



ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED

BOARD OF DIRECTORS :

- Mr. K.V. Aiyappan* - *Chairman*
Mr. Teckchand Vaswani - *Director*
Mr. L.V. Anantram - *Director*
Mr. T.V. Srinivasan - *Independent Director*
Mr. V.G. Suresh Kumar - *Independent Director*
Mr. U.K. Selvathilak - *Independent Director*
Mr. J.Viswanathan - *Independent Director*
Mr. K.M. Narasimhan - *Independent Director*
Mr. P. Sankaran - *Executive Director*

COMPANY SECRETARY : *Mr. J. Narassimhan*

AUDITOR : *R. Bhaskar & Co.*
Chartered Accountants,
D.C. Towers, No.17, 3rd Floor,
F 37-38, Second Avenue, Anna Nagar,
Chennai-600102.

BANKERS : *M/s. Lakshmi Vilas Bank Ltd.,*
Cathedral Road Branch, Chennai.

M/s. Indian Overseas Bank
Cathedral Road Branch, Chennai.

M/s. Canara Bank
T.Nagar Branch, Chennai.

REGISTERED OFFICE : *“CAPITAL PLACE”*
New No.16 (Old No. 50), South Boag Road
T. Nagar, Chennai 600 017.



CONTENTS	PAGE NO
Notice to Shareholders	3
Explanatory Statement	6
Directors' Report	13
Auditor's Report	32
Balance Sheet	38
Profit and Loss Account	39
Schedules	40
Notes on Accounts	47
Business Profile	52
Cash Flow Statement	54



NOTICE TO SHAREHOLDERS :

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of the company will be held at the Registered Office of the company at “Capital Place”, No.16/50 South Boag Road, T.Nagar, Chennai 600017 on Monday the 18th July 2011 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Accounts:-

To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2011 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.

2. Re-Appointment of Directors Retiring By Rotation:-

- (a) To appoint a Director in the place of Mr.L. V. Anantram who retires by rotation and being eligible offers himself for re-appointment.
- (b) To appoint a Director in the place of Mr. Teckchand Vaswani who retires by rotation and being eligible offers himself for re-appointment.
- (c) To appoint a Director in the place of Mr. P.Sankaran who retires by rotation and being eligible offers himself for re-appointment.

3. Re-Appointment of Auditors:-

To consider and if thought fit, to pass with or without modifications the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** R.Bhaskar & Co, Chartered Accountants, D.C.Towers, No.17, 3rd Floor, F 37 & 38, Second Avenue, Anna Nagar, Chennai-600102 be and are hereby re-appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be determined by the Board of Directors”.



SPECIAL BUSINESS:

4. Appointment of Directors:-

- (a) To consider and if thought fit, to pass with or without modifications the following resolution as **Ordinary Resolution**:

“RESOLVED THAT Mr.J.Viswanathan, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 read with Article 122 of the Articles of Association of the Company and who holds office till the conclusion of this Annual General Meeting and in respect of whom the company has received a notice from a member proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company liable to retire by rotation”.

- (b) To consider and if thought fit, to pass with or without modifications the following resolution as **Ordinary Resolution**:

“RESOLVED THAT Mr.K.M.Narasimhan, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 read with Article 122 of the Articles of Association of the Company and who holds office till the conclusion of this Annual General Meeting and in respect of whom the company has received a notice from a member proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company liable to retire by rotation”.

5. Re-Appointment of Executive Director:-

To consider and if thought fit, to pass with or without modifications the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, Mr.P.Sankaran be and is hereby re-appointed as Executive Director of the Company for a period of One Year with effect from 19-06-2011 on the following terms and conditions: -

- (a) Salary : ₹ 21,000/- per month.



(b) Perquisites : In addition to salary, Mr.P.Sankaran is entitled to other benefits and perquisites as may be Provided to other executives of the company and re-imbusement of expenses on one residential Telephone as per company rules”.

“RESOLVED FURTHER THAT, the Board of Directors be and are hereby authorized to do and perform all such acts, deeds, matters and things and to take such steps as may be necessary or desirable to give effect to this resolution”.

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the company. Proxies in order to be effective should be lodged with the company not later than 48 hours before the commencement of the Meeting.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of appointment of special business set out under item Nos. 4 & 5 is annexed hereto.
3. The Register of Members and Share Transfer Books of the company will remain Closed from 13th July, 2011 to 18th July, 2011 (Both days inclusive).
4. There is no unpaid/unclaimed dividend for transfer to Investor Education Protection Fund.
5. Members/proxies are requested to bring the Attendance slip duly filled in for attending the Meeting.
6. All documents referred to in the above notice/explanatory statement are open for inspection by any members at the Registered Office of the Company during business hours of the company on any working day up to the last date of the Annual General Meeting.

Place: Chennai - 17
Date : 21-04-2011.

P. SANKARAN
Executive Director



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No.4:

- (a) Mr.J.Viswanathan was appointed as Additional cum Independent Director by the Board of Directors at their meeting held on 23/07/2010. As per Section 260 of the Companies Act, 1956 and Clause 122 of the Articles of Association of the company, he holds the office of director till the conclusion of this Annual General Meeting and is eligible for re-appointment. A notice under section 257 of the Companies Act, 1956, along with the requisite deposit has been received from a shareholder signifying the intention to propose his candidature for appointment as a director of the company liable to retire by rotation. Your approval is required for the resolution.

INTEREST OF DIRECTORS:-

None of the Directors of the company are interested in the resolution except Mr.J.Viswanathan.

- (b) Mr.K.M.Narasimhan was appointed as Additional cum Independent Director by the Board of Directors at their meeting held on 20-01-2011. As per Section 260 of the Companies Act, 1956 and Clause 122 of the Articles of Association of the company, he holds the office of director till the conclusion of this Annual General Meeting and is eligible for re-appointment. A notice under section 257 of the Companies Act, 1956, along with the requisite deposit has been received from a shareholder signifying the intention to propose his candidature for appointment as a director of the company liable to retire by rotation. Your approval is required for the resolution.

INTEREST OF DIRECTORS:-

None of the Directors of the company are interested in the resolution except Mr.K.M.Narasimhan.



Item No.5:

Your Directors would like to inform you that the term of office of the Executive Director Mr. P.Sankaran is expiring on 18/06/2011. In order to recognize the hard work and good performance of Mr.P.Sankaran, the Board of Directors at their meeting held on 21/04/2011 re-appointed him as Executive Director for a further period of one year on the terms and conditions as detailed in the special resolution. The remuneration committee at its meeting held on 15/04/2011 approved his remuneration and recommended the same to the Board of Directors.

Your approval is required for the re-appointment of Mr.P.Sankaran as Executive Director as well as for payment of remuneration to him.

INTEREST OF DIRECTORS:-

Mr.P.Sankaran is interested in the resolution since it relates to his re-appointment and payment of remuneration. No other director is interested in the resolution.



INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE-49 OF THE LISTING AGREEMENT:

As required under the Listing Agreement, the particulars of the Directors who are proposed to be appointed /re-appointed are given hereunder:

Item no. 2 (a) of the Notice

Name : Mr.L.V.Anantram
Age : 87 years
Qualification : Bachelor of Science
Date of Appointment : 19th July, 1995
Occupation : Retired Senior Official from A.G.Office-
Government of India.
No. of Shares held by him : NIL
Expertise :

He has got experience of over 35 years in accounts and audit in A.G. Office. His vast experience coupled with reasoned views in every aspect of the company affairs are the best guidance in the performance of the company.

Details of other Directorships / Committee Membership held by him are as follows:-

Sl. No.	Name of the company	Position	Committee Membership	
			Chairman	Member
1.	Yoha Securities Limited	Director	-----	Share Transfer Committee
2.	Ashwin Commodities Private Limited	Director	-----	-----



INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE-49 OF THE LISTING AGREEMENT:

As required under the Listing Agreement, the particulars of the Directors who are proposed to be appointed /re-appointed are given hereunder:

Item no.2 (b) of the Notice

Name : Mr. Teckchand Vaswani
Age : 81 Years
Qualification : B.A.
Date of Appointment : 19th April, 1993
Occupation : Industrialist
No. of Shares held by him : 10, 80,000
Expertise :

He has wide experience in international business for the past 4 decades. He has business interest in Hong Kong, Taiwan and U.K.

Details of other Directorships / Committee Membership held by him are as follows:

Sl. No.	Name of the company	Position	Committee Membership	
			Chairman	Member
1.	Yoha Securities Limited	Director	-----	-----
2.	Ess Tee United Traders (HK) Limited, Hong Kong	Managing Director	-----	-----
3.	Ess Tee United Traders (Thailand) Limited	Managing Director	-----	-----
4.	Ess Tee United Traders, Spain	Managing Director	-----	-----
5.	Ess Tee United Traders (London) Limited	Managing Director	-----	-----



INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE-49 OF THE LISTING AGREEMENT:

As required under the Listing Agreement, the particulars of the Directors who are proposed to be appointed /re-appointed are given hereunder:

Item no.4 (a) of the Notice

Name	:	Mr. J.Viswanathan
Age	:	64 Years
Qualification	:	B.Com; CAIIB (PI)
Date of Appointment	:	23 rd July 2010.
Occupation	:	Retired Chief Manager from I.O.B.
No. of Shares held by him	:	NIL.
Expertise	:	

Mr.J.Viswanathan is an experienced Banker. He joined Indian Overseas Bank in the year 1967 and retired in 2008 as Chief Manager. During his tenure of 41 years in I.O.B. he held various positions in different parts of India. He also served as Independent Manager in one of the Hong Kong branches of I.O.B.

Details of other Directorships / Committee Membership held by him are: - NIL



INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE-49 OF THE LISTING AGREEMENT:

As required under the Listing Agreement, the particulars of the Directors who are proposed to be appointed /re-appointed are given hereunder:

Item no.4 (b) of the Notice

Name : Mr. K.M.Narasimhan
Age : 62 Years
Qualification : B.Com; C.A.
Date of Appointment : 20th January, 2011
Occupation : Business
No. of Shares held by him : NIL.
Expertise: - :

Mr.K.M.Narasimhan is a Chartered Accountant. He has got rich experience in the field of Finance and Transport Industry having business with various Multi-National and Domestic Corporate Companies for the past 38 years. He was conferred with the Award of "TRANSPORT SAMRAT" in 2005 by the Union Surface & Transport Minister, Government of India.

Details of other Directorships / Committee Membership held by him are as follows:-

Sl. No.	Name of the company	Position	Committee Membership	
			Chairman	Member
1.	Simhas Trading & Transport Pvt.Ltd.	Managing Director	-----	-----
2.	Simhas Logistics Private Limited	Managing Director	-----	-----
3.	Amass Chits Private Limited	Director	-----	-----
4.	Amass Proctor Finance & Leasing Private Limited	Director	-----	-----



INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE-49 OF THE LISTING AGREEMENT:

As required under the Listing Agreement, the particulars of the Directors who are proposed to be appointed /re-appointed are given hereunder:

Item nos. 2(c) and 5 of the Notice

Name : Mr. P.Sankaran
Age : 65 Years
Qualification : B.Com; CAIIB (PI)
Date of Appointment : 6th March, 2002
Occupation : Retired Senior Manager from Indian Overseas Bank
No. of Shares held by him : Nil.
Expertise :

He has more than 3 decades of Banking Service with experience in Finance, Inspection, Vigilance & Staff Management Portfolios. He is functioning as Executive Director of the Company w.e.f.19/06/2003.

Details of other Directorships / Committee Membership held by him are as follows:

Sl. No.	Name of the company	Position	Committee Membership	
			Chairman	Member
1.	Yoha Securities Limited	Director	-----	Share Transfer Committee



DIRECTORS' REPORT :

Your Directors have pleasure in presenting the Eighteenth Annual Report of your Company with Audited Accounts for the year ended 31 March, 2011.

PERFORMANCE:

The Performance of the Company for the year ended 31 March, 2011 is briefly set out below:

	₹ in Lakhs
INCOME FOR THE YEAR	110.97
LESS: EXPENDITURE FOR THE YEAR	36.54
PROFIT BEFORE DEPRECIATION & TAX	74.43
LESS: DEPRECIATION	32.61
PROVISION FOR TAX & STANDARD ASSETS	27.76
PROFIT AVAILABLE FOR APPROPRIATION	14.06
ADD: OPENING BALANCE IN P&L ACCOUNT	58.08
LESS: TRANSFER TO STATUTORY RESERVES	3.00
BALANCE C/F TO P&L ACCOUNT	69.14

DIVIDEND:

Your Company has not recommended any Dividend due to insufficient profits.



MANAGEMENT DISCUSSION & ANALYSIS:

REVIEW OF OPERATIONS:

During the year your company registered an increase in loan transactions from ₹ 147.93 lakhs in the previous year to ₹ 293.56 lakhs in the current year. There was an increase in interest on loans from ₹ 22.98 lakhs in the previous year to ₹ 30.93 lakhs in the current year. In spite of increase in business, the profit for the current year under review has come down to ₹ 41.82 lakhs from ₹ 43.63 lakhs in the previous year. This is mainly due to substantial reduction in profit on share trading from ₹ 25.05 lakhs in the previous year to ₹ 9.49 lakhs in the current year. Moreover, there was also decrease in rent and amenities to the extent of ₹ 20.80 lakhs during the year 2010-11.

With a view to increasing the financial income your company increased the investments substantially to ₹ 233.58 lakhs. The resultant income from these operations is expected to improve Company's income in the long run.

However, your company is happy to inform you that due to strenuous efforts, your company has been able to achieve the Asset/ Income Pattern norms fixed by RBI for Non-Banking Financial Companies in the current year under review.

WEBSITE:

Performance particulars of the Company can be viewed by the share holders / public from website, www.afslindia.com

FUTURE PROSPECTS:

During the year your company sought and secured the approval of the shareholders for carrying on the business of housing finance and the scheme is in the advanced stage of processing.

Your Directors are also considering the business of receivable financing, financing of commercial vehicles and construction equipments during the current year. Hence, your directors are hopeful of achieving improved results in the ensuing years.

ECONOMY MEASURES:

The Company has put into effect economy measures consistent with the need to continue the operations on a moderate scale with efficiency and promptness.

**RISKS AND CONCERNS:**

Your Company is exposed to normal industry risk factor such as Interest rate volatility, economic cycle and credit risk. Your Company manages these risks by adopting prudent business and risk management policies.

ADEQUACY OF INTERNAL CONTROL:

Your Company has got adequate system of internal controls and the management ensures adherence to all internal control practices and procedures. The Audit Committee critically reviews periodically the adequacy of internal controls and suggests control measure for further improvement/ transparency.

FIXED DEPOSITS:

The Company does not hold any deposits from the public or others as at 31 March, 2011 and hence, the company does not have any unpaid deposit or interest.

DIRECTORS:

Mr.L.V.Anantram, Mr.Teckchand Vaswani and Mr.P.Sankaran Directors retiring by rotation, being eligible have offered themselves for re-appointment.

Mr.A.K.Sabesan and Mr.R.Varadarajan resigned from the directorship of the company with effect from 23-07-2010 and 20-01-2011 respectively citing personal reasons. The Board places on record the good services rendered by them during their tenure as Directors.

Mr.J.Viswanathan has been appointed as additional director at the Board Meeting held on 23-07-2010. He holds office till the conclusion of the forthcoming Annual General Meeting. Your company received a notice under section 257 of the Companies Act, 1956 proposing his candidature as Director. The Board of Directors recommends his appointment/re-appointment.

Mr.K.M.Narasimhan has been appointed as additional director at the Board Meeting held on 20-01-2011. He holds office till the conclusion of the forthcoming Annual General Meeting. Your company received a notice under section 257 of the Companies Act, 1956 proposing his candidature as Director. The Board of Directors recommends his appointment/re-appointment.



At the Board Meeting held on 21-04-2011, Mr.P.Sankaran, Executive Director has been re-appointed for a period of one year with effect from 19-06-2011 on the terms and conditions as detailed in the Special resolution placed for shareholder's approval.

CORPORATE GOVERNANCE REPORT:

A Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS:

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. 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 that period.
3. Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. Directors had prepared the annual accounts on a going concern basis.

STATUTORY DISCLOSURES:

- (i) Since none of the employees are in receipt of such remuneration for being included in the statement under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, the information in this regard is NIL.
- (ii) The provisions of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 requiring disclosure of particulars regarding Conservation of Energy in Form A and Technology Absorption in Form B prescribed by the Rules do not apply to your Company, as it does not carry on manufacturing activities.
- (iii) The Company had no foreign exchange inflow and outflow.



AUDITORS:

R.Bhaskar & Co, Chartered Accountants, Chennai are recommended for re-appointment as Statutory Auditors of the company to hold office from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their gratitude to you as shareholders for your continued support. They are thankful to your Company's Clients, Bankers, Reserve Bank of India, FIHPA, SIHPA, SEBI, MSE, BSE and other Government Agencies for their valuable assistance.

They also wish to convey their appreciation to the employees whose dedicated service has enabled your Company to function satisfactorily in a difficult business climate.

On behalf of the Board

Place : Chennai - 17
Date : 21-04-2011.

L.V. ANANTRAM
Director

P. SANKARAN
Executive Director



CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

M/s.Abirami Financial Services (India) Limited

We have examined all relevant records of M/s.Abirami Financial Services (I) Ltd., for the purpose of certifying compliance of the conditions of corporate governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the financial year ended 31st March, 2011.

We have obtained all the informations and explanations, which to the best of our knowledge and beliefs were necessary for the purpose of our certification.

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the company has complied with:

- a) All the mandatory conditions of the said Clause 49 of the Listing Agreement.
- b) The following non-mandatory requirements of the said Cause 49 of the Listing Agreement:
 - (i) Remuneration committee.
 - (ii) Whistle blower mechanism.
 - (iii) Providing office for Non-Executive Chairman.

Place: Chennai.
Date: 21-04-2011.

R. BHASKAR & CO;
CHARTERED ACCOUNTANTS
F. No. 008860S

R. BHASKAR
PROPRIETOR
M. No. 026584



CORPORATE GOVERNANCE REPORT

M/S.ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED has implemented code on corporate governance introduced by The Securities Exchange Board of India (SEBI).

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The company is committed to Good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its inter-actions with its stakeholders, including shareholders, the government, lenders and the employees.

The Company follows the Know your Customer Guidelines and fair practice code which have detailed guidelines for dealing with customers in order to improve transparency in operations and strengthen Corporate Governance.

The company strives hard to fine tune Internal Controls and risk Management. The Company respects the right of its shareholders to information on the performance of the company.

BOARD OF DIRECTORS:

The Members of the Board of Directors are persons with considerable expertise and experience in Audit, Accounts, Administration, Banking, Software, Finance and International business. The company is benefited by the experience and skills of the Board of Directors.

The Board consists of Nine Directors of which one person is the Executive Director and eight others are non-executive directors. Out of the eight directors five are independent directors. The Executive Director is Mr.P.Sankaran. Mr.K. V.Aiyappan and Mr.Teckchand Vaswani are Non-executive Promoter Directors. Mr.L.V.Anantram is a Non-executive Director. Mr.K.V.Aiyappan chairs the Board. Mr.T.V.Srinivasan, Mr.V.G.SureshKumar, Mr.U.K.Selvathilak, Mr.J.Viswanathan and Mr.K.M.Narasimhan are Independent Non-Executive Directors. More than half of the board consists of independent directors which fully satisfies the listing requirements in this regard.

Mr.A.K.Sabesan and Mr.R.Varadarajan resigned from the directorship of the company with effect from 23-07-2010 and 20-01-2011 respectively. At the Board Meeting held on 23-07-2010 Mr.J.Viswanathan and on 20-01-2011 Mr.K.M.Narasimhan were appointed as Additional cum Independent Directors.



The Independent Directors have made disclosures to the Board confirming that there are no material, financial and/ or commercial transactions between them and the company which could have potential conflict of interest with the company at large.

The company has a code of conduct for Directors and Senior Management personnel. The code is available on the official website of the company: www.afslindia.com

All Directors and Senior Management Personnel have affirmed compliance with the code of conduct approved and adopted by the Board of Directors. A declaration in this regard, duly signed by the Executive Director is given at the end of the Corporate Governance Report.

BOARD MEETINGS:

The Board of Directors formulates the business policies of the company, reviews the performance and decides on main issues concerning the company. During the year under review, the board has met four times. The meetings were held on 24-04-2010, 23-07-2010, 12-11-2010 and 20-01-2011.

The details of attendance at Board Meetings and details of other Directorships are given below. Apart from the above, committee Chairmanship/Membership held by the Directors in Indian public Limited companies as on 31/03/2011 are as follows:



Name of the Director	No. of Board Meetings	Directorship of companies other than M/s.Abirami Financial Services (I) Ltd.,		Committee in which Chairman / Member Other than M/s.Abirami Financial Services (I) Ltd.	
		Chairman	Director	Chairman	Member
K.V.Aiyappan	4	7	2	--	--
Teckchand Vaswani	--	--	5	--	--
L.V.Anantram	4	--	2	--	1
P.Sankaran	3	--	1	--	1
J.Viswanathan *	3	--	--	--	--
T.V.Srinivasan	3	--	--	--	--
V.G.Sureshkumar	3	--	--	--	--
U.K.Selvathilak	4	--	--	--	--
K.M.Narasimhan *	1	--	--	--	--
R.Varadarajan **	4	--	2	--	--
A.K.Sabesan**	--	--	--	--	--

* Appointed as Additional Directors on 23-07-2010 and 20-01-2011 respectively.

** Resigned from the Board on 20-01-2011 and 23-07-2010 respectively.

The above details include only chairmanship and membership of Audit committees and Share transfer/Investor Grievance committees.

All the Directors who are on the Board on the date of the Annual General Meeting except Mr.Teckchand Vaswani attended the A.G.M. held on 28-06-2010.

AUDIT COMMITTEE:

The Audit Committee reviews the financial accounting policies, internal control systems, and interacts with the Statutory Auditors and Internal Auditors. The Executive Director and the Statutory Auditor are invitees to the committee meetings.

Besides, the Audit Committee reviews related party transactions, quarterly, annual financial results, performance of statutory auditors, appointment/re-appointment of statutory auditors and fixation of audit fees, management discussion and analysis of financial condition and results of operations, observation of management / external auditors on weaknesses of internal control systems of the company and follow up reports of management.

The Audit Committee is consisting of Two Non-Executive Independent Directors and One Non-Executive Director. During the year the committee met 4 times on 21-04-2010, 12-07-2010, 10-11-2010 and 19-01-2011. Attendance of members are as follows:



<u>Name of the Director</u>		<u>No.of Meetings Attended</u>
Mr.R.Varadarajan	Chairman	4
Mr.L.V.Anantram	Member	4
Mr.T.V.Srinivasan	Member	4

The Company Secretary is the secretary to the committee.

The Chairman of the Audit committee Mr.R.Varadarajan resigned from the directorship of the company on 20-01-2011. Consequent to his resignation Mr.J.Viswanathan, Independent Director was appointed as Chairman of the Audit Committee with effect from 20-01-2011.

The Chairman of then Audit committee Mr.R.Varadarajan was present at the AGM held on 28-06-2010.

REMUNERATION COMMITTEE:

The Remuneration Committee was re-constituted on 24-04-2010. Mr.R.Varadarajan Independent Director is the chairman of the committee. Mr.A.K.Sabesan, Mr.U.K.Selvathilak Independent Directors, Mr.L.V.Anantram and Mr.K.V.Aiyappan Non-executive Directors are the other members of the committee. Due to resignations of Mr.A.K.Sabesan and Mr.R.Varadarajan during the financial year the committee was re-constituted on 23-07-2010 and 20-01-2011. The present committee consists of three non-executive independent directors and two non-executive directors. The details are as follows:-

1. Mr.J.Viswanathan Chairman
2. Mr.U.K.Selvathilak Member
3. Mr.K.M.Narasimhan Member
4. Mr.K.V.Aiyappan Member
5. Mr.L.V.Anantram Member

The Remuneration Committee has the mandate to review and recommend remuneration payable to the Whole Time Director / Executive Director. During the year the remuneration committee met once on 15th April 2010 to consider payment of remuneration to Mr.P.Sankaran, Executive Director on his re-appointment in June 2010. Except Mr.K.V.Aiyappan and Mr.A.K.Sabesan the other members of the committee at that time attended the Meeting.



REMUNERATION OF DIRECTORS:

The Non-Executive Directors of the company were paid sitting fee of ₹ 5,000/- for attending each Board meeting and no fees is paid for committee meetings.

Apart from sitting fees no remuneration / commission is paid to Non-Executive Directors.

The details of sitting fees paid and numbers of shares held by non-executive directors are as follows:

NAME OF THE DIRECTOR	SITTING FEES	NO.OF SHARES HELD
Shri.K.V.Aiyappan	₹ 20,000/-	24,65,000
Shri.Teckchand Vaswani	Nil	10,80,000
Shri.L.V.Anantram	₹ 20,000/-	Nil
Shri.R.Varadarajan	₹ 20,000/-	Nil
Shri.T.V.Srinivasan	₹ 15,000/-	Nil
Shri.V.G.Suresh Kumar	₹ 15,000/-	Nil
Shri U.K.Selvathilak	₹ 20,000/-	Nil
Shri. J.Viswanathan	₹ 15,000/-	Nil
Shri.K.M.Narasimhan	₹ 5,000/-	Nil

The Executive Director of the company Mr.P.Sankaran was re-appointed on contractual basis for a period of one year w.e.f.:19/06/2010 at a consolidated salary of ₹ 21,000/- Per month. He has been re-appointed for a further period of one year with effect from 19/06/2011 on the same terms and conditions. He is entitled for other benefits and perquisites as may be provided to other executives of the company and reimbursement of expenses on one residential telephone as per company rules.

The employment can be terminated by either party by giving one month notice in writing. The remuneration is within the limit of schedule XIII of the Companies Act, 1956. There is no separate provision for payment of severance fees.

There were no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the company. The company has not granted any stock option to any of its directors.



SHARE TRANSFER / INVESTOR GRIEVANCE COMMITTEE:

The Board has constituted Share Transfer/Investor's Grievance Committee comprising of Mr.R.Varadarajan, Non-executive Independent Director as its Chairman. Mr.L.V.Anantram, Non-executive Director and Mr.P.Sankaran, Executive Director as members of the committee. During the financial year the committee was re-constituted twice on 23-07-2010 and 20-01-2011. The present members of the committee are as follows:-

- | | |
|-----------------------|------------------------------------|
| 1. Mr.J.Viswanathan | Non-Executive Independent Director |
| 2. Mr.P.Sankaran | Executive Director |
| 3. Mr.L.V.Anantram | Non-Executive Director |
| 4. Mr.T.V.Srinivasan | Non-Executive Independent Director |
| 5. Mr.U.K.Selvathilak | Non-Executive Independent Director |

Mr.J.Viswanathan, is the Chairman of the Committee.

The Committee oversees the performance of the Registrars and Share transfer Agents of the company. The committee is empowered to approve and monitor transfers, transmission, split and consolidation of shares of the company, issue of duplicate share certificates, attends to investor grievances etc, and reviews compliance with various statutory and regulatory requirements pertaining to transfer of securities of the company.

During this year the committee met three times on 15-11-2010, 30-11-2010 and 31-01-2011 and all the members attended the meetings. Mr.J.Narassimhan, company secretary is the compliance officer. He acts as secretary of the committee. No investor complaints were received during the year and there are no pending complaints. No share transfers are pending at the end of the financial year.

GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held as under:

<u>Year</u>	<u>Location</u>	<u>Date</u>	<u>Time</u>
2007-08	Registered Office	23-06-2008	10.15 A.M.
2008-09	Registered Office	10-08-2009	10.15 A.M.
2009-10	Registered Office	28-06-2010	10-15 A.M.

Following Special resolutions were passed in the previous three A.G.Ms.



1. Re-appointment of Executive Director and Payment of Remuneration 23/06/2008
2. Re-appointment of Executive Director and Payment of Remuneration 10/08/2009
3. Re-appointment of Executive Director and Payment of Remuneration 28-06-2010

In September 2010 a special resolution under section 17 of the Company's Act, 1956, seeking consent of the members for alteration in the main objects clause of the Memorandum of Association for carrying on the business of housing finance in addition to existing business was passed through postal ballot. The details of voting pattern are as follows:-

Date of Special Resolution	Votes cast in favour		Votes cast against		Result
-----	-----	-----	-----	-----	-----
	Nos.	%	Nos.	%	
20-09-2010	39,50,702	65.84	NIL	---	Passed with requisite majority.

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (passing of the Resolution by Postal Ballot) Rules, 2001, has been followed for the postal ballot conducted for special resolution mentioned above. The result was announced at the registered office of the company, posted on the website and advertised in the newspaper.

No Special resolution is proposed to be passed through postal ballot at the ensuing AGM.



DISCLOSURES:

1. Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large.

None of the transactions with any of the parties was in conflict with the interest of the company.

2. Pecuniary relationship or transactions of the Non-Executive Directors of the Company with the Company: NIL.
3. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: NIL.
4. The Accounting Treatment prescribed under the Accounting Standards has been followed by the company and there is no deviation.
5. The company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.
6. The company complies with the following Non-mandatory requirements:
 - a) The Company has set up an office for the Non-executive chairman to look after the affairs of the company.
 - b) The Company has setup a Remuneration Committee comprising Three Non-Executive Independent Directors and two Non-Executive Directors. The details of the committee are given elsewhere in this report.
 - c) Whistle Blower policy: The Company has a whistle blower mechanism wherein the employees are free to report violation of laws, rules, regulations or unethical conduct to their immediate superiors or such other person as may be notified from time to time by the management. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practices. No person had been denied access to the Audit Committee.
 - d) The other Non-mandatory requirements will be adopted as and when necessary.



MEANS OF COMMUNICATION:

- 1) Quarterly Un-audited results and Annual Audited Results of the company were published in News Today (English) and Maalai Sudar (Tamil) both at Chennai. Apart from the above, the company had also sent the results and shareholding pattern to the Stock Exchanges where the Company's shares are Listed and they were also displayed at company's website: www.afslindia.com.
- 2) Management discussion and analysis forms part of the Directors' report, which is being posted to the shareholders of the company.
- 3) Mr. J.Narassimhan, Company Secretary is the Compliance officer appointed by the board. He can be contacted for Investor related matters relating to the company. His contact numbers are (044) 24356224/24355869 and E-mail Id: abicompliance@afslindia.com

GENERAL SHAREHOLDER INFORMATION:

1. The company is registered in the State of Tamilnadu. The Corporate Identity Number is L65993TN1993PLC024861.
2. Annual General Meeting :
Day, Date and Time : Monday, 18-07-2011 at 10.00 am.
Venue : Registered Office:
"Capital Place",
New No.16 (Old No.50), South Boag Road,
T Nagar, Chennai 600 017.
3. Financial year : April 01, 2011 to March 31, 2012.
The Financial results will be adopted as per the following tentative schedule:
Result for the Quarter ending 30 June, 2011 - On or before 14-08-2011.
Result for the Quarter ending 30 Sep, 2011 - On or before 14-11-2011.
Result for the Quarter ending 31 Dec, 2011 - On or before 14-02-2012.
Result for the Year ending 31 March, 2012 - On or before 14-05-2012.



4. Book Closure Date : Wednesday, 13th July, 2011 to Monday, 18th July, 2011 (Both days inclusive.)
5. Dividend Payment Date : Not Applicable.
6. Equity Shares Listed on Stock Exchanges at : 1. Madras Stock Exchange Limited, Chennai
2. Bombay Stock Exchange Limited, Mumbai
7. Stock Code No. & ISIN No. : MSE: ABIFINSER & BSE: 511756.
ISIN No. INE 195101013.
8. Annual Listing Fees : Paid to the Madras Stock Exchange Limited and Bombay Stock Exchange Limited for 2011-2012.

9. Stock Market Data * :

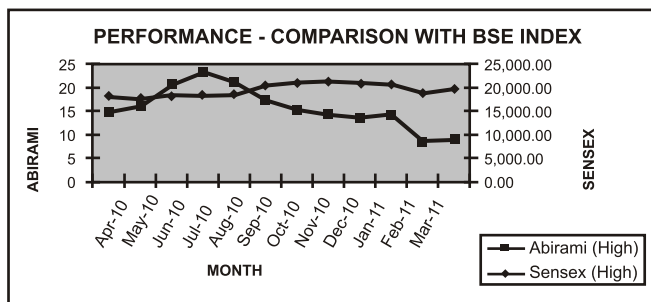
<u>MONTH</u>	<u>HIGH(₹)</u>	<u>LOW(₹)</u>
April 2010	14.82	10.40
May 2010	16.00	14.82
June 2010	20.40	16.00
July 2010	23.30	20.30
August 2010	21.00	16.00
September 2010	17.70	16.05
October 2010	15.25	13.80
November 2010	14.45	11.68
December 2010	13.85	09.70
January 2011	14.21	07.85
February 2011	08.50	07.00
March 2011	08.99	07.89

(Source from BSE Website)

* The data pertaining to our shares during the financial year ended 31st March, 2011 in MSE is Nil.



10. Share Price Performance :



11. Registrars and Transfer Agents

M/s.Cameo Corporate Services Limited
: 1, Club House Road, Chennai 600 002.
Phone No. (044) 28460390-6 lines, 2846 0084
Fax No. (044) 28460129
E-Mail ID: cameo@cameoindia.com
Contact person: R.D. RAMASWAMY
VICE-PRESIDENT
D. NARASIMHAN
SENIOR EXECUTIVE

12. Share Transfer System

: The share transfers received in physical form are processed by the share transfer agents M/s.Cameo Corporate Services Limited and share certificates are dispatched to the transferee after getting approval from share transfer committee. The process is completed within the stipulated time mentioned in the Listing agreement subject to the documents being valid and complete in all respects. Share transfer committee meetings are held as and when the requirement arises.

The Board has delegated the authority for approving transfer/transmission etc. to the Share transfer committee. Details of transfers approved by the committee is placed before the subsequent Board Meeting. The company obtains half-yearly certificate of compliance relating to share transfer formalities as per clause 47(C) of the Listing Agreement from a practicing company secretary and files



13. Share holding pattern and Distribution of Shareholding as on 31st March, 2011.

<u>Particulars</u>	<u>No. of Shares Held</u>	<u>Percentage</u>
Promoter Holdings:		
Indian	24,65,000	41.08%
Foreign	10,80,000	18.00%
Non-Promoter Holdings:		
Private Corporate Bodies	6,75,260	11.26%
NRI's	8,16,100	13.60%

Category	Total No. of Shareholders	% of Shareholders	Total Shares	% of Total equity
0-500	765	88.85	76406	1.27
501-1000	32	3.72	25742	0.43
1001-2000	22	2.56	33004	0.55
2001-3000	7	0.81	18475	0.31
3001-4000	2	0.23	7451	0.12
4001-5000	5	0.58	23758	0.40
5001-10000	4	0.46	34802	0.58
10001 and above	24	2.79	5780362	96.34
Total	861	100	6000000	100

42, 01,213 Equity shares i.e.70.02% of Company's Paid up capital has been dematerialized up to 31-03-2011. Balance 17, 98,787 shares i.e.29.98% are in physical form. The total number of shareholders holding shares in physical form is 700 and in Demat form is 161. Shareholders holding shares physically are requested to Demat their holdings at the earliest.

15. Your company does not have any GDRS/ADRS/Warrants or any other convertible instruments.



16. Investor Correspondence : Investors clarifications/queries regarding transfer transmission and any query relating to shares of the company in physical form can be sent to RTA Agents M/s.Cameo Corporate Services Ltd.

For shares in Demat Form, the details can be obtained from Investors Depository Participants and/or M/s.Cameo Corporate Services Limited.

17. Any Query on Annual Report : J. Narassimhan, Company Secretary,
Abirami Financial Services (India) Limited,
“Capital Place” No.16/50, South Boag Road,
T.Nagar, Chennai-600017,
E-mail Id:abicompliance@afslindia.com

18. Transfer of unpaid/ unclaimed dividend amount to Investor Education and Protection Fund:

No unpaid/unclaimed dividend is due for transfer to Investor Education and Protection Fund.

19. The Executive Director of the company gives annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Executive Director also gives quarterly certification on financial results in terms of clause 41 of the Listing Agreement to the effect that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

COMPLIANCE ON THE CODE OF CONDUCT

I hereby confirm, that the company has obtained from all the Members of the Board and Senior Management Personnel, affirmation that they have complied with the code of conduct for Directors and Senior Management Personnel in respect of financial year 2010-2011.

Place: Chennai - 17
Date : 21-04-2011.

P. SANKARAN
Executive Director



R. BHASKAR & Co.
CHARTERED ACCOUNTANTS

D.C.Towers, No.17, 3rd Floor,
F 37-38, Second Avenue, Anna Nagar East,
Chennai-600102. Tel. No : 2626 0079

AUDITOR'S REPORT

The Shareholders of Abirami Financial Services (India) Limited.

1. We have examined the attached Balance Sheet of ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED as at 31st March 2011 and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. *As required by the Companies Auditor's Report Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the said order.*
4. Further to the comments in the annexure referred to paragraph 3 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 purposes of our audit.
 - (b) In our opinion, the Company has kept proper books of account as required by law so far as it appears from our examination of such books.
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (d) As per the information and explanations given to us and on the basis of the written representation received from Directors, we report that none of the directors of the company are prima facie disqualified from being appointed as directors of the Company as at 31st March 2011, in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.



- (e) The said profit and loss account and the balance sheet comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations furnished to us, the accounts read with the notes thereon 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.
 - (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2011; and
 - (ii) In the case of the Profit and Loss Account of the **PROFIT** for the year ended on that date.

ANNEXURE TO PARA 3 OF THE COMPANIES AUDITOR'S REPORT ORDER, 2003

- I.
 - (a) The Company has maintained proper records of fixed assets showing full particulars including quantitative details and location.
 - (b) The Company has a regular programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, fixed assets have been physically verified by the management during the year and no material discrepancies have been identified on such verification.
 - (c) The Company has not during the year disposed off a substantial part of its Fixed Assets.
- II.
 - (a) The Company, being Non-Banking Financial Company, does not have any inventory.
- III.
 - (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Act.
- IV. In our opinion, the company has an internal control system commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods and services.



- V. a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required and these transactions have been entered in the prevailing market rates.
- VI. The company has not accepted any deposits from the public during the year of audit to which provisions of section 58A and 58 AA of The Companies Act, 1956 are applicable.
- VII. The company has an internal audit system commensurate with its size and the nature of its business.
- VIII. According to the information and explanation given to us maintenance of cost records are not applicable to the company.
- IX. (a) According to the information and explanation given to us the company is regular in depositing undisputed statutory dues including income tax, Sales tax, etc to the appropriate authorities.
- X. As the Company has not incurred any cash loss this clause is not applicable to the company.
- XI. According to the information and explanations given to us and to the extent of our examination of the records of the company it has not defaulted on repayment of dues to the financial institution or bank.
- XII. The company has granted loans on the basis of any security and proper records of the same are maintained.
- XIII. The company is not a Chit Fund, and hence this clause is not applicable to the company.
- XIV. As the company is dealing in shares, securities and proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments have been held by the company, in its own name.
- XV. As the company has not given any guarantee and hence this clause is not applicable to the company.
- XVI. The company has not availed any term loan except corporate borrowings.
- XVII. In so far as our examination of the books of accounts the company has not applied Short Term Funds for Long Term purposes.



- XVIII. The company has not made any preferential allotment of shares.
- XIX. Debentures have not been issued by the company.
- XX. No public money has been raised during the year of audit.
- XXI. There is no fraud on or by the company has been noticed or reported during the year.
- XXII. We further report that the company is engaged in the business of Non Banking Financial Institution and it has obtained a Certificate of Registration.
- XXIII. Company has fulfilled the norms in terms of Assets/Income pattern as on 31st March 2011.
- XXIV. Based on the criteria set forth by RBI, the company is not an AFC.
- XXV. The Board of Directors have passed a resolution for Non-acceptance of any public deposits and the company has not accepted the same during the financial year ended 31st March 2011.
- XXVI. 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.

For R. BHASKAR & Co.
Chartered Accountants
F.No.008860S

Place : Chennai
Date: 21-04-2011.

R. BHASKAR,
Proprietor
M.No.026584

ACCOUNTS 2010 - 2011



BALANCE SHEET AS AT 31 MARCH 2011

	Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
I SOURCE OF FUNDS			
1. SHARE HOLDER FUNDS			
A. CAPITAL	A	6,00,00,000	6,00,00,000
B. RESERVES & SURPLUS	B	1,40,28,201	1,26,22,169
2. LOAN FUNDS			
A. UNSECURED LOANS	C	1,86,26,780	13,89,580
		<u>9,26,54,981</u>	<u>7,40,11,749</u>
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
GROSS BLOCK	D	11,06,16,400	11,03,16,354
LESS : ACCUMULATED DEPRECIATION		<u>7,69,39,490</u>	<u>7,36,78,663</u>
NET BLOCK		<u>3,36,76,910</u>	<u>3,66,37,691</u>
2. INVESTMENTS	E	2,33,58,391	81,48,182
3. CURRENT ASSETS, LOANS & ADVANCES			
A. CURRENT ASSETS	F	12,99,305	87,26,113
B. LOANS & ADVANCES	G	<u>3,87,78,840</u>	<u>2,22,22,725</u>
		<u>4,00,78,145</u>	<u>3,09,48,838</u>
LESS:			
CURRENT LIABILITIES	H	1,00,283	2,55,592
PROVISIONS	I	<u>43,58,182</u>	<u>14,67,370</u>
NET CURRENT ASSETS		<u>3,56,19,680</u>	<u>2,92,25,876</u>
		<u>9,26,54,981</u>	<u>7,40,11,749</u>

Note : Schedule A to I and Notes on Accounts thereon form part of this Balance Sheet.

L.V. Anantram U.K. Selvathilak
T.V. Srinivasan J. Viswanathan
V.G. Suresh Kumar K.M. Narasimhan } **Directors**

Place: Chennai
Date: 21-04-2011

K.V. Aiyappan
Chairman
P. Sankaran
Executive Director
J. Narassimhan
Company Secretary

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

For R. BHASKAR & Co.
Chartered Accountants
F.No.008860S

R. BHASKAR,
Proprietor
M.No.026584



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDING 31.03.2011

	Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
I INCOME			
A. INTEREST ON LOANS		30,92,785	22,98,134
B. OTHER INCOME	J	80,04,561	1,03,53,019
		1,10,97,346	1,26,51,153
II EXPENDITURE			
A. SALARIES/WAGES & OTHER EMPLOYEES BENEFITS	K	10,83,335	10,35,218
B. ADMINISTRATIVE & OTHER EXPENSES	L	25,68,868	31,36,109
C. FINANCIAL EXPENSES	M	2,184	4,122
D. DEPRECIATION		32,60,827	41,11,947
		69,15,214	82,87,396
III PROFIT FOR THE PERIOD		41,82,132	43,63,757
Less :			
Provision For Tax		27,00,000	20,50,000
Contingent Provisions Against Standard Assets		76,100	0
Income Tax & FBT		0	6,21,450
Transfer to Statutory Reserves		3,00,000	3,50,000
		11,06,032	13,42,307
Add :			
Opening Balance in P & L A/c		58,08,138	44,65,831
Balance C/F to Balance Sheet		69,14,170	58,08,138

Note : Schedule J to M and Notes on Accounts thereon form part of this Profit & Loss Account.

L.V. Anantram	U.K. Selvathilak	}	Directors
T.V. Srinivasan	J. Viswanathan		
V.G. Suresh Kumar	K.M. Narasimhan		

Place: Chennai
Date: 21-04-2011

K.V. Aiyappan
Chairman
P. Sankaran
Executive Director
J. Narassimhan
Company Secretary

This is the Profit & Loss A/c referred to in our report of even date.

For R. BHASKAR & Co.
Chartered Accountants
F.No.008860S

R. BHASKAR,
Proprietor
M.No.026584



SCHEDULES FORMING PART OF ACCOUNTS

	₹	As at 31.03.2011 ₹	₹	As at 31.03.2010 ₹
<u>SCHEDULE 'A' SHARE CAPITAL:</u>				
AUTHORISED				
12000000 EQUITY SHARES OF RS.10/- EACH		12,00,00,000		12,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP				
6000000 EQUITY SHARES OF RS.10/- EACH		6,00,00,000		6,00,00,000
		6,00,00,000		6,00,00,000

SCHEDULE 'B' RESERVES & SURPLUS:

GENERAL RESERVES	10,000		10,000	
ADD :				
ADDITIONS MADE DURING THE YEAR	0	10,000	0	10,000
STATUTORY RESERVES	68,04,031		64,54,031	
ADD :				
ADDITIONS MADE DURING THE YEAR	3,00,000	71,04,031	3,50,000	68,04,031
SURPLUS IN P & L ACCOUNT	58,08,138		44,65,831	
ADD :				
BALANCE FROM P& L ACCOUNT	11,06,032	69,14,170	13,42,307	58,08,138
		1,40,28,201		1,26,22,169

SCHEDULE 'C'

A. UNSECURED LOANS				
RENT DEPOSITS		11,26,780		13,89,580
INTER-CORPORATE BORROWINGS				
FROM M/S. UMA APPARLES (P) LTD.		85,00,000		0
FROM M/S. SUMERU SOFT (P) LTD.		90,00,000		0
		1,86,26,780		13,89,580



SCHEDULE 'D'

FIXED ASSETS

Sl. No.	Description	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		Cost as at 31.03.2010	Additions (Deletions)	As at 31.03.2011	Upto 31.03.2010	For the period 01.04.2010 to 31.03.2011	As at 31.03.2010	As at 31.03.2011
		₹	₹	₹	₹	₹	₹	₹
	FOR OWN USE							
1	Land	1,10,15,524	0	1,10,15,524	0	0	1,10,15,524	1,10,15,524
2	Buildings	2,02,08,993	3,19,158	2,05,28,151	80,23,974	6,25,216	1,21,85,019	1,18,78,961
3	Furniture&Fittings	17,31,315	(20,147)	17,11,168	12,13,784	93,672	5,17,531	4,03,712
4	Interior Decorations	1,16,24,501	2,51,530	1,18,76,031	62,50,033	5,61,957	53,74,468	5064041
5	Office Equipments	37,77,510	13,190 (2,35,388)	35,55,312	29,95,579	1,43,327	7,81,931	4,16,406
6	Electrical Fittings	1,09,28,509	2,13,292 (2,41,589)	1,09,00,212	70,22,961	8,11,016	39,05,548	30,66,235
7	Vehicle	16,15,335	0	16,15,335	16,07,901	1,860	7,434	5,574
8	Others	10,780	0	10,780	10,780	0	0	0
9	Computers	1,63,21,237	0	1,63,21,237	1,40,52,572	9,07,464	22,68,665	13,61,201
10	Genset	14,26,804	0	14,26,804	8,45,233	1,16,315	5,81,571	4,65,256
	Sub Total	7,86,60,508	3,00,046	7,89,60,554	4,20,22,817	32,60,827	3,66,37,691	3,36,76,910
	LEASED ASSETS							
	Plant& Machinery	3,16,55,846	0	3,16,55,846	3,16,55,846	0	0	0
	GRAND TOTAL	11,03,16,354	3,00,046	11,06,16,400	7,36,78,663	32,60,827	3,66,37,691	3,36,76,910



SCHEDULE 'E' INVESTMENTS (AT COST)			As at	As at
			31.03.2011	31.03.2010
			₹	₹
A. INVESTMENT IN SHARES				43,08,182
QUOTED - EQUITY SHARES				
SL.NO.	COMPANY	NO. OF SHARES	COST PRICE	
1.	GMR INFRASTRUCTURE LTD.	36,180	21,63,269	
2.	NEULAND LABORATORIES LTD.	540	57,901	
3.	RESURGERE MINES & MINERALS I LTD.	1,35,000	2,75,699	
4.	GEOJIT BNP PARIBAS FIN. SERVICES LTD.	7,200	2,14,655	
5.	NOIDA TOLL BRIDGE COMPANY LTD.	4,950	1,44,428	
6.	GAMMON INFRASTRUCTURE PROJTS. LTD.	10,800	2,56,640	
7.	NU TEK INDIA LTD.	9,900	2,11,579	
8.	NOCIL LTD.	6,300	1,26,601	
9.	ANDREW YULE COMPANY LTD.	8,100	3,22,313	
10.	EIH LTD.	9,000	9,54,961	
11.	MUKTA ARTS LTD.	1,800	84,938	
12.	JK TYRE & INDUSTRIES LTD.	2,700	3,27,175	
13.	KESORAM INDUSTRIES LTD.	900	2,49,097	
14.	DEEP INDUSTRIES LTD.	2,700	2,28,830	
15.	MAX INDIA LTD.	1,800	2,90,332	
16.	STERLITE INDUSTRIES (INDIA) LTD.	1,350	2,44,008	
17.	PENINSULA LAND LTD.	2,070	1,29,464	
18.	NHPC LTD.	2,700	70,906	
19.	EROS INTERNATIONAL MEDIA LTD.	630	1,02,114	
20.	MARG LTD.	2,430	3,74,113	
21.	POWER GRID CORPORATION OF I LTD.	1,800	1,77,404	
22.	AHLUWALIA CONTRACTS (INDIA) LTD.	540	80,110	
23.	PURAVANKARA PROJECTS LTD.	1,170	1,27,072	
24.	MOIL LTD.	720	3,12,432	



		As at 31.03.2011 ₹	As at 31.03.2010 ₹
25. PUNJAB & SIND BANK	3,960	4,76,863	
26. DLF LTD.	540	1,43,220	
27. CIPLA LTD.	270	83,297	
28. BINANI INDUSTRIES LTD.	540	1,06,769	
29. TIMKEN LTD.	180	28,782	
30. IVRCL INFRASTRUCTERS & PROJTS. LTD.	1,800	1,33,785	
31. STANDARD CHARTERED PLC	180	19,634	
Total	2,58,750	85,18,391	
B. HDFC Mutual Funds HDFC CMF - Treasury advantage plan		1,10,00,000	0
C. Other Investments in Associate Company: M/S. YOHA SECURITIES LIMITED		38,40,000	38,40,000
		2,33,58,391	81,48,182

SCHEDULE 'F' - CURRENT ASSETS

A. STOCK ON HIRE UNDER HIRE AND VEHICLE H P AGREEMENTS (AT THE PRINCIPAL VALUE LESS AMOUNTS RECEIVED)		10,88,186	22,45,186
B. BALANCE IN CURRENT ACCOUNT WITH SCH. BANKS		2,08,199	1,74,758
C. FIXED DEPOSIT WITH BANK		0	63,00,000
D. CASH ON HAND		2,920	6,169
		12,99,305	87,26,113



	₹	As at 31.03.2011 ₹	₹	As at 31.03.2010 ₹
<u>SCHEDULE 'G' - LOANS AND ADVANCES</u>				
I LOANS:				
AGAINST SHARES	1,20,39,201		10,00,000	
DEMAND LOANS	1,73,16,481		1,37,92,582	
		<u>2,93,55,682</u>	<u>1,47,92,582</u>	
II ADVANCE & DEPOSITS (RECOVERABLE IN CASH OR KIND)				
SALES TAX DEPOSIT	12,000		12,000	
TELEPHONE DEPOSIT	1,01,220		1,01,220	
ELECTRICITY DEPOSIT	7,47,119		7,47,119	
TAX DEDUCTED AT SOURCE	71,76,161		65,19,804	
ADVANCE INCOME TAX	3,00,000		0	
RECEIVABLES	10,19,582		0	
TRADING MARGIN	50,000		0	
OTHER ADVANCES	0		15,000	
VSAT DEPOSIT (M/S.K.C.S - BSE)	0		25,000	
DP/DEMAT - DEPOSIT	964		10,000	
POSTAL BALLOT DEPOSIT	5,400		0	
SERVICE TAX INPUT CREDIT	10,712		0	
		<u>94,23,158</u>	<u>74,30,143</u>	
		<u>3,87,78,840</u>	<u>2,22,22,725</u>	
<u>SCHEDULE 'H' - CURRENT LIABILITIES</u>				
INTEREST RECEIVED ON ADVANCE		1,00,283		2,55,592
		<u>1,00,283</u>		<u>2,55,592</u>
<u>SCHEDULE 'I' - PROVISIONS</u>				
PROVISION FOR NPA		9,17,370		9,17,370
PROVISION FOR TAX		32,50,000		5,50,000
AUDIT FEES PAYABLE		1,03,241		0
TDS ON PROFESSIONAL CHARGES PAYABLE		11,471		0
CONTINGENT PROVISIONS AGAINST STANDARD ASSETS		76,100		0
		<u>43,58,182</u>		<u>14,67,370</u>



	As at 31.03.2011		As at 31.03.2010	
	₹	₹	₹	₹
SCHEDULE 'J' - OTHER INCOME				
A. INTEREST ON FD DEPOSITS/GOVT. BONDS	1,08,199		3,13,511	
B. COMMISSION AND SERVICE CHARGES	9,07,000		0	
C. DIVIDEND INCOME	1,77,570		99,424	
D. MISC. INCOME & COMMISSION ON BILLS	3,49,500		29,977	
E. PROFIT ON TRADING OF SHARES	9,49,148		25,05,495	
F. RENT & AMENITIES	52,57,287		73,37,545	
G. PROFIT ON SALE OF ASSETS	2,55,857		67,067	
		<u>80,04,561</u>		<u>1,03,53,019</u>

SCHEDULE 'K' - SALARIES, ALLOWANCES AND BONUS

A. SALARIES	8,29,265	7,68,900
B. STAFF WELFARE	82,890	77,934
C. ENTERTAINMENT EXPENSES	13,080	9,334
D. MEDICAL ALLOWANCE	14,400	24,000
E. EXGRATIA & BONUS	87,000	1,55,050
F. GRATUITY	56,700	0
	<u>10,83,335</u>	<u>10,35,218</u>



	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<u>SCHEDULE 'L' - ADMINISTRATIVE AND OTHER EXPENSES</u>		
A. VEHICLE MAINTENANCE	1,212	1,344
B. TELEPHONE CHARGES	59,663	66,967
C. SUBSCRIPTION AND PRESENTS	50,283	72,099
D. FILING FEES	8,080	2,545
E. DIRECTORS SITTING FEES	1,30,000	1,75,000
F. ELECTRICITY CHARGES	2,66,711	2,49,145
G. POOJA EXPENSES	8,544	6,874
H. PRINTING & STATIONERY	44,084	46,237
I. POSTAGE & TELEGRAMS	25,996	12,877
J. TRAVELLING & CONVEYANCE	3,00,376	7,57,224
K. REPAIRS & MAINTENANCE	6,73,885	8,85,230
L. ADVERTISEMENT EXPENSES	44,040	78,060
M. BOOKS & FORMS	569	3,126
N. MISCELLANEOUS EXPENSES	84,232	59,539
O. PROFESSIONAL CHARGES	32,000	16,000
P. RATES & TAXES (INCLUDES PROPERTY TAX)	2,17,681	2,14,900
Q. ANNUAL LISTING FEES	36,000	36,000
R. SECURITY CHARGES	1,60,040	1,38,600
S. DEMAT CHARGES	29,036	34,861
T. AUDIT FEES	1,24,000	75,000
U. FUEL & OIL EXPENSES	28,723	32,245
V. CUSTODIAL CHARGES	30,000	30,000
W. DONATIONS	47,400	37,200
X. INSURANCE	74,207	73,317
Y. LOSS ON SALE OF ASSETS	85,981	23,919
Z. BUSINESS DEVELOPMENT	6,125	7,800
	<u>25,68,868</u>	<u>31,36,109</u>
<u>SCHEDULE 'M' - FINANCIAL EXPENSES</u>		
A. BANK CHARGES	<u>2,184</u>	<u>4,122</u>
	<u>2,184</u>	<u>4,122</u>



ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation:

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP), and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognized on the accrual basis.

2. Revenue recognition:

Income from hire purchase advances are accounted by adopting internal rate of return method for the installments due as per the agreement.

3. Depreciation:

Depreciation on fixed assets is provided using the Written Down Value method, based on rates specified in Schedule XIV to the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing Rs.5,000 or less are depreciated in full in the year of purchase.

4. Investments :

Investments are stated at the lower of cost or market value. Any decline in the value of investments other than temporary is charged to the Profit and Loss Account.

5. Stock on Hire :

Stock on hire has been valued at the amount advanced less installments received.

6. Managerial Remuneration :

S.No	Particulars	Year ended 31 st March 2011 ₹	Year ended 31 st March 2010 ₹
(a)	P.Sankaran – Executive Director	2,73,000	2,94,000



7. **Auditor's Remuneration :**

S.No	Particulars	Year ended 31 st March 2011 ₹	Year ended 31 st March 2010 ₹
	Statutory Audit Fees	42,000	35,000
	Tax Audit Fees	21,000	20,000
	Consultancy Charges	21,000	20,000
	Out of Pocket Expenses	---	7,000
	TOTAL	84,000	82,000

8. **Expenditure in Foreign Currency : NIL**

9. **Contingent Liability not provided for : NIL**

10. **Taxes on Income:**

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under the Income Tax Act, 1961.

The Net cumulative effect of the timing differences, as contemplated under the standard, results in a deferred tax asset. The company as a matter of conservative accounting policy, has not reflected this in the financial statements.

Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

This is the Notes referred to in our report of even date addressed to the members of the Company.

On behalf of the Board of Directors,

L.V. Anantram
T.V. Srinivasan
V.G. Suresh Kumar
U.K. Selvathilak
J. Viswanathan
K.M. Narasimhan

} **Directors**

K.V. Aiyappan
Chairman
P. Sankaran
Executive Director
J. Narassimhan
Company Secretary

For R. BHASKAR & Co.
Chartered Accountants
F.No.008860S

R. BHASKAR,
Proprietor
M.No.026584

Place: Chennai
Date: 21-04-2011



**SCHEDULE TO THE BALANCE SHEET OF
ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED**
(AS REQUIRED IN TERMS OF PARAGRAPH 9BB OF NON BANKING FINANCIAL
COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 1998)

PARTICULARS

Liabilities Side :

	Amount Outstanding ₹	Amount Overdue ₹
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures :		
Secured	0	0
Unsecured (other than falling within the meaning of public deposits)	0	0
(b) Deferred Credits	0	0
(c) Term Loans	0	0
(d) Inter-corporate loans and borrowing	0	0
(e) Commercial Paper	0	0
(f) Public Deposits	0	0
(g) Other Loans (specify nature)		
Deposits from Directors and their Relatives	0	0
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	0	0
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	0	0
(c) Other public deposits	0	0
<u>Assets Side:</u>		
3. Break-up of Loans and Advances including bills receivables (Other than those included in (4) below):		
(a) Secured	2,57,66,965	0
(b) Unsecured	35,88,717	0



	Amount Outstanding ₹	Amount Overdue ₹
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	0	0
(b) Operating Lease	0	0
(ii) Stock on Hire including hire charges under sundry debtors:		
(a) Assets on hire	10,88,186	7,23,186
(b) Repossessed Assets	0	0
(iii) Hypothecation loans counting towards EL/HP activities		
(a) Loans where assets have been repossessed	0	0
(b) Loans other than (a) above	0	0
5. Break-up of Investments:		
Current Investments:		
1. Quoted:		
(I) Shares : (a) Equity	85,18,391	
(b) Preference	0	
(ii) Debentures and Bonds	0	
(iii) Units of mutual funds	1,10,00,000	
(iv) Government Securities	0	
(v) Others (Please Specify)	0	
2. Unquoted:		
(I) Shares : (a) Equity	0	
(b) Preference	0	
(ii) Debentures and Bonds	0	
(iii) Units of mutual funds	0	
(iv) Government Securities	0	
(v) Others (Please Specify)	0	
Long Term Investments:		
1. Quoted:		
(I) Shares : (a) Equity	0	
(b) Preference	0	
(ii) Debentures and Bonds	0	
(iii) Units of mutual funds	0	
(iv) Government Securities	0	
(v) Others (Please Specify)	0	



2. Unquoted:

(I) Shares : (a) Equity	38,40,000
(b) Preference	0
(ii) Debentures and Bonds	0
(iii) Units of mutual funds	0
(iv) Government Securities	0
(v) Others (Please Specify)	0

6. **Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:**

Category	Amount of Net Provisions		
	Secured ₹	Unsecured ₹	Total ₹
1. Related Parties			
(a) Subsidiaries	0	0	0
(b) Companies in the same group	0	0	0
(c) Other related parties	44,448	0	44,448
2. Other than related Parties	2,68,10,703	35,88,717	3,03,99,420
Total	2,68,55,151	0	3,04,43,868

7. **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**

Category	Market Value/Break up or fair value or NAV ₹	Book Value (Net of provisions) ₹
1. Related Parties		
(a) Subsidiaries	0	0
(b) Companies in the same group	38,40,000	38,40,000
(c) Other related parties	0	0
2. Other than related Parties	1,76,17,875	1,95,18,391

8. **Other Information**

	Amount Rs.
(I) Gross Non-Performing Assets	
(a) Related Parties	
(b) Other than related parties	7,23,186
(ii) Net Non-Performing Assets	
(a) Related Parties	0
(b) Other than related parties	7,23,186
(iii) Assets acquired in satisfaction of debt	0



ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE
AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956

I REGISTRATION DETAILS

Registration No. State Code

C I N No.

Balance Sheet

Date Date Month Year

II CAPITAL RAISED DURING THE YEAR
(AMOUNT ₹ IN THOUSANDS)

Public Issue Bonus Issue

Rights Issue Private Placement

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS
(AMOUNT ₹ IN THOUSANDS)

Total Liabilities Total Assets

SOURCES OF FUNDS

Paid-up Capital Reserves and Surplus

Secured Loans Unsecured Loans

APPLICATION OF FUNDS

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Accumulated Losses



IV PERFORMANCE OF COMPANY
(AMOUNT ₹ IN THOUSANDS)

Total Income Total Expenditure

Profit/Loss before tax Profit/Loss before tax

Earnings per share (₹) Dividend Rate (%)

V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(AS PER MONETARY TERMS) Item Code No. NOT APPLICABLE

Product Description



ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2011

	31/03/2011 ₹ in Lakhs	31/03/2010 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITES:		
Net Profit before tax	41.82	43.63
Add: Provision for Depreciation	32.61	41.12
	-----	-----
Net Profit before tax and extra-ordinary items	74.43	84.75
Less: Provision for Tax		26.71
	-----	-----
Operating Profit before working Capital changes	74.43	58.04
Decrease in Trade and Other Receivables		28.71
Increase in Trade and Other Receivables	(153.99)	
Decrease in Trade Payables		(25)
Increase in Trade Payables	(0.41)	
	-----	-----
NET CASH FROM OPERATING ACTIVITIES	(79.97)	61.75



	31/03/2011 ₹ in Lakhs	31/03/2010 ₹ in Lakhs
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investment	(152.10)	
Sale of Fixed Assets		3.97
Sale of Investments		2.03
Purchase of Fixed Assets	(3)	
	-----	-----
NET CASH FROM INVESTING ACTIVITES	(155.10)	6.00
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Decrease in Long-Term Borrowings		(9.73)
Increase in Long term Borrowings	172.37	
	-----	-----
NET CASH FROM FINANCING ACTIVITES	172.37	(9.73)
Net increase in Cash and Cash Equivalents (A+B+C)	(62.70)	58.02

Cash and Cash Equivalents as on 31.03.2010	64.81	64.81

Cash and Cash Equivalents as on 31.03.2011	2.11	

AUDITOR CERTIFICATE

I have examined the above Cash Flow Statement of M/s.Abirami Financial Services (India) Limited for the year ended 31st March, 2011. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by my report of April 21st, 2011 to the members of the Company.

For R. BHASKAR & Co.
Chartered Accountants
F.No.008860S

Place : Chennai
Date: 21-04-2011.

R. BHASKAR,
Proprietor
M.No.026584

