

KAILASH AUTO FINANCE LIMITED

ANNUAL REPORT
2013-14

COMPANY INFORMATION**BOARD OF DIRECTORS**

Mr. Babalu Prasad Keshari
Mr. Asamanja Deb
Mr. Dipan Patel Jesingbhai
Mr. Kailash Chand Gupta
Mr. Deepak Kunjbihari Dave

COMPANY SECRETARY

Ms. Anchal Gupta

AUDITORS

Mr. Anil Agrawal
Chartered Accountants
342 Marahtal, Karamchand Chowk
Jabalpur - 482002, Madhya Pradesh

BANKERS

Axis Bank

REGISTERED OFFICE

19, Rollant Complex, 37/17, The Mall
Kanpur - 208001, Uttar Pradesh

CORPORATE OFFICE

R. No. 10, Ground Floor
Rajsheela Premises Co. Op. Society Ltd.
Building No. 597, J. S. S. Road
Mumbai-400002, Maharashtra
Tel : 022 - 22057729
Website: www.kailfin.com
Email: info@kailfin.com

29TH ANNUAL GENERAL MEETING**DATE & TIME**

Tuesday, 23rd September 2014, at 11:00 A.M.

VENUE

Mehfil Restaurant, Kanpur
16/12 Civil Lines
Near I G Police Residence
Kanpur - 208001

BOOK CLOSURE

18th September, 2014 to 23rd September, 2014
(Both days inclusive)

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor,
Kolkata - 700001, West Bengal
Ph: 033-22435809/5029
Fax: 033-22484787
Email: mdpl@cal.vsnl.net.in,
mdpldc@yahoo.com

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DIRECTORS' REPORT**To****The Members of Kailash Auto Finance Limited**

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014. The financial Results of the Company are summarized below:

FINANCIAL RESULTS:

PARTICULARS	(Rs in Lakhs)	
	Year ended 2013-2014	Year ended 2012-2013
Total Income	2574. 90	34. 17
Total Expenditure	2442. 60	32. 75
Profit before Taxation	132. 30	1. 42
Tax Expense	37. 30	0. 28
Provision for Standard Assets	11. 47	—
Profit for the Period	83. 53	1. 14

REVIEW OF OPERATIONS

During the year, the India Economy remained disturbed due to global distress and continuous domestic disturbance. The major obstacles were inflation, high fiscal deficit, lack of liquidity, policy uncertainty, and currency volatility.

The Company will continue to be responsive to changes in market dynamics and consumer behavior and other key factors influencing the business, and will formulate its strategies accordingly.

DIVIDEND

With a view to conserve resources for future needs and strengthening the financial position of the company, the Directors regret their inability to propose any dividend for the year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and as per the Articles of Association of the Company Mr. Babalu Prasad Keshari (DIN: 06695960), Director, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

As per provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under read with Schedule IV of the Companies Act, 2013, Mr. Dipan Patel Jesingbhai (DIN: 05359769), Mr. Deepak Kunjbihari Dave (DIN: 06776698) and Mr. Asamanja Deb (DIN: 02294879), all existing Independent directors of the Company, have been appointed as Independent Directors of the Company and shall hold office from the date of this Annual General Meeting till 31st March, 2019. They shall not, henceforth, be liable to retire by rotation.

Brief resume of the Directors seeking appointment, reappointment as stipulated under Clause 49 of the Listing Agreement, are provided in the Report on Corporate Governance forming part of the Annual Report.

Based on the confirmations received, none of the Directors of the Company are disqualified for appointment under Section 274(1)(g) of the Companies Act, 1956.

COMMITTEES OF DIRECTORS

The Board of Directors have aligned the existing Committees of the Board with the provisions of Companies Act, 2013(Act). The existing Shareholder's / Investor's Grievance and Share Transfer Committee has been renamed as "Stakeholders Relationship and Shareholders Grievance Committee".

The scope of Audit Committee has also been widened so as to bring it in accordance with the requirement of the Section 177 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards had been followed and no material departures have been made from the same;
- (ii) That 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 of the Company for the year under review;
- (iii) That Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That Directors had prepared the annual accounts for the financial year ended 31st March, 2014, on a 'going concern' basis.

CORPORATE GOVERNANCE

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

Certificate from the Statutory Auditors Mr. Anil Agarwal, Chartered Accountants regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is annexed to the report.

Your Company has taken adequate steps for strict compliance with the Corporate Governance guidelines, as amended from time to time.

The Company has established a vigil mechanism as required under Section 177 of the Companies Act, 2013 and has framed the "Whistle Blower Policy" for implementation thereof.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of this Annual Report.

AUDITORS

The Statutory Auditors of the Company, Mr. Anil Agarwal, Chartered Accountants will retire at the ensuing AGM. As recommended by the Audit Committee, the Board has proposed the re-appointment of Mr. Anil Agarwal, Chartered Accountants as statutory auditors for financial year 2014-15 on such remuneration as decided by the Board of Directors.

The Company has received a certificate from the proposed Auditors to the effect that their appointment, if made, would be in accordance with all the conditions prescribed under the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. In respect of observations made by the Auditors in their Report, your Directors wish to state that the respective notes to the accounts are self-explanatory and do not call for any further comments.

PUBLIC DEPOSIT

The Company has not accepted any deposits from the public during the year pursuant to the provisions of Section 58A of the Companies Act, 1956.

STOCK EXCHANGE

The Company's Securities are listed at the BSE Limited. We have paid the annual listing fee and there are no arrears.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars relating to conservation of energy and technology absorption are not applicable to the Company. However, efforts are being made to conserve and optimize the use of energy, wherever possible.

During the year under review, your Company has neither earned nor spent any foreign exchange.

PARTICULARS OF EMPLOYEES

There was no employee in respect of whom information is required to be given pursuant to the Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended up-to-date.

HUMAN RESOURCES MANAGEMENT

The Company continues to lay emphasis on people, its most valuable resource. In an increasingly competitive market for human resources, it seriously focuses on attracting and retaining the right talent. It provides equal opportunity to employees to deliver results.

NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY (NBFC)

The Company has been registered as a Non-Banking Financial Institution on 12th January, 2009 in terms of the provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007; your Company is categorized as a Non-deposit taking Non-Banking Financial Company.

COMPANY SECRETARY

The Company Secretary Ms. Archana Soni resigned on 27th March, 2014. The Company is in process of recruiting and appointing a wholetime Company Secretary.

APPRECIATION

Your Directors place on record their deep appreciation for the continued, support and co-operation extended to the Company by the Banks, Government departments and other agencies.

Your Directors thanks our esteemed shareholders for your continued support.

Your Directors place on record their appreciation of the dedication and commitment of your Company's employees and look forward to their support in the future as well.

Place: Mumbai
Date: May 30, 2014

For and on behalf of the Board

(Babalu Prasad Keshari)
Managing Director

CORPORATE GOVERNANCE REPORT**1. The Company's Philosophy on Code of Corporate Governance**

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Kailash Auto Finance Limited (KAFL) is as follows:

At KAFL, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. At KAFL, we consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities, or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of business. We believe that any business conduct can be ethical only when it rests on the nine core values of Honesty, Integrity, Respect, Fairness, Purposefulness, Trust, Responsibility, Citizenship and Courage.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

2. Board of Directors

The Board of Directors as on the date consist of Five Directors out of whom 4 (Four) are Non Executive Directors. The Chairman of the Company is Executive Director. The composition of Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The details of the Board of Directors as on 31. 03. 2014 are as under:

Name	Category
Mr. Kailash Chand Gupta	Non Executive Director
Mr. Dipan Patel Jesingbhai	Non-Executive Independent Director
Mr. Asamanja Deb	Non-Executive Independent Director
Mr. Deepak Kunjbihari Dave	Non-Executive Independent Director
Ms. Kavita Patel	Non-Executive Independent Director
Mr. Gopal Bhutra	Executive Director
Mr. Babalu Prasad Keshari	Chairman & Managing Director

Notes: -

Mr. Gopal Bhutra resigned w.e.f. 23rd September, 2013.

Mr. Babalu Prasad Keshari was appointed in the Board w.e.f. 23rd September, 2013.

Mr. Deepak Kunjbihari Dave was appointed in the Board w.e.f. 14th February, 2014.

Mr. Asamanja Deb was appointed in the Board w.e.f. 14th February, 2014.

Ms. Kavita Patel resigned w.e.f. 14th February, 2014.

Number of other companies or committees in which he is a director / chairman.

The following table gives the number of outside directorships and the committee positions held by each of the Directors as on 31. 03. 2014.

Name	No of outside Directorship(s) held in Public Limited and Private Limited Companies		No. of Board Committee position held in other Public Limited Companies	
	Private	Public	Chairman	Member
Mr. Kailash Chand Gupta	8	3	-	-
Mr. Dipan Patel Jesingbhai	1	1	-	2
Mr. Asamanja Deb	-	1	2	-
Mr. Deepak Kunjbihari Dave	-	-	-	-
Ms. Kavita Patel	1	1	-	-
Mr. Gopal Bhutra	-	1	-	-
Mr. Babalu Prasad Keshari	-	-	-	-

Notes: -

Mr. Gopal Bhutra resigned w.e.f. 23rd September, 2013.

Mr. Babalu Prasad Keshari was appointed in the Board w.e.f. 23rd September, 2013.

Mr. Deepak Kunjbihari Dave was appointed in the Board w.e.f. 14th February, 2014.

Mr. Asamanja Deb was appointed in the Board w.e.f. 14th February, 2014.

Ms. Kavita Patel resigned w.e.f. 14th February, 2014

3. Board Meetings

The Board held 11 (Eleven) Meetings during the year 2013-2014 on 29.04.2013, 30.05.2013, 10.06.2013, 14.08.2013, 21.08.2013, 23.09.2013, 14.11.2013, 20.01.2014, 23.01.2014, 14.02.2014 and 27.03.2014.

Attendance of Directors at Board Meetings and at the Annual General Meeting

Name of the Directors	No. of Board Meetings Attended	Whether Attended the Last AGM
Mr. Kailash Chand Gupta	3	No
Mr. Dipan Patel Jesingbhai	11	Yes
Mr. Asamanja Deb	1	No
Mr. Deepak Kunjbihari Dave	1	No
Ms. Kavita Patel	10	Yes
Mr. Gopal Bhutra	6	Yes
Mr. Babalu Prasad Keshari	5	Yes

Notes: -

Mr. Gopal Bhutra resigned w.e.f. 23rd September, 2013.

Mr. Babalu Prasad Keshari was appointed in the Board w.e.f. 23rd September, 2013.

Mr. Deepak Kunjbihari Dave was appointed in the Board w.e.f. 14th February, 2014.

Mr. Asamanja Deb was appointed in the Board w.e.f. 14th February, 2014.

Ms. Kavita Patel resigned w.e.f. 14th February, 2014

The Board ensures compliance of all laws applicable to the Company and takes steps to rectify non-compliances, if any.

4. Committees of the Board**(a) Audit Committee****Composition and Attendance**

During the year 2013-2014, 5 (Five) Meetings of the Audit Committee were held on 30.05.2013, 14.08.2013, 14.11.2013, 20.01.2014 and 27.03.2014.

Name of the Members	Category	Position	No. of Meetings Attended
Mr. Babalu Prasad Keshari	Executive Managing Director	Member	3
Mr. Dipan Patel Jesingbhai	Non Executive Independent Director	Chairman	5
Mr. Asamanja Deb	Non Executive Independent Director	Member	1
Ms. Kavita Patel	Non Executive Independent Director	Member	4
Mr. Gopal Bhutra	Executive Director	Member	2

The Members of the Audit Committee have requisite knowledge in the field of Finance, Accounts and Management. Minutes of each Meeting of Audit Committee are placed and discussed before the Board of Directors.

The representative of Statutory Auditors attended the meetings of Audit Committee.

Notes: -

Mr. Gopal Bhutra resigned w.e.f. 23rd September, 2013.

Mr. Babalu Prasad Keshari was appointed in the Board w.e.f. 23rd September, 2013.

Mr. Asamanja Deb was appointed in the Board w.e.f. 14th February, 2014.

Ms. Kavita Patel resigned w.e.f. 14th February, 2014.

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures :

- Efficiency and effectiveness of operations;
- Safeguarding of assets and adequacy of provision for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

Powers of the Audit Committee:

- Investigate any activity within its terms of reference.
- To seek any information it requires from any employee.
- Obtain legal or other independent professional advice.
- To secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

Role of the Audit Committee:

- (a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial is correct, sufficient and credible;
- (b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (c) Reviewing, with the management, the financial statements before submission to the Board, focusing primarily on:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on exercise of judgement by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
- (d) Reviewing, with the management, the quarterly financial statements before submission on the board for approval
- (e) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (f) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (h) Discussion with internal auditors any significant findings and follow up there on.
- (i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (j) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- (l) To review the functioning of the Whistle Blower mechanism.
- (m) Approval of appointment of CFO (i. e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- (n) Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.

(b) Remuneration Committee

The Company has not formed a remuneration committee which is a part of non-mandatory code. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practices and the requirements of law. The Company does not have any stock option plan or performance linked incentives for its directors. The Company has not paid any remuneration to any of its directors.

5. Stakeholders Relationship and Shareholders Grievance Committee

The 'Stakeholders Relationship Committee' (SR Committee) was constituted by the Board consequent to the dissolution of the 'Shareholders'/Investors' 'Grievance Committee' (SIG Committee). The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders'/investors'/security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The SR Committee's composition and the terms of reference meet with the requirements of clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

(a) Terms of Reference of the Committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share/debenture certificates
- Monitor redressal of investors'/shareholders'/security holders' grievances
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation of Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

(b) Compliance Officer

Ms. Archana Soni, Company Secretary was compliance officer of the Company. Since she resigned on 27th March, 2014 the Board has designated Mr. Babalu Prasad Keshari as the Compliance Officer of the Company till the Board appoint a new wholtime Company Secretary.

(c) Stakeholders Relationship and Shareholder's Grievance Committee:**Composition of Stakeholders Relationship and Shareholder's Grievance Committee**

Name of the Members	Category	Position
Mr. Babalu Prasad Keshari	Executive Managing Director	Member
Mr. Dipan Patel Jesingbhai	Non Executive Independent Director	Chairman
Mr. Asamanja Deb	Non Executive Independent Director	Member

There are no outstanding complaints and no shares were pending for transfer as on 31st March, 2014.

6. (a) General Body Meetings:

i. The Last three Annual General Meetings were held as per the details given below:

YEAR	DATE	TIME	VENUE
2012-2013	23. 09. 2013	11. 00 A. M	19, Rollant Complex, 37/17, The Mall, Kanpur- 208001, (U. P.)
2011-2012	29. 09. 2012	04. 30 P. M.	19, Rollant Complex, 37/17, The Mall, Kanpur- 208001, (U. P.),
2010-2011	30. 09. 2011	03. 00 P. M	19, Rollant Complex, 37/17, The Mall, Kanpur- 208001, (U. P.)

ii. There was no Extra Ordinary General Meeting held during the financial year 2013-2014

(b) Postal Ballot

During the year ended 31st March, 2014, no resolution was passed by the Company's shareholders requiring voting by postal ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed through postal ballot.

7. Disclosures**(a) Disclosure on materially significant related party transactions, pecuniary or business relationship with the Company**

There have been no materially significant related party transactions that may have potential conflict with the interests of the Company or its associates, with any of its directors or their relatives during the year 2013-14.

(b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority on any matters related to Capital Market:

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets during the last 3 years.

(c) Whistle Blower Policy:

The Company has formulated a policy known as 'Whistle Blower Policy' to allow and encourage our employees to bring to the Management's Notice (Audit Committee) directly, without necessarily informing their superiors about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of the Company's policies including code of conduct, violation of law or questionable accounting or auditing matters by any employee/director in the Company without fear of reprisal.

The Company further undertakes that it has not denied any personnel access to the Audit Committee of the Company in respect of matters involving alleged misconduct/malpractice/unethical behavior and that it has provided protection to 'Whistle Blowers' from unfair termination and other unfair or prejudicial employment practices.

(d) Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of Clause 49:

The Company has complied with the mandatory requirements and is in process of adopting non-mandatory requirements of Clause 49, wherever feasible.

(e) Risk Management:

The Executive Management controls risk through means of a properly defined framework.

(f) Code of Conduct:

The Board of Directors of your Company has laid down the Code of Conduct for all Board Members and Senior Management of the Company, which delineates the principles governing the conduct of employees including Directors, with all the stakeholders of the Company. The code covers transparency, legal compliances, concern of occupational health, safety and environment, a gender friendly work place and philosophy of leading by personal examples.

All Board Members and Senior Management of your Company ensure the compliances with these principles. The Board is responsible for ensuring that these principles are communicated to, understood and observed by all employees. Compliance of the code is subject to the review by the Board supported by the Audit Committee of the Board.

(g) CEO/CFO Certification

A certificate from the Managing Director on the Financial Statements of the Company was placed before the Board.

(h) Meaning of Communication

- I. Quarterly results are published in leading newspapers like The Financial Express and Jansatta
- II. The Company has its own website www.kailfin.com and all vital information relating to the company and its performance including financial results are posted on the website.
- III. Management Discussion and Analysis Report forms part of the Director's Report.

8. General Shareholder Information**a) Date, Time and Venue of Annual General Meeting:**

The Company will hold its Twenty Ninth Annual General Meeting on Tuesday, 23rd day of September, 2014 at 11:00 A. M. at Mehfil Restaurant, 16/12, Civil Lanes, Near I G Police Residence, Kanpur-208001, Uttar Pradesh.

b) (b) Financial Calendar (tentative and subject to change)

The Company expects to announce the quarterly results for the year 2014-2015, as per the following schedule:

Financial Reporting for the quarter ending June 30, 2014	Within 45 days from the end of the quarter ending June 30, 2014.
Financial Reporting for the quarter ending September 30, 2014	Within 45 days from the end of the quarter ending September 30, 2014.
Financial Reporting for the quarter ending December 31, 2014	Within 45 days from the end of the quarter ending December 31, 2014.
Financial Reporting for the quarter ending March 31, 2015	Within 60 days from the end of the quarter ending March 31, 2015.

c) Date of Book Closure

The Company's Register of Members and Share Transfer Book will remain closed from Thursday, 18th day of September, 2014 to Tuesday, 23rd day of September, 2014 (both days inclusive).

d) Dividend Payment Date

The Board of Directors has not recommended any dividend for the financial year 2013-2014.

e) Company Registration Details

The Company is registered in the State of Uttar Pradesh, India. The Corporate Identification No. (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is CIN: L65921UP1984PLC006829

f) Listing on Stock Exchanges

The Company's Shares are listed on BSE Limited (BSE). The requisite listing fees for 2014-15 has been paid in full to BSE.

g) Stock Code

BSE: 511357

ISIN:INE410O01022

h) Stock Market Data

Market Price Data- Monthly high/low of Company's Equity shares during the financial year 2013-2014 on the BSE along with performance in comparison to BSE Sensex is given as under:

MONTH	KAILASH AUTO FINANCE LIMITED on BSE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2013	22. 75	22. 75	19622.68	18144.22
May, 2013	44. 55	23. 85	20443.62	19451.26
June, 2013	36. 25	36. 25	19860.19	18467.16
July, 2013	38. 85	35. 05	20351.06	19126.82
August, 2013	39. 00	30. 10	19569.20	17448.71
September, 2013	39. 10	37. 75	20739.69	18166.17
October, 2013	43. 40	34. 05	21205.44	19264.72
November, 2013	48. 00	34. 05	21321.53	20137.67
December, 2013	45. 80	33. 50	21483.74	20568.70
January, 2014	44. 90	29. 00	21409.66	20343.78
February, 2014	40. 00	34. 40	21140.51	19963.12
March, 2014	47. 80	36. 30	22467.21	20920.98

i) Registrar and Transfer Agents for shares held in Physical as well as Depository mode:

M/s. Maheshwari Datamatics Pvt Ltd
 6, Mangoe Lane, 2nd Floor
 Kolkata - 700001
 West Bengal
 Ph: 91-33- 22435029/5809
 Fax : 91-33- 22484787
 Email: mdpl@cal.vsnl.net.in, mdpldc@yahoo.com

j) Share Transfer System

The Board has delegated the power of share transfer to Stakeholders Relationship and Shareholders' Grievance Committee. The Committee holds meeting at regular intervals to consider all matters concerning transfer and transmission of Shares.

k) Distribution and Shareholding Pattern

Distribution of shareholding of the Company as on March 31, 2014:

Range of Equity Shares	No of Shareholders	% of total holders	No. of Shares	% toTotal
Up to 500	4044	59. 0537	696365	0. 1186
501 - 1000	248	03. 6215	198978	0. 0339
1001 - 2000	84	01. 2266	104100	0. 0177
2001 - 3000	10	00. 1460	26706	0. 0045
3001 - 4000	5	00. 0730	17364	0. 0030
4001 - 5000	12	00. 1752	59800	0. 0102
5001 - 10000	100	01. 4603	883963	0. 1506
10001 - Above	2345	34. 2436	585072807	99. 6615
Total	6848	100. 0000	587060083	100. 0000

l) Shareholding Pattern of the Company as on March 31, 2014:

Category	No. of Shares held	Percentage of Holding
A Promoter and Promoter Group		
1. Indian Promoters (Bodies Corporate)	600000	0.10
2. Foreign Promoters	-	-
Sub Total	600000	0.10
B Public Shareholding		
1. Institutional Investors		
- Mutual Funds & UTI		
- Banks, Financial Institutions, Insurance Companies		
- Central Government/State Government(s)		
- Foreign Institutional Investors	1975777	0.34
2. Non-Institutional Investors		
- Bodies Corporate	289993552	49.40
- Individuals/ HUFs	291618828	49.67
- Any Others	2871926	0.49
Sub Total	586460083	99.90
Total	587060083	100.00

m) Dematerialization of Securities

The Company's Shares are available for trading in the Depository System at Central Depository Services (India) Limited (CDSL) and National Depository Services Limited (NSDL). The International Security Identification Number (ISIN) allotted to KAILASH AUTO FINANCE LIMITED is INE410O01022. The market lot is one share. As on 31st March 2014 99.82% of the total equity share capital was held in dematerialized form.

n) PAN Requirement

SEBI had vide its circulation no. MRD/DOP/Cir - 05/2009 dated 20.05.2009 made the requirement of PAN Card of all Transferee(s) compulsory in case of all Physical Transfer of Shares.

o) Outstanding GDRs/ADRs/Warrants or any other Convertible Instrument

Company has not issued any GDRs/ ADRs/ Warrants or any other convertible instruments or any issue (public issue, right issue, preferential issue etc.) which likely to have impact on Equity Share Capital of the Company.

p) Plant Location

The Company is a Non Banking Finance Company, therefore, it does not have any manufacturing plants

q) Address for Correspondence

For any assistance, queries, regarding transfer or transmission of shares, dematerialization, non receipt of dividend on shares, non receipt of share application money, non credit of shares in demat account and any other queries relating to the shares of the Company and Annual Report, the investors may please write to the following :

KAILASH AUTO FINANCE LIMITED**(i) Registered Office:**

19, Rollant Complex,
37/17, The Mall,
Kanpur - 208001, Uttar Pradesh
Email: info@kailfin.com

(ii) **Corporate Office**

R. No. 10, Ground Floor, Rajsheela
Premises Co. Op. Society Ltd,
Building No. 597, J. S. S. Road,
Mumbai-400002, Maharashtra

(iii) **M/s. Maheshwari Datamatics Pvt Ltd**

6, Mangoe Lane, 2nd Floor,
Kolkata - 700001. West Bengal
Ph -91-33- 22435029/5809
Fax - 91-33- 22484787
Email:- mdpl@cal.vsnl.net.in, mdpldc@yahoo.com

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, Babalu Prasad Keshari, Managing Director of Kailash Auto Finance Ltd, to the best of my knowledge and belief, certify that:

- a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 and to the best of my knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit committee
 - i. Significant changes in internal control during the year, if any.
 - ii. Significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements; and
 - iii. There were no instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For KAILASH AUTO FINANCE LTD

Place: Mumbai

(Babalu Prasad Keshari)

Date: May 30, 2014

Managing Director

COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANEGEMENT

Pursuant to the Clause 49 of the Listing Agreement entered into with the stock exchange, we hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the code of conduct for the year ended March 31, 2014.

For KAILASH AUTO FINANCE LTD

Place: Mumbai

(Babalu Prasad Keshari)

Date: May 30, 2014

Managing Director

AUDITOR'S CERTIFICATION

To,
The Shareholders of
KAILASH AUTO FINANCE LIMITED

We have examined the compliance of conditions of Corporate Governance by KAILASH AUTO FINANCE LIMITED for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company entered into with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Anil Agrawal
Chartered Accountants**

**Anil Agrawal
Membership No. 79054**

**Place: Mumbai
Date: May 30, 2014**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Global Overview**

Global economy witnessed another year of subdued growth in 2013. However, from the second half of 2013, global economic scenario has started to improve and is expected to strengthen further in 2014-15. The impulse has come mainly from advanced Economies, although their recoveries remain uneven. The second half of 2013, growth picked up slightly, mainly on account of a rise in Export.

The changing growth dynamics have brought new uncertainties in global economy. Although, Exports from emerging markets to advanced economies accelerated and the growth differential between advanced economies and emerging markets has been narrowing but the Inflation differential has been widening. Thus the resultant risk-return dynamics is likely to favour advanced economies, thereby increasing the vulnerability of the emerging economies.

Domestic Overview

With the narrowing of the Twin Deficits - both Current Account and Fiscal and replenishment of Foreign Exchange Reserves, adjustment of the exchange rate the risks of near-term macro instability have diminished. However, macro-economic adjustment is far from complete, with persistence of higher Inflation amidst growth slowdown. Much more efforts in terms of removing structural impediments, building business confidence and creating fiscal space to support investments will be needed to secure growth.

OUTLOOK

The outlook of the Indian economy largely depends on the outcome of the General Elections. A stable government boost business environment, whereas a fractured or an unstable government may blur the business outlook, hampering the growth prospects of Indian Economy.

INDUSTRY OVERVIEW

Indian stock markets started the year in a cheer note with significant gains in the month of April and mid-May 2013 and remain volatile for major part of the year. Indian Rupee saw one of the steepest declines against the USD and other major currencies. INR touched the lowest level of Rs 68 to a USD. Gold prices plunged to a low of \$1180/ounce at LME towards end of June 14.

During the course of the financial year it was feared that foreign institutional investors may pull out of India as liquidity dry up on QE3 tapering. However, after initial sell offs on the news of tapering, they bought significant in Indian markets whereas the DII's continued to book profit. The FII's primarily bet on India as Indian stocks was priced cheaper in USD terms on decline in the value of INR. Also hopes of a strong and stable incumbent government led them to buy Indian equities. Nevertheless, among the emerging market countries, India was better placed on signs of economic recovery as Russia was embroiled with issues related to Ukraine, Brazil was not a place to be on declining commodity prices and China showed no convincing signs of recovery.

OPPORTUNITIES AND THREATS**Opportunities:**

- Healthy and sustainable economic growth rate with sound macro-economic fundamentals;
- Low penetration of financial services and products in India;
- Favourable demographics like huge middle class, larger younger population with disposable income and investible surplus, change in attitude from wealth protection to wealth creation and risk taking abilities of the youth, etc.;

Threats:

- Increased competition from local and global players operating in India;
- Technology Advancement;
- Regulatory changes impacting the landscape of business;
- Unfavourable economic condition.

BUSINESS OVERVIEW

The year has been very good for the company. The company has been successful in doing business of lending money and trading in shares and securities.

We execute transactions with transparency imbibing knowledge keeping our commitment by building partnerships with our clients and that synchronises our work with our core values. Our approach is 'object' oriented and therefore, we work with core purpose of providing solutions.

RISK MANAGEMENT

The objective of risk management is to balance the trade off between risk and return and ensure optimum risk adjusted return on capital. The Risk Management Policies related to Procurement, Debtors, Financing and Investments are in place and properly documented and reviewed continuously. The processes have been laid down to oversee the implementation of the policies and continuous monitoring of the same.

Our Board level Committees viz. Audit Committee and Risk Management Committee oversee risk management policies and procedures. It reviews the credit and operational risks, reviews policies in relation to investment strategy and other risks like interest rate risk, compliance risk and liquidity risk.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In any industry, the processes and internal control systems play a critical role in the health of the Company. We have an adequate Internal Audit and Control system across our business. Our internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against significant misuse or loss of company assets. We believe in the conduct of its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour.

HUMAN RESOURCES

Human resource is one of the most important keys to the success of any company. Your Company's business critically depends on quality of manpower. The HR function of your Company has been structured and aligned in line with the business needs and requirements. The Company's businesses are managed by a team of competent and passionate leaders, capable of enhancing your Company's standing in the competitive market. The Company's employees have a defining role in significantly accelerating its growth and transformation, thereby enhancing its position as one of the largest corporate houses. The Company has a structured recruitment process; the focus is on recruiting people who have the right mindset for working with us, supported by structured training programmes and internal growth opportunities.

CAUTIONARY STATEMENT

Statements in the Management discussion and analysis, describing the Company's objectives, outlook, opportunities and expectations may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. The Actual result may vary materially from those expressed or implied in the statement. Several factors make a significant difference to the company's operations including the government regulations, taxation and economic scenario affecting demand and supply condition and other such factors over which the Company does not have any direct control.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
KAILASH AUTO FINANCE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of '**KAILASH AUTO FINANCE LIMITED**' ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the statement of Profit & Loss Account and the Cash flow Statement for the year 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 principles generally accepted in India, including the accounting Standards notified under the Companies Act, 1956 read with the General Circular 08/2014 dated 04th April, 2014, issued by the Ministry of Corporate Affairs. 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, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. 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("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, 2014;
- b) In the case of the statement of Profit and Loss , of the profit of the Company for the year ended on the date; and
- c) In the case of the Cash Flow statement, of the cash flow 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 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of 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) That Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub section (3c) of section 211 of the Companies, Act 1956 read with the General Circular 08/2014 dated 04th April 2014, issued by the Ministry of Corporate Affairs.
 - e) On the basis of written representation received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274 (1)(g) of the Companies Act,1956.

For Anil Agarwal
Chartered Accountants

Anil Agrawal
Proprietor
Membership No: 79054

Place: Mumbai
Date: May 30, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

ANNEXURE TO THE AUDITORS' REPORT (REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF KAILASH AUTO FINANCE LIMITED AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2014)

- 1 A The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
B The fixed assets have been physically verified by the Management during the year and no material discrepancies were identified on such verification.
C There was no substantial disposal of Fixed assets during the year.
- 2 A The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
B In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
C The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- 3 A According to the information and explanations given to us, the company has not granted loans, secured or unsecured to companies firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the order are not applicable to the company and hence not commented upon.
B According to the information and explanations given to us, the company has not taken loans, secured or unsecured from companies firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the order are not applicable to the company and hence not commented upon.
- 4 In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of inventory and fixed assets and for the sale of inventories. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- 5 A In respect of the contract or arrangements referred to in Section 301 of the Companies Act, 1956, in our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
B In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 in respect

of each party during the year have been made at prices which appear reasonable as per information available with the Company.

- 6 The Company has not accepted deposits from public within the purview of section 58-A or Section 58-AA of the Companies Act, 1956
- 7 In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the Services rendered by the company.
- 9 According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted or accrued in the books of accounts in respect of undisputed statutory dues including provident fund, Income Tax, Service Tax and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities. As explained to us, the company did not have any dues on account of Employees State Insurance, Wealth Tax, Cess and Investor Education and Protection Fund. According to the information and explanations given to us and the records of the company examined by us, the dues of income tax, sales tax, Wealth tax, service tax, custom duty, and excise duty which have not been deposited on account of any dispute are as follows:

Interest Tax: Assessment Year 1998-99, 1999-2000 and 2000-2001 cases are pending before Allahabad High Court by the Income Tax Department against the order of ITAT where in it is held that the Finance Charges on Hire Purchase is not interest but a profit.

1. Income Tax:

- a. Assessment Year 2001-2002 and 2002-2003 are pending before Allahabad High Court (by the Deptt.) against the order of the ITAT wherein depreciation is allowed at the rate of 40% on leased vehicles.
- b. Assessment Year 1996-1997 is pending before Allahabad High Court against the penalty order passed by the ITAT.
- c. Assessment Year 2004-05: Case is pending before ITAT (u/s 254) and before High Court against the legal ground that case cannot be opened u/s 148 before completion of 12 months in which return of income was originally filed.
- d. Assessment Year 2006-07: Case is pending before CIT (Appeals) Kanpur against the order of the Assessing Officer.
- e. Assessment Year 2007-08: Case is pending for assessment before DCIT -6 Kanpur.
- f. Assessment Year 1995-96: We have filed a Writ Petition before Lucknow High Court under the KAR VIVAD SAMADHAN SCHEME and matter is pending before Lucknow High Court.

- g. Assessment Year 1992-93: Application is pending for appeal effect to be given before the Assessing Officer.

The quantification of above liabilities has not been done on account of cases pending before the authority.

2. Legal Cases:

- a. Disputed Case of Bhubaneswar Branch for recovery of Rs. 4.45/- Lacs deposited in court.
- b. Disputed Case of Citi Corp for recovery of Rs. 3.04/- Lacs of Alwar Branch.c.
Disputed Case liabilities of Rs 3.08/- Lacs repayable if claimed by the customer
- 10 The Company has accumulated losses as at the end of financial year which is less than fifty percent of its net worth and it has neither incurred cash losses in the current financial year and nor there was cash loss in the immediately preceding financial year.
- 11 The company did not have outstanding dues in respect of financial institution, bank or debenture holders during the year. .
- 12 According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the company is not a chit fund or nidhi/mutual benefit fund/ Society. Accordingly, the provisions of clause 4(xiii) of the order are not applicable to the company and hence not commented upon.
- 14 The Company has maintained proper records of the transactions and contracts of its trading or dealing in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the company in its own name.
- 15 According to the information and explanations given to us, the Company has not given guarantee for loan taken by others from banks or financial institutions.
- 16 The Company did not have any term loans outstanding during the year.
- 17 According to the information and explanations given to us, and on the basis of an Overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- 18 The company has not made preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The company does not have any outstanding debentures during the year.
- 20 The Company has not raised any money by public issue during the year.

21 Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For Anil Agarwal
Chartered Accountants

Anil Agrawal
Proprietor
Membership No: 79054

Place: Mumbai
Date: May 30, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Amount in Rs.

	Note	31st March 2014	31st March 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	587,060,083	587,060,083
Reserves and Surplus	4	(5,686,067)	(14,038,736)
		<u>581,374,016</u>	<u>573,021,347</u>
Non Current Liabilities			
Long Term Borrowings	5	1,447,099	4,268,384
		<u>1,447,099</u>	<u>4,268,384</u>
Current Liabilities			
Other Current Liabilities	6	26,455,112	365,416
Short-Term Provisions	7	6,185,950	2,177,749
		<u>32,641,062</u>	<u>2,543,165</u>
TOTAL		<u>615,462,177</u>	<u>579,832,896</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Asset	8	20,652	34,421
Non-Current Investments	9	72,451,622	314,273,897
Deferred Tax Assets (Net)		366,833	368,317
		<u>72,839,107</u>	<u>314,676,635</u>
Current Assets			
Inventories	10	53,334,533	-
Cash and Bank Balances	11	12,540,539	1,078,666
Short Term Loans and Advances	12	476,747,998	264,077,595
		<u>542,623,070</u>	<u>265,156,261</u>
TOTAL		<u>615,462,177</u>	<u>579,832,896</u>

Summary of Significant Accounting Policies 2**The accompanying notes are an integral part of the Financial Statements**

As per our Report of even date

For Anil Agarwal
Chartered Accountants**For and On behalf of the Board of Directors**CA Anil Agarwal
Proprietor
Membership No: 79054Babalu Prasad Keshari
Managing DirectorDeepak Kunjbihari Dave
DirectorPlace : Mumbai
Date : May 30, 2014

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

Amount in Rs.

	Note	31st March 2014	31st March 2013
Income			
Revenue from Operations	13	204,098,732	3,383,749
Other Income	14	57,519	33,686
Increase/(Decrease) in Inventories	15	53,334,533	-
Total		<u>257,490,784</u>	<u>3,417,435</u>
Expense			
Purchases		237,148,786	-
Employee Benefit Expenses	16	446,950	199,000
Finance Cost	17	498,734	-
Depreciation		13,769	15,395
Other Expenses	18	6,151,729	3,060,785
Total		<u>244,259,968</u>	<u>3,275,180</u>
Profit Before Tax		13,230,816	142,255
Provision for Standard Assets		1,146,937	-
Tax Expense			
Current Tax		3,729,726	27,107
Deferred Tax		1,484	1,072
Profit for the year		<u>8,352,668</u>	<u>114,076</u>
Earnings per share of Re 1/- each			
Computed on the basis of total profit from continuing operations			
Basic		0.01	0.03
Diluted		0.01	0.00

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For Anil Agarwal
Chartered Accountants

For and On behalf of the Board of Directors

CA Anil Agarwal
Proprietor
Membership No: 79054

Babalu Prasad Keshari
Managing Director

Deepak Kunjbihari Dave
Director

Place : Mumbai
Date : May 30, 2014

Cash Flow Statement for the year ended 31st March 2014

Amount in Rs.

Particulars	2013-2014	2012-2013
A Cash Flow from Operating Activities :		
Net Profit after tax, Prior Period and Extraordinary Items :	8,352,668	114,076
Adjustments for :		
Depreciation on fixed assets	13,769	15,395
Operating Profit before Changes in Operating Assets	8,366,437	129,471
Adjustments for net change in :		
Short Term Loans and Advances	(212,670,403)	(256,281,261)
Increase / (Repayment) of Long Term Borrowings	(2,821,285)	(15,276,083)
Other Current Liabilities	26,089,696	135,666
Inventories	(53,334,533)	-
Provision for Standard Assets	1,146,937	-
Provision for taxation and adjustment for earlier year taxes	2,861,264	46,647
Provision For Deffered Tax	1,484	1,072
Cash Flow before Prior Period and Extraordinary Items	(230,360,402)	(271,244,488)
Net Income tax Paid and Refunds		-
Net Cash Flow from Operating Activities -----(A)	(230,360,402)	(271,244,488)
B Cash Flow from Investing Activities :		
Procurement of Fixed Assets	-	(49,816)
Investments in Non-Current Investments	241,822,275	(314,273,897)
Net Cash Flow from Investing Activities -----(B)	241,822,275	(314,323,713)
C Cash Flow from Financing Activities :		
Issue of Equity Shares	-	582,397,150
Receipt on Amalgamation		
Securities Premium	-	11,413,040
Reserves & Surplus	-	(7,207,283)
Net Cash Flow from Financing Activities -----(C)	-	586,602,907
Net Increase in Cash and Cash Equivalents (A) + (B) + (C)	11,461,873	1,034,706
Cash & Cash Equivalents at the beginning of the period	1,078,666	43,960
Cash & Cash Equivalents at the end of the period	12,540,539	1,078,666
Cash in Hand	193,176	485,492
Balances with Banks	12,347,363	593,174
Total	12,540,539	1,078,666

For Anil Agarwal
Chartered Accountants
For and On behalf of the Board of Directors

 CA Anil Agarwal
Proprietor
 Membership No: 79054

 Babalu Prasad Keshari
Managing Director

 Deepak Kunjbehari Dave
Director

 Place : Mumbai
 Date : May 30, 2014

Notes to Financial Statements:**1 General Information:**

Kailash Auto Finance Ltd. Is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The company is engaged in the business of NBFC activities. The company caters to domestic market only.

2 Significant Accounting Policies:**2.1 Basis of preparation of Financial Statements:**

The Financial Statements have been prepared in accordance with the generally accepted accounting principles ('GAAP') applicable in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C), Companies (Accounting Standard) Rules, 2006, as amended from time to time and the other relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated 04.04.2014 issued by the Ministry of Corporate Affairs and the directives as prescribed by the Reserve Bank of India.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI of the Companies Act, 1956.

2.2 Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments' as notified under the companies (Accounting Standards) Rules, 2006. Current investments also include current maturities of long-term investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined categorywise. All non-current investments are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognize a decline, on an individual basis.

Investment in Venture Capital is valued at cost.

2.3 Use of Estimates:

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

2.4 Inventories

Stock in trade are valued at cost.

2.5 Cash Flow Statement:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or

accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Tangible Assets:

Tangible Assets are stated at cost (or revalued amount as the case may be) less accumulated depreciation and accumulated impairment losses if any. Cost Comprises purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gain or loss arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on fixed assets is provided on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 over their useful life. Depreciation of asset sold / discarded during the period is proportionately charged. Individual low cost assets (acquired for less than Rs 5000/-) are depreciated within a year of acquisition. Intangible assets are amortized over their estimated useful life on a straight line basis.

2.7 Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

2.8 Impairment of assets :

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

2.9 Revenue Recognition:

Income and expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from sales transaction is recognized as and when the significant risk and reward attached to ownership in goods is transferred to the buyer. However leave with wages and bonus is accounted on cash basis.

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sale price and the carrying value of the investment. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Hire purchase and Lease Income is accounted by using the internal rate of return (IRR) implicit in contracts to provide a constant periodic rate of return on the net outstanding on those contracts.

Prompt payment rebate and overdue charges are determined and accounted for on termination of the contracts.

The company follows prudential norms for recognition of Income of Non Performing Assets as per the directions prescribed by Reserve bank of India for NBFC.

2.10 Employee Benefits:

Short term benefits and post employment benefits are accounted in the period during which the services have been rendered.

2.11 Foreign Exchange Transactions:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions.

Foreign Exchange monetary items in the Balance Sheet are translated at the year-end rates. Exchange differences on settlement / conversion are adjusted to Profit and Loss Account.

2.12 Tax Expense:

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income".

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred Tax represents the tax effect of timing differences between taxable income and accounting income for the reporting period and is capable of reversal in one or more subsequent periods. Deferred tax are quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet Date.

Deferred Tax Assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset on unabsorbed depreciation and carry forward of losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.13 Contingent Liabilities and Provisions:

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a. Possible obligation which will be confirmed only by future events not wholly within the control of the company or
- b. Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.14 Earnings per Share:

In determining the Earnings Per share, the company considers the net profit after tax including any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

2.15 Provisioning For Standard Assets

The Reserve Bank of India (RBI) vide Notification no. DNBS 223/CGM/(US)-2011 dated January 17, 2011 has issued direction to all NBFCs to make provision of 0.25% on standard assets. Accordingly, the company has made provision @0.25% on standard assets in accordance with RBI directions.

2.16 Segment Reporting:

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.

Segment revenue and segment results include transfers between business segments. Such transfers are accounted for at the agreed transaction value and such transfers are eliminated in the consolidation of the segments.

Expenses that are directly identifiable to segments are considered for determining the segment result. Expenses, which relate to the company as a whole and are not allocable to segments, are included under unallocated corporate expenses.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

Notes to the Financial Statements as at and for the year ended 31st March 2014

Note - 3 : Share Capital

Amount in Rs.

Particulars	31st March 2014 (No. of Shares)	31st March 2014 (No. of Shares)	31st March 2014 (No. of Shares)	31st March 2014 (No. of Shares)
(a) Authorised				
Ordinary Shares of Rs 10/- each	10,000,000	100,000,000	10,000,000	100,000,000
Ordinary Shares of Re 1/- each	600,000,000	600,000,000	600,000,000	600,000,000
Preference Shares of Rs100/- each	500,000	50,000,000	500,000	50,000,000
	610,500,000	750,000,000	610,500,000	750,000,000
(b) Issued , Subscribed and Fully Paid up				
Ordinary shares of Re 1/- each fully paid up	587,060,083	587,060,083	1,149,283	1,149,283
Share Capital Suspense Account	-	-	585,910,800	585,910,800
	587,060,083	587,060,083	587,060,083	587,060,083

Notes:

(A) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2014 (No of Shares)	As at 31st March 2013 (No of Shares)
Equity Shares of Re1/- (Rs10) each at the beginning of the year	1149283	3805900
Share Capital Suspense Shares issued to the Shareholders	585910800	-
Conversion of Equity Shares Rs10 each into Equity Shares of Re1 each	-	3805900
Less Cancellation of Shares as a result of cross holding in Careful Projects Advisory Ltd	-	1328259
Less Cancellation of Shares as a result of cross holding in Panchshul Marketing Ltd	-	1328358
	587060083	1149283

(B) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	31st March 2014		31st March 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights	-	-	-	-

(C) Rights, preference and restrictions attached to the Ordinary Shares

The Ordinary Shares of the Company , having par value of Re1 per share, rank paripassu in all respects including voting rights and entitlement to dividend

Notes to the Financial Statements as at and for the year ended 31st March 2014**Note - 4 Reserves & Surplus**

Amount in Rs.

	31st March 2014	31st March 2013
Profit & Loss Account		
At the Beginning of the year	(46,641,318)	(72,944,178)
Add For The Year	8,352,668	114,076
Less Adjusted on Capital Reduction	-	(34,253,100)
Less Loss on Amalgamation	-	8,103,051
Add Transfer on Amalgamation of Careful Projects Advisory Ltd	-	19,403
Transfer on Amalgamation of Panchshul Marketing Ltd	-	19,332
At the end of the year	<u>(38,288,649)</u>	<u>(46,641,318)</u>
General Reserve		
At the Beginning and at the end of the year	8,955,000	8,955,000
Securities Premium Account		
At the Beginning of the year	19,262,549	7,849,509
Add Transfer on Amalgamation of Careful Projects Advisory Ltd	-	6,135,123
Transfer on Amalgamation of Panchshul Marketing Ltd	-	5,277,917
At the end of the year	<u>19,262,549</u>	<u>19,262,549</u>
Statutory Reserve		
At the Beginning and at the end of the year	3,528,000	3,528,000
Capital Reserve		
At the Beginning of the year	857,033	-
Add During the year	-	857,033
At the end of the year	<u>857,033</u>	<u>857,033</u>
	<u>(5,686,067)</u>	<u>(14,038,736)</u>
Note - 5 Long Term Borrowings		
Fixed Deposit with Public	270,000	270,000
Add Interest Accrued and Due on Fixed Deposits	19,280	19,280
Less Amount Deposited in SBI Escrow Account	321,590	(32,310)
Other Liabilities	<u>1,479,409</u>	<u>4,300,694</u>
	<u>1,447,099</u>	<u>4,268,384</u>
Note - 6 Other Current Liabilities		
Liabilities For Expenses	252,113	365,416
Trade Payables	26,059,820	-
Statutory Dues	143,179	-
	<u>26,455,112</u>	<u>365,416</u>
Note - 7 Short Term Provisions		
Provision for Standard Assets	1,146,937	-
Provision for Tax	<u>5,039,013</u>	<u>2,177,749</u>
	<u>6,185,950</u>	<u>2,177,749</u>

Notes to the Financial Statements as at and for the year ended 31st March 2014

Note 8: FIXED ASSETS

(Amount in Rs)

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION/ AMORTISATION				NET BLOCK		
	Cost as on 01.04.2013	Additions	Sales/ Adjustment	Cost as on 31.03.2014	Upto 01.04.2013	Sales/ Adjustment	For the Year	Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
Computer	27,768	-	-	27,768	8,581	-	7,675	16,256	11,512	19,187
Printer	22,048	-	-	22,048	6,814	-	6,094	12,908	9,140	15,234
Total	49,816	-	-	49,816	15,395	-	13,769	29,164	20,652	34,421
Prev: Year	-	49,816	-	49,816	-	-	15,395	15,395	34,421	-

Notes to the Financial Statements as at and for the year ended 31st March 2014

Amount in Rs.

	31st March 2014	31st March 2013
Note - 9 Non Current Investments		
Investments (at Cost):		
Investments in Quoted Equity Shares	1,978,121	4,781,024
Investment In Venture Capital Fund	5,180,000	-
Other Investments	65,293,501	309,492,873
	<u>72,451,622</u>	<u>314,273,897</u>
Market Value of Quoted Investments	2,195,077	5,164,400
Note - 10 Inventories		
Closing Stock of Shares	53,334,533	-
	<u>53,334,533</u>	<u>-</u>
Note - 11 Cash and Cash Balances		
Cash on hand	193,176	485,492
Balance with Scheduled Banks		
- In current account	12,346,741	592,552
Escrow Account	622	622
	<u>12,540,539</u>	<u>1,078,666</u>
Note - 12 Short Term Loans and Advances		
(Unsecured, considered good unless otherwise stated)		
Loans & Advances	458,774,861	255,984,255
Advance against Land	9,000,000	-
Advance recoverable in cash or in kind or value to be received	217,972	-
Security Deposit with Court	445,000	445,000
Balance with Revenue Authorities	8,310,165	7,648,340
	<u>476,747,998</u>	<u>264,077,595</u>
Note - 13 Revenue From Operations		
Sales	183,983,939	-
Interest Income	14,196,414	3,113,999
Interest On Fixed Deposit	-	10,822
Profit on sale of Mutual Fund	-	258,928
Other Operating Income	5,918,379	-
	<u>204,098,732</u>	<u>3,383,749</u>
Note - 14 Other Income		
Short Term Capital Gain	12,350	-
Miscellaneous income	45,169	33,686
	<u>57,519</u>	<u>33,686</u>

Notes to the Financial Statements as at and for the year ended 31st March 2014

Amount in Rs.

	31st March 2014	31st March 2013
Note - 15 Increase /(Decrease in Inventories)		
Closing Stock of Shares	53,334,533	-
Opening Stock of Shares	-	-
	<u>53,334,533</u>	<u>-</u>
Note - 16 Employees Benefit Expenses		
Salaries	446,950	199,000
	<u>446,950</u>	<u>199,000</u>
Note - 17 Finance Cost		
Interest Paid	498,734	-
	<u>498,734</u>	<u>-</u>
Note - 18 Other expenses		
Advertisement	88,375	497,125
Printing & stationery	48,350	122,029
Sebi Expenses	-	125,000
Domain Registration Expenses	45,618	-
Demat Expenses	4,299	1,220
Rent paid	78,000	452,424
Travelling & Conveyance	629,482	225,325
Miscellaneous expenses	959,018	77,755
General Expenses	76,000	-
Staff Welfare	57,946	-
Postage & Courier Charges	96,712	231,743
Bank Charges	51,529	24,071
Auditors Remuneration		
Audit Fees	35,000	25,000
Tax Audit Fees	10,000	-
Other Services	-	16,500
Registrar Expenses	64,608	154,294
Professional Fees	3,476,678	776,649
Depository Charges	227,754	111,650
Listing Fees	112,360	-
Legal Fees	90,000	220,000
	<u>6,151,729</u>	<u>3,060,785</u>
Auditors' Remuneration		
As Audit Fees	35,000	25,000
Tax Audit Fees	10,000	-
Other Services	-	16,500
	<u>45000</u>	<u>41,500</u>

Notes to the Financial Statements as at and for the year ended 31st March 2014**19 Impairment of Assets:**

Assets of the Company are being tested for impairment. Considering the internal and external sources of information, there was no indication of potential impairment loss, and hence estimation of recoverable amount does not arise.

20 Related Party Transactions

Nature of Relationship	Name of the Related Party
Key Managerial Personnel	Mr. Babalu Prasad Keshari Mr. Dipan Patel Jesinghbhai Mr. Kailash Chand Gupta Mr. Asmanja Deb Mr. Deepak Kunjbihari Dave Mr. Gopal Bhutra (Ceased to be related party w.e.f 23.09.2013)

21 Earnings per Share as per Accounting Standard 20:

Particulars	Year Ending March 31, 2014	Year Ending March 31, 2013
Profit after Tax	83,52,668	1,14,076
Weighted Average number of Equity Shares used as denominator for calculating EPS	58,70,60,083	37,98,622
Basic Earnings Per Share of Re1/- each	0.01	0.03
Potentially dilutive shares	58,70,60,083	58,97,09,422
Diluted Earnings per share	0.01	0.00

22 Deferred Tax Asset

Particulars	Year Ending March 31, 2014	Year Ending March 31, 2013
Fixed Asset as per Income Tax Act	12,380	30,950
Fixed Asset as per Companies Act	20,652	34,421
Deferred Tax Liability	8,272	3,471
Tax on above	2,556	1,072

23 Contingent Liabilities:

a. Contingent Liabilities not provided for

Particulars	Year Ending March 31, 2014	Year Ending March 31, 2013
Income Tax & Interest Tax demands disputed by the company (Amount already paid Rs 57,98,482/-)	58,37,482	58,37,482
Service Tax on Hire Purchase and Lease transaction not realized and paid in view of interim stay of Hon'ble Madras High Court.	Amount not ascertained	Amount not ascertained
Disputed penalty liabilities in legal cases (Amount already paid Rs 3,55,000/-)	7,00,213	7,00,213
Income Tax Demand for the F.Y.2003-04 (Matter pending with ITAT)	4,45,727	4,45,727

- b. Stock in hire repossessed include 14 cases amounting to Rs 18,17,000/- which are legally disputed and their recovery is pending before the legal authorities.
- c. The Contingent liabilities as mentioned in point no a & b above except disputed liabilities on account of income tax and other statutory taxes had been assigned to M/s Kailash Motors Finance Pvt Ltd, Jabalpur vide assignment deed executed on 13.02.2012.
- 24 Fixed Deposit repayment due within one year is Rs. 2,89,280/- (Previous year Rs. 2,89,280/-) an all due amount deposited in SBI Escrow Account.
- 25 The Company is engaged primarily in the business of Non Banking Financial Activities and accordingly there are no separate reportable segments as per Accounting Standard AS-17-Segment Reporting issued by ICAI.
- 26 Certain Balances of parties under sundry debtors, creditors, loans and advances are under confirmations/reconciliation.
- 27 The Current Assets, Loans and Advances have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet.
- 28 Information as required in terms of paragraph 9BB of NBFC Prudential Norms (Reserve Bank) Direction 1998 is attached.
- 29 There was no expenditure/earning in Foreign Currency during the year.
- 30 As informed there are no dues to Micro Small and Medium Enterprises as on 31.3.2014.
- 31 The Non Banking business of the company under category "A" of Reserve Bank of India has been converted to category "B" i.e. non deposit acceptance company w.e.f 12th Jan 2009.
- 32 The Previous year's figures have been regrouped, reclassified or rearranged wherever necessary.

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For Anil Agarwal
Chartered Accountants

CA Anil Agarwal
Proprietor
Membership No: 79054

Place : Mumbai
Date : May 30, 2014

For and On behalf of the Board of Directors

Babalu Prasad Keshari
Director

Deepak Kunjbehari Dave
Director

Information as required in terms of Paragraph 9BB of Non Banking Financial Prudential Norms (Reserve Bank) Direction 1998 :-

Particulars

Liabilities Side:

1	Loans & Advances availed by the NBFC's inclusive of interest accrued thereon but not paid	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	-	-
	Unsecured	-	-
	(Other than falling within the meaning of public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Intercompany Loans & Borrowings	1,450,000	-
	(e) Commercial Papers	-	-
	(f) Public Deposits	-	-
	(g) Other Loans (specify nature)	-	-

2 Break up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)

(a) In the form of Unsecured debentures	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	
(c) Other Public Deposits	-

Assets side:
3 Break-up of Loans & Advances including bills receivables (other than those include in para (4) below)

(a) Secured	-
(b) Unsecured	467,774,861

4 Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP 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) Hypothecation loans counting towards EL/HP activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above (Nos)	-

**5 Break-up of Investment
Current Investments**
1 Quoted

(i) Shares (a) Equity	-
(b) Preference	-
(ii) Debentures & Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

2 - Unquoted

(i) Shares (a) Equity	-
(b) Preference	-
(ii) Debentures & Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

Long Term Investments

1 - Quoted

(I) Shares (a) Equity	1,978,121
(b) Preference	-
(ii) Debentures & Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

2 - Unquoted

(I) Shares (a) Equity	59,914,723
(b) Preference	-
(ii) Debentures & Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	5,378,778

6 Borrower group wise classification of all leased assets stock on hire and loans and advances

Category	Amount Net of Provisions		
	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other Related Parties	-	-	-
2 Other than Related Parties	-	467,774,861	467,774,861
Total	-	467,774,861	467,774,861

7 Investor group wise classification of all investments (Current and long term) in shares & securities (both quoted & unquoted)

Category	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	72,668,578	72,451,622
Total	72,668,578	72,451,622

8 Other Information

Particulars	
1 Gross Non Performing Assets	
(a) Related Parties	-
(b) other than Related Parties	-
2 Net Non Performing Assets	
(a) Related Parties	-
(b) other than Related Parties	-
3 Assets acquired in satisfaction on debts	-