL :-	
State Housing Subsidies		
Surplus		
Balance as per last accounts	-9,98,80,496.00	-9,79,77,357.00
Add Profit during the year	-18,15,241.37	-19,03,139.00
	SUB TOTAL :-	-10,16,95,737.37
	GRAND TOTAL :-	<u>-9,98,80,496.00</u>
		<u>-10,04,72,481.37</u>
		<u>-9,86,57,240.00</u>

NOTE 2.1

LONG-TERM BORROWING

Secured Loans :		
Term Loans :		
Others		
	SUB TOTAL :-	
Unsecured Loans :		
Term Loan :		
From Andrew Yule & Company Limited		5,00,000.00
	SUB TOTAL :-	5,00,000.00
	GRAND TOTAL :-	5,00,000.00

NOTE 2.2

DEFERRED TAX LIABILITIES (NET)

Defererd Tax Liabilities (Net)	1,05,854.00	1,05,854.00
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YULE FINANCING & LEASING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS

2012-13 2011-12

NOTE 2.3

Long Term provisions

Provision for Income Tax	26,28,847.00	26,28,847.00
Others(Provision for Employee Benefits)	3,82,254.00	3,82,254.00
SUB TOTAL :-	30,11,101.00	30,11,101.00

NOTE 3.1

Trade Payables :

Others	27,05,585.00	40,65,682.00
Unpaid Public Deposit	1,46,32,582.00	1,46,32,582.00
SUB TOTAL	1,73,38,167.00	1,86,98,264.00

NOTE 3.2

Other Current Liabilities

Current Maturities of Long Term Debt	5,00,00,000.00	NIL
Interest Accrued & Due	60,00,000.00	30,00,000.00
SUB TOTAL	5,60,00,000.00	30,00,000.00

NOTE 4.2

Non-Current Investment

LONG TERM INVESTMENT AT COST UNQUOTED:		
Woodlands Hos. & Med. Research Centre Ltd.	3500.00	3500.00
Brentford Electric (India) Ltd.	1.00	1.00
The Bengal Coal Co. Ltd.	1.00	1.00
New Beerbhoom Coal Co. Ltd.	1,367.00	1,367.00
Transformer & Switchgear Ltd.	1.00	1.00
Essar Steel Ltd.	4,632.00	4,632.00

NOTES FORMING PART OF THE ACCOUNTS

	2012-13	2011-12
Ordinary Shares of Rs.10 each fully paid.	11,299.00	11,299.00
Investment in partnership firm	5,000.00	5,000.00
QUOTED:		
Andrew Yule & Company Ltd.	1,950.00	1,950.00
WEBFIL Ltd.	27,00,000.00	27,00,000.00
Munjai Showa Limited.	47,781.00	47,781.00
Gabriel India Limited.	1,68,184.00	1,68,184.00
Exide Industries Limited.	330.00	330.00
TOTAL	29,44,046.00	29,44,046.00
Less:Prov.for deminution on investment	-27,40,185.00	-27,40,185.00
SUB TOTAL	2,03,861.00	2,03,861.00
GRAND TOTAL	2,03,861.00	2,03,861.00

NOTE 4.3

Trade Receivables

Unsecured :

Debts Outstd.> 6 mths from the dt. of due for payment

Considered good

Considered doubtful

SUB TOTAL

Less: Provision for doubtful debts

SUB TOTAL

Other Debts :

Considered good

Considered doubtful

Less: Provision for doubtful debts

GRAND TOTAL

	62,76,921.00	62,76,921.00
	62,76,921.00	62,76,921.00
	-62,76,921.00	-62,76,921.00
	-	-

	8,69,963.00	7,25,990.00
TOTAL	8,69,963.00	7,25,990.00

	8,69,963.00	7,25,990.00
GRAND TOTAL	8,69,963.00	7,25,990.00

YULE FINANCING & LEASING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS

2012-13 2011-12

NOTE 4.4

Cash and Cash equivalents

Balance With Bank	4,20,663.71	6,77,958.00
GRAND TOTAL	4,20,663.71	6,77,958.00

NOTE 4.5

Short-Term Loans And Advance

Secured :

Considered Good	11,49,218.00	11,49,218.00
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Unsecured :

Considered Good	4,94,759.00	5,48,515.00
Considered doubtful	65,00,000.00	65,00,000.00
Less: Provision	-65,58,956.00	-65,58,956.00
Advances recoverable in cash or in kind	-	5,412.00
Advance Payment of Income Tax	88,11,238.00	88,04,289.00

SUB TOTAL	1,03,96,259.00	1,04,48,478.00
GRAND TOTAL	1,03,96,259.00	1,04,48,478.00

NOTE 5.1

Revenue from Operations

Other Operational Income :

Business Services & Consultancy	16,81,088.00	22,62,007.00
Insurance Agency Commission	5,35,502.00	9,84,969.00
Lease Rental Income	17,187.00	1,01,599.00

SUB TOTAL	22,33,777.00	33,48,575.00
GRAND TOTAL	22,33,777.00	33,48,575.00

NOTE 5.2

Other Income

Dividend Income	4,882.00	4,480.00
Interest on Fixed Deposits	-	75,858.00
Sundry Trade Receipts	4,776.00	-
Rent and Other Miscellaneous Income	-	1,87,711.00
Profit on sale of Fixed Assets	1,24,832.92	-
Provision no longer required written back	17,73,627.00	5,93,034.00

SUB TOTAL	19,08,117.92	8,61,083.00
GRAND TOTAL	19,08,117.92	8,61,083.00

YULE FINANCING & LEASING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS

2012-13

2011-12

NOTE 6.1

Employee Benefit Expenses

Salaries & Wages	16,40,220.00	10,31,387.00
Contribution to Provident and Other Funds	1,10,205.00	1,05,767.00
Staff Welfare Expenses	50,343.00	81,076.00
SUB TOTAL	18,00,768.00	12,18,230.00
GRAND TOTAL	18,00,768.00	12,18,230.00

NOTE 6.2

Finance Costs

Interest Expenses	30,00,000.00	30,00,000.00
Other Borrowing cost	-	65,447.00
SUB TOTAL	30,00,000.00	30,65,447.00
GRAND TOTAL	30,00,000.00	30,65,447.00

NOTE 6.3

Depreciation & Amortisation Expenses

Depreciation on Leased Assets	3,98,393.00	4,62,957.00
Depreciation on owned Assets	9,272.00	9,748.00
SUB TOTAL	4,07,665.00	4,72,705.00
GRAND TOTAL	4,07,665.00	4,72,705.00

NOTE 6.4

Other Expenses

Travelling Expenses and Upkeep of Vehicles	1,04,140.00	99,386.00
Legal & Professional Charges	41,893.00	2,40,375.00
Printing & Stationery	70,210.60	60,984.00
Postage, Telephone & Courier Expenses	84,938.00	57,616.00
Miscellaneous Expenses	96,472.79	69,074.00
Share Register Expenses	60,000.00	60,000.00
Art Work design & Print	44,800.00	7,13,232.00

YULE FINANCING & LEASING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS

	2012-13	2011-12
Advertisement Expenses	29,825.90	-
Subscription	34,043.00	24,748.00
Payment to Auditors		
As Auditors	14,000.00	25,000.00
For other services	-	6,000.00
Item relating to previous years	1,68,380.00	-
GRAND TOTAL	7,48,703.29	13,56,415.00

NOTES FORMING PART OF THE PROFIT & LOSS

	As at	As at
	31.03.2013	31.03.2012
	(Rs.)	(Rs.)

NOTE 7.10

Basic & Diluted earnings per share before & after extraordinary Income

	No.of Shares	No.of Shares
Opening balance	3599700	3599700
Change during the year-	-	-
Closing balance	3599700	3599700
Profit / Loss for the year	(-)18,15,241.37	(-)19,03,139.00
Face value of each equity shares	Rs.10	RS.10
EPS (RS.)	(-)0.50	(-)0.53

YULE FINANCING & LEASING COMPANY LIMITED

NOTES FORMING PART OF THE ACCOUNTS

	QUANTITY (Nos.)		BOOK VALUE (Rs.)	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
SCHEDULE 4.2A (QUANTITATIVE & VALUE DETAILS)				
Non-Current Investment				
LONG TERM INVESTMENT AT COST-NON TRADE UNQUOTED				
UNQUOTED				
Woodlands Hospital & Medical Research Centre Ltd. (Formerly The East India Clinie Limited)				
Rs.3500/- 5% Non-redeemable Registered Mortgage Debenture Stock 1957, fully paid				
	1	1	3500	3500
Brentford Electric (India) Ltd. Ordinary Shares of Rs.100/- each, fully paid				
	10000	10000	1	1
The Bengal Coal CO.Ltd. Ordinary Shares of Rs.100/- each, fully paid				
	10	10	1	1
New Beerbhoom Coal Co.Ltd. Ordinary Shares of Rs.10/- each, fully paid				
	100	100	1367	1367
Transformer & Switchgear Ltd. 71/2% tax free Redeemable Preference Shares of Rs.100/- each, fully paid				
	277	277	1	1
*Essar Steel Ltd. 0.1% Cumulative Redeemable Preference Shares of Rs.10/- each, fully paid				
	232	232	4632	4632
Ordinary Shares of Rs.10/- each, fully paid				
	348	348	11299	11299
Investment in partnership firm				
			5000	5000
			<u>25801</u>	<u>25801</u>
QUOTED				
Govt. of India Inscribed Stock of the 7.49% Loan,2017				
	-	24000	-	-
Andrew Yule & Co. Ltd. Ordinary Shares of Rs.10/- each, fully paid				
	2039	2039	1950	1950
WEBFIL Ltd. Ordinary Shares of Rs.10/- each, fully paid				
	270000	270000	2700000	2700000
Munjal Showa Limited Ordinary Shares of Rs.10/- each, fully paid				
	200	200	47781	47781
**Gabriel India Ltd. Ordinary Shares of Rs.10/- each, fully paid				
	4000	4000	168184	168184
Exide Industries Ltd. Ordinary Shares of Rs.10/- each, fully paid				
	6	6	330	330
Total Book Value of Quoted Investment			<u>2918245</u>	<u>2918245</u>
Total Book Value of Unquoted and Quoted Investments				
Investments			2944046	2944046
Less:- Provision for deminution on investments			<u>2740185</u>	<u>2740185</u>
			<u>203861</u>	<u>203861</u>
Aggregate Market Value of Quoted Investments			<u>2928426</u>	<u>2928426</u>

NOTES FORMING PART OF THE ACCOUNTS

NOTE 4.2B

1. By virtue of Brentford Electric (India)Ltd. (Acquisition and Transfer of Undertakings) Act, 1987,the Central Government took over the undertaking of Brentford Electric (India) Ltd. (BEIL) which has vested in Andrew Yule & Co.Ltd., respectively from 1st April,1986. On the basis of the said order it seems that no money against Company's investment in BEIL is realisable and hence such investment has been written down to a nominal amount of Re.1/-.
2. The Break up value of shares of The Bengal Coal Co.Ltd. as per latest available audited Balance Sheet is nil and hence such investment has been written down to a nominal amount of Re.1/- and the shortfall has been adjusted against Capital Reserve.
3. Following the nationalisation of Transformer and Switchgear Ltd. (TSL) on 17.11.1983, the Company's investment in TSL's shares has been written down to a nominal amount of Re.1/-.
4. *Arising out of reorganisation of share capital base of Essar Steel Ltd. approved by Hon'ble Gujrat High Court vide Order dated 28th February,2005. Company's holding has been re-allocated above pursuant to the said Order.
5. **Equity shares of Gabriel India Ltd. has been sub-divided to Re.1/- in lieu of old shares of Rs.10/- each.
6. Disclosure relation to investment in partnership firm in terms of Clause 3(XII) of Part-II, Schedule VI to the Companies Act,1956.
 - i) Name of the Partnership Firm :- BKNY & Co.,
 - ii) Name of all Partners :-
 - a) The Bengal Coal Co. Ltd.
 - b) Katras Jherriah Coal Co. Ltd.
 - c) New Beerbhoom Coal Co. Ltd.
 - d) Yule Financing & Leasing Co. Ltd.

[iii] Total Capital of the partnership Firm : Rs. 11378365

[iv] Share of each partner :

Name	Partnership Ratio
1. The Bengal Coal Co. Ltd.	60.64%
2. Katras Jherriah Coal Co. Ltd.	18.22%
3. New Beerbhoom Coal Co. Ltd.	21.09%
4. Yule Financing & Leasing Co. Ltd.	0.05%
	<u>100.00%</u>

Note : Information furnished above is based on the last available audited accounts.

NOTES FORMING PART OF THE ACCOUNTS

**NOTE 4.1
FIXED ASSETS TANGIBLE**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Addition	Sold	As at 01.04.2013	As at 01.04.2012	For the Year	As at 31.03.13	As at 31.03.13	As at 31.03.12	As at 31.03.12
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leased Assets										
Plant & Machinery	36986559			36986559	34148197	394816		34543013	2443546.00	2838362
Data Processing Equipment	6376461			6376461	6375978	193		6376171	290.00	483
Office Equipment	107388			107388	93729	1900		95629	11759.00	13659
Furniture & Fixture	407604			407804	401660	1112		402772	5032.00	6144
Motor Vehicle	802002			802002	800142	372		800514	1488.00	1860
Total	44680214	0	0	44680214	41819706	398393		42218099	2462115.00	2860508
Other Assets- Owned										
Building	160528			160528	95813.00	3236		99049	61479.00	64715
Plant & Machinery	375827			375827	364588.00	1563		366151	9676.00	11239
Data Processing Equipment	1795269			1795269	1784383.28	2468		1786851.28	8417.72	10885.72
Office Equipment	25220			25220	24279.25	131		24410.25	809.75	940.75
Furniture & Fixture	405819			405819	395588.37	1852		397440.37	8378.63	10230.63
Motor Vehicle	465285			465285	464758.92	0		0	0.00	526.08
Mooring Buoys	84135			84435	84280.30	22		84302.30	132.70	154.70
Total	3312383	0	-465285	2847098	3213691.12	9272		2758204.20	88893.80	98691.88
Grand Total	47992597		-465285	47527312	45033397.12	407665		448759.92	2551008.80	2959199.88
Previous Year	47381885	10712	0	47992597	44580882	472705	0	45033397	2959200	

YULE FINANCING & LEASING COMPANY LIMITED

Note 8

Notes on Accounts

- a) In view of the accumulated loss of the Company, the net worth has become negative. The Company, however, is making effort in one hand to settle and reduce the dues of depositors and on the other hand endeavouring to reduce the loss by cost economy and venturing into diversifying activities to generate surplus. The Company's loss has been consistently arrested from the year 2000-01 onwards. The accounts have thus been prepared on a going concern basis.
- b) In response to the Company's application for extension of time for repayment of matured fixed deposits and reconsideration of the rate of interest payable to deposit holders from the date of maturity to the date of payment, the Company Law Board (CLB) issued an adverse order not considering the financial position of the Company. Hence, Company applied to Hon'ble Kolkata High Court for revision of the said order. Hon'ble Court has since disposed of Company's appeal directing CLB to re-hear the matter, which is awaited.
- c) The Company has relied on a legal opinion that the order of the Company Law Board having contested and pending before the Hon'ble Kolkata High Court, the directors of the Company are not disqualified under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 for default in repayment of public deposits together with interest thereon.

- d) Contingent liabilities not provided for in respect of :

i) Income Tax			
Name of Statute	Nature of Dues	Amount (Rs.)	Forum dispute is pending
Income Tax Act, 1961	Income Tax Dues	4,57,58,453	CIT (Appeal)

In view of legal opinion obtained from an eminent counsel and orders issued by appellate authority, the management does not assume any liability on this account.

Management does not perceive any liability on settlement of the above case.

ii) Sales Tax			
Name of Statute	Nature of Dues	Amount (Rs.)	Forum where dispute is pending
West Bengal Sales	Sales Tax Dues	5,60,716 (5,60,716)	Commercial Tax Officer, Kolkata

- e) The Company has opened an ESCROW Account for investors' repayment protection under RBI's specific instructions and has balance as on 31.03.2013 Rs.74558/-. Therefore the Company does not perceive transfer of separate and/or additional fund designed as "Investors Protection and Education Fund" u/s 205A of the Companies Act, 1956.
- f) The accounting treatments as well as technical matters of Leased Assets and Hire Purchase Assets will be appropriately taken care of by the Management.
- g) The discontinuance of leasing and purchase business under NBFC Registration has since been cancelled.
- h) The details of amount recognized in the financial statement in respect of the following defined employee benefit schemes are disclosed in the table below.

YULE FINANCING & LEASING COMPANY LIMITED

Employee benefits as on 31.03.2013

	Gratuity (Funded)	Amount in Rs. Leave encashment (Unfunded)
Defined benefit plans / long term compensated absences As per valuation as on 31st March, 2013		
i) Change in present value of Defined Benefit obligation during the year ended 31st March, 2013		
1) Present value of Defined Obligation (DBO) at beginning of period	298421	382254
2) Current Services Cost	42888	37417
3) Interest Cost	23874	30580
4) Cutoilment Cost (Credit)	—	—
5) Settlement Cost / (Credit)	—	—
6) Plan amendments	—	—
7) Acquisitions	—	—
8) Actuarial (Gains) / Losses	29160	52661
9) Benefit paid	—	—
10) Present value of Defined benefit Obligation (DBO) at the end of period	394343	502912
ii) Change in fair value of Assets during the year ended 31st March, 2013		
1) Plan Assets at beginning of period	625480	—
2) Acquisition Adjustment	—	—
3) Actual return on Plan Assets	53166	—
4) Actual Company Contribution	—	—
5) Benefits Paid	—	—
6) Plan Assets at the end of the period	678646	—
iii) Net Assets / (Liability) recognized in Balance Sheet as at 31st March, 2013		
1) Present value of Defined benefit Obligation	394343	502912
2) Fair value of Plan Assets	678646	—
3) Funded status of (Surplus)/(Deficit)	—	—
4) Unrecognised past service cost	—	(502912)
5) Net Assets / liability recognized in balance sheet	284303	(502912)
iv) Components of employer expenses recognized in Profit and loss Account for the year ended 31.03.2013.		

For Nandy, Halder & Ganguli
Chartered Accountants

On behalf of the Board

S. N. Bandyopadhyay
Partner (Membership No.052246)
Firm Registration No.302017E

B. Roy
Chairman

A.N. Bhattacharyya
Director

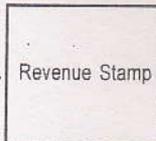
YULE FINANCING & LEASING COMPANY LIMITED

PROXY

I/We.....
of.....
being a Member/Members of Yule Financing & Leasing Co. Ltd. hereby appoint
.....of
.....or failing him
.....of
.....as my/our proxy in my/our absence to attend and vote for me/us and on
my/our behalf at the Annual General Meeting of the Company to be held on Monday, 23rd day of
September, 2013 at 11-00 a.m. and at any adjournment thereof.

As WITNESS my/our hand/hand(s) thisday of2013.

Signed by the said.....



Note :
The Proxy must be deposited at the Registered Office of the Company at 8, Dr. Rajendra Prasad Sarani,
Kolkata-700 001 not less than 48 hours before the time for holding the Meeting.

**THIS ATTENDANCE SLIP DULY FILLED IN IS TO BE HANDED OVER
AT THE ENTRANCE OF THE MEETING HALL.**

YULE FINANCING & LEASING COMPANY LIMITED

Name of the attending Member.....
(in Block Letters)

Member's Folio Number/Client ID
(Name of Proxy to be filled in Block Letters if the Proxy attends instead of the Member)

No. of Shares held.....

I hereby record my presence at the Annual General Meeting at the auditorium of the Rabindra Okakura
Bhavan, Paschim Banga Bangla Academy, 27/A/1, DD-Block, Salt Lake, Kolkata- 700 064 on Monday,
the 23rd day of September, 2013 at 11-00 a.m.

*Member's/Proxy's Signature.

*To be signed at the time of handing over this slip.

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700001

If undelivered please return to :

Yule Financing & Leasing Co. Ltd.

8, Dr. Rajendra Prasad Sarani

Kolkata - 700 001