

R.G.N.PRICE & CO.
CHARTERED ACCOUNTANTS

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Simpson's Buildings,
Post Box No.335
861, Anna Salai,
CHENNAI - 600 002.

Independent Auditor's Report

**To the Members of
IFIN Credit Limited**

Report on the Financial Statements

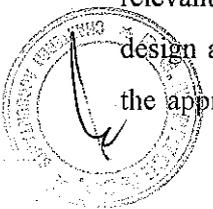
We have audited the accompanying financial statements of IFIN Credit Limited which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates



made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statement give the information required by the Companies Act, 1956, in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of 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, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph I above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

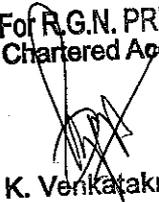


- e. On the basis of the written representations received from the Directors, as on 31st March 2014 and taken on record by the Board of Directors, we report that none of the Director is disqualified from being appointed as a Director of the company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 on the said date.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: Chennai

Date: 11th April 2014

For R.G.N. PRICE & CO.
Chartered Accountants


K. Venkatakrisnan
Partner
M. No. 208591
FR No. 002785S

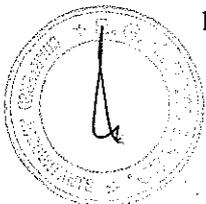
IFIN Credit Limited

Annexure referred to in paragraph 1 of our report of even date

- I a. The Company has not maintained details of Fixed Assets register showing particulars of location and quantity of those Assets.
- b. During the year physical verification of Fixed Assets has not been carried out by the Company and therefore we were unable to comment on the same.
- c. During the year there was no sale / disposal of fixed assets.
- II The Company is in the business of extending credit facilities to customers and therefore does not deal with Inventories.
- III There are no parties covered under section 301, therefore clauses (a) to (g) 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 and rendering of Services. During the course of our audit, we have not observed any major weaknesses in internal controls system.
- V There are no parties covered under section 301, therefore clauses (a) and (b) are not applicable.
- VI The Company has not accepted any deposit from the public.
- VII The Company does not have an internal audit system.
- VIII The Central Government of India has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for any of the services rendered by the Company.
- IX a. The company is regular in depositing undisputed statutory dues including Income-tax, Service Tax, cess and any other statutory dues with the appropriate authorities. As there are no employees in this company, the provisions of Provident Fund and Employee State Insurance are not applicable. There are no arrears of undisputed outstanding statutory dues as of 31st March 2014 for a period of more than six months from the date they became payable with exception of the following.

Name of Statue	Forum before which the case is pending	Assessment year	Amount (in Rs)
Income Tax	Demand under 143(1) order dated 17-01-2012	2011-12	12630 (inclusive of Interest Rs.1640)

- b. According to the information and explanations given to us, there are no disputed amounts that remain unpaid that were in arrears as on 31st March 2014 for period of six months from the date they become payable in respect of Income Tax, Cess and Service tax and other statutory dues.



- X The company has accumulated loss which does not exceed 50% of its net worth. The company has not incurred cash loss during this financial year and in the immediately preceding financial year.
- XI The company has not availed loans from banks.
- XII The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII The provisions of special statute applicable to chit funds / nidhi / mutual benefit funds / society do not apply to this company.
- XIV The company is not dealing or trading in shares, securities, debentures and other investments and hence reporting in this regard does not arise.
- XV The company has not given any guarantee for loans taken by others from bank or financial institutions.
- XVI The company has not availed term loans from banks and financial institutions and hence this clause is not applicable.
- XVII According to the information and explanation given to us and on an overall review of utilization of funds, we observed that no short term funds have been used for long term investments.
- XVIII During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- XIX During the year, the company has not issued debentures.
- XX During the year the company has not raised any money by way of public issue and hence this clause is not applicable.
- XXI According to the information and explanations given to us and based on our audit procedures performed, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Chennai

Date: 11th April 2014

For R.G.N. PRICE & CO.
Chartered Accountants


K. Venkatakrishnan
Partner
M. No. 208591
FR No. 002705G

IFIN CREDIT LIMITED
Balance Sheet as at 31st March 2014

(Amount in Rs.)

Particulars		Note No.	As at 31 Mar 2014	As at 31 Mar 2013
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	25,000,000	25,000,000
	(b) Reserves and surplus	3	(4,271,102)	(4,702,616)
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings		-	-
4	Current liabilities			
	(a) Other current liabilities	4	1,863,631	2,535,514
	TOTAL		22,592,529	22,832,898
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	5	75,353	91,733
	(b) Non-current investments		-	-
	(c) Deferred tax assets (net)		126,041	-
	(d) Long-term loans and advances	6	350,000	368,356
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Trade receivables	7	-	4,630
	(b) Cash and cash equivalents	8	19,806,183	21,353,017
	(c) Short-term loans and advances	9	2,234,952	1,015,162
	(d) Other current assets		-	-
	TOTAL		22,592,529	22,832,898

The Notes 1 to 9 form an integral part of Balance sheet

This is the Balance Sheet as at 31st March 2014 as per our Report of even date

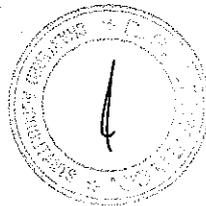
FOR R.S.N. PRICE & CO.
Chartered Accountants

K. Venkatakrisnan
Partner

M. No. 208591
FR No. 002785S

Place : Chennai

Date : 11th April 2014



**FOR AND ON BEHALF OF THE BOARD OF
IFIN CREDIT LIMITED**

R. GOVINDARAJAN
DIRECTOR

O. RAMESH BABU
DIRECTOR

IFIN CREDIT LIMITED
Statement of Profit and loss for the year ended 31st March 2014

(Amount in Rs.)

Particulars	Note No.	For the year ended 31 March 2014	For the year ended 31 March 2013
I. Revenue from operations	10	1,557,946	2,115,621
II. Other income	11	351,116	-
III. Total Revenue (I + II)		1,909,062	2,115,621
IV. Expenses:			
Cost of materials consumed			
Purchases of Stock-in-Trade			
Reimbursement of expenses	12	1,440,000	1,800,000
Depreciation and amortization expense		16,380	20,273
Other expenses	13	75,109	58,168
Total expenses		1,531,489	1,878,441
V. Profit before exceptional and extraordinary items and tax (III-IV)		377,573	237,180
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		377,573	237,180
VIII. Extraordinary Items			
Provision for Doubtful Debts and Advances		-	-
IX. Profit before tax (VII- VIII)		377,573	237,180
X Tax expense:			
Provision for Taxation			
- Current Tax		77,232	-
- Current Tax - MAT provided		-	-
- Current Tax - MAT Credit Entitlement		(5,132)	-
- Income Tax for Earlier Year		-	-
- Deferred Tax Charge (Asset)		(126,041)	-
Total		(53,941)	-
XI Profit (Loss) for the period (IX-X)		431,514	237,180
XII Earnings per equity share:			
(1) Basic		0.17	0.09
(2) Diluted		0.17	0.09

The Notes 1 & 10 to 13 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 R.G.N. PRICE & CO.
Chartered Accountants

K. Venkatakrishnan
Partner
M. No. 208591
FR No. 002785S

Place : Chennai
Date : 11th April 2014



FOR AND ON BEHALF OF THE BOARD OF
IFIN CREDIT LIMITED

R. GOVINDARAJAN
DIRECTOR

O. RAMESH BABU
DIRECTOR

IFIN CREDIT LIMITED

CASH FLOW STATEMENT AS ON 31ST MARCH 2014

(Amount in Rs.)

	Particulars		YEAR ENDED 31.03.2014		YEAR ENDED 31.03.2013
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before tax as per P&L a/c		377573		233,069
	Adjustments for:				
	Depreciation / Amortisation on Fixed Assets		16380		20,273
	Operating Profit before Working Capital Changes		393,953		253,342
	Adjustments for:				
	(Increase) / Decrease in Trade Receivables	4,630		(4,630)	
	(Increase) / Decrease in Loans & Advances	(1,148,531)		20,498,315	
	Increase / (Decrease) in Current Liabilities	(749,116)		(437,737)	
	Increase / (Decrease) in Provisions	-		-	
			(1,893,017)		20,055,948
	Cash Generated from Operation before tax		(1,499,064)		20,309,290
	Direct taxes paid		52,903		
	Net cash from Operating Activities		(1,551,967)		20,309,290
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets	-		-	
	(Increase) / Decrease in Fixed Deposits	-		-	
	Interest Received	-		-	
	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)		(1,551,967)		20,309,290
	Opening Cash and Cash Equivalent		21,353,018		1,043,728
	Closing Cash and Cash Equivalent		19,806,183		21,353,018
	Increase / Decrease in Cash & Cash Equivalent		1,551,967		(20,309,290)

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.

**FOR AND ON BEHALF OF THE BOARD OF
IFIN CREDIT LIMITED**



[Signature]
**R. GOVINDARAJAN
DIRECTOR**

[Signature]
**O.RAMESH BABU
DIRECTOR**

Place : Chennai
Date : 11th April 2014

**For R.G.N. PRICE & CO.
Chartered Accountants**

[Signature]
**K. Venkatakrisnan
Partner
M. No. 208591
FR No. 002785S**

IFIN CREDIT LIMITED
Note 2 Share Capital

(Amount in Rs.)

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10/- each	3,500,000	35,000,000	3,500,000	35,000,000
Total	3,500,000	35,000,000	3,500,000	35,000,000
Issued				
Equity Shares of Rs.10/- each	2,500,000	25,000,000	2,500,000	25,000,000
Subscribed & Paid up				
Equity Shares of Rs.10/- each	2,500,000	25,000,000	2,500,000	25,000,000
Total	2,500,000	25,000,000	2,500,000	25,000,000

Particulars	Equity Shares		Preference Shares	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	2,500,000	25,000,000	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,500,000	25,000,000	-	-

2500000 Equity Shares (Previous year - 2500000 equity shares) are held by IFCI Financial Services Limited, the holding company and its nominees.

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Financial Services Limited and nominees	2,500,000	100	2,500,000	100

IFIN CREDIT LIMITED
Note 3 Reserves and Surplus

(Amount in Rs.)

Particulars	As at 31 March 2014	As at 31 March 2013
a. Capital Reserves		
Opening Balance		
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-
b. Capital Redemption Reserve		
Opening Balance		
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	-	-
c. Securities Premium Account		
Opening Balance	-	-
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons		
For Issuing Bonus Shares	-	-
Closing Balance	-	-
d. Debenture Redemption Reserve		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
e. Revaluation Reserve		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
f. Share Options Outstanding Account		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
g. Other Reserves (Specify the nature and purpose of each reserve)		
Statutory Reserve		
i) Amalgamation Reserve:		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
ii) General Reserve:		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
h. Surplus:		
Opening balance	(4,702,616)	(4,939,796)
(+) Net Profit/(Net Loss) For the current year	431,514	237,180
(+) Transfer from Reserves	-	-
Closing Balance	(4,271,102)	(4,702,616)
Total	(4,271,102)	(4,702,616)

IFIN CREDIT LIMITED**Note 4 Other Current Liabilities****(Amount in Rs.)**

Particulars	As at 31 March 2014	As at 31 March 2013
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid dividends	-	-
(g) Application money received for allotment of securities and due for refund #	-	-
(h) Unpaid matured deposits and interest accrued	-	-
(i) Unpaid matured debentures and interest accrued	-	-
(j) Other payables	142,619	314,781
Creditors for expenses	1,721,012	1,851,262
Other liabilities	-	369,471
Total	1,863,631	2,535,514



IFIN CREDIT LIMITED
Note 5 Fixed Assets

(Amount in Rs.)

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 1 April 2013	Additions/ (Disposals)	Balance as at 31 March 2014	Balance as at 1 April 2013	Depreciation charge for the year	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
a									
Tangible Assets									
Furniture and Fixtures	717,714	-	717,714	631,325	15,636	-	646,961	70,753	86,389
Office equipment	23,680	-	23,680	18,336	743	-	19,079	4,601	5,344
Total	741,394	-	741,394	649,661	16,380	-	666,041	75,353	91,733
b									
Intangible Assets									
Computer software	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
c									
Capital Work In Progress									
Total	-	-	-	-	-	-	-	-	-
d									
Intangible assets under Development									
Total	741,394	-	741,394	649,661	16,380	-	666,041	75,353	91,733
e									
Previous year	741,394	-	741,394	629,388	20,273	-	649,661	91,733	112,006

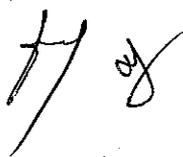
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IFIN CREDIT LIMITED**Note 6 - Long term Loans and advances****(Amount in Rs.)**

Particulars	As at 31 March 2014		As at 31 March 2013	
a. Capital Advances				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful advances	-		-	
	-		-	
b. Security Deposits				
Secured, considered good	350,000		368,356	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful deposits	-		-	
		350,000		368,356
c. Loans and advances to related parties				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful loans and advances	-		-	
		-		-
d. Other loans and advances (specify nature)				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
		-		-
Total		350,000		368,356

IFIN CREDIT LTD**Note 7 Trade Receivables****(Amount in Rs.)**

Particulars	As at 31 March 2014	As at 31 March 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	3,527
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	-	3,527
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	1,103
Less: Provision for doubtful debts	-	-
	-	1,103
Total		4,630



IFIN CREDIT LIMITED
Note 8 Cash and Cash equivalents

(Amount in Rs.)

Particulars	As at 31 March 2014		As at 31 March 2013	
a. Balances with banks				
This includes:				
Earmarked Balances (eg/- unpaid dividend accounts)				
In Current Accounts with Schedule Banks	86,183		1,353,017	
Margin money	-	-	-	-
Security against borrowings	-	-	-	-
Guarantees	-	-	-	-
Other Commitments	-	-	-	-
Bank deposits with less than 12 months maturity	19,720,000	19,806,183	20,000,000	21,353,017
b. Cheques, drafts on hand				
c. Cash on hand				
Total		19,806,183		21,353,017

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IFIN CREDIT LTD

Note 9 Short-term Loans and advances

(Amount in Rs.)

	As at 31 March 2014		As at 31 March 2013	
a. Loans and advances to related parties				
Secured, considered good	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful loans and advances	-		-	
b. Others				
Other Loans & Advances				
Sundry Deposits	-		-	
Prepaid Expenses	-		-	
Balance with govt authorities	-		-	
Taxes deducted at source	394,482		-	
Secured, considered good	545,921		736,737	
Unsecured, considered good	1,294,549		278,425	
Doubtful	-		-	
Less: Provision	-		-	
		2,234,952		1,015,162
Total		2,234,952		1,015,162

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IFIN CREDIT LIMITED
Note 10 Revenue from Operations

Particulars	(Amount in Rs.)	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest Receipt from Fixed deposit	1,557,946	1,901,937
Syndication Fees	-	213,684
Total	1,557,946	2,115,621

Note 11 Other Income

Particulars	(Amount in Rs.)	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Miscellaneous Income	351,116	-
Total	351,116	-

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IFIN CREDIT LIMITED**Note 12 Reimbursement of expenses****To the Holding Company - IFCI Financial Services Limited****(Amount in Rs.)**

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Manpower	1,080,000	1,440,000
Rent	360,000	360,000
Total	1,440,000	1,800,000

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

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Advertisement expenses	3,000	-
Professional And Consultancy Charges	20,500	37,640
Bank charges	-	28
Rates And Taxes	14,109	10,500
Audit Fees	37,500	10,000
Total	75,109	58,168



IFIN CREDIT 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 in all material aspects, in accordance with applicable Accounting Standards notified under section 211(3C) of the Companies Act, 1956.

II. Use of Estimates:

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

III. Revenue Recognition:

Interest Income

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

IV. Fixed Assets and Depreciation:

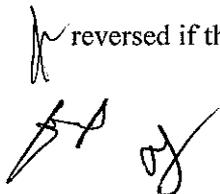
- Fixed assets are stated at historical cost less accumulated depreciation.
- Intangible Assets:

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.

- Depreciation on the fixed assets is provided on the written down value method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

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. Taxation:

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

VII. 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 financial statements.

B. Notes forming part of the Accounts

I. Nature of business:

The company is engaged primarily in the business of extending credit facilities to customers and in investing activities.

II. The holding company IFICI Financial Services Limited in its Board meeting held on 11th November 2013 has passed a resolution and approved for merger of its subsidiary IFIN Credit limited with another subsidiary IFIN Commodities Limited as part of its strategies towards business consolidation. Accordingly the company in its Board meeting dated 23rd January 2014 has approved the merger with IFIN Commodities Limited. The requirements relating to merger under process. The above proposal is subject to the approval of shareholders of the company and applicable authorities.

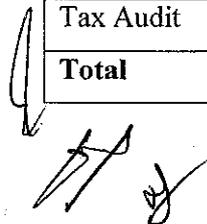
III. **Contingent liabilities:** Nil (Previous year – Nil)

IV. **Managerial Remuneration:** NIL

V. **Auditors Remuneration (Excluding Service Tax):**

(Amount in Rs.)

Nature of Service	2013-14	2012-13
Statutory Audit Fee	27,500	10,000
For quarterly reporting and Consolidating financial statements	10,000	-
Tax Audit	-	-
Total	37,500	10,000



VI. Employee Benefits:

The Company does not have any regular employee on its payroll. However, the Company has been using the services of a few employees of its holding company, IFCI Financial Services Limited on a cost sharing basis and the same is accounted as reimbursement of expenses (Note 12).

VII. 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:

(Amount in Rs.)

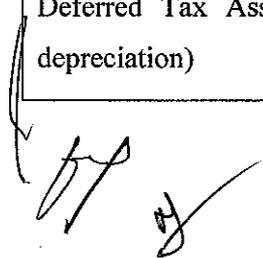
Particulars	As on 31-03-2014	As on 31-03-2013
Net Profit for the year available for the equity share holders (Before extra-ordinary Item)	4,31,514	2,37,180
Nominal value per equity share	10	10
Weighted Average No. of outstanding equity shares during the year – Basic & Diluted.	25,00,000	25,00,000
Basic & Diluted Earnings Per Share (Before & After extra-ordinary Item)	0.17	0.09

VIII. Current and Deferred Taxation:

- (a) Provision for current tax has been made as per provisions of Income Tax Act, 1961.
- (b) During the year the tax effect on timing difference has resulted in Deferred Tax Asset and the same has been duly accounted for as under.

(Amount in Rs.)

Deferred Tax assets/liability	As on 31-03-2014	As on 31-03-2013
Deferred Tax Asset - Fixed Assets (Accumulated depreciation)	1,26,041	-



IX. Related Party Disclosure as per AS 18:

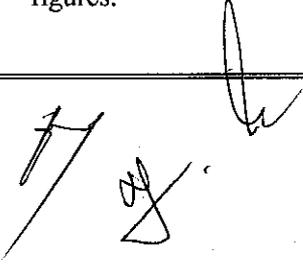
- (a) Ultimate Holding Company : IFCI Limited
 (b) Holding Company : IFCI Financial Services Limited
 (c) Fellow Subsidiary : IFIN Commodities Limited
 IFIN Securities Finance Limited
 (d) Key Management Personnel : Nil

(e) Transaction with Related Parties:

(Amount in Rs.)

S.No	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	
		2013-14	2012-13	2013-14	2012-13
1.	Loan Disbused to IFIN Securities Finance Ltd (Formerly known as Narayan Sriram Investment pvt ltd)	-	-	-	-
2	Loan repaid by IFIN Securities Finance Ltd (Formerly known as Narayan Sriram Investment pvt ltd)	-	1,90,00,000	-	-
3.	Expense reimbursed to IFCI Financial Services Ltd	14,40,000	18,00,000	-	-
5.	Interest Received from IFIN Securities Finance Ltd (Formerly known as Narayan Sriram Investment pvt ltd)	-	16,78,986	-	-
6.	Loan disbursed to IFIN Commodities Ltd	-	2,00,00,000	-	-
8.	Loan Repaid by IFIN Commodities Ltd	-	2,00,00,000	-	-
9.	Interest from IFIN Commodities Ltd	-	2,22,951	-	-
10.	Amount payable to IFCI Financial Services Ltd	16,76,232	-	-	-

- X. As per the information and explanation given to us, the company does not have dealings with vendors covered under Micro, Small and Medium Enterprises Development Act, 2006 during the year.
- XI. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.
- XII. Figures have been rounded off to the nearest Rupee. Figures in bracket represent previous year's figures.

Handwritten signatures and initials are present below the horizontal line. There are three distinct marks: a large, stylized signature on the left, a smaller signature in the middle, and a vertical signature on the right.