

FIRST LEASING COMPANY OF INDIA LTD.



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5th March, 2014

Corporate Relations Department Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Tower, Dalal Street, 25 th Floor, Mumbai-400 001	Listing Department, National Stock Exchange of India Ltd Exchange Plaza 5 th Floor, Plot No. C/1. IC Block, Bandra Kurla Complex, Bandra Mumbai-400 051
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Sir,

Sub: Outcome of the Board Meeting held today 5th March, 2014.

Pursuant to the applicable clauses of the Listing Agreement, please be informed that at the meeting of the Board of Directors of the Company held on 05th March, 2014.

In place of Mr. Justice S. Mohan, Director who has resigned from the Board, Dr. I. V. Manivannan has been appointed as the Additional Director of the Company as per Section 161 of the Companies Act 2013. Mr. V. Selvaraj has been elected as the Chairman of the Board of Directors of the Company.

The Board has decided to convene the Thirty Ninth Annual General Meeting of the Company on 4th April, 2014 and the Notice for the Thirty Ninth Annual General Meeting of the Company will be dispatched separately.

Subject to the approval of the shareholders of the Company in the Thirty Ninth Annual General Meeting M/s. Sundaram & Srinivasan, Chartered Accountants, have been approved by the Board to be appointed as the Statutory Auditors of the Company for the financial year ended 31st March, 2013 in the place of M/s. Sarathy & Balu, Chartered Accountants who have resigned.

The Company has received show cause notice from Reserve Bank of India dated 18/02/2014 as to why the certificate of Registration granted to the company should not be cancelled in terms of the provision of Section 45-IA (6) of RBI Act, 1934 pointing out several findings of the Special Audit by M/s. N. C. Rajagopal



Page : 2.

& Co against the erstwhile Managing Director, Mr.Farouk Irani and that there has been falsification of accounts of the Company.

The Company has sent its reply to the RBI stating that the Board has approved the accounts year after year based on the certificates issued by the Managing Director. Immediately after RBI brought to the knowledge of the Board of the falsification of accounts , the Board has taken steps by appointing special auditors and also Forensic Audit by Mr.R.K.Raghavan , former Director of CBI. The forensic Audit by Mr.R.K.Raghavan is in progress. The Company after receipt of the Forensic Audit Report proposes to initiate both criminal and civil action against the persons whom the Forensic Audit Report proposes to initiate both criminal and civil action against the persons whom the Forensic Audit Report may identify.

The Company has also stated in its reply to RBI that the company is looking out for a suitable entrepreneur, who will be willing to step in at this juncture and take over the Management of FLCI for revival of the Company. In view of the large gap in the assets and liabilities of the Company and serious violations of the statutes committed by the erstwhile Managing Director, the company finds it extremely difficult to identify such entrepreneur, However , efforts are continuing.

Kindly take the above information on record and acknowledge receipt for the same.

Very truly yours,



M.Krishnan

Compliance Officer

