

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the shareholders of IFIN SECURITIES FINANCE LIMITED (formerly known as NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED) will be held at III Floor, Continental Chambers, 142, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 on Monday, September 30, 2013 at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013 and Profit and Loss Account for the year ended on 31st March 2013, together with the Directors' Report and Auditors' Report thereon.
2. To fix the remuneration of the Auditors of the Company

"RESOLVED THAT pursuant to the requirement of sub-section 8(aa) to Section 224 of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorized to fix the remuneration and other terms and conditions, including reimbursement of out of pocket expenses in connection with the audit work, to the Statutory Auditors as appointed by the Comptroller and Auditor-General of India for the year 2013-14."

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 RAMKUMAR SRINIVASAN AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri Ramkumar Srinivasan, 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 SUNEET SHUKLA AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri Suneet Shukla, 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 M V MUTHU AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri M V Muthu, 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 O RAMESH BABU AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri O Ramesh Babu, 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 SMT. S. USHA AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Smt. S. Usha, 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."

By Order of the Board
For **IFIN Securities Finance Limited,**



P N Swaminathan

Whole-time Director

Place: Chennai

Date: September 5, 2013

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.

ANNEXURE TO THE NOTICE

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

ITEM NO. 3:

Shri Ramkumar Srinivasan was appointed as an Additional Director by the Board of Directors w.e.f. January 15, 2013 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 recommends resolution under Item No. 3 to be passed as an ordinary resolution.

None of the Directors, except Shri Ramkumar Srinivasan is concerned or interested in this resolution.

ITEM NO. 4:

Shri Suneet Shukla was appointed as an Additional Director by the Board of Director w.e.f. July 23, 2013 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 recommends resolutions under Item No. 4 to be passed as an ordinary resolution

None of the Directors, except Shri Suneet Shukla is concerned or interested in this resolution.

ITEM NO. 5, 6 & 7:

Shri M. V. Muthu, Shri O. Ramesh Babu and Smt. S. Usha were appointed as an Additional Directors by the Board of Directors vide circular resolution passed on August 29, 2013 in accordance with the provisions of Section 260 of the Companies Act.

Pursuant to Section 260 of the Companies Act, 1956 the above directors hold 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 their candidature for appointment as Directors 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 M. V. Muthu, Shri O. Ramesh Babu and Smt. S. Usha on the Board is desirable and would be beneficial to the company.

The Board recommends resolutions under Item No. 5, 6 & 7 to be passed as ordinary resolutions.

None of the Directors, except Shri M. V. Muthu, Shri O. Ramesh Babu and Smt. S. Usha are concerned or interested in these resolutions.

By Order of the Board
For **IFIN Securities Finance Limited,**



P N Swaminathan
Whole-time Director

Place: Chennai

Date: September 5, 2013

DIRECTORS' REPORT

To
The Shareholders of
IFIN Securities Finance Limited

The Directors have the pleasure of presenting the Twenty Fourth Annual Report of your Company for the year ended March 31, 2013.

1. FINANCIAL PERFORMANCE

(Rs. in Lakh)

PARTICULARS	2012-13	2011-12
Income from operations	9,49.39	1,50.78
Other Income	1.14	37.45
Total	9,50.53	1,88.23
Less : Expenditure, Provisions & Exceptional items	503.82	3,09.19
Profit/(Loss) before tax	446.71	(1,20.95)
Provision for Tax	62.15	0.00
Profit /(Loss) after Tax	3,84.56	(1,20.95)

2. BUSINESS OUTLOOK AND PERFORMANCE

Upto March 31, 2013 sanctions were to the extent of Rs. 87.08 crore against which the utilized limit was Rs. 70.21 Crore vis-à-vis utilised amount of Rs. 30.63 crores as on March 31, 2013. There has not been much growth in the loan portfolio, due to unfavorable market conditions. NSIPL has earned income of Rs.9.50 crore during the year and made a profit of Rs. 384.56 lakh.

3. DIVIDEND

No dividend is being recommended by the Directors for the year ended March 31, 2013.

4. DIRECTORS

During the year Shri Ramkumar Srinivasan were appointed as Additional Director of the Company on January 15, 2013. The Company has received Notice under Section 257 of the Companies Act proposing them for appointment as Directors of the Company. Hence the Resolution for regularising the appointment of Shri Ramkumar Srinivasan has been included in the ensuing Annual General Meeting.

During the year Shri T. Harikrishnan, Directors of the Company resigned from the Directorship of the Company on December 14, 2012. The company placed on record our appreciation for the services rendered by him during his tenure as Board member.

5. AUDITORS

M/s. Vinay Kumar & Co., Chartered Accountants are the retiring auditors of the Company and they hold office till the conclusion of this Annual General Meeting.

As per the Section 619(2) of the Companies Act, 1956, the Statutory Auditors of the Company shall be appointed by the Comptroller and Auditor General (CAG) of India for the financial year 2013-14.

6. COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

Company has received 'No review report' on the accounts for the year ended 31st March, 2013 by the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956. Copy is attached in **Annexure-I** to this report.

7. THE RBI NORMS AND ACCOUNTING STANDARDS

Your Company complies with the directives issued as well as the norms prescribed by Reserve Bank of India for NBFCs.

8. 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

9. FIXED DEPOSITS

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

10. 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.

11. PARTICULARS OF EMPLOYEES

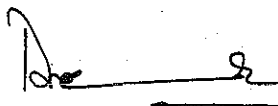
The company has no employee in respect of whom the information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, is required to be given.

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

12. ACKNOWLEDGMENT

The Board of Directors takes the opportunity to place on record their deep sense of 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 **IFIN Securities Finance Limited,**



P N Swaminathan
Whole-time Director



Ram Kumar Srinivasan
Director

Place: Chennai

Date: September 5, 2013

Vinay Kumar & Co.

CHARTERED ACCOUNTANTS

Bhargawas, H-80, Lower Ground Floor, Kalkaji,

New Delhi - 110019, India

Phones : 91-011-32954646, 09810061923

Email : vinaykumarandco@gmail.com,

agvinay@hotmail.com

Independent Auditor's Report

The members of
M/s. Narayan Sriram Investments Private Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Narayan Sriram Investments Private Limited ("the Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and cash flow statement of the Company for the year ended March 31, 2013 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 the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We 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 procedure 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 statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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:

- (i) In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2013;
- (ii) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date;
- (iii) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

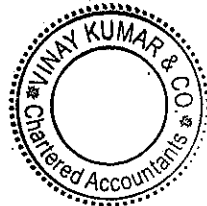
Report on other Legal and Regulatory Requirements

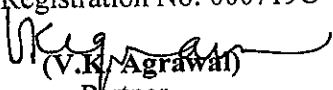
As required by the Companies (Auditors Report) Order, 2003 as amended ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ("the Act"), we enclose in the Annexure A statement on the matters specified in paragraphs 4 and 5 of the said Order.

As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of 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;
- a. 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;
- b. in our opinion, the Balance sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 and
- c. on the basis of written representation received from the directors as at March 31, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2013 from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Act.

Place: Camp at Chennai
Dated: April 22, 2013



for VINAY KUMAR & CO.,
Chartered Accountants
Firm's Registration No: 000719C

(V.K. Agrawal)
Partner
Membership No: 013795

The Annexure referred to in the Independent auditors' report of even date to the members of M/s. Narayan Sriram Investments Private Limited on the financial statements for the year ended March 31, 2013.

We report that:

1. The Company does not have any fixed assets. Requirements of clause 4(i) of the Order is not applicable to the Company.
2. (i) As informed to us, the inventories (which are in the form of securities), which are held in dematerialized form, have been verified by the management with the supporting evidences during the year. In our opinion the frequency of verification is reasonable.

(ii) The procedure of verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of business. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory.

(iii) We are informed that the no discrepancy has been noticed on such verification.
3. (i) The Company has not taken any loans, secured or unsecured from companies or firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(ii) The Company has given unsecured loan amounting to Rs. 41.19 crores to its holding company-M/s. IFCI Financial Services Limited during the year. In our opinion, considering the prevalent market trend the rate of interest and other terms and conditions are not prejudicial to the interest of the Company. Interest has been regularly paid and no amount remains overdue at the end of the year.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of securities, sale of securities and sale of services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangement referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under that section have been so entered. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangement



exceeding value of rupee five lakhs have been entered into during the financial year at prices which are reasonable having regard to prevailing market price at the relevant time.

6. The Company has not accepted any deposits.
7. With the increase in the activities of the Company an internal audit system commensurate with the size and business of the Company is in the process of implementation.
8. Maintenance of Cost records as per clause 4(viii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
9. According to the records of the Company and according to the information and explanation provided to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Service Tax, Cess and any other statutory dues with the appropriate authorities as applicable. There is no dues to Investor Education and Protection Fund. There is no amount outstanding for a period of more than six months, from the date they become payable.

According to the information and explanation given to us there are no undisputed amounts payable in respect of Income-tax, Sales tax, Wealth-tax, Service tax, Custom duty, Excise duty and cess as on March 31, 2013.

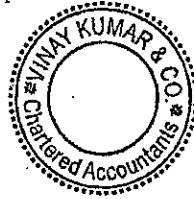
10. The Company has incurred cash loss in the immediately preceding previous year and has earned profit during the current financial year. As on March 31, 2013 there is no accumulated loss of the Company.
11. There are no outstanding dues to financial institutions, banks or debenture holders during the year.
12. According to the information and explanations given to us and based on the documents and records produced to us, adequate documents and records are maintained in cases where the company has granted loans and advances on the basis of security by way of pledge of shares and other securities.
13. In our opinion, the Company is not a chit fund or nidhi/mutual benefit fund, society therefore clause 4(xiii) of the order is not applicable to Company.
14. Based on our audit procedures and according to the information and explanation provided to us by the management, we are of the opinion that the Company has maintained proper records in respect of trading transactions and contracts of shares, securities and other investment. There is no trading of debentures during the year. Also, the Company has accounted such transaction on date of transactions. Further the Company has held the investment in its own name.
15. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or Financial Institution.



16. On the basis of overall examination of the Balance Sheet of the Company and the information and explanation provided to us, the Company has not availed any term loan during the financial year.
17. On the basis of overall examination of the Balance Sheet of the Company and the information and explanation provided to us, prima facie no fund raised on short term basis have been used for long term investment.
18. During the year, the Company has made preferential allotment of 14,00,000 equity shares of Rs. 100/- each to its holding company M/s. IFCI Financial Services Limited, during the year. In our opinion the price at which shares have been issued is prima facie reasonable and not prejudicial to the interest of the Company.
19. The Company has not issued any debentures.
20. The Company has not raised any money through public issue and hence clause 4(xx) of the Order is not applicable.
21. Based upon the audit procedures performed and the information and explanations provided to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Camp at Chennai

Date: April, 22, 2013



for VINAY KUMAR & CO.,
Chartered Accountants
Firm Registration No: 000719C


(V.K. AGRAWAL)

Partner

Membership No: 013795

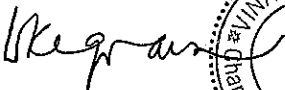
NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED

Balance Sheet as at 31st March 2013

(Amount in ₹)

Particulars		SCH	As at 31.03.2013	As at 31.03.2012
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	30,01,00,000	16,01,00,000
	(b) Reserves and surplus	3	3,13,28,467	(71,27,928)
	(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	4	38,06,17,887	28,10,41,069
	(b) Trade payables			16,309
	(c) Other current liabilities	5	8,72,396	26,35,131
	(d) Short-term provisions	6	1,04,77,075	-
	TOTAL		72,33,95,825	43,66,64,581
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		-	-
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments	7	1,39,11,250	12,46,73,487
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	8	24,03,771	51,32,111
	(e) Short-term loans and advances	9	70,70,80,804	30,68,58,983
	(f) Other current assets		-	-
	TOTAL		72,33,95,825	43,66,64,581

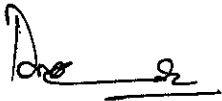
As per our separate report of even date
FOR VINAY KUMAR & CO
CHARTERED ACCOUNTANTS
FRNo: 000719C


(V.K. AGRAWAL)
Partner

Membership No.013795



FOR AND ON BEHALF OF THE BOARD OF
NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED


P.N.SWAMINATHAN
WHOLE TIME DIRECTOR


RAMKUMAR SRINIVASAN
DIRECTOR

PLACE: CHENNAI
DATE: 22.04.2013

NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED
Profit and loss statement for the period ended 31st March 2013

(Amount in ₹)

Particulars	Refer Note No.	For the year ended 31 March 2013	For the year ended 31 March 2012
I. Revenue from operations	10	9,49,39,070	1,50,78,326
II. Other income	11	1,14,426	37,45,028
III. Total Revenue (I + II)		9,50,53,496	1,88,23,354
IV. Expenses:			
Employee benefits expenses	12	33,97,191	24,81,750
Finance costs		4,20,88,776	68,14,705
Depreciation and amortization expense			
Other expenses	13	53,33,708	82,778
Loss on trading in Securities		1,02,24,290	
Diminution in the value of Securities held as stock in trade		39,26,505	2,15,40,053
Total expenses		6,49,70,470	3,09,19,286
V. Profit before exceptional and extraordinary items and tax (III-IV)		3,00,83,026	(1,20,95,932)
VI Exceptional Item			
a) Reversal of Diminution in the value of shares (Net)		2,11,34,600	
b) Provision for Standard Assets as per Regulatory requirement		(17,12,731)	
c) Provision for doubtful debts and advances		(48,33,974)	
VII. Profit before extraordinary items and tax(V-VI)		4,46,70,921	(1,20,95,932)
Extraordinary items		-	-
VIII. Profit before tax (VII - VIII)		4,46,70,921	(1,20,95,932)
XI Tax expense:			
Provision for Taxation			
- Current Tax -MAT		87,25,100	-
- Current Tax - MAT Credit Entitlement		(25,10,574)	-
- Deferred Tax Charge (Net)			
X Profit (Loss) for the period from continuing operations		3,84,56,395	(1,20,95,932)
XI Profit/(loss) from discontinuing operations		-	-
XII Tax expense of discontinuing operations		-	-
XIII Profit/(loss) from Discontinuing operations (after tax)		-	-
XVI Profit (Loss) for the period		3,84,56,395	(1,20,95,932)
XV Earnings per equity share:			
(1) Basic		17.61	(7.56)
(2) Diluted		17.61	(7.56)

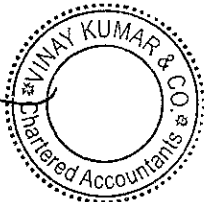
As per our separate report of even date

FOR VINAY KUMAR & CO
 CHARTERED ACCOUNTANTS
 FRNo: 000719C

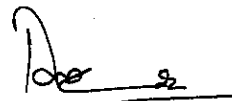

 (V.K.AGRAWAL)

Partner

Membership No.013795



FOR AND ON BEHALF OF THE BOARD OF
 NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED



P.N.SWAMINATHAN
 WHOLE TIME DIRECTOR



RAMKUMAR SRINIVASAN
 DIRECTOR

PLACE: CHENNAI


DATE : 22.04.2013

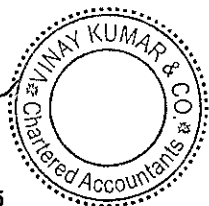
NARAYAN SRIRAM INVESTMENTS PVT LTD
CASH FLOW STATEMENT AS ON 31ST MARCH 2013

(Amount in ₹)

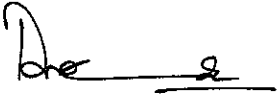
	Particulars	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax and exceptional items as per P&L a/c	4,46,70,921	(1,20,95,932)
	Adjustments for:		
	Depreciation / Amortisation on Fixed Assets		
	Reversal of Diminution in the value of investments (NET)	(2,11,34,600)	
	Diminution in the value of Securities held as stock in trade	39,26,505	2,15,40,053
	Provision for Doubtful Debts	65,46,705	-
	Preliminary Expenses w/off	-	-
	Interest income		
	Interest Expenses	(1,06,61,390)	68,14,705
A	Operation Profit before Working Capital Changes	3,40,09,531	1,62,58,826
	Adjustments for:		
	(Increase) / Decrease in Current Investments	12,79,70,332	2,85,99,558
	(Increase) / Decrease in Loans & Advances	(39,87,95,222)	(30,68,58,983)
	Increase / (Decrease) in Short term Borrowings	9,95,60,509	10,62,42,953
	Increase / (Decrease) in Current Liabilities	(17,62,735)	24,72,631
	Increase / (Decrease) in Provisions	39,244	-
		(17,29,87,872)	10,87,15,584
	Cash Generated from Operation before tax	(13,89,78,341)	(15,32,85,015)
	Direct taxes paid	(37,50,000)	
	Net cash from Operating Activities	(14,27,28,341)	(15,32,85,015)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets		
	Repayment of Long Term Loans and Advances		1,74,674
	Interest Received		
	Net Cash used in / raised from Investing Activities	-	1,74,674
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Paid		(68,14,705)
	Capital by the Holding company	14,00,00,000	16,00,00,000
		14,00,00,000	15,31,85,295
	Net Changes in Cash & Cash Equivalent (a+b+c)	(27,28,341)	74,954
	Opening Cash and Cash Equivalent	51,32,111	50,57,157
	Closing Cash and Cash Equivalent	24,03,770	51,32,111
	Increase / Decrease in Cash & Cash Equivalent	(27,28,341)	74,954


As per our separate report of even date
FOR VINAY KUMAR & CO
CHARTERED ACCOUNTANTS
FRNo: 000719C


(V.K. AGRAWAL)
Partner
Membership No.013795



FOR AND ON BEHALF OF THE BOARD OF
NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED


P.N. SWAMINATHAN
WHOLE TIME DIRECTOR


RAMKUMAR SRINIVASAN
DIRECTOR

PLACE: CHENNAI
DATE: 22.04.2013

NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED

Note no. 2 Share Capital

Share Capital	As at 31 March 2013		As at 31 March 2012	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.100/- each	59,75,500	59,75,50,000	29,75,500	29,75,50,000
Preference Shares	24,500	24,50,000	24,500	24,50,000
Total	60,00,000	60,00,00,000	30,00,000	30,00,00,000
Issued				
Equity Shares of Rs.100/- each	30,01,000	30,01,00,000	16,01,000	29,75,50,000
Subscribed & Paid up				
Equity Shares of Rs.100/- each	30,01,000	30,01,00,000	16,01,000	16,01,00,000
Total	30,01,000	30,01,00,000	16,01,000	16,01,00,000

Particulars	Equity Shares		Preference shares	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	16,01,000	16,01,00,000	-	-
Shares Issued during the year	14,00,000	14,00,00,000	-	-
Shares bought back during the year				
Shares outstanding at the end of the year	30,01,000	30,01,00,000	-	-

30,01,0000 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 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Financial Services Limited and nominees	30,01,000	100	16,01,000	100

Particulars	Year (Aggregate No. of Shares)			
	2012-13	2011-12	2012-13	2011-12
Equity Shares:				
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-
Shares bought back	-	-	-	-



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NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED

Note no. 3 Reserves and Surplus

<u>Reserves & Surplus</u>	As at 31 March 2013	As at 31 March 2012
	₹	₹
a. Capital Reserves		
Opening Balance	2,51,000	2,51,000
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	2,51,000	2,51,000
b. Capital Redemption Reserve		
Opening Balance	4,50,000	4,50,000
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	4,50,000	4,50,000
c. Securities Premium Account		
Opening Balance	-	-
Add : Securities premium credited on Share issue	-	-
<u>Less : Premium Utilised for various reasons</u>		
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	-	-
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	11,88,400	11,88,400
i) Amalgamation Reserve:		
ii) General Reserve:		
Opening Balance	25,16,200	25,16,200
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	25,16,200	25,16,200
h. Surplus:		
Opening balance	(1,15,33,528)	5,62,404
(+) Net Profit/(Net Loss) For the current year	3,84,56,395	(1,20,95,932)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	2,69,22,867	(1,15,33,528)
Total	3,13,28,467	(71,27,928)



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NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED

Note no. 4 Short Term Borrowings

Short Term Borrowings	As at 31 March 2013	As at 31 March 2012
	₹	₹
Secured		
(a) Loans repayable on demand		
(b) Loans and advances from related parties		-
(c) Deposits		-
(d) Other loans and advances from others	37,95,85,053	-
	37,95,85,053	-
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		1,90,00,000.00
(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 - IL & FS Financial services ltd Other Loans from Clients	0	26,20,41,068.00
	10,32,834	
	10,32,834	28,10,41,068.00
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	38,06,17,886.59	28,10,41,068.00



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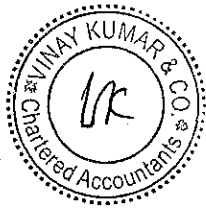
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Note 5 Other Current Liabilities

<u>Other Current Liabilities</u>	As at 31 March 2013	As at 31 March 2012
	₹	₹
(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 , service tax	6,70,966	4,75,687
Sundry Deposits (repayable on demand)	-	-
Creditors for expenses	2,01,430	16,692
Other liabilities	-	-
Total	8,72,396	26,35,131

Note 6 Short term Provisions

<u>Short Term Provisions</u>	As at 31 March 2013	As at 31 March 2012
	₹	₹
(a) Provision for employee benefits		
Salary & Reimbursements		
Contribution to PF and Statutory funds	39,244	
Gratuity (Funded)		
Leave Encashment (funded)	-	-
Superannuation (funded)	-	-
ESOP /ESOS	-	-
(b) Others (Specify nature)		
Provision for Income tax A.Y.2013-14	87,25,100	
Provision for Standard Assets	17,12,731	
Total	1,04,77,075	-



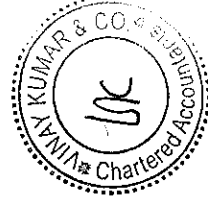
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Particulars	As at 31 March 2013	As at 31 March 2012
(a) Investment in Equity Instruments	1,82,43,208	14,62,13,542
(b) Investments in preference shares		
(c) Investments in Government or Trust securities		
(d) Investments in Debentures or Bonds		
Total (A)	1,82,43,208	14,62,13,542
Less : Provision for diminution in the value of investments	43,31,958	2,15,40,053
Total	1,39,11,250	12,46,73,489

Particulars	As at 31 March 2013	As at 31 March 2012
Aggregate amount of quoted investments (Market value of ' ' (Previous Year ' '))	1,39,11,250	12,46,73,489
Aggregate amount of unquoted investments (Previous Year ' ')		

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Basis of Valuation	
			31.03.2013	31.03.2012		2013	2012	31.03.2013	31.03.2012		
(a)	Investment in Equity Instruments	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	H D F C Bank	OTHERS		20,000	Quoted	Fully paid				1,40,24,000	at cost
	STATE BANK OF INDIA	OTHERS	1,500	13,000	Quoted	Fully paid			34,33,812	3,59,48,900	at cost
	TITAN INDUSTRIES	OTHERS		30,000	Quoted	Fully paid				64,64,070	at cost
	HDFC BANK	OTHERS		45,000	Quoted	Fully paid			32,41,300	2,09,93,719	at cost
	INFOSYS TECHNOLOGIES	OTHERS	1,000	4,000	Quoted	Fully paid			1,29,65,200	3,14,73,000	at cost
	RELIANCE	OTHERS		30,000	Quoted	Fully paid				56,17,575	at cost
	BOB	OTHERS	1,000	22,500	Quoted	Fully paid			8,15,410	96,48,500	at cost
	TCS	OTHERS		10,000	Quoted	Fully paid			32,330	88,79,250	at cost
	SICAL LOGISTICS	OTHERS	100	7,500	Quoted	Fully paid			4,913	32,330	at cost
	LLOYDS FINANCE	OTHERS	50	50	Quoted	Fully paid				4,913	at cost
	ICICI BANK	OTHERS		50	Quoted	Fully paid				19,830	at cost
	BHARAT FORGE	OTHERS	5,250		Quoted	Fully paid			13,08,923		at cost
	JINDAL SOUTHWEST	OTHERS	500		Quoted	Fully paid			2,69,750		at cost
	AMBIKA COTTON	OTHERS	1,483		Quoted	Fully paid			2,91,988		at cost
	DPTL	OTHERS	5,000		Quoted	Fully paid			5,85,075		at cost
	HONDA SEIL	OTHERS	500		Quoted	Fully paid			3,45,500		at cost
	KSB PUMPS	OTHERS	4,820		Quoted	Fully paid			10,97,882		at cost
	MT EDUCARE	OTHERS	2,000		Quoted	Fully paid			2,53,980		at cost
	ORIENTAL PAPER	OTHERS	5,000		Quoted	Fully paid			3,91,350		at cost
	REPRO INDIA LTD	OTHERS	1,500		Quoted	Fully paid			3,42,674		at cost
	TATA METALURK	OTHERS	6,000		Quoted	Fully paid			3,87,230		at cost
	SINTEX IND	OTHERS	5,000		Quoted	Fully paid			3,59,500		at cost
	RALLIES	OTHERS	6,000		Quoted	Fully paid			8,54,590		at cost
	BF UTILITIES	OTHERS	10,000		Quoted	Fully paid			40,84,745		at cost
	Others								1,42,256	1,42,255	
(b)	Investments in Preference Shares										
(c)	Other non-current investments (specify nature)										
	Total		56,703	1,82,200					1,82,43,208	14,62,13,542	



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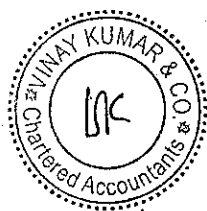
NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED

Note 10 Revenue from Operations

Particulars	For the period ended 31st March 2013	For the period ended 31st March 2012
	₹	₹
Sale of products		
Sale of services		
Operating revenues:		
Dividend Income	14,08,825	16,82,800
Interest Receipt from Loan	8,66,61,245	1,16,33,092
Processing Fees	68,69,000	17,62,434
On investment Operations:		
DIVIDEND INCOME		
Less:		
Excise duty		
Total	9,49,39,070	1,50,78,326

Note 11 Other Income

Particulars	For the period ended 31st March 2013	For the period ended 31st March 2012
	₹	₹
Profit on sale of fixed assets (Net)		
Rental Income		
Miscellaneous Income	1,14,426	6,908
Provision for Diminution of Securities Written back		
Profit on Sale of Securities		37,38,120
Sale of Power / Electricity		
Consultance Fee Received		
Total	1,14,426	37,45,028



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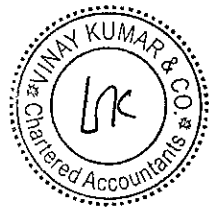
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NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED**Note 12 Employee Benefits expense**

Employee Benefits Expense	For the year ended 31 March 2013	For the year ended 31 March 2012
	₹	₹
(a) Salaries and incentives *	31,98,300	24,81,750
(b) Contributions to -		
(i) Provident fund	1,98,891	
(c) Gratuity fund contributions		
(f) Staff welfare expenses		
Total	33,97,191	24,81,750

Note 13 Other Expenses

	For the year ended 31 March 2013	For the year ended 31 March 2012
	₹	₹
transaction Charges	7,83,985	
Professional And Consultancy Charges	8,57,967	
Office Maitenance	9,03,000	
Tour, travel & Conveyance	5,66,414	
Rates And Taxes	15,69,945	16,674
Audit Fees	1,00,000	16,545
Other Expenses	5,52,397	49,559
	53,33,708	82,778



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NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED.

Note: 1. Significant Accounting Policies:

I. Method of Accounting:

The financial accounts are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles and as prescribed under the Companies Accounting Standards Rules, 2006 issued by the Ministry of Corporate of Affairs.

II. Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known/materialized.

III. Revenue Recognition:

Interest Income

Interest earned on Loan is accounted on accrual basis. In terms of the RBI Directions, interest income on Non-performing assets ("NPAs") is recognised only when it is actually realised.

Processing Fee:

Processing Fee received in respect of loans is accounted for in the year in which the loan is disbursed

Dividend Income:

Dividend Income are recognised when the shareholder's right to receive Payment is established



IV. Provisioning/Write-off of assets:

Nonperforming Loans are written off/provided for, as per management estimates, subject to the minimum provision required as per Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, issued from time to time.

V. Loans:

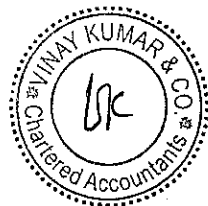
Non Performing Advances are classified as standard, sub-standard, Doubtful and loss as per the Non-banking Financial companies Prudential Norms (Reserve Bank) Directions, issued from time to time.

VI. Investments:

- The Company acquires holds and deals in shares in its own account also. The investments intended to be held for one year or more were classified as long-term investments and provision for diminution in the value of long term investments being made only if such a decline is other than temporary.
- Current investments are considered as stock in trade and are valued at lower of cost or net realizable value.

VII. Taxation:

Income Tax expense comprises current tax as determined in accordance with the income tax laws and deferred tax charge or credit reflecting the tax effect of the timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liability / assets are recognized applying the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that such assets can be realised in future.



Notes forming part of the Accounts

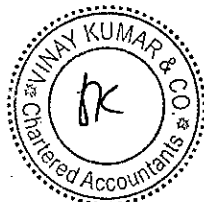
I. Earnings Per Share:

The Earning Per Share [EPS] has been computed in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India. The numerators and denominators used to calculate the EPS are:

Particulars	As on 31-03-2013	As on 31-03-2012
Net Profit for the year available for the equity share holders (Before extra-ordinary Item)	3,84,56,395	(1,20,95,932)
Nominal value per equity share	10	10
Weighted Average No. of outstanding equity shares during the year – Basic & Diluted.	21,84,333	16,01,000
Basic & Diluted Earnings per Share (Before extra-ordinary Item)	17.61	(7.56)
Net Profit for the year available for the equity share holders (After extra-ordinary Item)	3,84,56,395	(1,20,95,932)
Basic & Diluted Earnings per Share (After extra-ordinary Item)	17.61	(7.56)

II. Current and Deferred Taxation:

- (a) The Company has provided for Minimum Alternate Tax (MAT) amounting to Rs. 87,25,100 (Previous Year – Rs.NIL/-) as per section 115JB of the Income Tax Act, 1961.
- (b) During the year the tax effect on timing difference has resulted in Deferred Tax Asset and as a matter of prudence the company has not recognized the same in the books.



III. Managerial Remuneration:

Particulars	2012-13	2011-12
To Whole Time Director		
(a) Salary and Allowances	20,79,000	0
(b) Contribution to PF and other funds	1,17,810	0
Total	21,96,810	0

The above remuneration paid to the Managing Director is in accordance with the approval of the shareholders.

IV. Details of Auditors Remuneration (Excluding Service Tax):

Nature of Service	2012-13	2011-12
Audit Fee	1,00,000	10,000
For quarterly reporting and Consolidating financial statements	0	0
Total	1,00,000	10,000

V. Loans Borrowed:

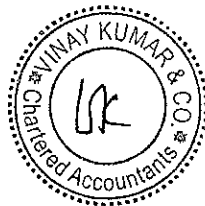
Loans Borrowed as on 31st March 2013 consists of Rs.37,44,00,000/- from Aditya Birla Finance Ltd (Secured by Book debts) and Rs.51,85,051/-from IL & FS Financial Services Ltd (Secured by Shares)

VI. Related Party Disclosure as per AS 18:

- a) Holding Company : IFCI Financial Services Ltd
b) Fellow Subsidiaries : a) IFIN Commodities Limited
b) IFIN Credit Limited

c) Key Management Personnel and relatives of such personnel:

Mr. P.N. Swaminathan : Whole Time Director (Since 12.01.2012)



d) Transaction with Related Parties:

Sr. No.	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	
		2012-13	2011-12	2012-13	2011-12
1	Managerial Remuneration	-	-	21,96,810	-
2	Loan Disbursed to IFCI Financial services Ltd	411,930,000	361,500,000	-	-
3	Loan Repaid by IFCI financial services Ltd	417,370,814	361,500,000	-	-
4	Interest received from IFIN	9,86,293	14,96,300		
5	Interest Paid to IFIN Credit LTD	16,78,986	-		
6	Loan Repayment to IFIN Credit Ltd	2,00,00,000	-	-	-
7	Loan Availed from IFIN Credit Ltd	-	2,00,00,000		
8	Loan Availed from IFCI venture Capital Ltd	23,50,00,000	-		
9	Loan Repaid to IFCI Venture Capital Ltd	23,50,00,000			
10	Interest paid to IFCI Venture Capital Ltd	1,01,69,434	-	-	-

VII. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.

VIII. Figures have been rounded off to the nearest Rupee. Figures in bracket represent previous year's figures.



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