



IFIN SECURITIES FINANCE LIMITED

**(Formerly known as Narayan Sriram
Investments Private Limited)**

ANNUAL REPORT 2014 - 15

IFIN SECURITIES FINANCE LIMITED
(Formerly known as NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED)

Board of Directors*

Shri Achal Kumar Gupta	-	Director
Shri M. V. Muthu	-	Director
Shri Ram Kumar Srinivasan	-	Director
Shri Rajesh Kumar Gupta	-	Additional Director (w.e.f 04.06.2015)
Smt. S. Usha	-	Director
Shri A Ramachandran	-	COO & Whole-time Director
Shri Jayaraman Chandrasekaran	-	Director (w.e.f 01.04.2015)

*as on date of this Report

Company Secretary

Ms. Divya Gopakumar

Chief Financial Officer

Shri A.V. Pushparaj

Statutory Auditors (2014-15)

Kalyanasundaram & co.,
FRN 01676S
Chartered accountants
B.Kalyanasundaram
M.no: 011453
Partner

Registered Office

Continental Chambers, 3rd Floor
142, Mahatma Gandhi Road
Nungambakkam, Chennai - 600 034
Ph: 044 2830 6600

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NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the shareholders of M/s. IFIN SECURITIES FINANCE LIMITED (formerly known as M/s. NARAYAN SRIRAM INVESTMENTS PRIVATE LIMITED) will be held at Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 on Monday, August 31, 2015 at 11.00 A.M. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended on March 31, 2015, together with the Board of Directors' Report and Auditors' Report thereon.
2. To appoint a director in place of Smt. S. Usha, who retires by rotation and being eligible, offers herself for re-appointment.
3. To fix the remuneration of the Auditors of the Company.

"RESOLVED THAT pursuant to the provisions of Section 139(5) and 142 and all other applicable provisions, if any of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the remuneration of the Statutory Auditor(s) of the Company appointed by Comptroller and Auditor General of India (CAG) for the Financial Year 2015-16, is fixed at Rs. 2,00,000/- (Two lakh Rupees only) in respect of the audit of the Accounts of the company for the year 2015-16, Rs. 26,500/- (Twenty Six Thousand Five Hundred only) in respect of the Limited review for every quarter, plus out of pocket expenses in connection with the audit work and such other certification fees as payable from time to time."

AS SPECIAL BUSINESS

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

APPOINTMENT OF SHRI JAYARAMAN CHANDRASEKARAN AS INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Jayaraman Chandrasekaran (DIN: 01118392), be and is hereby appointed as an Independent Director of the Company for a period of three years commencing from his appointment by the Board of Directors of the Company with effect from 01.04.2015."

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

APPOINTMENT OF SHRI RAJESH KUMAR GUPTA AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri Rajesh Kumar Gupta (DIN: 07188093), who was appointed as an additional director by the Board of Directors and who ceases to hold office under section 161(1) and any other applicable provisions of the Companies Act, 2013 and the rules made there under, on the date of this Annual General Meeting, be and is hereby appointed as a director liable to retire by rotation."

By Order of the Board
For IFIN Securities Finance Limited



Divya Gopakumar
Company Secretary

DIVYA GOPAKUMAR
COMPANY SECRETARY
MEM No: A37319

11-B, GANESH NIWAS, RAJESWARI STREET,
MEHTA NAGAR, AMINJIKARAI,
CHENNAI-600 029.

Place: Chennai
Date: July 24, 2015

Notes:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 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 89 OF THE COMPANIES ACT, 2013, 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. The relevant documents referred to in the accompanying Notice and the Statement under Section 102(1) will be available for inspection of the members at the registered office of the Company on all working days during business hours, upto the date of ensuing Annual General Meeting.

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

ITEM NO.4:

Shri Jayaraman Chandrasekaran (DIN: 01118392) was appointed as an Additional Independent Director by the Board of Directors w.e.f. 01.04.2015 for a period of 3 years in accordance with the provisions of Section 149 & 152 of the Companies Act, 2013.

Shri J. Chandrasekaran, retired as Chief General Manager, Chennai Circle of State Bank of India on 30.09.2011(Superannuation) is having more than 36 years of experience in Commercial Banking service. At present he is a Director on the Board of SIDBI, as a nominee of SBI, and also on the Board of SBICAP Trustee Co. Ltd. He has also been conducting training in Credit related areas for banks, for officers of all the Associate Banks of SBI, namely SBT, SBBJ, SBP, SBM and SBH.

His vast experience covers Strategy implementation as CGM, Chennai Circle, SBI, Driving SME business across the country in the role of Head of SME Business Unit, Treasury Management, Relationship Management, Credit Appraisal / Risk Management, Branch Banking, Consulting and Foreign Exchange. Shri J. Chandrasekaran is 63 years old and has completed B.Tech (Chemical).

The Board considers that his association would be of immense benefit to the Company and is desirable to continuously avail the services of Shri J. Chandrasekaran as an Independent Director and also that he fulfills the conditions specified in the Companies Act, 2013 for appointment as an Independent Director and he is independent of management. The Company has received declaration made by Shri J. Chandrasekaran under section 149(6) of the Companies Act, 2013.

Shri J. Chandrasekaran will hold the office of directorship only until the conclusion of this Annual General Meeting under Section 161 of the Companies Act, 2013. In this regard, the Company shall receive 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 160 and all other applicable provisions of the Companies Act, 2013.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 4 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company, except Shri J. Chandrasekaran.

ITEM NO.5:

Shri Rajesh Kumar Gupta was nominated as director by IFCI Ltd, our Ultimate Holding Company to hold office of directorship till withdrawal of his nomination. Subsequently, he was appointed as an Additional Director by the Board of Directors with effect from June 04, 2015.

Shri R K Gupta is a seasoned banker with over 22 years of experience in banking and financial services industry including experience of over 11 years in risk management function. His skills in diverse areas include Credit and risk policy formulation; Credit Appraisal particularly for SMEs and Infrastructure finance, Credit Administration; Credit Risk Analysis; Risk Modeling; Credit Rating; Capital Adequacy; Project Evaluation; Private Equity Investments; Venture Capital Financing; Structured Finance; SME Industry Research; Advisory and Dissemination; Mobilizing Resources; Liquidity Risk management, Market Risk Management; Asset-Liability Management; Business Development; BFSI Risk Management Consulting and Managing Client Relationships, etc. Currently, Shri R K Gupta is heading the Chennai Regional Office of IFCI Ltd., as General Manager and is director of IFCI Financial Services Limited, IFIN Commodities Limited and IFIN Credit Limited. Shri R K Gupta who is 47 years old has completed B.E (Mechanical) and CAIIB.

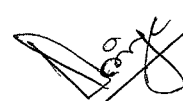
Shri R K Gupta will hold the office of directorship only until the conclusion of this Annual General Meeting under Section 161 of the Companies Act, 2013. In this regard, the Company shall receive request in writing from a member of the company proposing his candidature for

appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

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

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company, except Shri R K Gupta.

By Order of the Board
For IFIN Securities Finance Limited



Divya Gopakumar
Company Secretary

DIVYA GOPAKUMAR
COMPANY SECRETARY

MEM No: A37319

11-B, GANESH NIWAS, RAJESWARI STREET,
MEHTA NAGAR, AMINJIKARAI,
CHENNAI-600 029.

Place: Chennai
Date: July 24, 2015

IFIN Securities Finance Limited

CIN: U65991TN1989GOI017792

**Registered Office: Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road,
Nungambakkam, Chennai – 600034**

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

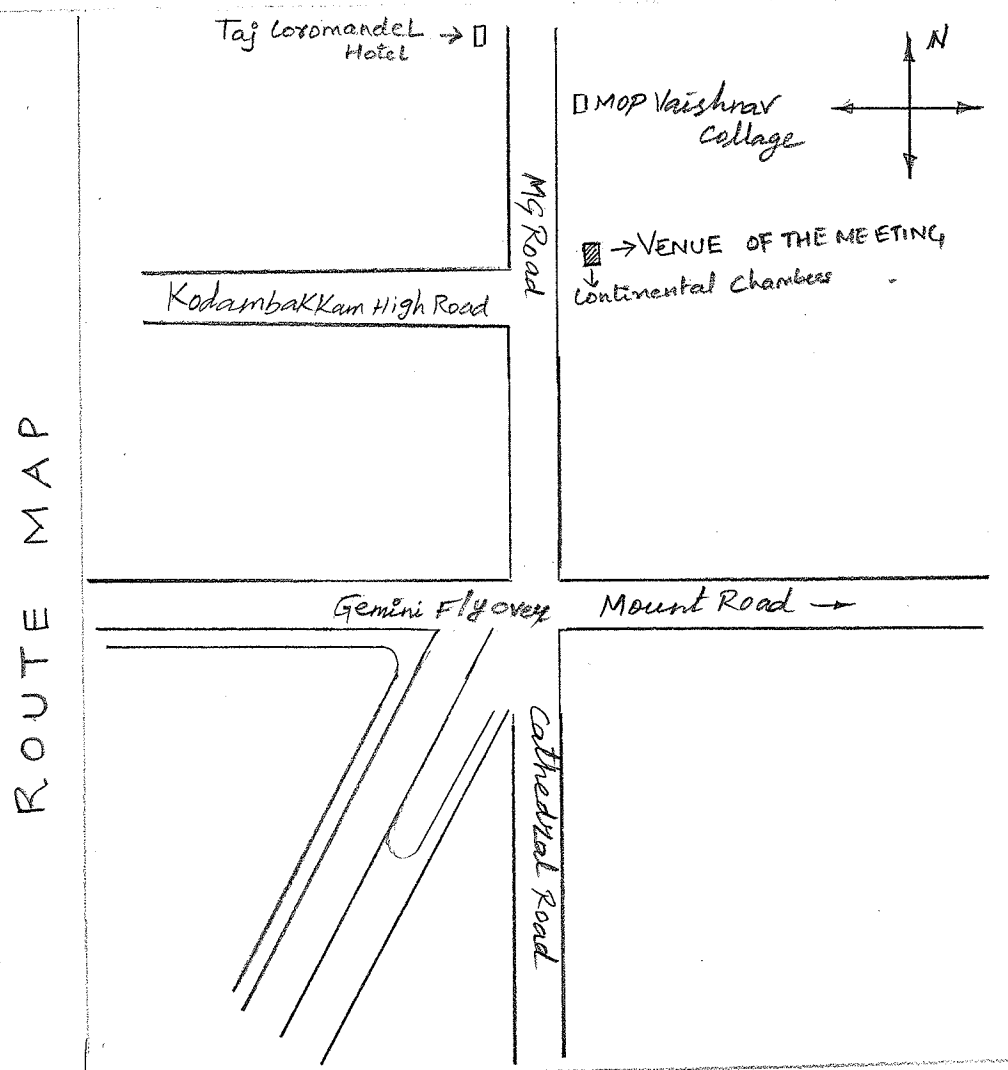
Name of the attending Member (in Block Letters) : _____

Member's Folio/Account Number : _____

Number of Shares held : _____

I hereby record my presence at the 26th Annual General Meeting of the Company held on Monday, August 31, 2015 at 11.00 A.M. at Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034

Member's/Proxy's Signature



IFIN Securities Finance Limited

CIN: U65991TN1989GOI017792

**Registered Office: Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road,
Nungambakkam, Chennai – 600034**

FORM NO MGT-11

PROXY FORM

*(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014)*

CIN : U65991TN1989GOI017792
Name of the Company : IFIN Securities Finance Limited
Registered Office : Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road,
Nungambakkam, Chennai – 600034
Email: divya@nsipl.in, **Telephone:** 044 2830 6613

Name of the Member(s) :	
Registered Address :	
E mail Id :	
Folio No / Client ID:	
DP ID :	

I / We, being the member(s) of _____ shares of the above named company, hereby appoint:

(1) Name: _____
Address: _____
Email ID: _____
Signature: _____, or failing him/her

(2) Name: _____
Address: _____
Email ID: _____
Signature: _____, or failing him/her

(3) Name: _____
Address: _____
Email ID: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Monday, August 31, 2015 at 11.00 A.M. at Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS

ORDINARY BUSINESS

1. Receive, consider and adopt the audited Financial Statements of the Company for the year ended on March 31, 2015, together with the Board of Directors' Report and Auditors' Report thereon.
2. Appoint a director in place of Smt. S. Usha, who retires by rotation and being eligible, offers herself for re-appointment.
3. Fix the remuneration of the Auditors of the Company.

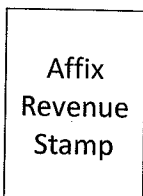
SPECIAL BUSINESS

4. Appointment of Shri Jayaraman Chandrasekaran as an Independent Director of the Company
5. Appointment of Shri Rajesh Kumar Gupta as a Director of the Company

Signed this _____ day of _____ 2015.

Signature of the Shareholder

Signature of Proxy holder(s)



DIRECTORS' REPORT

To

The Members of

IFIN Securities Finance Limited

The Board of Directors of your Company presents the Twenty Sixth Annual Report of IFIN Securities Finance Limited (ISFL) together with Audited Financial Statement, for the year ended on 31st March 2015.

1. Financial Performance

(Rs. in lakh)

Particulars	YE 31.3.2015	YE 31.3.2014
Revenue from operations	963	894
Other income	26	5
Total income	989	899
Employee cost	37	43
Finance cost	430	316
Other expenses	221	126
Total expenses	688	485
Surplus of income over exp.	300	414
Less: MTM loss on investments/ (reversal)	(14)	(29)
Provision for doubtful debts/ standard assets	126	288
Profit/ (loss) before tax	188	155
Tax	102	139
PAT	86	16
Book size	7,092	6,865
Own funds	3,962	3,567
Borrowings	3,130	3,298

2. Business Outlook and Performance

The markets will continue to grow and mature leading to differentiation of products and services. The Company is cautiously optimistic in its outlook for the year 2015-16.

The outstanding loans stood at Rs.7,092 lakh as on March 31, 2015 as against the sanctioned amount of Rs.9,700 lakh, utilization of 73.10% of the sanctioned loans. ISFL

has earned income of Rs.988.72.lakh during the year and made a profit of Rs. 86.24 lakh.

Interest income during the year has increased from Rs.843 lakh during 2013-14 to Rs.920 lakh during 2014-15.

Revenue from operations includes processing fee of Rs.42.25 lakh (previous year: Rs.48 lakh).

Other income for YE 31.3.2015 includes profit on sale of investments of Rs.24.82 lakh.

Provision of Rs.232 lakh has been made in sub-standard assets (Zylog group) and the amount written off is Rs.88 lakh in Seasons Tradcomm Pvt. Ltd. and Rs.1.08 lakh in Neelanchal Mercantile Ltd. during 2014-15.

Out of the other expenditure of Rs.134 lakh, Rs.100 lakh is by way of sharing of expenses with IFIN as ISFL has been utilizing common infrastructure and man-power of IFIN.

Loan of Rs.2500 lakh sanctioned by ABFL is secured by way of Comfort Letter from IFCI besides hypothecation of book debts to the extent of 1.33 times. ISFL has been servicing the loan regularly and there are no overdues.

3. Dividend

No dividend is being recommended by the Directors for the year ended March 31, 2015.

4. Transfer To Reserves

As per Section 45IC of the RBI Act, 1934 and RBI regulations, the Company has transferred Rs. 17.25 lakh to Statutory Reserve during the FY 2014-15.

5. Directors and Key Managerial Personnel

(A) As at March 31, 2015, the Board consists of 7 (Seven) Directors. The Company has COO & Whole-Time Director, two Independent Directors, and four other Directors. The Management of the Company is headed by the COO & Whole-Time Director, who operates under the supervision and control of the Board.

The composition of the Board, number of meetings held, attendance of the Directors at the Board Meeting and the number of the Directorship in other companies in respect of each Director is as given herein below:-

Sl. No.	Name of Director	Attendance Particulars		No. of other Directorships as on 31 st March, 2015
		No. of Meetings during the tenure of respective directors in FY 2014-2015		Other Director-ships (Including Private Limited Companies)
		Held	Attended	
1.	Shri Achal Kumar Gupta	8	8	9
2.	Shri M V Muthu*	8	7	2
3.	Shri Ram Kumar Srinivasan	8	8	1
4.	Shri O Ramesh Babu	8	8	4
5.	Smt. S Usha	8	8	3
6.	Shri A Ramachandran \$	6	6	-
7.	Shri V Ramanan#	7	7	7
8.	Shri P. N. Swaminathan**	1	1	NA
9.	Shri Suneet Shukla***	1	1	NA

#Shri V Ramanan was appointed as Independent Director with effect from June 23, 2014 and *Shri M V Muthu was redesignated as the Independent Director of the company with effect from June 23, 2014.

The Company has received declaration made by Shri V Ramanan and Shri M V Muthu under section 149(6) of the Companies Act, 2013.

In terms of section 203 of Companies Act, 2013, and further to resignation of Shri P. N. Swaminathan, \$ Shri A Ramachandran (deputed by IFCI) was appointed as "COO & Whole-time Director" with effect from July 25, 2014.

Pursuant to Section 203 of Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Shri A V Pushparaj, "Chief Financial Officer" of IFCI Financial Services Limited, Holding Company was also appointed as "Chief Financial Officer" of the Company with effect from September 1, 2014.

Ms Athasi Das K, Company Secretary & Legal Officer resigned from the services of the Company with effect from November 11, 2014. Subsequently, in the Board Meeting held on January 22, 2015, Ms. Divya Gopakumar was appointed as Company Secretary with effect from January 28, 2015.

#Shri V. Ramanan, Independent Director of the Company has resigned from the directorship of the Company with effect from March 31, 2015. Subsequent to his resignation w.e.f 31.03.2015, Shri Jayaraman Chandrasekaran was appointed as an additional director (Non-Executive Independent) with effect from 01.04.2015 for a period of 3 years, subject to the approval of members of the Company in the ensuing Annual General Meeting.

Shri P. N. Swaminathan resigned from the directorship of the Company with effect from April 11, 2014 (close of business). Further, *Shri Suneet Shukla also resigned from the directorship of the Company with effect from April 21, 2014.

The Board wishes to place on record its gratitude and appreciation for the valuable contributions made by all the Directors/ Key Managerial Personnel who have resigned from their respective offices during their tenure in the Company.

Smt. S. Usha, Director, retires by rotation and being eligible offers herself for re-appointment.

(B) During the Financial Year 2014-15, Eight (8) Board Meetings were held on 11.04.2014, 23.06.2014, 25.07.2014, 11.08.2014, 01.09.2014, 07.11.2014, 22.01.2015 and 16.03.2015.

6. Committee of Board of Directors

Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013. The composition of the committee is as follows:

S. No.	Name of the Director	Designation /Category	No. of Meetings during the tenure of respective directors in FY 2014-2015	
			Held	Attended
1.	Shri M V Muthu	Chairman (Independent, Non-executive)	4	3
2.	Shri Ramkumar Srinivasan*	Member (Non-Independent, Non-executive)	4	4
3.	Smt. S. Usha	Member (Non-Independent, Non-executive)	4	4
4.	Shri V. Ramanan**	Member (Independent, Non-executive)	3	3
5.	Shri P N Swaminathan \$	Member (Non-Independent, Executive)	1	1

* Shri Ramkumar Srinivasan stepped down as Member of the Committee w.e.f April 09, 2015.

** Shri V Ramanan was appointed as Independent Director with effect from June 23, 2014 and subsequently resigned w.e.f 31.03.2015. Pursuant to his resignation from the Company, the Audit Committee was re-constituted w.e.f 01.04.2015 to induct Shri Jayaraman Chandrasekaran as a Member of the Committee.

\$ Shri P. N. Swaminathan resigned from the directorship of the Company with effect from April 11, 2014 (close of business).

The Committee met four times during the year on 11.04.2014, 25.07.2014, 07.11.2014 and 22.01.2015 and the necessary quorum was present for all the meetings.

Terms of reference in brief:

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors' report thereon;
4. approval or any subsequent modification of transactions of the company with related parties;
5. scrutiny of inter-corporate loans and investments;
6. valuation of undertakings or assets of the company, wherever it is necessary;
7. evaluation of internal financial controls and risk management systems;
8. monitoring the end use of funds raised through public offers and related matters.
9. overseeing the vigil mechanism / Whistle Blower policy of the Company
10. Such other terms and reference mentioned under Companies Act, 2013 and as amended from time to time
11. Such other matters as may be prescribed by the Board from time to time.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013. The composition of the committee is as follows:

S. No.	Name of the Director	Designation Category	No. of Meetings during the tenure of respective directors in FY 2014-2015	
			Held	Attended
1.	Shri M V Muthu	Chairman (Independent, Non-executive)	3	3
2.	Smt. S. Usha	Member (Non-Independent, Non-executive)	3	3
3.	Shri V. Ramanan *	Member (Independent, Non-executive)	3	3

* Pursuant to the resignation of Shri. V. Ramanan as Independent Director of the Company, the Audit Committee was re-constituted w.e.f 01.04.2015 to induct Shri. Jayaraman Chandrasekaran as a Member of the Committee.

The Committee met three times during the year on 23.06.2014, 01.09.2014 & 22.01.2015 and the necessary quorum was present for all the meetings.

Terms of reference in brief:

1. Identifying persons who are qualified to become directors and who may be appointed in Senior Management as per the criteria laid down and recommending to the Board their appointment and removal.
"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
2. The Committee shall evaluate performance of every Director.
3. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director.

4. The Committee shall also formulate and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial personnel and other employees.
5. Such other terms and reference mentioned under Companies Act, 2013 and as amended from time to time
6. Other functions and duties specified by Board of Directors from time to time.

Other Committees:

The Company has also formed the following committees:

- Credit Committee
- Internal Complaints Committee Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013
- Risk Management Committee
- Asset Liability Committee (ALCO) Committee

7. Extract of Annual Return

An extract of Annual Return in Form MGT-9 as on March 31, 2015 is attached as **Annexure – I.**

8. Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134 (3)(c) of the Companies Act, 2013:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a

true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. Declaration given by independent directors under sub-section (6) of section 149

The Independent Directors of the company have declared that they meet the criteria of independence in terms of sub-section (6) of section 149 of the Companies Act, 2013 and there is no change in their status of independence.

10. Policy on Directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 is given in **Annexure – II**.

11. Auditors

M/s. Kalyana Sundaram & Co, Chartered Accountant, Chennai are the retiring auditors of the Company and they hold office till the conclusion of this Annual General Meeting. Comptroller and Auditor General of India (C&AG) vide letter dated July 9, 2015 have appointed M/s. Kalyana Sundaram & Co, Chartered Accountant, Chennai as the

Statutory Auditors of the Company for the financial year 2015-16. The necessary resolution for fixing the remuneration of auditors will be placed before the shareholders for their approval.

12. Explanations/comments on the report of Comptroller & Auditor General of India

The explanations/comments of the Board on the report of Comptroller & Auditor General of India on the accounts for the year ended 31st March, 2015 under Companies Act, 2013 are attached as **Annexure – III** to this report.

13. 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 and in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

14. Disclosure requirements as per RBI regulations for NBFCs

The Company during the whole of the Financial Year ended March 31, 2015, as well as till this date in the current financial year, has not accepted / hold public deposits, as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998. The company will not accept public deposits in future without obtaining prior written permission of Reserve Bank of India.

15. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the financial statement.

16. Related Party Transactions

All transactions entered by the Company with Related Parties were in the ordinary course of business and at Arm's Length pricing basis. The Audit Committee granted omnibus approval for the transactions and the same was reviewed by the Audit Committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the Financial year 2014-15 which were in conflict with the interest of the Company.

The particulars of Contracts or Arrangement with related parties are given in notes to the financial statement. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure – IV** in Form AOC-2.

17. The details relating to deposits, covered under chapter V of the Act

During the Financial Year 2014-15, your Company did not accept any deposits within the meaning of provisions of chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with rules thereunder.

18. Material changes and commitments

Material changes and commitments, affecting the financial position of the company which have occurred between March 31, 2015 (end of the Financial Year) of the company to which the financial statements relate and the date of this report are as follows:

Ministry of Finance, Government of India, vide its letter dated April 7, 2015 informed IFCI Limited that the Government of India has acquired 6,00,00,000 Preference shares of Rs. 10/- each of the Company from certain Scheduled Commercial Banks and has consequently increased its holding from present 47.93% to 51.04% of the Paid - up share capital of the Company. As a result, IFCI Limited became a "Government Company" w.e.f. April 7, 2015 as per the provisions of Section 2(45) of the Companies Act, 2013. ISFL being a subsidiary of IFCI Limited, has also become a "Government Company" as per the provisions of Section 2(45) on the same day. Subsequently, a new Corporate Identification Number (CIN) has been issued by the Registrar of Companies to the Company which is **U65991TN1989GOI017792**.

The Company has made 100% provision of Rs. 696.57 lakh in the Profit and Loss Account of the Company for the quarter ended June 30, 2015 with respect to Zylog group as per RBI directions.

There were no other material changes and commitments affecting the financial position of the Company between the end of Financial Year (March 31, 2015) and the date of this report.

19. Conservation of energy, technology absorption and foreign exchange earnings and outgo & expenditure on research and development

The Company has taken measures to conserve energy by having energy efficient electronic equipments. As regards absorption of technology, your Company has installed computer systems, software packages and other office equipments to increase its organisational efficiency, maximise productivity and to gain competitive advantage. Your Company has neither incurred any expenditure nor earned any income in foreign exchange.

Further, your Company has not incurred any expenditure on Research and Development.

20. Risk Management

The Company has formulated and put in place Risk Management policy. The policy encompasses identification, assessment, measurement, monitoring and mitigation of credit risks.

21. Internal Financial Control

The Company has put in place adequate Internal Financial Control commensurate with the size of the Company and nature of its business. The Company has appointed M/s. S Ramachandran & Co. as Internal Auditors to conduct internal audit of the functions and the activities of the Company.

The Company has adopted Whistle blower Policy/ Vigil Mechanism as required under Section 177 (9) and Section 177(10) of the Companies Act, 2013 on voluntary basis for its director(s) and employee(s) to report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

22. Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177 (9) and Section 177(10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors had approved the policy on Vigil Mechanism/Whistle Blower and the same was hosted on the website of the company. This policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/ employee has denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

23. Anti- Sexual Harassment Policy

The Company has in place Anti Sexual Harassment Policy in line with the requirements of Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

An internal Complaints Committee has been set up for redressal of complaints and that all employees (permanent, contractual, temporary, trainees) are covered under this policy.

No complaint has been received by the internal Complaints Committee/ by the Company during the year.

24. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, a separate meeting of Independent Directors was held on March 30, 2015 without the attendance of non-independent directors and members of management to review the performance of non-independent directors, the Board as a whole and to review the Chairperson of the company, taking into account the views of executive directors and non-executive directors.

The Nomination and Remuneration Committee of Board of Directors have reviewed the performance of Board and its committees taking into consideration the contributions made by the Directors/members of the Committee at their meeting held on July 23, 2015.

Subsequently, the Board has made formal annual evaluation of its own performance, and that of its committees and individual directors taking into consideration the evaluation criteria as set in the Nomination and Remuneration Policy of the Company at their meeting held on July 24, 2015.

25. Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the Going Concern status and company's operations in future

There are no significant and material orders passed by the regulators or courts or Tribunals which would impact the going concern status of the Company.

26. Details of employees under Section 197 read with Sub rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The company has no employee in respect of whom the information required under Section 197 read with Sub rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is required to be given.

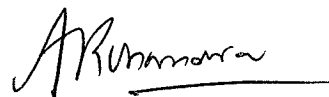
The Board further places on record its appreciation of the services of all the employees of the Company.

27. Acknowledgement

The Board of Directors express their gratitude for the co-operation, guidance and support received from M/s. IFCI Limited, IFCI Financial Services Limited, bankers, RBI, Stock Exchanges, Clients, Statutory Authorities, employees and other stakeholders of the Company.

By Order of the Board

For IFIN Securities Finance Limited



A. Ramachandran
COO & Whole-time Director

(DIN: 06929210)



S. Usha
Director

(DIN: 03567757)

Place: Chennai

Date: July 24, 2015

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65991TN1989GOI017792 (Previously: U65991TN1989PLC017792)
2.	Registration Date	27/07/1989
3.	Name of the Company	IFIN SECURITIES FINANCE LIMITED
4.	Category/Sub-category of the Company	Company Limited by shares/Union Government Company
5.	Address of the Registered office & contact details	Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 Email: divya@nsipl.in, Telephone: 044 2830 6613
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding activities	649	97.31

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	IFCI Ltd IFCI Towers, 61, Nehru Place, New Delhi – 110019	L74899DL1993GOI053677) (Previously: L74899DL1993PLC053677)	Ultimate Holding Company	NIL*	Section 2 (87) & Section 2 (46)
2.	IFCI Financial Services Limited Continental Chambers, 142, 3rd Floor, MG Road, Nungambakkam, Chennai – 600 034	U74899DL1995GOI064034 (Previously: U74899DL1995PLC064034)	Holding Company	100%	Section 2 (87) & Section 2 (46)

*Direct holding is NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual*/ HUF	NIL	6	6	0.01	NIL	6	6	0.01	
b) Central Govt	-	-	-	-	-	-	-	-	NIL
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	NIL	30,00,994	30,00,994	99.99	NIL	30,00,994	30,00,994	99.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	NIL
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	NIL	30,01,000	30,01,000	100	NIL	30,01,000	30,01,000	100	-
									NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									

2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	NIL	30,01,000	30,01,000	100	NIL	30,01,000	30,01,000	100	NIL

*Beneficial interest are held by IFCI Financial Services Limited

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change i sharehold during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	IFCI Financial Services Limited (Holding Company)	30,00,994	99.99	NIL	30,00,994	99.99	NIL	NIL
2	Smt. Chandra Ramesh (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
3	Shri Ram Kumar Srinivasan (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
4	Shri Oggu Ramesh Babu (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
5	Shri K Kasthuriangan (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
6	Shri R. Govindarajan (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL

7	Smt S Usha (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
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C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	30,01,000	100	30,01,000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	No change	No change	No change	No change
	At the end of the year	30,01,000	100	30,01,000	100

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

1	At the beginning of the year Shri Ram Kumar Srinivasan Shri Oggu Ramesh Babu Smt S Usha	1 1 1	0.00 0.00 0.00	1 1 1	0.00 0.00 0.00
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change	No change	No change	No change
3	At the end of the year Shri Ram Kumar Srinivasan Shri Oggu Ramesh Babu Smt S Usha	1 1 1	0.00 0.00 0.00	1 1 1	0.00 0.00 0.00

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	29,00,00,001	-	29,00,00,001
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	29,00,00,001	-	29,00,00,001
Change in Indebtedness during the financial year				
* Addition	25,00,00,000	37,55,00,000	-	62,55,00,000
* Reduction	1,00,00,000	59,25,00,001	-	60,25,00,001
Net Change	24,00,00,000	(21,70,00,001)	-	2,29,99,999
Indebtedness at the end of the financial year				
i) Principal Amount	24,00,00,000	7,30,00,000	-	31,30,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	14,63,836	-	-	14,63,836
Total (i+ii+iii)	24,14,63,836	7,30,00,000		31,44,63,836

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Name of MD/ WTD/ Manager	Total Amount
		Shri A Ramachandran, COO & WTD	Shri P. N. Swaminathan, COO & WTD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,05,477	48,336	18,53,813

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,53,397	-	3,53,397
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	21,58,874	48,336	22,07,210
	Ceiling as per the Act(as per Schedule V of the Companies Act, 2013)			42,00,000

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		Name of Directors		
1	Independent Directors	Shri M V Muthu	Shri V Ramanan	
	Fee for attending board/ committee meetings	1,10,000	1,10,000	2,20,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	-	-	2,20,000
2	Other Non-Executive Directors	-	-	-
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	1,10,000	1,10,000	2,20,000
	Total Managerial Remuneration*			NIL
	Overall Ceiling as per the Act			@1% of profits calculated under Section 198 of the Companies Act, 2013

*Excluding sitting fees under Section 197 (5) of the Companies Act, 2013 and as per Schedule V of the Companies Act, 2013

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3,70,098	-	3,70,098

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	3,70,098	-	3,70,098

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For IFIN Securities Finance Limited


Whole-Time Director

For IFIN Securities Finance Limited


Director

NOMINATION AND REMUNERATION POLICY**1. Background:**

- 1.1.** The objective of Nomination and Remuneration Policy is to ensure rationale and objectivity in the remuneration of the Directors, Senior Management & employees of the Company.
- 1.2.** The Policy also intends to bring in a pragmatic methodology in screening of candidates who may be recommended to the position of Directors and to establish an effective evaluation criteria to evaluate the performance of every Director and the overall Board of the Company.
- 1.3.** The Policy also intends to prevent the Board of Directors degenerating into a closed and narrow entity, in which incumbent members appoint their own kind.
- 1.4.** The Policy also serves as a guiding principle to ensure good Corporate Governance as well as to provide sustainability to the Board of Directors of the Company.

2. Framework

- 2.1.** The requirement of formulating a Nomination and Remuneration Policy stems from the provisions of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.
- 2.2.** References have also been made to the Guidelines of Reserve Bank of India (RBI) Corporate Governance Norms for NBFCs and as amended from time to time.

2.3. Any other Law, Statute as may be applicable for the time being in Force.

3. Objective

- 3.1.** To identify suitable persons, interview them if necessary, and recommend them as suitable candidates to fill up vacancies on the Board and Senior Management.
- 3.2.** To develop a policy to ensure the optimum composition of the Board of Directors ensuring a mix of knowledge, experience and expertise from diversified fields of knowledge i.e. Policy on Board Diversity.
- 3.3.** The Policy also intends to add professionalism and objectivity in the process of deciding Board membership.
- 3.4.** To lay down criteria for the evaluation of the Board
- 3.5.** To formulate a criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy thereon.
- 3.6.** To formulate criteria for evaluation of Directors.

4. Eligibility criteria for recommending a candidate to be appointed on the Board of Directors

The Nomination and Remuneration Committee (NRC) may consider the following parameters while considering the credentials of potential candidates for Directorship in the Company.

4.1. Educational qualification:

- Possess any Graduation/ Post Graduation/M.Phil/Doctorate

- Possess any other Professional Qualification/Degree/Diploma
- Such other qualification as the NRC may deem fit

4.2. Experience/Expertise

- To possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company/s business.
- The candidate should preferably have undergone requisite training programme or mid - career Professional Development trainings which would have enabled him/her to adapt to changing dynamics of business environment.

4.3. Disqualifications

- The Candidate should not be of unsound mind.
- The Candidate should not be an undischarged insolvent.
- The Candidate must not have applied to be adjudicated as an insolvent and his application must not be pending.
- The Candidate must not have been convicted by a Court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six (6) months.
- There must not be any order passed by Court or Tribunal disqualifying a person to be appointed as a Director.
- There should not be any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months must not have elapsed from the last date fixed for the payment of the call.
- The Candidate must not have been convicted of the offence dealing with related party transactions under Section 188 of the Companies Act, 2013 at any time during the last preceding five (5) years.
- The Candidate must be in possession of his Director Identification Number (DIN).

- The Candidate is not or has not been a Director of a Company which has not filed Financial Statements or Annual Returns for any continuous three (3) financial years.
- The Candidate is not or has not been a Director of the Company which has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more.
- The Candidate should not have been found guilty of any offence consisting of violation of Rules/ Regulations/ Legislative requirements by Customs/ Excise/ Income Tax Authority/ Foreign Exchange/ Other Revenue Authorities.

4.4. Other Eligibility Criteria

- Each director must be an individual of high personal and professional integrity and ethical character.
- The candidate should have exhibited behavior that indicates he or she is committed to the highest ethical standards.
- The candidate should not deprive the Company of any opportunity that belongs to the Company.
- He should not be in a position of diverting the corporate opportunity for own benefits or to others, to the detriment of the Company.
- The candidate must not at any time compete with the company in respect of any business transaction.
- Each director must possess the ability to exercise sound business judgment on a broad range of issues.
- The candidate has preferably had business, governmental, non-profit or professional experience at the Chairman, Chief Executive Officer, Chief Operating Officer or equivalent policy-making and operational level of a large organization that indicates that the candidate will be able to make a meaningful and immediate contribution to the Board's discussion and decision-making on the array of complex issues facing a large financial services business.

- The candidate has achieved prominence in his or her business, governmental or professional activities, and has built a reputation that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make.
- The Nomination and Remuneration Committee must be satisfied that the candidate will effectively, consistently and appropriately take into account and balance the legitimate interests and concerns of all of the company's stockholders and other stakeholders in reaching decisions, rather than advancing the interests of a particular constituency.
- The Nomination and Remuneration Committee must satisfy itself that the candidate will be able to devote sufficient time and energy to the performance of his or her duties as a Director.

4.5. Fit and Proper Criteria.

- The Nomination and Remuneration Committee shall undertake a process of Due Diligence based on the criteria of qualifications, technical expertise, track record, integrity etc. The basic objective of ascertaining the fit and proper criteria shall be to put in place an internal supervisory process on a continuing basis and to determine the suitability of the person for appointment / continuing to hold appointment as a Director on the Board of the Company. The Candidate at the time of appointment and at the time of the renewal of Directorship shall fill in such form as approved by the Nomination and Remuneration Committee to enable the Committee undertake such exercise of ensuring the 'Fit and Proper Criteria'.
- The Committee shall undertake such Due Diligence exercise at the time of appointment as well as the time of renewal of the Directorships of the incumbent.
- The indicative criteria for determining the 'fit and proper' criteria forms part of the Policy and is placed at **Annexure — I.**

THE DIRECTORS SHOULD SUBMIT AN ANNUAL DECLARATION (AS ON 31ST MARCH) OF ANY CHANGE IN INFORMATION ALREADY SUBMITTED, IF NO CHANGE THEN A NO CHANGE DECLARATION SHOULD BE SUBMITTED.

THE BOARD MUST ENSURE THAT IN PUBLIC INTEREST THE NOMINATED/ELECTED DIRECTOR EXECUTE THE DEED OF COVENANTS IN THE FORMAT PRESCRIBED AT ANNEXURE II.

4.6. Criteria for independence – For Directors to be appointed as Independent Director on the Board of the Company.

- An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director, -
 - (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

(f) who possesses such other qualifications as may be prescribed.

- Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section

Explanation.—For the purposes of this section, “nominee director” means a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests.

5. Remuneration Policy

I. Board Level Remuneration Structure

1. For Executive Directors (Managing Director and Whole-time Directors)

Remuneration will be paid as approved from time to time subject to the approval of the Board and Shareholders as the case may be and as per the applicable provisions of Companies Act, 2013 and under any other Act/ Rules/Regulations for the time being in force.

2. In case of Non-Executive/Independent Directors

(i) Sitting Fees — As approved from time to time. The Sitting Fees may be revised by the Board of Directors from time to time subject to the overall limits as prescribed under the applicable provisions.

(ii) Remuneration other than Sitting Fees - As approved from time to time.

II. In case of Key Managerial Personnel and other Employees —

1. The pay structure of all Key Managerial Personnel and other Employees shall be considered in accordance with qualification, experience and industrial standards.

6. Monitoring and Evaluation

The Nomination and remuneration Committee shall evaluate the performance of the Directors and the overall Board broadly on the basis of below mentioned criteria:

- Whether the Directors/Board have acted in accordance with the provisions of the Articles of Association of the Company.
- The Committee shall assemble all information regarding a candidate's background and qualifications to determine if the candidate possesses or satisfies the minimum skills and qualifications that a director must possess.
- The Committee shall evaluate a candidate's mix of skills and qualifications and determine the contribution the candidate could be expected to make to the overall functioning of the Board.
- The Committee shall give due consideration to the overall Board balance of diversity of perspectives, backgrounds and experiences.
- With respect to current directors, the Committee shall consider past attendance at meetings and assess the participation in and contributions to the activities of the Board.
- Whether the Directors/Board have acted in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the Community and for the protection of environment.
- Whether the Director/Board has exercised their duties with due and reasonable care, skill and diligence and whether the Director/Board have exercised independent judgment.
- Whether the Director/Board have involved in a situation in which he/they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- The Committee shall recommend director to the Board based on its assessment of overall suitability to serve on the Board in accordance with this Policy.

7. Board Diversity

- The Nomination and remuneration Committee shall ensure that the Board comprises of Directors from diversified fields of Knowledge.
- The Board should have Directors who can add professionalism and objectivity in the decision making process.
- The overall Board should reflect representatives from areas like finance, law, accountancy, administration and other disciplines concerning the operational interests of the Company at large.

'Fit and Proper' Criteria for Directors of NBFCs

Reserve Bank had issued a Directive in June 2004 to banks on undertaking due diligence on the persons before appointing them on the Boards of banks based on the 'Report of the Consultative Group of Directors of Banks / Financial Institutions'. Specific 'fit and proper' criteria to be fulfilled by the directors were also advised.

2. The importance of due diligence of directors to ascertain suitability for the post by way of qualifications, technical expertise, track record, integrity, etc. needs no emphasis for any financial institution. It is proposed to follow the same guidelines mutatis mutandis in case of NBFCs also. While the Reserve Bank does carry out due diligence on directors before issuing Certificate of Registration to an NBFC, it is necessary that NBFCs put in place an internal supervisory process on a continuing basis. Further, in order to streamline and bring in uniformity in the process of due diligence, while appointing directors, NBFCs are advised to ensure that the procedures mentioned below are followed and minimum criteria fulfilled by the persons before they are appointed on the Boards:

- (a) NBFCs should undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. NBFCs should obtain necessary information and declaration from the proposed / existing directors for the purpose in the format given at Annex- 2.
- (b) The process of due diligence should be undertaken by the NBFCs at the time of appointment / renewal of appointment.
- (c) The boards of the NBFCs should constitute Nomination Committees to scrutinize the declarations.

(d) Based on the information provided in the signed declaration, Nomination Committees should decide on the acceptance or otherwise of the Directors, where considered necessary.

(e) NBFCs should obtain annually as on 31st March a simple declaration from the directors that the information already provided has not undergone change and where there is any change, requisite details are furnished by them forthwith.

(f) The Board of the NBFC must ensure in public interest that the nominated/ elected directors execute the deeds of covenants in the format given in Annex-3.

(g) Independent /non-executive Directors nominated to the board of NBFC should be between 35 to 70 years of age.

Name of NBFC: _____

Declaration and Undertaking by Director (with enclosures as appropriate as on _____)

I. Personal details of director

- a. Full name
- b. Date of Birth
- c. Educational Qualifications
- d. Relevant Background and Experience
- e. Permanent Address
- f. Present Address
- g. E-mail Address / Telephone Number
- h. Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle
- i. Relevant knowledge and experience
- j. Any other information relevant to Directorship of the NBFC

II Relevant Relationships of director

- a. List of Relatives if any who are connected with the NBFC (Refer Section 6 and Schedule 1A of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)
- b. List of entities if any in which he/she is considered as being interested (Refer Section 299(3)(a) and Section 300 of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)
- c. List of entities in which he/she is considered as holding substantial interest within the meaning of NBFC Prudential Norms Directions, 2007
- d. Name of NBFC in which he/she is or has been a member of the board (giving details of period during which such office was held)
- e. Fund and non-fund facilities, if any, presently availed of by him/her and/or by entities listed in II (b) and (c)

above from the NBFC

- f. Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the NBFC or any other NBFC / bank.

III Records of professional achievements

- a. Relevant professional achievements

IV. Proceedings, if any, against the director

- a. If the director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/ occupation at any time.
- b. Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and/or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations
- c. Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the director
- d. Whether the director attracts any of the disqualifications envisaged under Section 274 of the Companies Act 1956 and corresponding provisions of New Companies Act, 2013?
- e. Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?
- f. Has the director at any time been found guilty of violation of rules/regulations/ legislative requirements by customs/ excise /income tax/foreign exchange /other revenue authorities, if so give particulars
- g. Whether the director has at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA.

(Though it shall not be necessary for a candidate to mention in the column about orders and findings made by the regulators which have been later on reversed/set aside in toto, it would

be necessary to make a mention of the same, in case the reversal/setting aside is on technical reasons like limitation or lack of jurisdiction, etc and not on merit, If the order of the regulator is temporarily stayed and the appellate/ court proceedings are pending, the same also should be mentioned.)

- V. Any other explanation / information in regard to items I to III and other information considered relevant for judging fit and proper

Undertaking

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the NBFC fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.

I also undertake to execute the deed of covenant required to be executed by all directors of the NBFC.

Place :

Signature

Date :

- VI. Remarks of Chairman of Nomination Committee/Board of Directors of NBFC

Place :

Signature

Date:

Form of Deed of Covenants with a Director

THIS DEED OF COVENANTS is made this _____ day of _____ Two thousand _____ **BETWEEN** _____, having its registered office at _____ (hereinafter called the 'NBFC') of the one part and Mr / Ms _____ of _____ (hereinafter called the "Director") of the other part.

WHEREAS

A. The director has been appointed as a director on the Board of Directors of the NBFC (hereinafter called "the Board") and is required as a term of his / her appointment to enter into a Deed of Covenants with the NBFC.

B. The director has agreed to enter into this Deed of Covenants, which has been approved by the Board, pursuant to his said terms of appointment.

NOW IT IS HEREBY AGREED AND THIS DEED OF COVENANTS WITNESSETH AS FOLLOWS :

1. The director acknowledges that his / her appointment as director on the Board of the NBFC is subject to applicable laws and regulations including the Memorandum and Articles of Association of the NBFC and the provisions of this Deed of Covenants.

2. The director covenants with the NBFC that :

(i) The director shall disclose to the Board the nature of his / her interest, direct or indirect, if he / she has any interest in or is concerned with a contract or arrangement or any proposed contract or arrangement entered into or to be entered into between the NBFC and any other person, immediately upon becoming aware of the same or at meeting of the Board at which the question of entering into such contract or arrangement is taken into consideration or if the director was not at the date of that meeting concerned or interested in such proposed contract or arrangement, then at the first meeting of the Board held after he / she becomes so concerned or interested and in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the director becomes concerned or interested in the contract or arrangement.

(ii) The director shall disclose by general notice to the Board his / her other directorships, his / her memberships of bodies corporate, his / her interest in other entities and his / her interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.

(iii) The director shall provide to the NBFC a list of his / her relatives as defined in the Companies Act, 1956 or 2013 and to the extent the director is aware of directorships and interests of such relatives in other bodies corporate, firms and other entities.

(iv) The director shall in carrying on his / her duties as director of the NBFC:

- (a) use such degree of skill as may be reasonable to expect from a person with his / her knowledge or experience;
- (b) in the performance of his / her duties take such care as he / she might be reasonably expected to take on his / her own behalf and exercise any power vested in him / her in good faith and in the interests of the NBFC;
- (c) shall keep himself / herself informed about the business, activities and financial status of the NBFC to the extent disclosed to him / her;
- (d) attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfil his / her obligations as director of the NBFC;
- (e) shall not seek to influence any decision of the Board for any consideration other than in the interests of the NBFC;
- (f) shall bring independent judgment to bear on all matters affecting the NBFC brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct;
- (g) shall in exercise of his / her judgement in matters brought before the Board or entrusted to him / her by the Board be free from any business or other relationship which could materially interfere with the exercise of his / her independent judgement; and
- (h) shall express his / her views and opinions at Board meetings without any fear or favour and without any influence on exercise of his / her independent judgement;

(v) The director shall have :

- (a) fiduciary duty to act in good faith and in the interests of the NBFC and not for any collateral purpose;
- (b) duty to act only within the powers as laid down by the NBFC's Memorandum and Articles of Association and by applicable laws and regulations; and
- (c) duty to acquire proper understanding of the business of the NBFC.

(vi) The director shall :

- (a) not evade responsibility in regard to matters entrusted to him / her by the Board;
- (b) not interfere in the performance of their duties by the whole-time directors and other officers of the NBFC and wherever the director has reasons to believe otherwise, he / she shall forthwith disclose his / her concerns to the Board; and
- (c) not make improper use of information disclosed to him / her as a member of the Board for his / her or someone else's advantage or benefit and shall use the information disclosed to him / her by the NBFC in his / her capacity as director of the NBFC only for the purposes of performance of his / her duties as a director and not for any other purpose.

3. The NBFC covenants with the director that:

- (i) the NBFC shall apprise the director about:

- (a) Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations;
 - (b) control systems and procedures;
 - (c) voting rights at Board meetings including matters in which Director should not participate because of his / her interest, direct or indirect therein;
 - (d) qualification requirements and provide copies of Memorandum and Articles of Association;
 - (e) corporate policies and procedures;
 - (f) insider dealing restrictions;
 - (g) constitution of, delegation of authority to and terms of reference of various committees constituted by the Board;
 - (h) appointments of Senior Executives and their authority;
 - (i) remuneration policy,
 - (j) deliberations of committees of the Board, and
 - (k) communicate any changes in policies, procedures, control systems, applicable regulations including Memorandum and Articles of Association of the NBFC, delegation of authority, Senior Executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance.
- (ii) the NBFC shall disclose and provide to the Board including the director all information which is reasonably required for them to carry out their functions and duties as a director of the NBFC and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the director by the Board or any committee thereof;
- (iii) the disclosures to be made by the NBFC to the directors shall include but not be limited to the following :
- (a) all relevant information for taking informed decisions in respect of matters brought before the Board;
 - (b) NBFC's strategic and business plans and forecasts;
 - (c) organisational structure of the NBFC and delegation of authority;
 - (d) corporate and management controls and systems including procedures;
 - (e) economic features and marketing environment;
 - (f) information and updates as appropriate on NBFC's products;
 - (g) information and updates on major expenditure;
 - (h) periodic reviews of performance of the NBFC; and
 - (i) report periodically about implementation of strategic initiatives and plans;
- (iv) the NBFC shall communicate outcome of Board deliberations to directors and concerned personnel and prepare and circulate minutes of the meeting of Board to directors in a timely manner and to the extent possible within two business days of the date of conclusion of the Board meeting; and
- (v) advise the director about the levels of authority delegated in matters placed before the Board.
4. The NBFC shall provide to the director periodic reports on the functioning of internal control system including effectiveness thereof.

5. The NBFC shall appoint a compliance officer who shall be a Senior executive reporting to the Board and be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of Reserve Bank of India and other concerned statutory and governmental authorities.

6. The director shall not assign, transfer, sublet or encumber his / her office and his / her rights and obligations as director of the NBFC to any third party provided that nothing herein contained shall be construed to prohibit delegation of any authority, power, function or delegation by the Board or any committee thereof subject to applicable laws and regulations including Memorandum and Articles of Association of the NBFC.

7. The failure on the part of either party hereto to perform, discharge, observe or comply with any obligation or duty shall not be deemed to be a waiver thereof nor shall it operate as a bar to the performance, observance, discharge or compliance thereof at any time or times thereafter.

8. Any and all amendments and / or supplements and / or alterations to this Deed of Covenants shall be valid and effectual only if in writing and signed by the director and the duly authorised representative of the NBFC.

9. This Deed of Covenants has been executed in duplicate and both the copies shall be deemed to be originals.

IN WITNESS WHEREOF THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

For the NBFC

Director

By

Name:

Name:

Title:

In the presence of:

1.

2.



संख्या / No. : MAB-II/CAD-1/16-1/A.A/49/2015-16/15
 भारतीय लेखा तथा लेखापरीक्षा विभाग
 कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
 एवं पदेन सदस्य लेखा परीक्षा बोर्ड-II
 नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
 OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
 AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD - II,
 NEW DELHI

दिनांक / DATE 15-7-2015

सेवा में,

अध्यक्ष,
 आई.एफ.आई.एन. सिक्यूरिटी फाइनेन्स लिमिटेड,
 कान्टीनेन्टल चैम्बर्स, तीसरा तल,
 142, महात्मा गाँधी रोड, नुन्गमबाक्कम,
 चेन्नई-600 034

विषय- कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अधीन 31 मार्च 2015 को समाप्त वर्ष के लिए आई.एफ.आई.एन. सिक्यूरिटी फाइनेन्स लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अधीन 31 मार्च 2015 को समाप्त हुए वर्ष के लिए आई.एफ.आई.एन. सिक्यूरिटी फाइनेन्स लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित करती हूँ। इन टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए।

भवदीया,

(सुपर्णा देव)

प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
 एवं पदेन सदस्य लेखा परीक्षा बोर्ड-II
 नई दिल्ली

संलग्नक:- यथोपरि

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF IFIN SECURITIES FINANCE LIMITED FOR THE YEAR ENDED
31 MARCH, 2015**

The preparation of financial statements of IFIN Securities Finance Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 June, 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of IFIN Securities Finance Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Profitability

Balance Sheet

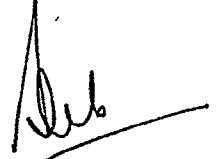
Current Liabilities

Short Term Provisions: ₹ 4,79,04,729

The above is understated by ₹ 6.73 crore due to short provision made against the advance of ₹ 11.37 crore provided to Zylog Group which became loss asset as the gift deeds mortgaged for securing loan were found forged. As per the Prudential Norms issued by RBI for NBFCs

in July, 2014 and reiterated in June, 2015, entire amount of loss asset should be provided for. However the company made provision of ₹ 4.64 crore only against ₹ 11.37 crore. This has resulted in understatement of short term provision and overstatement of profit by ₹ 6.73 crore.

For and on the behalf of the
Comptroller & Auditor General of India



(Suparna Deb)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-II
New Delhi

Place: New Delhi
Date: 15.07.2015

MANAGEMENT REPLY

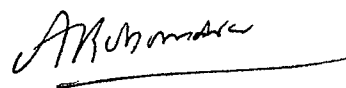
In respect of Zylog group accounts which was classified as NPA in our books of accounts as on 31.12.13 we have made a provision of 15% on the outstanding and a further provision at the rate of 5% in the subsequent quarter ended 31.3.14 with aggregate provision of Rs.231.83 lakh.

In this regard we have to inform that on the basis of our parent company IFCI Ltd's documents furnished by Zylog group were found to be forged, we also wanted to verify the genuineness of the gift deeds under which the third parties have mortgaged properties to ISFL for securing the loan facilities. Enquiries made by ISFL on 11.3.15 with the Mysore palace officials revealed that the gift deeds purported to have been executed by Maharaja of Mysore were forged by the mortgagors and no entries pertaining to the same were found in the court records.

As per the RBI prudential norms for NBFC's issued in July 2014, RBI had advised ISFL to make full provision in the Zylog group account vide letter dated 17.9.14. Based on the above ISFL vide letter dated March 20, 2015 had confirmed to RBI that 100% provisioning in Zylog group accounts would be made as on 31.3.15. However RBI vide circular letter dated 1.4.15 pertaining to fraud accounts allowed provisioning in the fraud accounts in 4 quarterly instalments commencing from the quarter in which the fraud was detected. As the nature and impact of fraud is common to all lenders whether it is NBFC or Scheduled Commercial Bank, we had discussed the issue with our statutory auditors who had agreed to the same subject to approval of the Audit Committee as well as the Board of ISFL. Accordingly the Audit Committee at its meeting held on 21.4.15 and the Board at its meeting held on 22.4.15 accorded approval for making provision as per the terms of the RBI circular dated 1.4.15 in 4 quarterly instalments from quarter in which fraud has been detected ie. 31.3.15 and ending in 31.12.15. Hence instead of making full provision aggregating Rs.11.37 crore the total provision made in respect of Zylog group was only Rs.4.64 crore as on 31/3/2015. The

balance provision would now be made in 1 instalment during the first quarter ending 30.6.15 by which the total outstanding amount of Zylog accounts will be fully provided for and not in quarterly instalments upto 31.12.15.

Incidentally, as originally advised by RBI, no netting will be done in respect of collateral (shares pledged to us) and the balance outstanding loan in Zylog group ie. Rs.6.96 crore will be provided for in toto as on 30.6.15.



FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of material contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Date of approval by the Board	Nil
f)	Amount paid as advances, if any	Nil

For IFIN Securities Finance Limited

AR Chandrasekhar
Whole-Time Director

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For IFIN Securities Finance Limited

S. Suresh
Director



INDEPENDENT AUDITORS ' REPORT (REVISED)

TO

The members of IFIN Securities finance limited

Auditors' Report dated April 30, 2015 is being revised to include the reporting on directions / sub – directions issued by the C&AG under section 143(5) of the Companies Act, 2013

We have audited the accompanying financial statements of IFIN Securities finance limited ("the company"), which comprises the balance sheet as at 31st March 2015, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management responsibility for the financial statements:

The company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flow of company in accordance with the accounting principles generally accepted in India. Including the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the standards on Auditing specified under section 143(10) of the Act. 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 financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used



and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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;

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b. In the case of the statement of Profit and Loss, of the Profit for the year ended on that date; and
- c. 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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 Order
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and 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 those books.
 - c) As per the information and explanations given to us, the company has no branch office.
 - d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f) In our opinion, there is no such observation which may have adverse effect on the functioning of the company.
 - g) On the basis of written representation received from the directors as on 31 March 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - h) There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.
 - i) The company has adequate internal financial control system in place and the operating effectiveness of such controls.
 - j) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



KALYANASUNDARAM & Co.,
CHARTERED ACCOUNTANTS

- i) The pending litigations with M/S ZYLOG GROUP would impact the company's financial position.
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As per directions/sub directions issued by the C&AG of India under section 143(5) of the Companies Act 2013 vide letter no. MAB-II/CAD/II/16-3/SR/14-15/125 dated April 30, 2015, we report that:

Directions

1. The company is not selected for disinvestment; hence, this clause is not applicable.
2. A sum of Rs.89.11 lacs has been written off during the FY 2014-15 in 2 cases on account of OTS.
3. As this company is not dealing with any inventory, this clause is not applicable. No assets have been received as gift from government or other authorities by the company.
4. Detail of age wise analysis of pending legal/arbitration cases are as follows:

Time limit	No of cases	Amount (in lakhs)
Upto two years	7	1386.56 /-
Upto three years	1	121.3 /-

Sub directions:

1. As per information given to us, the company has no land.
2. Confirmation of Bank balances are available. The company has no Trade receivables/payables. The company has not given any loan or advance
3. The company has no deposits/ advances with Customs / Excise / Sales tax (VAT) and other authorities.
4. Necessary independent verification has been made of informations/inputs furnished to Actuary, viz no of employees, average salary, retirement age, and assumption made by actuary regarding discount rate, future cost increase, mortality rate, etc., for arriving at the provision for liability of retirement medical benefits etc.,
5. There is no investment in CGS/SGS/Bonds/Debentures.

Place: Chennai
Dated: 29.05.15

For KALYANASUNDARAM & CO
Chartered accountants
FRN : 001676S

B.KALYANASUNDARAM
M.NO: 11453



ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF IFIN SECURITIES FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2015

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) the physical verification of fixed assets is being done by the company once in a year which in our opinion is reasonable having regard to the size of the company and nature of business. During the year the assets have been physically verified by the management and no major variation noticed on comparing with book.
- ii) The Company does not have any inventory. Therefore, the provisions of clause 3(ii) (a), (b) & (c) of the Order, are not applicable.
- iii) As informed to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, Accordingly, provisions of clause 4(iii) (a) to (b) of the Order are not applicable.
- iv) 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, purchase of securities, sale of securities and services. During the course of our audit, we have not observed any major weaknesses in internal controls system.
- v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, wherever applicable. Therefore the provisions of clause 4(v) of the Order are not applicable.
- vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the company.
- vii) a) According to the information and explanations given to us and the records produced before us for verification, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
c) There is no amount required to be transferred to investor education and protection fund.
- viii) As on 31st March 2015, the company has no accumulated loss. The company has not incurred cash loss during the year nor in the immediately preceding financial year.
- ix) The company has not availed any loans from banks/financial institutions.
- x) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi) According to the information and explanations given to us, the company has not availed any term loans.



KALYANASUNDARAM & Co.,
CHARTERED ACCOUNTANTS

- xii) To the best of our knowledge and belief and according to information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of audit, excepting the suspected fraud reported under clause VI of "Notes forming part of accounts of standalone financial statements.

Place: Chennai
Dated: 29.05.15

For KALYANASUNDARAM & CO
Chartered accountants
FRN : 001676S

B.KALYANASUNDARAM
M.NO: 11453

IFIN Securities Finance Limited
(Formerly known as Narayan Sriram Investments Private Limited)
Balance Sheet as at 31st March 2015

(Amount in Rs.)


Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	300,100,000	300,100,000
(b) Reserves and surplus	3	41,563,993	32,939,619
2 Current liabilities			
(a) Short-term borrowings	4	313,000,000	329,833,777
(b) Trade payables		-	-
(c) Other current liabilities	5	6,180,052	2,809,782
(d) Short-term provisions	6	47,904,729	35,266,057
TOTAL		708,748,774	700,949,235
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	7	-	-
(i) Tangible Assets		34,488	40,983
(ii) Intangible assets		-	-
(b) Long-term loans and advances	8	311,382,894	44,361,210
(c) Other non-current assets		-	-
2 Current assets			
(a) Current investments	9	301,939	6,899,004
(b) Trade receivables		-	2,295,117
(c) Cash and cash equivalents	10	2,914,779	5,277,102
(d) Short-term loans and advances	11	394,114,674	642,075,819
(e) Other current assets		-	-
TOTAL		708,748,774	700,949,235

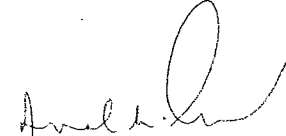
The Notes 1 to 11 form an integral part of Balance Sheet

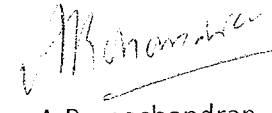
This is the Balance Sheet referred to in our Report of even date


**FOR AND ON BEHALF OF THE BOARD OF
IFIN SECURITIES FINANCE LIMITED**


For KALYANASUNDARAM & CO.,
Chartered Accountants
Firm Reg. No. 001676S


B. KALYANASUNDARAM
Partner, M.No. 11453


Achal Kumar Gupta
Chairman


A. Ramachandran
COO & Whole Time Director


A.V. Pushparaj
Chief Financial Officer


Divya Gopakumar
Company Secretary

Place : Chennai
Date : 22/04/2015

IFIN Securities Finance Limited
(Formerly known as Narayan Sriram Investments Private Limited)
Statement of Profit and loss for the year ended 31st March 2015

(Amount in Rs)

Particulars	Note No.	For the Year ended 31st March 2015	For the Year ended 31st March 2014
I. Revenue from operations	12	96,298,769	89,418,294
II. Other income	13	2,573,611	473,858
III. Total Revenue (I + II)		98,872,380	89,892,152
IV. Expenses:			
Employee benefits expenses	14	3,655,826	4,306,451
Finance costs		42,954,469	31,632,653
Depreciation and amortization expense		6,495	5,712
Reimbursement of expenses	15	10,000,000	9,998,995
Other expenses	16	3,294,891	2,593,085
Bad Debts written off		8,911,192	-
Total expenses		68,822,873	48,536,896
V. Profit before NPA, Provisions and tax (III-IV)		30,049,507	41,355,256
VI. Provision for Bad & Doubtful debts & Diminution in Stock in Trade	17	11,221,511	25,848,057
VII. Profit before tax (V - VI)		18,827,996	15,507,199
VIII. Tax expense:			
Provision for Taxation		10,203,622	13,896,046
- Current Tax		-	-
- Current Tax - MAT Credit Entitlement		-	-
IX. Profit (Loss) for the period		8,624,374	1,611,153
X. Earnings per equity share:			
(1) Basic		2.87	0.54
(2) Diluted		2.87	0.54

The Notes No. 1 & 12 TO 17 form an integral part of Statement of Profit and Loss
This is the Statement of Profit and Loss referred to in our Report of even date

**FOR AND ON BEHALF OF THE BOARD OF
IFIN SECURITIES FINANCE LIMITED**

For KALYANASUNDARAM & CO.,
Chartered Accountants
Firm Reg. No. 0016765

S. KALYANASUNDARAM
Partner, M.No. 11453


Achal Kumar Gupta
Chairman


A. Ramachandran
COO & Whole Time Director


A.V. Pushparaj
Chief Financial Officer


Divya Gopakumar
Company Secretary

Place : Chennai
Date : 22/04/2015

IFIN Securities Finance Limited
(Formerly known as Narayan Sriram Investments Private Limited)
CASH FLOW STATEMENT AS ON 31ST MARCH 2015

(Amount in Rs.)

	Particulars	Year ended		Year ended	
		31-Mar-15		31-Mar-14	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before tax as per P&L a/c		18,827,996		15,507,199
	Adjustments for:				
	Depreciation / Amortisation on Fixed Assets	6,495		5,712	
	Reversal of Diminution in the value of investments (NET)	-		(2,871,295)	
	Diminution in the value of Securities held as stock in trade	-	6,495	-	
	Provision for Doubtful Debts	-			(2,865,583)
	Operation Profit before Working Capital Changes		18,834,491		12,641,616
	Adjustments for:				
	(Increase) / Decrease in Current Investments	6,597,065		9,883,541	
	(Increase) / Decrease in Loans & Advances	247,961,145		60,878,508	
	(Increase) / Decrease in Trade receivables	2,295,117		(2,295,117)	
	(Increase) / Decrease in Non Current Assets	(267,021,684)		(44,361,210)	
	Increase / (Decrease) in Short term Borrowings	(16,833,777)		(50,784,111)	
	Increase / (Decrease) in Current Liabilities	3,370,270		1,850,001	
	Increase / (Decrease) in Provisions	12,638,673		24,788,983	
			(10,993,192)		(39,405)
	Cash Generated from Operation before tax		7,841,299		12,602,211
	Direct taxes paid		(10,203,622)		(9,682,184)
	Net cash from Operating Activities		(2,362,323)		2,920,027
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets	-		(46,695)	
	Repayment of Long Term Loans and Advances	-		-	(46,695)
	Interest Received	-		-	(46,695)
	Net Cash used in / raised from Investing Activities				
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Interest Paid		-	-	-
	Capital by the Holding company		-	-	-
	Net Changes in Cash & Cash Equivalent (A+B+C)		(2,362,323)		2,873,332
	Opening Cash and Cash Equivalent		5,277,102		2,403,770
	Closing Cash and Cash Equivalent		2,914,779		5,277,102
	Increase / Decrease in Cash & Cash Equivalent		(2,362,323)		2,873,332

The above cash flow statement has been prepared under the "indirect method" set out in Accounting Standard-3 on Cash Flow Statement issued as per Company's Accounting Standard Rules, 2006.
This is the Cash Flow referred to our report of even date

For KALYANASUNDARAM & CO.
Chartered Accountants
Firm Reg. No. 0016765

B. KALYANASUNDARAM
Partner, ALNO 11455

Place : Chennai
Date : 22/04/2015

FOR AND ON BEHALF OF THE BOARD OF
IFIN SECURITIES FINANCE LIMITED

Achal Kumar Gupta
Chairman

A.V.Pushparaj
Chief Financial Officer

A.Ramachandran
COO & Whole Time Director

Divya Gopakumar
Company Secretary

**The additional disclosures as required under RBI
guidelines are given below**

**Note: Current Year denotes 2014 -15
Previous Year denotes 2013 -14**

I. Capital

(Amount in crore)		
Particulars	Current Year	Previous Year
i CRAR (%)	48.41	47.88
ii CRAR-Tier I Capital (%)	48.41	47.88
iii CRAR -Tier II Capital (%)	-	-
iv Amount of subordinated debt raised as Tier-II Capital	-	-
v Amount raised by issue of Perpetual Debt Instruments	-	-

II. Investments

(Amount in crore)		
Particulars	Current Year	Previous Year
(1) Value of Investments		
i Gross Value of Investments		
(a) In India	0.04	0.84
(b) Outside India,	-	-
ii Provisions for Depreciation		
(a) In India	0.01	0.15
(b) Outside India,	-	-
iii Net Value of Investments		
(a) In India	0.03	0.69
(b) Outside India.	-	-
(2) Movement of provisions held towards depreciation on investments.		
i Opening balance	0.15	0.44
ii Add: Provisions made during the year	-	-
iii Less: Write-off/write-back of excess provisions during the year	0.14	0.29
iv Closing balance	0.01	0.15

III. Derivatives

Forward Rate Agreement/Interest Rate Swap

Since the Company is not involved in the business of dealing in derivatives during the relevant periods, the disclosures in this regard are not applicable.

Exchange Traded Interest Rate (IR) Derivatives

Since the Company is not involved in the business of dealing in derivatives during the relevant periods, the disclosures in this regard are not applicable.

Disclosures on Risk Exposure in Derivatives

Since the Company is not involved in the business of dealing in derivatives during the relevant periods, the disclosures in this regard are not applicable.

IV. Disclosures relating to Securitization

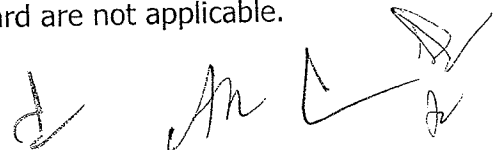
Since the Company is not involved in the business of Securitization during the relevant periods, the disclosures in this regard are not applicable.

V. Details of Assignment transactions undertaken by NBFCs

Since there was no assignment transaction during the relevant periods, the disclosures in this regard are not applicable.

VI. Details of non-performing financial assets purchased/ sold

Since the Company has not purchased or sold any non-performing financial assets during the relevant periods, the disclosures in this regard are not applicable.

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VII. Asset Liability Management Maturity pattern of certain items of Assets

And Liabilities

(Amount in crore)

	Up to 30/31 days	Over 1 month up to 2 Month	Over 2 months up to 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Advances	NIL	NIL	NIL	NIL	39.41	31.14	NIL	NIL	70.55
Investments	NIL	NIL	NIL	0.03	NIL	NIL	NIL	NIL	0.03
Borrowings	NIL	NIL	NIL	NIL	31.30	NIL	NIL	NIL	31.30
Foreign Currency assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Currency liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

VIII. Exposures

Exposure to Real Estate Sector

(Amount in Crore)				
Category			Current Year	Previous Year
a)	Direct Exposure			
	i	Residential Mortgages-		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	NIL	NIL
	ii	Commercial Real Estate -		
		Lending secured by mortgages on commercial real estate's (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits.	NIL	NIL
	iii	Investments in Mortgage Backed Securities	NIL	NIL

	(MBS) and other securitized exposures-		
a.	Residential	NIL	NIL
b.	Commercial Real Estate	NIL	NIL
Total Exposure to Real Estate Sector			

Exposure to Capital Market

(Amount in crore)			
Particulars		Current Year	Previous Year
i	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii	Advance against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOS/ ESOPS), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	5.46	6.20
iii	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	65.46	62.76
iv	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds /convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v	secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers;	-	-
vi	Loans sanctioned to corporate against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii	bridge loans to companies against expected equity flows/issues;	-	-
viii	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		70.92	68.96

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IX Details of financing of parent company products

The Company has extended Margin Funding Facility to the clients of its Parent Company, IFCI Financial Services Ltd.

X Unsecured Advance

The company has not advanced loan against intangible securities such as charge over the rights, licenses, authority, etc as collaterals.

XI Miscellaneous

Registration obtained from other financial sector regulators

No registrations have been obtained from other financial sector regulators.

Disclosure of Penalties imposed by RBI and other regulators

No penalties were levied by RBI during the year.

Ratings assigned by credit rating agencies and migration of ratings during the year

Not Applicable

XII. Additional Disclosures

1. Provisions and Contingencies

(Amount in crore)		
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment	(0.14)	(0.29)
Provision towards NPA	1.28	2.87
Provision made towards Income tax	1.02	1.38
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	(0.02)	(0.00)

2. Draw Down from Reserves

Suitable disclosures are to be made regarding any draw down from reserves in the
NTA – NOT APPLICABLE

3. Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits (for deposit taking NBFCs)

(Amount in crore)	
Total Deposits of twenty largest depositors	Nil
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	Nil

Concentration of Advances

(Amount in crore)	
Total Advances to twenty largest borrowers	68.89
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	97.13%

Concentration of Exposures*

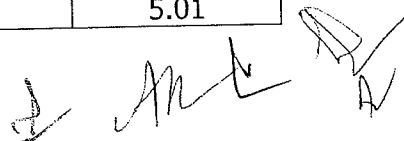
(Amount in crore)	
Total Exposure to twenty largest borrowers / customers	68.89
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers/customers	97.13%

*Exposure to capital market

Concentration of NPAS

(Amount in crore)

Sripriya S	3.20
Sthithi Insurance Service Ltd	3.40
Zylog Systems Ltd	5.01



4. Sector-wise NPAS

(Amount in crore)

Sl. No.	Sector	Percentage of NPAS to Total Advances in that sector
1.	Agriculture & allied activities	-
2.	MSME	-
3.	Corporate borrowers	8.41
4.	Services*	-
5.	Unsecured personal loans	3.20
6.	Auto loans	-
7.	Other personal loans	-

*An amount of Rs. 8.41 also fall under service sector

5. Movement of NPAS

(Amount in crore)

Particulars		Current Year	Previous Year
i	Net NPAS to Net Advances (%)	10.50%	14.66%
ii	Movement of NPAs (Gross)		
	(a) Opening balance	12.98	12.98
	(b) Additions during the year	-	-
	(c) Reductions during the year	1.37	-
	(d) Closing balance	11.61	12.98
iii	Movement of Net NPAs		
	(a) Opening balance	9.62	12.49
	(b) Additions during the year	-	-
	(c) Reductions during the year	2.65	2.87
	(d) Closing balance	6.97	9.62
iv	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	3.36	0.49
	(b) Provisions made during the year	1.28	2.87
	(c) Write-off / write-back of excess provisions	-	-
	(d) Closing balance	4.64	3.36

6. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) – NOT APPLICABLE

7. Off-balance Sheet SPV sponsored (which are required to be consolidated as Per accounting norms)

Name of the SPV Sponsored	
Domestic	Overseas
NIL	NIL

XIII. Disclosure of Complaints

Customer Complaints

(a)	No. of complaints pending at the beginning of the year	NIL
(b)	No. of complaints received during the year	NIL
(c)	No. of complaints redressed during the year	NIL
(d)	No. of complaints pending attend of the year	NIL

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IFIN SECURITIES FINANCE LIMITED

(Formerly known as Narayan Sriram Investments Private Limited)

Note 2 Share Capital

(Amount in Rs.)

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.100/- each	5,975,500	597,550,000	5,975,500	597,550,000
Preference Shares	24,500	2,450,000	24,500	2,450,000
Total	6,000,000	600,000,000	6,000,000	600,000,000
Issued				
Equity Shares of Rs.100/- each	3,001,000	300,100,000	3,001,000	300,100,000
Subscribed & Paid up				
Equity Shares of Rs.100/- each	3,001,000	300,100,000	3,001,000	300,100,000
Total	3,001,000	300,100,000	3,001,000	300,100,000

Particulars	Equity Shares 2015		Equity Shares 2014	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	3,001,000	300,100,000	3,001,000	300,100,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,001,000	300,100,000	3,001,000	300,100,000

30,01,000 Equity Shares (Previous year - 30,01,000 equity shares) are held by IFCI Financial Services Limited, the holding company and its nominees.

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Financial Services Limited and nominees	3,001,000	100	3,001,000	100

Terms/Rights attached to equity shares:

The Company has only one class of equity share, i.e. equity shares having face value of Rs.100/- per share entitled to one vote per share.

IFIN SECURITIES FINANCE LIMITED

(Formerly known as Narayan Sriram Investments Private Limited)

Note 3 Reserves and Surplus

(Amount in Rs)

Particulars	As at 31st March 2015	As at 31st March 2014
a. Capital Reserves		
Opening Balance	251,000	251,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	251,000	251,000
b. Capital Redemption Reserve		
Opening Balance	450,000	450,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	450,000	450,000
c. Statutory Reserve		
Opening Balance	1,510,631	1,188,400
Add: Amount transferred from surplus in the Statement of Profit and Loss	1,724,875	322,231
	3,235,506	1,510,631
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
d. Surplus:		
Opening balance	28,211,788	26,922,866
(+) Net Profit/(Net Loss) For the current year	8,624,374	1,611,153
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Statutory Reserves as per Section 45 IC of RBI Act, 1934	1,724,875	322,231
Closing Balance	35,111,287	28,211,788
Total	41,563,993	32,939,619

IFIN SECURITIES FINANCE LIMITED

(Formerly known as Narayan Sriram Investments Private Limited)

(Amount in Rs.)

Note 4 Short Term Borrowings

Particulars	As at 31st March 2015	As at 31st March 2014
<u>Secured</u>		
(a) Loans repayable on demand		-
(b) Loans and advances from related parties	240,000,000	-
(c) Deposits	-	-
(d) Other loans and advances from others	-	-
	240,000,000	-
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)		
<u>Unsecured</u>		
(a) Loans and advances from related parties	-	39,833,776
(b) Other Loans from Financial institutions (Secured by book debts)	73,000,000	290,000,001
	73,000,000	329,833,777
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	313,000,000	329,833,777

IFIN SECURITIES FINANCE LIMITED

(Formerly known as Narayan Sriram Investments Private Limited)

Note 5 Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease	-	-
(c) Interest accrued but not due on	1,463,836	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	1,492,082	-
(f) Statutory remittances	355,888	784,376
(g) Creditors for expenses	1,748,471	2,025,406
(h) Other liabilities	1,119,775	-
Total	6,180,052	2,809,782

Note 6 Short term Provisions

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Provision for employee benefits		
Salary & Reimbursements:	-	-
Contribution to PF and Statutory funds	-	-
Leave Encashment (funded)	19,801	-
(b) Others		
Provision for Income tax A.Y.2013-14	-	-
Provision for Diminution in Value	-	-
Provision for Sub-standard Assets	-	23,183,079
Provision for doubtful debts	46,402,205	10,385,413
Provision for Standard Assets	1,482,723	1,697,565
Total	47,904,729	35,266,057

IFIN SECURITIES FINANCE LIMITED
(Formerly known as Narayan Sriram Investments Private Limited)
Note 7 Fixed Assets

(Amount in Rs.)

Particulars	Gross Assets			Accumulated Depreciation			Net Block		
	Balance as at 1 April 2014	Addition	Deletion	Balance as at 31st March 2015	Balance as at 1 April 2014	Depreciation charge for the Period	Balance as at 31st March 2015	Balance as at 31st March 2015	Balance as at 31st March 2014
Office Equipment	46,695	-	-	46,695	5,712	6,495	12,207	34,488	40,983
Total	46,695	-	-	46,695	5,712	6,495	12,207	34,488	40,983
Previous year	-	46,695	-	46,695	-	5,712	5,712	40,983	-

IFIN SECURITIES FINANCE LIMITED

(Formerly known as Narayan Sriram Investments Private Limited)

(Amount in Rs.)

Note 8 Long term Loans and advances

Particulars	As at 31st March 2015		As at 31st March 2014	
d. Other loans and advances				
Secured, considered good	311,382,894		44,361,210	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful loans and advances	-		-	
		311,382,894		44,361,210
		311,382,894		44,361,210

Note 9 Current Investments

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Investment in Equity instruments	365,424	8,359,667
(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	-	-
Total (A)	365,424	8,359,667
Less : Provision for diminution in the value of Investments	63,485	1,460,663
Total	301,939	6,899,004

Particulars	As at 31st March 2015	As at 31st March 2014
Aggregate amount of quoted investments	301,939	6,899,004
Aggregate amount of unquoted investments	-	-

IFIN SECURITIES FINANCE LIMITED
(Formerly known as Narayan Sriram Investments Private Limited)
Note 10 Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31st March 2015		As at 31st March 2014	
a. Balances with banks				
This includes:				
Earmarked Balances (eg/- unpaid dividend accounts)	-		-	
In Current Accounts with Schedule Banks	2,913,808		5,276,851	
Margin money	-		-	
Security against borrowings	-		-	
Guarantees	-		-	
Other Commitments	-		-	
Bank deposits with more than 12 months maturity		2,913,808		5,276,851
b. Cheques, drafts on hand		971		251
c. Cash on hand				
Total		2,914,779		5,277,102

IFIN SECURITIES FINANCE LIMITED

(Formerly known as Narayan Sriram Investments Private Limited)

Note 11 Short-term Loans and Advances

(Amount in Rs.)

Particulars	As at 31st March 2015		As at 31st March 2014	
a. Loans and advances				
Advances to Related parties	-		-	
Loan to Related parties	-		-	
b. Others				
Other Loans & Advances to clients	-		-	
Secured, considered good	284,117,300		645,222,682	
Unsecured, considered good			-	
Doubtful	113,657,576		-	
		397,774,876		645,222,682
Sundry debtors				
Balances with Govt Authorities	1,770,830		702,707	
Advance tax(Net of provisions)	(5,431,032)	(3,660,202)	(3,849,570)	(3,146,863)
		394,114,674		642,075,819
Total		394,114,674		642,075,819

IFIN SECURITIES FINANCE LIMITED**(Formerly known as Narayan Sriram Investments Private Limited)****Note 12 Revenue from Operations****(Amount in Rs.)**

Particulars	For the Year ended 31st March 2015	For the year ended 31st March 2014
Operating revenue:		
Interest Receipt from Loans	91,987,379	84,341,949
Processing Fees	4,225,000	4,817,500
On investment Operations:		
Dividend income	86,390	258,845
Total	96,298,769	89,418,294

Note 13 Other Income**(Amount in Rs.)**

Particulars	For the Year ended 31st March 2015	For the year ended 31st March 2014
Profit on Sale of Securities	2,482,408	464,918
Miscellaneous Income	91,203	8,940
Provision for Diminution of Securities Written back	-	-
Total	2,573,611	473,858

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IFIN SECURITIES FINANCE LIMITED
Note 14 Employee Benefits expense

(Amount in Rs.)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Salaries and incentives	3,568,412	4,054,847
Contributions to Provident fund	87,414	251,604
Total	3,655,826	4,306,451

Note 15 Reimbursement of expenses

To the Holding Company - IFCI Financial Services Limited

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Rent	1,720,000	1,720,335
Tour, travel & Conveyance	3,400,000	3,400,000
Telephone expenses	494,256	494,256
Office Maintenance	461,340	460,000
Electricity Charges	556,740	556,740
Professional and Consultancy Charges	3,367,664	3,367,664
Total	10,000,000	9,998,995

Note 16 Other Expenses

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Professional And Consultancy Charges	354,245	120,785
Office Maintenance	1,307,533	1,140,763
Tour, travel & Conveyance	76,938	151,854
Rates And Taxes	40,695	535,899
Audit Fees	295,000	285,000
Other Expenses	1,220,480	358,784
Total	3,294,891	2,593,085

Note 17 Provision for Bad & Doubtful debts

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Reversal of Diminution in the value of shares (Net)	(1,397,178)	(2,871,295)
Provision for Standard Assets as per Regulatory requirement	(214,842)	(15,166)
Provison for Substandard Assets	23,218,944	23,183,079
Provison for doubtful debts and advances	(10,385,413)	5,551,439
Total	11,221,511	25,848,057

IFIN Securities Finance Limited
(Formerly known as Narayan Sriram Investments Private Limited)

Note: 1

A. Significant Accounting Policies:

I. Method of Accounting:

The financial accounts have been prepared on accrual basis in accordance with Generally Accepted Accounting Principles in compliance with all material aspects which encompasses applicable Accounting Standards notified under section 133 of the Companies Act, 2013.

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 on 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 Loans and deposits are accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.

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 is recognized when the shareholder's right to receive payment is established.

IV. Fixed Assets and Depreciation:

- Fixed assets are stated at historical cost less accumulated depreciation. Depreciation on the fixed assets is provided on the written down value method in the manner prescribed under Schedule II of the Companies Act, 2013.
- Intangible Assets:
Intangible assets are recognized if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are

charged to the profit and loss account. In case of any computer software, the same is identified as Intangible assets and will be amortized at the rate 40% following WDV method.

V. Impairment of Assets:

- An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the period/year in which the said asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

VI. 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.

VII. Provisioning/Write-off of assets:

Non performing 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.

VIII. 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.

IX. Employee benefits:

(a) Defined contribution plan:

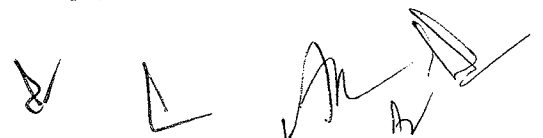
The Company's Provident Fund Scheme and other statutory funds are defined contribution plan and company's contribution paid/payable is recognized as expense in Profit & Loss account during the period in which the employee renders the related service.

(b) Defined benefit plan:

The Company's obligation towards Gratuity is a defined benefit plan and is being regulated as per provision of Gratuity Act, 1972. Gratuity obligation if any is determined based on Actuarial Valuation.

- **Compensated Absence-Leave Salary**

The policy provides for that an employee is entitled to 24 days of earned leave per year and maximum of 15 days leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary calculated on the basic pay along with January month salary



of the immediate next calendar year. The expenses on account thus arising are recognized in the profit and loss account.

X. 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 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.

XI. Provision , Contingent Liabilities and Contingent Assets:

Provisions are recognized when there is a present obligation as a result of past event and it is probable that there will be outflow of resources.

Contingent liabilities are disclosed without making a provision in books when there is an obligation that may, but probably will not require outflow of resources.

Contingent assets are not recognized/ disclosed in the financial statements.

B. Notes forming part of the Accounts

I. Nature of business:

The company is primarily engaged in the business of margin funding, providing loan against shares & property, promoter funding etc.

- II. The name of the company was changed to IFIN Securities Finance Limited vide Certificate of Registration dated 26th August 2013 from erstwhile name of Narayanan Sriram Investments Private Limited.

III. Loans Borrowed:

Loans Borrowed as on 31st March 2015 amounted to Rs.31,30,00,000 and the details of security offered thereon are as under :

(Amount in Rs.)

Loan Availed from	Loan Amount	Security
Aditya Birla Finance ltd	7,30,00,000	Secured by comfort letter from IFCI Limited
IFCI Ltd	24,00,00,000	Secured by book debts

IV. Contingent liabilities: Nil (Previous year – Nil)

V. Managerial Remuneration:

(Amount in Rs.)

Particulars	2014-15	2013-14
To Whole Time Director		
(a) Salary and Allowances	20,53,590	27,50,184
(b) Contribution to PF and other funds	1,53,620	1,57,080
Total	22,07,210	29,07,264

VI. Provision for Doubtful Debts:

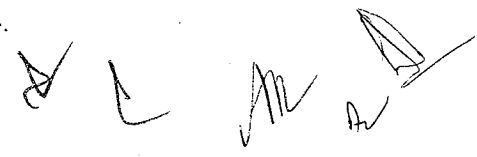
- (a) Loans and advances include Non Performing Assets (NPA) amounting to Rs.1136.58 Lakhs pertaining to a group of three parties as of 31st March, 2015 for which no interest income was recognized during the period April to March 2015. The Company has initiated legal action such as filing criminal complaint and winding up petition for recovery of the dues. As per the recent RBI Circular No.DBR.No.BP.BC.83/21.04.048/2014-15 dt. 01.04.2015, provision at the rate of 25% per quarter of the outstanding opening balance as on 01.04.2014 commencing from quarter ending 31.3.2015 was made for the suspected frauds detected during quarter ended 31.3.2015.

VII. Auditors Remuneration (Excluding Service Tax):

Nature of Service	2014-15	2013-14
Statutory Audit Fee	2,00,000	2,00,000
For quarterly reporting and Consolidating financial statements	75,000	60,000
Tax Audit	20,000	25,000
Total	2,95,000	2,85,000

VIII. Employee Benefits:

- (a) The Company is making contribution to Provident fund which is a defined contribution plan and the amount charged to Profit & Loss account is Rs.87,414
- (b) The provisions of the Gratuity Act, 1972 are not applicable to the Company during the current financial year.
- (c) Leave encashment as per policy allowed by the Company during the financial year and the amount charged to Profit & Loss account is Rs.5,916/-.



IX. 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 31-03-2015	As on 31-03-2014
Net Profit for the year available for the equity share holders (Before extra-ordinary Item)	86,24,373	16,11,153
Nominal value per equity share	100	100
Weighted Average No. of outstanding equity shares during the year – Basic & Diluted.	30,01,000	30,01,000
Basic & Diluted Earnings per Share (Before extra-ordinary Item)	2.87	0.54
Net Profit for the year available for the equity share holders (After extra-ordinary Item)	30,01,000	30,01,000
Basic & Diluted Earnings per Share (After extra-ordinary Item)	2.87	0.54

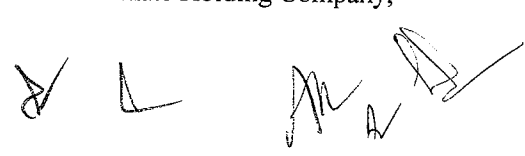
X. Current and Deferred Taxation:

- (a) The Company has provided towards taxation Rs.1,02,03,622 (Previous year Rs. 1,38,96,046) as per provisions of the Income Tax Act, 1961.

XI. Related Party Disclosure as per AS 18:

- (a) Ultimate Holding Company : IFCI Limited
- (b) Holding Company : IFCI Financial Services Ltd
- (c) Fellow Subsidiaries : a) IFIN Commodities Limited
b) IFIN Credit Limited
c) IFCI Factors Limited
d) IFCI Venture Capital Funds Limited
e) IFCI Infrastructure Development Ltd
f) MPCON Limited
g) Stock Holding Corporation of India Limited

Note: Fellow Subsidiaries (c) to (g) given above are subsidiaries of ultimate Holding Company, IFCI Limited.



(d) **Key Management Personnel and relatives of such personnel:**

Mr. A.Ramachandran : COO & Whole Time Director

Relatives of Key Management Personnel : Nil

(e) **Transaction with Related Parties:**

(Amount in Rs.)

Sr. No.	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	
		2014-15	2013-14	2014-15	2013-14
1	Managerial Remuneration	-	-	22,07,210	29,07,264
2	Loan Disbursed to IFCI Finanical Services Ltd	4,62,00,000	17,10,00,000	-	-
3	Loan Repaid by IFCI Finanical Services Ltd	4,62,00,000	17,10,00,000	-	-
4	Interest received from IFCI Finanical Services Ltd	64,466	4,65,176	-	-
5	Interest Paid to IFIN Credit ltd	-	-	-	-
6	Expense reimbursed to IFCI Finanical Services Ltd	1,00,00,000	99,98,995	-	-
7	Loan Aailed from IFCI Ltd	25,00,00,000	-	-	-
8	Loan Repaid to IFCI Ltd	1,00,00,000	-	-	-
9	Interest paid to IFCI Ltd	1,48,53,747	-	-	-
10	Interest payable to IFCI Ltd	14,63,836	-	-	-
11	Loan Aailed from IFCI venture Capital Ltd	4,00,00,000	26,20,00,000	-	-
12	Loan Repaid to IFCI Venture Capital Ltd	4,00,00,000	22,20,00,000	-	-
13	Interest paid to IFCI Venture Capital Ltd	7,67,122	2,00,49,548	-	-

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14	Loan Availed from IFCI Factors Ltd	-	10,00,00,000	-	-
15	Loan Repaid to IFCI Factors Ltd	-	10,00,00,000	-	-
16	Interest paid to IFCI Factors Ltd	-	26,63,013	-	-
17	Amount due from IFCI Finanical Services Ltd		22,95,117	-	-
18	Amount due to IFCI Venture Capital Ltd	-	3,98,33,776	-	-

XII. Foreign Exchange Inflow and Outflow

During the year, the company has spent a sum of Rs.NIL. (Previous year-NIL) in foreign exchange, towards travelling and conveyance. There is no foreign exchange income during the year .

XIII. As per the information and explanation given to us, the Company does not deal with vendors covered under Micro, Small & Medium Enterprises Development Act, 2006. Hence compliance and reporting in this regard does not arise.

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

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

The additional disclosures as required under RBI guidelines are given below

Particulars		(Rs.in Lakhs)			
Liabilities side :					
		2014-15		2013-14	
Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a) Debentures : Secured		-	-	-	-
: Unsecured		-	-	-	-
(other than falling within the meaning of public deposits*)		-	-	-	-
(b) Deferred Credits		-	-	-	-
(c) Term Loans		2,400.00	-	-	-
(d) Inter-corporate loans and borrowing		-	-	-	-
(e) Commercial Paper		-	-	-	-
(f) Other Loans (specify nature)		-	-	-	-
Short term loans from Financial Institutions		730.00	-	3,298.34	-
* Please see Note 1 at the end		-	-	-	-
		-	-	-	-





	Particulars	(Rs.in Lakhs)	
		2014-15	2013-14
	Assets side :		-
		Amount outstanding	Amount outstanding
	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	5,955.00	6,895.83
	(b) Unsecured	1,136.58	-
	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	4 Break-up of Investments :		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	3.02	68.99
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	Long Term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-


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5	Borrower group-wise classification of assets financed as in (2) and (3) above :						
	Please see Note 2 at the end						
	Particulars						(Rs.in Lakhs)
		2014-15			2013-14		
		Amount net of provisions			Amount net of provisions		
	Category	Secured	Unsecured	Total	Secured	Unsecured	Total
	1. Related Parties **	-	-	-	-	-	-
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
	2. Other than related parties	5,940.17	672.56		6,543.17	-	6,543.17
	Total	5,940.17	672.56	-	6,543.17	-	6,543.17

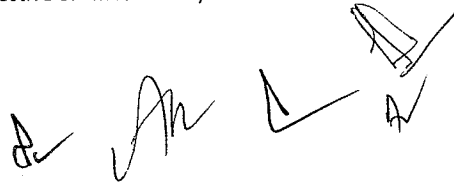


	Particulars	(Rs.in Lakhs)			
		2014-15		2013-14	
6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
	Please see note 3 at the end				
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties	3.02	3.02	68.99	68.99
	Total	3.02	3.65	68.99	68.99
	** As per Accounting Standard of ICAI (Please see Note 3)				
7	Other information				
	Particulars	Amount		Amount	
(i)	Gross Non-Performing Assets				
	(a) Related parties		-		-
	(b) Other than related parties		1,160.59		1,297.40
(ii)	Net Non-Performing Assets				
	(a) Related parties		-		-
	(b) Other than related parties		696.57		961.72
(iii)	Assets acquired in satisfaction of debt		-		

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Notes:

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.
However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

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