

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

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Offices at : Mumbai, Ernakulam, Quilon, Calicut,
Bangalore, New Delhi
Ref. No. :

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

Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008


The Reserve Bank of India vide its Notification No. DNBS (PD) 201/DG (VL)/2008 dated September 18, 2008 had issued directions to the auditors of Non-Banking Financial Companies not accepting deposits from public to report on matters specified therein. Accordingly we report in relation to **M/S IFIN Securities Finance Limited**, a Non Banking Finance Company audited by us on the specified requirements for the financial year ended 31st March, 2014 as under

1. The company is engaged in the business of Non-Banking Financial Institution and had obtained Certificate of Registration (CoR) No B-7-00672 dated 8th October, 2013 (in lieu of CoR No-B-7-00672 dated 10th January, 2002) from Reserve Bank of India
2. We hereby confirm that asset/income pattern of the company was more than 50% of its total assets/income for the financial year ended 31st March, 2014.
3. As per records the Board of Directors had passed a resolution during the year for non-acceptance of any public deposits
4. The company has not accepted any public deposits during the financial year ended 31st March, 2014
5. The company has complied with the prudential norms relating to income Recognition, Accounting Standards, Asset Classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Place: Chennai

Date: 11th April 2014

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


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

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Independent Auditor's Report

To the Members of

IFIN Securities Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of IFIN Securities Finance 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 statements 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 Securities Finance Limited

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

- I a. The Company has 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 been carried out by the Company and we noticed that there were no variation between physical and book quantities
c. There was no sale/disposal of Fixed Assets during the year.
- II The inventories (securities) which are held in dematerialized form have been verified by the management. The procedures of verification of inventories (securities) followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory (securities).
- 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, 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 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 with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Cess and other statutory dues applicable to it. There are no arrears of undisputed amount outstanding statutory dues as at 31st March 2014 for a period of more than six months from the date they became payable.
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 Customs Duty, Service tax, Cess and other statutory dues.
- X The company has no accumulated losses .The company has also not incurred cash losses during this financial year and in the immediately preceding financial year.
- XI The company has not availed loans from banks.
- XII The company has granted loans and advances on the basis of security by way of pledge of shares, and other securities. According to the information and explanations given to us and based on the documents as well as records produced to us, adequate documents and records are maintained in cases where loans and advances have been granted on the basis of security by way of pledge of shares and other securities.
- XIII The provisions of special statue applicable to chit funds / nidhi / mutual benefit funds / society do not apply to this company.




- XIV The company is dealing or trading in shares, securities, and other investments. Based on our examination and according to the explanations provided to us by the management, we are of the opinion that the company has maintained proper records in respect of the above.
- 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. Venkateshkrishnan
Partner
M. No. 208591
FR No. 002785S

IFIN Securities Finance Limited

(Formerly known as Narayan Sriram Investments Private Limited)

Balance Sheet as at 31st March 2014

(Amount in Rs.)

Particulars		Note No.	As at 31 March 2014	As at 31 March 2013
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	300,100,000	300,100,000
	(b) Reserves and surplus	3	32,939,619	31,328,467
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities		-	-
	(d) Long-term provisions		-	-
4	Current liabilities			
	(a) Short-term borrowings	4	329,833,777	380,617,887
	(b) Other current liabilities	5	2,809,782	709,896
	(c) Short-term provisions	6	35,266,057	1,751,975
	TOTAL		700,949,235	714,508,225
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets	7		
	(i) Tangible Assets		40,983	-
	(b) Non-current investments		-	-
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	8	44,361,210	-
2	Current assets			
	(a) Current investments	9	6,899,004	13,911,250
	(b) Inventories		-	-
	(c) Trade receivables		2,295,117	-
	(d) Cash and cash equivalents	10	5,277,102	2,403,771
	(e) Short-term loans and advances	11	642,075,819	698,193,204
	(f) Other current assets		-	-
	TOTAL		700,949,235	714,508,225

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

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

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

P.N.SWAMINATHAN
WHOLE TIME DIRECTOR

RAMKUMAR SRINIVASAN
DIRECTOR

Place : Chennai
Date : 11th April 2014

ATHASI DAS K
COMPANY SECRETARY

IFIN Securities Finance Limited
(Formerly known as Narayan Sriram Investments Private 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	12	89,418,294	94,939,070
II. Other income	13	473,858	114,426
III. Total Revenue (I + II)		89,892,152	95,053,496
IV. Expenses:			
Employee benefits expenses	14	4,306,451	3,397,191
Finance costs		31,632,653	42,088,776
Depreciation and amortization expense		5,712	-
Reimbursement of expenses	15	9,998,995	-
Other expenses	16	2,593,085	5,333,708
Loss on trading in Securities		-	10,224,290
Diminution in the value of Securities held as stock in trade		-	3,926,505
Total expenses		48,536,896	64,970,470
V. Profit before NPA, Provisions and tax (III-IV)		41,355,256	30,083,026
VI. Provision for Doubtful Assets & Diminution in Stock	17	25,848,057	(14,587,895)
VII. Profit before tax (V - VI)		15,507,199	44,670,921
VIII. Tax expense:			
Provision for Taxation			
- Current Tax		13,896,046	8,725,100
- Current Tax - MAT Credit Entitlement		-	(2,510,574)
- Deferred Tax Charge (Net)		-	-
IX. Profit (Loss) for the period		1,611,153	38,456,395
X. Earnings per equity share:			
(1) Basic		0.54	17.61
(2) Diluted		0.54	17.61

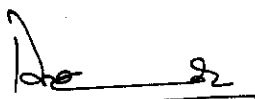
The Notes 1 & 12 to 17 form an integral part of Statement of Profit and Loss
This is the Statement of Profit and Loss referred to in our Report of even date

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

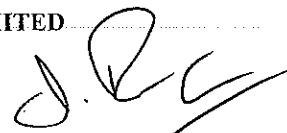
K. Venkateshkrishnan
Partner
M. No. 208591
FR No. 002785S

Place : Chennai
Date : 11th April 2014

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



P.N.SWAMINATHAN
WHOLE TIME DIRECTOR



RAMKUMAR SRINIVASAN
DIRECTOR



ATHASI DAS K
COMPANY SECRETARY

IFIN Securities Finance Limited
(Formerly known as Narayan Sriram Investments Private Limited)
CASH FLOW STATEMENT AS ON 31ST MARCH 2014

(Amount in Rs.)

	Particulars	Year ended	
		31-Mar-14	31-Mar-13
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per P&L a/c	15,507,199	44,670,921
	Adjustments for:		
	Depreciation / Amortisation on Fixed Assets	5,712	-
	Reversal of Diminution in the value of investments (NET)	-	(21,134,600)
	Diminution in the value of Securities held as stock in trade	(2,871,295)	3,926,505
	Provision for Doubtful Debts	-	6,546,705
		(2,865,583)	(10,661,390)
	Operation Profit before Working Capital Changes	12,641,616	34,009,531
	Adjustments for:		
	(Increase) / Decrease in Current Investments	9,883,541	127,970,332
	(Increase) / Decrease in Loans & Advances	60,878,508	(398,795,222)
	(Increase) / Decrease in Trade receivables	(2,295,117)	-
	(Increase) / Decrease in Non Current Assets	(44,361,210)	-
	Increase / (Decrease) in Short term Borrowings	(50,784,111)	99,560,509
	Increase / (Decrease) in Current Liabilities	1,850,001	(1,762,735)
	Increase / (Decrease) in Provisions	24,788,983	39,244
		(39,405)	(172,987,872)
	Cash Generated from Operation before tax	12,602,211	(138,978,341)
	Direct taxes paid	(9,682,184)	(3,750,000)
	Net cash from Operating Activities	2,920,027	(142,728,341)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(46,695)	-
	Repayment of Long Term Loans and Advances	-	-
	Interest Received	-	(46,695)
	Net Cash used in / raised from Investing Activities	(46,695)	-
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Paid	-	-
	Capital by the Holding company	-	140,000,000
		-	140,000,000
	Net Changes in Cash & Cash Equivalent (A+B+C)	2,873,332	(2,728,341)
	Opening Cash and Cash Equivalent	2,403,770	5,132,111
	Closing Cash and Cash Equivalent	5,277,102	2,403,770
	Increase / Decrease in Cash & Cash Equivalent	2,873,332	(2,728,341)

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 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 SECURITIES FINANCE LIMITED

P.N.SWAMINATHAN
WHOLE TIME DIRECTOR

RAMKUMAR SRINIVASAN
DIRECTOR

ATHASI DAS K
COMPANY SECRETARY

IFIN SECURITIES FINANCE LIMITED
(Formerly known as Narayan Sriram Investments Private 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.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	30,00,00,000
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		Preference shares	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	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	-	-

30,01,0000 Equity Shares (Previous year - 3001000 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	% of Holding
IFCI Financial Services Limited and nominees	3,001,000	100	3,001,000	100

Particulars	Year (Aggregate No. of Shares)			
	2013-14	2012-13	2013-14	2012-13
Equity Shares :				
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-
Shares bought back	-	-	-	-

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IFIN SECURITIES FINANCE LIMITED
(Formerly known as Narayan Sriram Investments Private 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	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. Securities Premium Account		
Opening Balance	-	-
Add : Securities premium credited on Share issue	-	-
Less : <u>Premium Utilised for various reasons</u>		
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	-	-
d. Debenture Redemption Reserve		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
e. Revaluation Reserve		
	-	-
f. Share Options Outstanding Account		
	-	-
g. Other Reserves (Specify the nature and purpose of each reserve)		
Statutory Reserve		
Opening Balance	1,188,400	1,188,400
Add: Amount transferred from surplus in the Statement of Profit and Loss	322,231	-
	1,510,631	1,188,400
i) Amalgamation Reserve:		
ii) General Reserve:		
Opening Balance	2,516,200	2,516,200
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	2,516,200	2,516,200
h. Surplus:		
Opening balance	26,922,866	(11,533,528)
(+) Net Profit/(Net Loss) For the current year	1,611,153	38,456,395
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Statutory Reserves as per Section 45 IC of RBI Act, 1934	322,231	-
Closing Balance	28,211,788	26,922,867
Total	32,939,619	31,328,467

IFIN SECURITIES FINANCE LIMITED
(Formerly known as Narayan Sriram Investments Private Limited)
Note 4 Short Term Borrowings

(Amount in Rs.)

Particulars	As at 31 March 2014	As at 31 March 2013
Secured		
(a) Loans repayable on demand	-	-
(b) Loans and advances from related parties	-	-
(c) Deposits	-	-
(d) Other loans and advances from others	-	379,585,053
	-	379,585,053
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)		
Unsecured		
(a) Loans and advances from related parties	39,833,776	-
(b) Other Loans from Financial institutions (Secured by book debts)	290,000,001	1,032,834
	329,833,777	1,032,834
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	329,833,777	380,617,887



IFIN SECURITIES FINANCE LIMITED
(Formerly known as Narayan Sriram Investments Private Limited)
Note 5 Other Current Liabilities

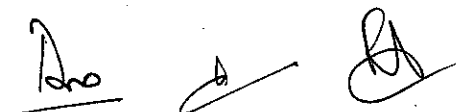
(Amount in Rs.)

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) Statutory remittances	784,377	508,466
Creditors for expenses	2,025,406	201,430
Other liabilities	-	-
Total	2,809,782	709,896

Note 6 Short term Provisions

(Amount in Rs.)

Particulars	As at 31 March 2014	As at 31 March 2013
(a) Provision for employee benefits		
Salary & Reimbursements:		
Contribution to PF and Statutory funds	-	39,244
Leave Encashment (funded)	-	-
(b) Others (Specify nature)		
Provision for Diminution in Value	-	-
Provision for Sub-standard Assets	23,183,079	-
Provision for doubtful debts	10,385,413	-
Provision for Standard Assets	1,697,565	1,712,731
Total	35,266,057	1,751,975



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

(Amount in Rs.)

Particulars	Gross Assets			Depreciation			Net Block		
	Opening as on 01.04.2013	Addition	Deletion	Closing as on 31.03.2014	Op Dep as on 01.04.2013	Dep during the year	Accumulated Dep 31.03.2014	As on 31.03.2014	As on 31.03.2013
Office Equipment	-	46,695		46,695	-	5,712	5,712	40,983	-
Total	-	46,695	-	46,695	-	5,712	5,712	40,983	-
Previous year	-	-	-	-	-	-	-	-	-

Done 

IFIN SECURITIES FINANCE LIMITED

(Formerly known as Narayan Sriram Investments Private Limited)

Note 8 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	-		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful deposits	-		-	
	-	-	-	-
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				
Secured, considered good	44,361,210		-	
Unsecured, considered good	-		-	
Doubtful	-		-	
Less: Provision for doubtful loans and advances	-		-	
		44,361,210		-
		44,361,210		-



Particulars	As at 31 March 2014	As at 31 March 2013
(a) Investment in Equity Instruments	8,359,667	18,243,208
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in Debentures or Bonds	8,359,667	18,243,208
Total (A)	1,460,663	4,331,958
Less : Provision for diminution in the value of Investments	6,899,004	13,911,250
Total		

Particulars	As at 31 March 2014	As at 31 March 2013
Aggregate amount of quoted investments (Market value)	6,899,004	13,911,250
Aggregate amount of unquoted investments		




Details of Current Investments														
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units	31.03.2014	31.03.2013	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)	2014	2013	Amount (Rs.)	31.03.2014	31.03.2013	Basis of Valuation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
(a)	Investment in Equity Instruments													
	STATE BANK OF INDIA	OTHERS	1,500		1,500	Quoted	Fully paid				3,433,812	3,433,812		at cost
	INFOSYS TECHNOLOGIES	OTHERS	-		1,000	Quoted	Fully paid				-	3,241,300		at cost
	BOB	OTHERS	1,000		1,000	Quoted	Fully paid				815,410	815,410		at cost
	SICAL LOGISTICS	OTHERS	100		100	Quoted	Fully paid				32,330	32,330		at cost
	LOYDS FINANCE	OTHERS	50		50	Quoted	Fully paid				4,913	4,913		at cost
	BHARAT FORGE	OTHERS	-		5,250	Quoted	Fully paid				-	1,308,923		at cost
	JINDAL SOUTHWEST	OTHERS	500		500	Quoted	Fully paid				269,750	269,750		at cost
	AMBIKA COTTON	OTHERS	-		1,483	Quoted	Fully paid				-	291,988		at cost
	DPTL	OTHERS	5,000		5,000	Quoted	Fully paid				585,075	585,075		at cost
	HONDA SEAL	OTHERS	500		500	Quoted	Fully paid				345,500	345,500		at cost
	KSP PUMPS	OTHERS	4,820		4,820	Quoted	Fully paid				1,097,882	1,097,882		at cost
	MT EDUCARE	OTHERS	2,000		2,000	Quoted	Fully paid				253,980	253,980		at cost
	ORIENTAL PAPER	OTHERS	5,000		5,000	Quoted	Fully paid				391,350	391,350		at cost
	REPRO INDIA LTD	OTHERS	1,500		1,500	Quoted	Fully paid				342,674	342,674		at cost
	TATA METALIKS	OTHERS	6,000		6,000	Quoted	Fully paid				387,230	387,230		at cost
	SINTEX IND	OTHERS	5,000		5,000	Quoted	Fully paid				359,500	359,500		at cost
	RALLIES	OTHERS	-		6,000	Quoted	Fully paid				-	854,590		at cost
	BF UTILITIES	OTHERS	-		10,000	Quoted	Fully paid				-	4,084,743		at cost
	ORIENTAL CEMENT	OTHERS	5,000		-	Quoted	Fully paid				40261	142256		at cost
	Others													
(d)	Investments in Debentures or Bonds													
(b)	Investments in Preference Shares													
(c)	Investments in Government or Trust securities													
(c)	Other non-current investments (specify nature)													
	Total		37,970		56,703						8,359,667	18,243,208		

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IFIN SECURITIES FINANCE LIMITED**(Formerly known as Narayan Sriram Investments Private Limited)****Note 10 Cash and Cash equivalents****(Amount in Rs.)**

	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	5,276,851		2,403,157	
Margin money	-	-	-	-
Security against borrowings	-	-	-	-
Guarantees	-	-	-	-
Other Commitments	-	-	-	-
Bank deposits with more than 12 months maturity				
b. Cheques, drafts on hand		5,276,851		2,403,157
c. Cash on hand		251		614
Total		5,277,102		2,403,771

IFIN SECURITIES FINANCE LIMITED

(Formerly known as Narayan Sriram Investments Private Limited)

Note 11 Short-term Loans and Advances

(Amount in Rs.)

	As at 31st March 2014		As at 31st March 2013	
a. Loans and advances				
Advances		-		-
Loan to Related parties		-		-
b. Others				
Other Loans & Advances to clients				
Secured, considered good	645,222,682		691,913,348	
Unsecured, considered good	-		5,552,001	
Doubtful	-		4,833,974	
Less: Provision for Doubtful debts	-	645,222,682	4,833,974	697,465,349
Sundry debtors				
Balances with Govt Authorities	702,707		-	
Advance tax(Net of provisions)	(3,849,570)	(3,146,863)	727,855	727,855
		642,075,819		698,193,204
Total		642,075,819		698,193,204


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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 2014	For the year ended 31st March 2013
Operating revenue:		
Interest Receipt from Loans	84,341,949	86,661,245
Processing Fees	4,817,500	6,869,000
On investment Operations:		
Dividend income	258,845	1,408,825
Total	89,418,294	94,939,070

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

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Profit on Sale of Securities	464,918	-
Miscellaneous Income	8,940	114,426
Total	473,858	114,426

IFIN SECURITIES FINANCE LIMITED

(Formerly known as Narayan Sriram Investments Private Limited)

Note 14 Employee Benefits expense

(Amount in Rs.)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Salaries and incentives	4,054,847	3,198,300
Contributions to Provident fund	251,604	198,891
Total	4,306,451	3,397,191

Note 15 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
Rent	1,720,335	-
Tour, travel & Conveyance	3,400,000	-
Telephone expenses	494,256	-
Office Maintenance	460,000	-
Electricity Charges	556,740	-
Professional and Constancy Charges	3,367,664	-
Total	9,998,995	-

Note 16 Other Expenses

(Amount in Rs.)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Transaction Charges	-	783,985
Office Maintenance	1,140,763	903,000
Tour, travel & Conveyance	151,854	566,414
Rates And Taxes	535,899	1,569,945
Audit Fees	285,000	100,000
Other Expenses	358,784	552,397
Total	2,593,085	5,333,708

Note 17 Provision for Bad & Doubtful debts

(Amount in Rs.)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Reversal of Diminution in the value of shares (Net)	2,871,295	21,134,600
Provision for Standard Assets as per Regulatory requirement	15,166	(1,712,731)
Provison for Substandard Assets	(23,183,079)	-
Provison for doubtful debts and advances	(5,551,439)	(4,833,974)
Total	(25,848,057)	14587895

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 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.

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 at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.
- 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.

V. Loans:

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

VI. 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.

VII. 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.

VIII. Employee benefits:

(a) Defined contribution plan:

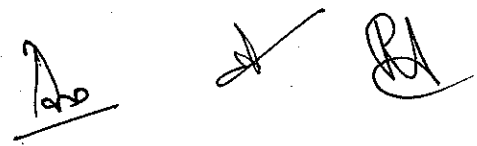
The Company's Provident Fund Scheme and other statutory funds are defined contribution plan and company's contribution paid/payable is recognized as expense in Profit & Loss account during the period in which the employee renders the related service.

(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.

(c) Short term compensated absences:

Short term compensation relating to leave accumulation is encashable as per policy. The leave encashment paid or payable is recognized as expense in Profit & Loss account during the period in which the employee renders the related services.

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IX. Taxation:

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

X. 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 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 2014 amounted to Rs. 32,98,33,776 and the details of security offered thereon are as under :

(Amount in Rs.)

Loan Availed from	Loan Amount	Security
Aditya Birla Finance ltd	29,00,00,001	Secured by book debts as well as by comfort letter from IFCI Limited
IFCI Venture Capital	3,98,33,775	Unsecured loan

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



V. Managerial Remuneration:**(Amount in Rs.)**

Particulars	2013-14	2012-13
To Whole Time Director		
(a) Salary and Allowances	27,50,184	20,79,000
(b) Contribution to PF and other funds	1,57,080	1,17,810
Total	29,07,264	21,96,810

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

VI. Provision for sub-standard asset:

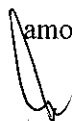
- (a) Loans and advances include Non Performing Assets (NPA) amounting to Rs.1135.62 Lakhs pertaining to a group of three parties as of 31st March, 2014 for which no interest income was recognized during the period April to March 2014. The Company has initiated legal action such as filing criminal complaint and winding up petition for recovery of the dues. Though the Company has sufficient third party collateral security against the above dues, a provision of Rs.231.83 Lakhs of has been made against these over dues, in line with the prudential norms of Reserve Bank of India.
- (b) Loans and advances include Rs.138.25 lakhs (Previous Year Rs.172.07) from certain parties against which a sum of Rs.103.85 lakhs (Previous Year Rs.48.34 lakhs) has been provided for as doubtful after considering the realisable value of collateral security available with the company.

VI. Auditors Remuneration (Excluding Service Tax):

Nature of Service	2013-14	2012-13
Statutory Audit Fee	2,00,000	1,00,000
For quarterly reporting and Consolidating financial statements	60,000	-
Tax Audit	25,000	-
Total	2,85,000	1,00,000

VII. 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.2,51,604
- (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.1,05,728.



VIII. 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 31-03-2014	As on 31-03-2013
Net Profit for the year available for the equity share holders (Before extra-ordinary Item)	16,11,153	3,84,56,395
Nominal value per equity share	10	10
Weighted Average No. of outstanding equity shares during the year – Basic & Diluted.	30,01,000	21,84,333
Basic & Diluted Earnings per Share (Before extra-ordinary Item)	0.54	17.61
Net Profit for the year available for the equity share holders (After extra-ordinary Item)	30,01,000	3,84,56,395
Basic & Diluted Earnings per Share (After extra-ordinary Item)	0.54	17.61

IX. Current and Deferred Taxation:

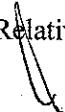
- (a) The Company has provided towards taxation Rs.1,38,96,046 (Previous year-Minimum Alternate Tax (MAT) Rs. 87,25,100) as per provisions of the Income Tax Act, 1961.
- (b) During the year the tax effect on timing difference has resulted in Deferred Tax Asset and as a matter of prudence the company has not recognized the same in the books.

X. 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
- (d) Associate : a) IFCI Factors Limited
b) IFCI Venture Capital Funds Limited

(e) Key Management Personnel and relatives of such personnel:


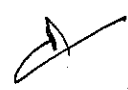

- Mr. P.N. Swaminathan : Whole Time Director
- Relatives of Key Management Personnel : Nil



(f) Transaction with Related Parties:

(Amount in Rs.)

Sr. No.	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	
		2013-14	2012-13	2013-14	2012-13
1	Managerial Remuneration	-	-	29,07,264	21,96,810
2	Loan Disbursed to IFCI Financial Services Ltd	17,10,00,000	41,19,30,000	-	-
3	Loan Repaid by IFCI Financial Services Ltd	17,10,00,000	41,73,70,814	-	-
4	Interest received from IFCI Financial Services Ltd	4,65,176	9,86,293	-	-
5	Interest Paid to IFIN Credit Ltd	-	16,78,986	-	-
6	Expense reimbursed to IFCI Financial Services Ltd	99,98,995	-	-	-
7	Loan Repayment to IFIN Credit Ltd	-	2,00,00,000	-	-
8	Loan Availed from IFIN Credit Ltd	-	-	-	-
9	Loan Availed from IFCI venture Capital Ltd	26,20,00,000	23,50,00,000	-	-
10	Loan Repaid to IFCI Venture Capital Ltd	22,20,00,000	23,50,00,000	-	-
11	Interest paid to IFCI Venture Capital Ltd	2,00,49,548	1,01,69,434	-	-
12	Loan Availed from IFCI Factors Ltd	10,00,00,000	-	-	-
13	Loan Repaid to IFCI Factors Ltd	10,00,00,000	-	-	-

14	Interest paid to IFCI Factors Ltd	26,63,013	-	-	-
15	Amount due from IFCI Financial Services Ltd	22,95,117	9,32,35,446	-	-
16	Amount due to IFCI Venture Capital Ltd	3,98,33,776	-	-	-

- XI. 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.
- XII. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.
- XIII. Figures have been rounded off to the nearest Rupee. Figures in bracket represent previous year's figures.



