

**NARAYAN SRIRAM INVESTMENTS
PRIVATE LIMITED**

23rd Annual General Meeting

August 3, 2012

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the shareholders of Narayan Sriram Investments Private Limited will be held at III Floor, Continental Chambers, 142, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 on Friday, August 3, 2012 at 11.30 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2012 and Profit and Loss Account for the year ended on 31st March 2012, together with the Directors' Report and Auditors' Report thereon.
2. To appoint Auditors and fix their remuneration and for the purpose to consider and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as a "Ordinary Resolution":

"RESOLVED THAT M/s. Vinay Kumar & Co, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

AS SPECIAL BUSINESS

3. To consider and if thought fit, to pass, with or without modification(s) if any, the following resolution as a "Ordinary Resolution"

APPOINTMENT OF SHRI SUJIT KUMAR MANDAL AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri Sujit Kumar Mandal, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956 on the date of this meeting, be and is hereby appointed as a director of the Company and liable to retirement by rotation."

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

APPOINTMENT OF SHRI SATPAL KUMAR ARORA AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri Satpal Kumar Arora, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956 on the date of this meeting be and is hereby appointed as a director of the Company and liable to retirement by rotation."

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

APPOINTMENT OF SHRI HARI KRISHNAN AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri Hari Krishnan, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956 on the date of this meeting be and is hereby appointed as a director of the Company and liable to retirement by rotation."

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

APPOINTMENT OF SHRI BISWAJIT BANERJEE AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri Biswajit Banerjee, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956 on the date of this meeting be and is hereby appointed as a director of the Company and liable to retirement by rotation."

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

APPOINTMENT OF SHRI P N SWAMINATHAN AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri P. N. Swaminathan, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956 on the date of this meeting be and is hereby appointed as a director of the Company and liable to retirement by rotation."

8. To consider and if thought fit, to pass, with or without modification(s) if any, the

following resolution as a **"Special Resolution"**

APPOINTMENT OF SHRI P N SWAMINATHAN AS WHOLE-TIME DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to Sections 198, 269 and 309 of the Companies Act, 1956, read with Schedule XIII thereof, the Company hereby approves the appointment of Shri P. N. Swaminathan as Whole-time Director of the Company designated as "Chief Operating officer" for a period of 2 years with effect from April 12, 2012 on the terms and conditions set out in the Explanatory Statement attached to the Notice.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or inadequate profits, the remuneration as stated in Explanatory Statement attached to the Notice shall be paid to Shri P. N. Swaminathan as minimum remuneration with the approval of the Central Government, if required."

RESOLVED FURTHER THAT so long as Shri P. N. Swaminathan functions as the Whole-time Director of the Company, he will not be paid any fees for attending the meeting of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution."

9. To consider and if thought fit, to pass, with or without modification(s) if any, the following resolution as a **"Ordinary Resolution"**

THE BORROWING POWER OF THE COMPANY

"RESOLVED THAT pursuant to section 293(1)(d) and other applicable provisions of the Companies Act, 1956, the consent of the members of the Company be and hereby accorded to the Board of Directors of the Company for borrowing by the Company from time to time any sums or sums of moneys as such terms and conditions and with or without security as the Board of Directors may think fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), not exceeding 4 times the aggregate of the paid-up equity share capital and free reserves of the company as per the latest audited balance sheet as on the date of such borrowings;

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this Resolution.”

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

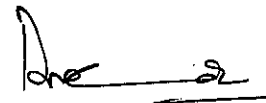
INCREASING THE AUTHORISED SHARE CAPITAL OF THE COMPANY AND THE CONSEQUENT AMENDMENT TO THE MEMORANDUM OF ASSOCIATION

“RESOLVED THAT pursuant to provisions of Section 94, 97, 16 and other applicable provisions, if any, of Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs. 30,00,00,000/- (Rupees Thirty Crores only) to Rs. 60,00,00,000/- (Rupees Sixty Crores only) by creation of 30,00,000 further equity shares of Rs. 100/- each ranking pari passu with the existing equity shares .

RESOLVED FURTHER THAT the following amendments be made to the first paragraph of Clause V of the Memorandum of Association of the Company;

V. The share capital of the company is Rs. 60,00,00,000 (Rupees sixty crores) consisting of Rs. 59,75,50,000 (Rupees Fifty Nine Crore Seventy Five Lakhs Fifty Thousand only) divided into 59,75,500 (Fifty Nine Lakhs Seventy Five Thousand Five Hundred only) equity shares of Rs. 100 (Rupees One Hundred) each and 24,500 (Twenty Four Thousand Five Hundred) Redeemable preference shares of Rs. 100 (Rupees One Hundred each).”

By Order of the Board
For Narayan Sriram Investments Private Limited,



P N Swaminathan
Whole-time Director

Place: Chennai
Date: June 29, 2012

Notes:

1. An Explanatory Statement pursuant to Section 173(2) of the Company Act, 1956 in

respect of Special business is annexed hereto.

2. A Member entitled to vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company. Corporate Members are requested to send certified copy of Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the meeting.
3. Members should bring the attendance slip duly filled in for attending the meeting.
4. Copy of the Amended Memorandum and Articles of Association of the Company is available for inspection at the registered office of the Company on all working days during usual business hours till the conclusion of this meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 3: APPOINTMENT OF SHRI SUJIT KUMAR MANDAL AS DIRECTOR OF THE COMPANY

Shri Sujit Kumar Mandal was appointed as an Additional Director by the Board of Director w.e.f. December 08, 2011 in accordance with the provisions of Section 260 of the Companies Act.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Shri Sujit Kumar Mandal on the Board is desirable and would be beneficial to the company.

None of the Directors, except Shri Sujit Kumar Mandal is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 3 to be passed as ordinary resolution.

ITEM NO. 4: APPOINTMENT OF SHRI SATPAL KUMAR ARORA AS DIRECTOR OF THE COMPANY

Shri Satpal Kumar Arora was appointed as an Additional Director by the Board of Director w.e.f. December 08, 2011 in accordance with the provisions of Section 260 of the Companies Act.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Shri Satpal Kumar Arora on the Board is desirable and

would be beneficial to the company.

None of the Directors, except Shri Satpal Kumar Arora is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 4 to be passed as ordinary resolution.

ITEM NO. 5 APPOINTMENT OF SHRI HARI KRISHNAN AS DIRECTOR OF THE COMPANY

Shri Hari Krishnan was appointed as an Additional Director by the Board of Director w.e.f. December 08, 2011 in accordance with the provisions of Section 260 of the Companies Act.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Shri Hari Krishnan on the Board is desirable and would be beneficial to the company.

None of the Directors, except Shri Hari Krishnan is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 5 to be passed as ordinary resolution.

ITEM NO. 6: APPOINTMENT OF SHRI BISWAJIT BANERJEE AS DIRECTOR OF THE COMPANY

Shri Biswajit Banerjee was appointed as an Additional Director by the Board of Director w.e.f. April 11, 2012 in accordance with the provisions of Section 260 of the Companies Act.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Shri Biswajit Banerjee on the Board is desirable and would be beneficial to the company.

None of the Directors, except Shri Biswajit Banerjee is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 6 to be passed as ordinary resolution.

Item No. 7 and 8

The Board of Directors in their meeting held on April 11, 2012 has appointed Shri P. N. Swaminathan as additional Director, to assume responsibilities as Whole-time Director of the Company designated as "Chief Operating officer" for a period of 2 years with effect from April 12, 2012.

The remuneration and the perquisites of Shri P.N. Swaminathan as set out below are subject to the approval of the shareholders of the Company under the provisions of Section 269, 309 and Schedule XIII of the Companies Act, 1956.

Period

Two years with effect from April 12, 2012

A. Basic Salary:

Rs. 1,09,080 per month with authority to the Board of Directors (which expression shall include a committee thereof) to revise the basic salary from time to time taking into account the performance of the Company.

B. Allowance and perquisites

Following allowance and perquisites shall be allowed in addition to the basic salary:

S. No.	Perquisite	Value (Rs.)
a.	House rent allowance	54,540 Per Month
b.	Transport Allowance	32,724 Per Month
c.	Educational Allowance	16,362 Per Month
d.	Vehicle Maintenance & Driver	2,500 Per month

S. No.	Perquisite	Value (Rs.)
	Salary	
e.	Medical re-imburement	1,250 Per Month
f.	Leave travel Allowance	5,454 Per Month
g.	Traveling, Boarding & Lodging	Actual expenditure to be reimbursed by the Company for outstation journey for official work as per companies' policies.
h.	Provident Fund Contribution	Contribution to Provident Fund shall be 12% of the basic pay
i.	Gratuity	Gratuity payable shall not exceed half a month's basic salary for each completed year of service
j.	Encashment of Leave	Entitled to encash leave upto 24 days in a year
k.	Telephone bill reimbursement	Actual Landline bill(Residential) and mobile bill will be reimbursed as per companies policies

The statement required under Schedule XIII of the Companies Act, 1956, is provided hereunder

I. GENERAL INFORMATION

1. Nature of Industry: Non-Banking Financial Company
2. Date or expected date of Commencement of Commercial Production – N. A.
3. In Case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in prospectus – N. A.
4. Financial performance based on indication
As on March 31, 2012 had a total income of Rs. 1.50 Crores with Loss of Rs. 1.21 Corers
5. Export performance and net foreign exchange collaboration: N. A
6. Foreign Investments or Collaborators if any: N. A

II. INFORMATION ABOUT THE APPOINTEE

1. Background details

Shri P.N. Swaminathan is having more than three decades of experience in financial sector in the areas of Business Development, Appraisal, Credit Management, NPA Resolution etc.

2. Past remuneration

He was receiving around Rs. 26.46 lakhs per annum from IFCI Limited

3. Job Profile and Suitability

He would be responsible for the overall management of the Company under the supervision of Executive chairman and direction of the Board of Directors.

4. Remuneration proposed:

As per the details mentioned above

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and persons:

The remuneration proposed to Shri P. N. Swaminathan is in accordance with the remuneration scale prevailing in the industry and justifiable in term of rich experience of the appointee

6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

N. A

III. OTHER INFORMATION

1. Reason for loss or inadequate profits

The financial performance of the Company has been affected due to diminution in the value of Investments.

2. Steps taken or proposed to be taken for improvement

The Company plans to strengthen its network of Branches and with some aggressive marketing to increase the revenue and improve on the profitability of operations.

3. Expected increase in productivity and profits in measureable terms:

NSIPL's business activities include Margin Funding, Creeping Acquisition Funding, Buy-back Funding, Asset backed Loans, etc. The performance of the Company depends on the stock markets. Considering the measures taken by your Company and further plans and strategies drawn, the Company is expected to improve its performance barring unprecedented market setback.

4. Disclosure

The Shareholders are being informed the remuneration package by way of explanatory statement as given above

None of the Directors, except Shri P N Swaminathan is concerned or interested in this resolution.

ITEM NO. 9 THE BORROWING POWER OF THE COMPANY

Section 293(1)(d) of the Companies Act, 1956, requires the consent of the Members in the General Meeting for authorising the Board of Directors to borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves.

As per the Business Plan for 2012-13, the company is expected to achieve funds under utilization to the tune of Rs.200 crore by March, 2013. As such, there is need for increasing the borrowing powers suitably in line with the business plans. Depending on the requirement, the borrowings could be long term or short term. The borrowings from time to time may exceed the paid up capital and free reserves of the Company, depending on the business conditions prevailing at the time of borrowing.

It is therefore recommended to increase the borrowing powers of the Board of Directors not exceeding 4 times the aggregate of the paid-up equity share capital and free reserves of the company as per the latest audited balance sheet as on the date of such borrowings.

None of the Directors is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 9 to be passed as ordinary resolution.

ITEM NO. 10 INCREASING THE AUTHORISED SHARE CAPITAL OF THE COMPANY AND THE CONSEQUENT AMENDMENT TO THE MEMORANDUM OF ASSOCIATION

The present Authorised Share Capital of the Company is Rs.30 Crores. In view of the new business proposals, it is proposed to increase the Authorised Share Capital of the Company from Rs.30,00,00,000 (Rupees Thirty Crores only) to Rs.60,00,00,000 (Rs. Sixty Crores only).

The Board of directors at their meeting held on April 11, 2012, approved the proposal for increase in Authorised Share Capital of the Company.

Increase in Authorised Share Capital would necessitate amendment to the first paragraph of Clause V of the Memorandum of Association and would require member's approval by passing a Special Resolution.

None of the Directors is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 10 to be passed as special resolution.

By Order of the Board
For Narayan Sriram Investments Private Limited,



P N Swaminathan
Whole-time Director

Place: Chennai

Date: June 29, 2012

DIRECTORS' REPORT

To
The Shareholders of
Narayan Sriram Investments Private Limited

The Directors have the pleasure of presenting the Twenty Third Annual Report of your Company for the year ended March 31, 2012.

1. FINANCIAL PERFORMANCE

(Amount in Rs.)

PARTICULARS	2011-12	2010-11
Income from operations	1,50,78,326.00	5,317.00
Other Income	37,45,028.00	58,732.00
Total	1,88,23,354.00	64,049.00
Less : Expenditure	3,09,19,286.00	78,488.00
Profit/(Loss) before tax	(1,20,95,932.00)	(14,439).00
Provision for Tax	0.00	0.00
Profit after Tax	(1,20,95,932.00)	(14,439.00)

2. BUSINESS OUTLOOK AND PERFORMANCE

During the year ended March 31, 2012, NSIPL has started its business and has achieved disbursement of Rs.30.69 crore. Further, an amount of about Rs.9.45 crore is payable to IFIN towards margin funding extended by NSIPL. NSIPL has earned income of Rs.1.88 crore during the year and suffered loss of Rs.1.21 crore, mainly due to provision for diminution in value of investments by Rs.2.15 crore. Excluding the same, profit for the year was Rs.0.94 crore.

During the year, paid up equity capital of NSIPL increased to Rs.16.01 crore from Rs.0.01 crore due to allotment of equity shares to IFIN at par.

3. DIVIDEND

No dividend is being recommended by the Directors for the year ended March 31, 2012.

4. DIRECTORS

During the year Shri Sujit Kumar Mandal, Shri Satpal Kumar Arora, Shri Hari Krishnan, Shri P N Swaminathan were appointed as Additional Directors of the Company on December 8, 2011 and Shri Biswajit Banerjee was appointed as Additional Director of the Company on April 11, 2012. The Resolution for regularising the appointment of Shri Sujit Kumar Mandal, Shri Satpal Kumar Arora, Shri Hari Krishnan, Shri P N Swaminathan and Shri Biswajit Banerjee as Directors has been included in the ensuing Annual General Meeting.

During the year Smt. Chandra Ramesh and Shri D. V. Ramesh Directors of the Company resigned from the Directorship of the Company on December 8, 2011

5. AUDITORS

M/s. DPV & Associates., Chartered Accountants are the retiring auditors of the Company and they hold office till the conclusion of this Annual General Meeting. The Company has received a letter from M/s. DPV & Associates, in which they requested not to be considered for reappointment for the financial year 2012-13. In view of resignation of M/s. DPV & Associates, it is proposed to appoint M/s. Vinay Kumar & Co, Chartered Accountants as statutory auditors of the Company for the financial year 2012-13. The Company has received a letter from M/s. Vinay Kumar & Co. to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956. The Board recommends their appointment and seeks your approval to the same.

6. DIRECTORS RESPONSIBILITY STATEMENT

On behalf of the Directors I confirm that as required under Section 217 (2AA) of the Companies Act, 1956.

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure is made from the same;
- (b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the period;

- (c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) We have prepared the annual accounts on a going concern basis

7. FIXED DEPOSITS

We have not accepted any fixed deposits. Hence, there is no outstanding amount as on the Balance Sheet date.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has no business activity in relation to conservation of Energy, Technology Absorption, Foreign Exchange Earning & Outgo.

9. PARTICULARS OF EMPLOYEES

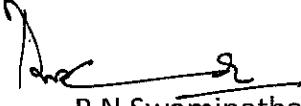
The company has no employee in respect of whom the information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, is required to be given.


The Board further places on record its appreciation of the services of all the employees of the Company.

10. ACKNOWLEDGMENT

The Board of Directors takes the opportunity to place on record their appreciation to the bankers, RBI, Stock Exchanges, Clients, Statutory Authorities, employees and other stakeholders for their continued support to the company.

By Order of the Board
For **Narayan Sriram Investments Private Limited,**


P N Swaminathan
Whole-time Director


Biswajit Banerjee
Director

Place: Chennai

Date: June 29, 2012

AUDITORS' REPORT

To

The Members,
M/S Narayan Sriram Investments Private Limited
Chennai

- (1) We have audited the attached Balance Sheet of Narayan Sriram Investments Private Limited as at 31st March, 2012 for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement, assessing the accounting principles used in the preparation of financial statements, assessing significant estimates made by management in the preparation of financial statements and evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph 3 above, we state that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet referred to in this report is in agreement with the books of account.

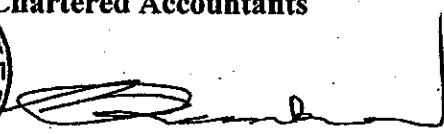


- d) In our opinion, the Balance Sheet and the Profit and Loss Account complies with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representation received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the other notes and accounting policies give the information required by the Companies Act 1956, in the manner so required & gives a true and fair view in conformity with the accounting principles accepted in India:
- (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March 2012.
- (ii) in so far as it relates to the profit and loss account, of the loss of the company for the year ended 31st March 2012.

PLACE: CHENNAI
DATE: 11-04-2012



FOR DPV & ASSOCIATES
Chartered Accountants



G. DESIKAN
PARTNER
M.NO 219101

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date)

In terms of the information and explanation given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

1. The company does not have any fixed assets. So, the clause 4 (i) will not applicable to the company.
2. The nature of the company is the Investment Company so, the clause 4 (ii) which specifies about the inventories internal control and procedures will not applicable to the company.
3. The Company has not taken any loans, secured or unsecured to / from companies or firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. The company has granted loans to its holding company, the principal portion of which has been repaid. The terms and conditions of the loan are not prejudicial to the interests of the company.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets including plant and machinery, equipment and other assets and with regard to the purchase of raw materials, stores etc. No instances of continuing failure to correct major weaknesses in Internal Control were noticed.
5. a) The particulars of contracts referred to in section 301 of the Act have been entered in the register required to be maintained under that section wherever applicable.
b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of Rs.5 lakhs in respect of any party during the year are reasonable having regards to prevailing market prices at the relevant time.



6. The company has not accepted any deposits from the public. The provisions of sections 58 A & 58 AA of the companies Act, 1956, and the Rules framed there under is not applicable.
7. In our opinion, the company has no separate internal audit system. However the existing Internal Control measures are commensurate with its size and nature of its business.
8. The central government has not prescribed the maintenance of cost records u/s.209 (1) (d) of the Companies Act, 1956 to the company.
9. a) The company had no employees on its rolls for the year. Hence no deductions were made on account of PF, ESI during the year..
b) According to the information and explanations given to us and records of the company there are no dues of sales tax, Sales tax, Customs duty, Excise Duty, Cess which have not been deposited on account of any dispute.
10. The Company has suffered cash losses during the year.
11. The Company has not availed of any bank loans and hence default in repayment of dues to Banks does not arise.
12. The Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. According to the records of the company and the information and explanation provided by the management, during the course of the year the company has given any guarantee for loans taken by others from Bank or financial institutions. However there is no such guarantee existing as on 31.03.2012.
14. The company has not obtained any term loans during the year.
15. As per the records of the company, no funds were raised on short term basis and used for long term investment and vice versa.
16. The Company has made preferential allotment of shares to its holding company IFCI Financial Services company. The number of shares issued were 16,00,000 with a face value of Rs.100 each.
17. The Company has not issued any debentures, so creation of securities in respect of debentures does not arise.



CA DPV & ASSOCIATES

CHARTERED ACCOUNTANTS

No 151, First Floor
Mambalam High Road, T Nagar
Chennai 600 017, India
Phone: 044 - 2814 47 63/ 64/ 65
E Mail: ca_dpv@yahoo.co.in

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18. The company has not raised money by way of public issues.
19. According to the information and explanations furnished to us, no fraud on or by the Company has been noticed or reported during the year.

PLACE: CHENNAI
DATE: 16-04-2012



FOR DPV & ASSOCIATES
Chartered Accountants


G. DESIKAN
PARTNER
M.NO 219101

NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED
Audited Balance Sheet as at 31st March 2012

(in Rupees)

Particulars		Note No.	As at 31 Mar 2012	As at 31 Mar 2011
1		2	3	4
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	1	160,100,000	100,000	
(b) Reserves and surplus	2	-7,127,928	4,968,004	
(c) Money received against share warrants		-	-	
2 Share application money pending allotment				
3 Non-current liabilities				
(a) Long-term borrowings		-	-	
(b) Deferred tax liabilities (Net)		-	-	
(c) Other Long term liabilities		-	-	
(d) Long-term provisions		-	-	
4 Current liabilities				
(a) Short-term borrowings	3	281,041,069	174,814,425	
(b) Trade payables		16,309	-	
(c) Other current liabilities	4	2,635,131	162,500	
(d) Short-term provisions		-	-	
TOTAL			436,664,581	180,044,929
II. ASSETS				
Non-current assets				
1 (a) Fixed assets				
(i) Tangible assets		-	-	
(ii) Intangible assets		-	-	
(iii) Capital work-in-progress		-	-	
(iv) Intangible assets under development		-	-	
(b) Non-current investments		-	-	
(c) Deferred tax assets (net)		-	-	
(d) Long-term loans and advances		-	174,674	
(e) Other non-current assets		-	-	
2 Current assets				
(a) Current investments	5	124,673,487	174,813,098	
(b) Inventories		-	-	
(c) Trade receivables		-	-	
(d) Cash and cash equivalents	6	5,132,111	5,057,157	
(e) Short-term loans and advances	7	306,858,983	-	
(f) Other current assets		-	-	
TOTAL			436,664,581	180,044,929

FOR DPV AND ASSOCIATES
 CHARTERED ACCOUNTANTS
 FIRM NO 011688S

G.DESIKAN
 PARTNER
 M.NO 219101



FOR NARAYAN SRIRAM INVESTMENTS
 PRIVATE LIMITED

R. Rajkumar
 DIRECTOR

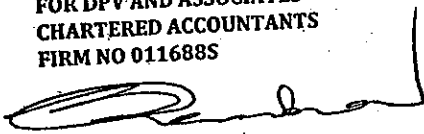
A. S. Srinivasan
 DIRECTOR

NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED
Profit and loss statement for the period ended 31st March 2012

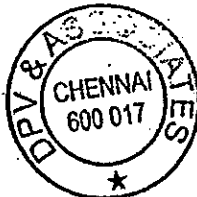
(` in Rupees)

Particulars	Refer Note No.	For the period ended 31 March 2012	For the period ended 31 March 2011
I. Revenue from operations	19	15,078,326	5,317
II. Other income	20	3,745,028	58,732
III. Total Revenue (I + II)		18,823,354	64,049
IV. Expenses:			
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	21,540,053	
Employee benefits expense		2,481,750	
Finance costs		6,814,705	14,924
Rates & Taxes		16,674	16,692
Audit Fees for Audit		16,545	18,795
Misc. Expenses		49,559	28,077
Long Term Capital Loss from Mutual Funds			78,488
Total expenses		30,919,286	78,488
V. Profit before exceptional and extraordinary items and tax (III-IV)		(12,095,932)	-14,439
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V - VI)		(12,095,932)	-14,439
VIII. Extraordinary Items			
Provision for Doubtful Debts and Advances			
IX. Profit (Loss) for the period from continuing operations (VII-VIII)		(12,095,932)	-14,439
X. Tax expense:			
Provision for Taxation			
- Income Tax			
- Income Tax for Earlier Year			
- Deferred Tax Charge (Net)			
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		(12,095,932)	-14,439
XII Profit/(loss) from discontinuing operations			
XIII Tax expense of discontinuing operations			
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		(12,095,932)	-14,439
XV Profit (Loss) for the period (XI + XIV)		(7.56)	-14.44
XVI Earnings per equity share:			
(1) Basic			
(2) Diluted			

FOR DPV AND ASSOCIATES
 CHARTERED ACCOUNTANTS
 FIRM NO 011688S



G. DESIKAN
 PARTNER
 M.NO 219101



FOR NARAYAN SRIRAM INVESTMENTS
 PRIVATE LIMITED



DIRECTOR



DIRECTOR

NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED
Note no. 1 Share Capital

Share Capital	As at 31 March 2012		As at 31 March 2011	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.100/- each	2,975,500	297,550,000	1000	100,000
Preference Shares	24,500	2,450,000	24500	2,450,000
Total		30,00,00,000		2,550,000
Issued				
Equity Shares of Rs.100/- each	1,601,000	297,550,000	1000	100000
Subscribed & Paid up				
Equity Shares of Rs.100/- each	1,601,000	160,100,000	1000	100,000
Total	1,601,000	160,100,000	1,000	100,000

Particulars	Equity Shares		Preference Shares	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	1,000	100,000	0	0
Shares Issued during the year	1,600,000	160,000,000	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	1,601,000	160,100,000	0	0

16,01,000 Equity Shares (Previous year - 1000 equity shares) are held by IFCI Financial Services Limited, the holding company and its nominees.

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Financial Services Limited and nominees	1,601,000	100	1,000	100

Particulars	Year (Aggregate No. of Shares)			
	2010-11	2009-10	2008-09	2007-08
Equity Shares :				
Fully paid up pursuant to contract(s) without payment being received in cash	0	0	0	0
Fully paid up by way of bonus shares	0	0	0	0
Shares bought back	0	0	0	0



P. Myrning *Director*

NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED
Note no. 2 Reserves and Surplus

<u>Reserves & Surplus</u>	As at 31 March 2012	As at 31 March 2011
a. Capital Reserves		
Opening Balance	251,000.00	251,000
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	251,000.00	251,000
b. Capital Redemption Reserve		
Opening Balance	450,000	450,000
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	450,000.00	450,000
c. Securities Premium Account		
Opening Balance	0	0
Add : Securities premium credited on Share issue	0	0
<u>Less : Premium Utilised for various reasons</u>		
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	0	0
d. Debenture Redemption Reserve		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
e. Revaluation Reserve		
f. Share Options Outstanding Account		
g. Other Reserves (Specify the nature and purpose of each reserve)		
Statutory Reserve	1,188,400	1,188,400
i) Amalgamation Reserve:		
ii) General Reserve:		
Opening Balance	2,516,200	2,516,200
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	2,516,200	2,516,200
h. Surplus:		
Opening balance	562,404	562,404
(+) Net Profit/(Net Loss) For the current year	(12,095,932)	-
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(11,533,528)	562,404
Total	(7,127,928)	4,968,004



P. Arjun *Arjun*

NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED
Note no. 3 Short Term Borrowings

<u>Short Term Borrowings</u>	As at 31 March 2012	As at 31 March 2011
Secured		
(a) Loans repayable on demand		
(b) Loans and advances from related parties	0	-
(c) Deposits	0	-
(d) Other loans and advances (specify nature)	0	-
	0	-
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)		
1. Period of default		
2. Amount		
Unsecured		
(a) Loans repayable on demand		
from banks	0	-
from other parties	0	-
(of the above, _____ is guaranteed by Directors and / or others)		
(b) Loans and advances from related parties	19,000,000	174,814,425
(of the above, _____ is guaranteed by Directors and / or others)		
(c) Deposits	0	-
(of the above, _____ is guaranteed by Directors and / or others)		
(d) Other loans and advances (specify nature)	262,041,068	-
(of the above, _____ is guaranteed by Directors and / or others)		
	281,041,068	174,814,425.00
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)		
1. Period of default		
2. Amount		
Total	281,041,068.00	174,814,425.00



Prasanna *Director*

Note 4 Other Current Liabilities

<u>Other Current Liabilities</u>	As at 31 March 2012	As at 31 March 2011
	Rs.	Rs.
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	21,42,752	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid dividends	-	-
(g) Application money received for allotment of securities and due for refund #	-	-
(h) Unpaid matured deposits and interest accrued	-	-
(i) Unpaid matured debentures and interest accrued	-	-
(j) Other payables - Tax Prov, tds (specify nature)	4,75,687	1,62,500
Sundry Deposits (repayable on demand)	-	-
Creditors for expenses	16,692	-
Other liabilities	-	-
Total	26,35,131	1,62,500

Note 8 Short term Provisions

<u>Short Term Provisions</u>	As at 31 March 2012	As at 31 March 2011
(a) Provision for employee benefits		
Salary & Reimbursements		
Contribution to PF and Statutory funds		
Gratuity (Funded)		
Leave Encashment (funded)	-	-
Superannuation (funded)	-	-
ESOP /ESOS	-	-
(b) Others (Specify nature)		
Total	-	-



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NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED

Note 5

Particulars	As at 31 March 2012	As at 31 March 2011
	(a) Investment in Equity Instruments	146,213,541
(b) Investments in preference shares		
(c) Investments in Government or Trust securities		
(d) Investments in Debentures or Bonds	146,213,541	174,813,098
Total (A)	21,540,053	
Less: Provision for diminution in the value of Investments	124,673,488	174,813,098
Total		

Particulars	As at 31 March 2012	As at 31 March 2011
	Aggregate amount of quoted Investments (Market value of (Previous Year))	127,923,425
Aggregate amount of unquoted Investments (Previous Year)		

Sr. No.	Details of Current Investments Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Basis of Valuation
			2012	2011			2012	2011	2012	2011	
			(4)	(5)			(8)	(9)	(10)	(11)	
(1)	(2)	(3)			(6)	(7)					(12)
(a)	Investment in Equity Instruments	OTHERS	20,000	20,000	Quoted	Fully paid			14,024,000	14,024,000	at cost
	H D F C Bank	OTHERS	13,000	9,120	Quoted	Fully paid			35,948,900	35,948,900	at cost
	STATE BANK OF INDIA	OTHERS	30,000	5,000	Quoted	Fully paid			6,464,070	19,057,250	at cost
	TITAN INDUSTRIES	OTHERS	45,000	10,000	Quoted	Fully paid			20,993,719	23,458,500	at cost
	HDFC BANK	OTHERS	4,000	4,000	Quoted	Fully paid			12,965,200	12,965,200	at cost
	INFOSYS TECHNOLOGIES	OTHERS	30,000	30,000	Quoted	Fully paid			31,473,000	31,473,000	at cost
	RELIANCE	OTHERS	22,500	27,500	Quoted	Fully paid			5,617,575	6,865,925	at cost
	TATA MOTORS	OTHERS	10,000	10,000	Quoted	Fully paid			9,648,500	9,648,500	at cost
	BOB	OTHERS	7,500	7,500	Quoted	Fully paid			8,879,250	8,879,250	at cost
	TCS	OTHERS	100	100	Quoted	Fully paid			32,330	32,330	at cost
	SICAL LOGISTICS	OTHERS	50	50	Quoted	Fully paid			4,913	4,913	at cost
	LLOYDS FINANCE	OTHERS	50	50	Quoted	Fully paid			19,830	19,830	at cost
	ICICI BANK	OTHERS			Quoted	Fully paid				12,435,500	at cost
	LIC HOUSING	OTHERS		4,000					142,255		
	Others										
(b)	Investments in Preference Shares										
(c)	Investments in Government or Trust securities										
(d)	Investments in Debentures or Bonds										
(e)	Investments in Mutual Funds										
(f)	Investments in partnership firms*										
(g)	Other non-current Investments (specify nature)										
(8)			182,200		127,320				146,213,542	174,813,098	

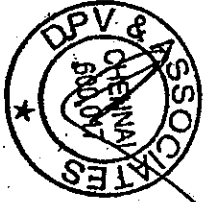


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NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED
 Note 6

Cash and cash equivalents	As at 31st March 2012		As at 31 March 2011	
a. Balances with banks*				
This includes:				
Earmarked Balances (eg/- unpaid dividend accounts)	5,130,553		5,054,569	
In Current Accounts with Schedule Banks	-		-	
Margin money	-		-	
Security against borrowings	-		-	
Guarantees	-		-	
Other Commitments	-		-	
Bank deposits with more than 12 months maturity		5,130,553		5,054,569
b. Cheques, drafts on hand		1,558		2,588
c. Cash on hand*				
d. Others (specify nature)				
		5,132,111		5,057,157

*Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.



Pratik Prasad

Pratik Prasad

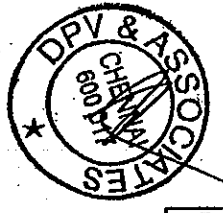
NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED
 Note 7 (a)

Short-term loans and advances	As at 31st March 2012	As at 31 March 2011
	a. Loans and advances to related parties (refer note 2) Secured, considered good Unsecured, considered good Doubtful advances	
b. Others (specify nature) Other Loans & Advances Sundry Deposits Prepaid Expenses Taxes deducted at source Secured, considered good Unsecured, considered good Doubtful Less: Provision for _____	306,372,183 486,800 0 0 0	174,674 0 0 0 0
	306,858,983	174,674
	306,858,983	174,674

Note 7
 (b)

	As at 31 March 2012	As at 31 March 2011
	Directors *	0
Other officers of the Company *	0	0
Firm in which director is a partner *	0	0
Private Company in which director is a member	0	0

*Either severally or jointly



P. Sri Prasad

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NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED

Note 17 Revenue from Operations

Particulars	For the period	For the year
	ended 31st March 2012	ended 31 March 2011
Sale of products		
Sale of services		
Operating revenues:		
Dividend Income	1,682,800	5,317
Interest Receipt from Loan	11,633,092	0
Processing Fees	1,762,434	
On Investment Operations:		
DIVIDEND INCOME		
Less:		
Excise duty		
Total	15,078,326	5,317

Note 18 Other Income

Particulars	For the period	For the year
	ended 31st March 2012	ended 31 March 2011
Profit on sale of fixed assets (Net)		
Rental Income		
Miscellaneous Income	6,908	
Provision for Diminution of Securities Written back		58,732
Profit on Sale of Securities	3,738,120	
Sale of Power / Electricity		
Consultance Fee Received		
Total	3,745,028	58,732

Note 19 Changes in Inventories

Particulars	For the period	For the year
	ended 31st March 2012	ended 31 March 2011
Opening Stock - Converted as stock in Trade	174,813,098	
Add: Purchases	40,888,362	
a	215,701,460	
Less:		
Sale of Stock In Trade	69,487,919	
Less: Closing stock (at cost or market price whichever is lower)	124,673,488	
b	194,161,407	
a-b	21,540,053	
Change in Inventory (a-b)	21,540,053	58,732



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NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED

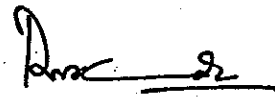
Notes On Accounts

1. **Method of Accounting:** The Financial Accounts are prepared under the historical-cost convention in accordance with the generally accepted Accounting principles and applicable Accounting standards issued by the Institute of Chartered Accountants of India and Provisions of the Companies Act 1956.
2. The Company follows accrual method of accounting for all items of income and expenditure.
3. **Related party disclosure:**
IFCI Financial Services Limited – Rs. 2,02,52,775
IFIN Credit Limited – Rs.1,90,00,000
4. Deferred Tax Asset has not been recognized as a matter of prudence.

Place: Chennai

Date: 11-04-2012


Director


Director

