



**INDERGIRI**  
Finance Ltd.

**EIGHTEENTH ANNUAL REPORT  
2011-2012**

**BOARD OF DIRECTORS***Mr. Anand D Bagwe**Mr. Beni Prasad Rauka**Mr. Dilip Arora**Mr. Pawan Kumar Maurya**Mr. Kishan Sharma**Mr. Laxmi Narayan Sharma**Managing Director***REGISTERED OFFICE***502, Chartered House,**292 Dr. C.H.Street, Near Marine Lines Church,**Mumbai 400 002***COMPANY SECRETARY***Mr. Sunil Kumar Sharma***AUDITORS***A.H.Agarwal & Associates**714, Crystal Paradise,**Off Veera Desai Road,**Andheri (West), Mumbai-400 053***BANKERS***HDFC Bank Ltd.***SHARE TRANSFER AGENTS***System Support Services**209, Shivai Industrial Estate,**Next to Parke Davis,**89, Andheri Kurla Road,**Saki Naka, Mumbai 400 072.*

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**INDERGIRI FINANCE LIMITED**

Regd Office: 502, Chartered House, 292 Dr. C.H.Street, Near Marinelines Church, Mumbai- 400 002

**NOTICE**

*NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of INDERGIRI FINANCE LIMITED will be held at Hotel Sai Classic, Film City Road, Goregaon (East), Mumbai 400063 on Friday, the 28<sup>th</sup> Day of September 2012 at 10.00 a.m. to transact following business:*

**ORDINARY BUSINESS**

1. *To receive, consider and adopt the audited Statement of Profit & Loss for the year ended on 31<sup>st</sup> March 2012 and the Balance Sheet as on that date together with the Auditors' Report and Directors' report.*
2. *To appoint a director in place of Mr. Anand D Bagwe, who retires by rotation, and being eligible, offers himself for reappointment.*
3. *To appoint M/s R. N. Bhutra & Co., Chartered Accountants as Auditors and fix remuneration.*

*For and on behalf of the Board of Directors*

**Laxminarayan Sharma**      **Kishan Sharma**  
*Managing Director*              *Director*

*Place : Mumbai*

*Date : 31<sup>st</sup> May 2012*

**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 AND SUCH PROXY NEED NOT BE MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, SIGNED, COMPLETED AND LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.*
2. *Members are requested to notify immediately change in their address, if any, to Share Transfer Agents, SYSTEM SUPPORT SERVICES, 209, Shivai Industrial Estate, Next to Parke Davis, 89, Andheri Kurla Road, Saki Naka, Mumbai 400 072.*
3. *Register of Share transfer and members will remain closed from Wednesday 26<sup>th</sup> September 2012 to Friday the 28<sup>th</sup> September 2012 (inclusive of both days).*
4. *Members are requested to bring their Annual Report and the Attendance Slip with them at the Annual General Meeting.*

*As required under the listing agreement, the particulars of directors who are proposed to be appointed/re-appointed are given below:*

- |                    |   |
|--------------------|---|
| 1. Name            | Anand D Bagwe   |
| Age                | 31 years  |
| Qualification      | B.Sc.   |
| Experience         | 8 years of in the field of research and development project Management, finance and manufacturing and marketing. Director of the Company since 2009. Member of the audit, remuneration and shareholders committee of the Company. |
| Other directorship | RSD Polymers Pvt Ltd.   |

**DIRECTOR'S REPORT**

To,  
The Members,

The Directors are pleased to present Eighteenth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

**1. FINANCIAL RESULTS**

The financial results of the company are summarized as below:

	(Rs. in lacs) Year Ended 31/3/2012	(Rs. in lacs) Year Ended 31/3/2011
Income	50.11	69.43
Profit/(Loss) before tax	2.40	2.40
Profit after Tax and adjustments	2.40	1.93
Balance carried to Balance Sheet	(20.84)	(23.24)

**2. REVIEW OF OPERATIONS**

During the FY 2012, your company has earned a net profit of Rs. 2.40 lacs after taking into account tax provisions and MAT credit entitlement as against Rs.1.93 lacs during previous financial year 2011.

**3. DIVIDEND**

No dividend can be recommended in view of inadequate profit for the year.

**4. FUTURE OUTLOOK**

The Company has been operating with its own limited resources. Financial market is facing lot of new challenges interest rates are constantly changing, recoveries have become major concern. In the present scenario and based on the present business model the growth potential in its business is limited.

**5. DISCLOSURE UNDER THE LISTING AGREEMENT UNDER CLAUSE 32**

Cash flow statement pursuant to Clause 32 of listing agreement is annexed herewith and forming part of this report.

**6. DIRECTORS' RESPONSIBILITY STATEMENT**

In the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.

We 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 31<sup>st</sup> March, 2012 and of the profit of the Company for the year ended on that date.

We have 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 the preventing and detecting fraud and other irregularities.

The accompanying financial statements of the company have been prepared by us on a going concern basis.

**7. AUDIT COMMITTEE**

The audit committee reconstituted and comprises of four directors viz. Mr. B.P.Rauka, Mr. Kishan Sharma, Mr. D.L.Arora and Anand Bagwe, the Committee met four times during the year. For more details refer the corporate governance.

**8. DIRECTORS**

*Pursuant to Article 58 of The Article of Association of the Company Mr Anand D Bagwe retires by rotation and being eligible offers himself for reappointment Mr. Bagwe is a science graduate and possesses about 8 years of experience in the field of research & development project management and finance and business management. He got re associated with Company as a director since 2009 and his previous association was for a very brief period of months.*

*Mr. Pawan Kumar Maurya, who was appointed as an additional Director of the Company, ceased to be the Director on the date of ensuing Annual General Meeting of the Company.*

**9. DEPOSITS**

*The company has not accepted fixed deposits since inception.*

**10. AUDITORS' REPORT**

*The notes referred to by the Auditors in their report are self explanatory and do not require any further clarification except in respect of shares of Somani Securities Pvt Ltd, for which the Company has taken up the matter with the Company for non receipt of share certificates and is pursuing the matter and legal course.*

**11. AUDITORS**

*M/s A.H. Agarwal & Associates, Chartered Accountants expressed their inability for reappointment M/s R. N. Bhutra & Co., Chartered Accountants are proposed to be appointed as auditors of the Company and given their consent and their appointment will be within the ceiling provided under the Companies Act, 1956.*

**12. INSURANCE**

*The Company does not possess any material properties, which need insurance.*

**13. STATUTORY INFORMATION**

*i. The particulars under the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 require disclosure of particulars regarding conservation of energy in Form A and technology absorption in Form B prescribed by the rules. The Company not brings an industry under the Schedule Form A & B disclosures are not applicable.*

*ii. The Company has no foreign exchange earnings and out go.*

*iii. None of the employees was in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) rules, 1975.*

*iv. The Company does not have any subsidiary with in meaning of Section 4 of the Companies Act, 1956.*

**14. ACKNOWLEDGEMENTS**

*The Company gratefully acknowledges the co-operation and supports extended by the Bankers, Shareholders and Clients of the Company and place on record its appreciation for the active support and assistance of the employees for the performance.*

*For and on behalf of the Board of Directors*

*Place : Mumbai  
Date : 31<sup>st</sup> May 2012*

**Laxminarayan Sharma**      **Kishan Sharma**  
*Managing Director*              *Director*

**MANAGEMENT'S DISCUSSION AND ANALYSIS****NBFC- INDUSTRY STRUCTURE AND BUSINESS DEVELOPMENTS**

*Indergiri Finance Limited is currently engaged in NBFC activities & Financial Management and Advisory Services. The Company intends to continue focusing on NBFC activities including financing, Inter-corporate Investments & Capital Market activities.*

*Non Banking Financial Companies (NBFCs) play a crucial role in broadening access to financial services, enhancing competition and diversification of the financial sector. Banks and NBFCs compete for similar kinds of business.*

*Looking at ample growth opportunities, the Company is planning to expand its business by offering a wide array of financial products and services.*

**OPPORTUNITIES & THREATS, RISKS & CONCERNS, PERFORMANCE AND OUTLOOK**

**Opportunities :** *Since the Company has very limited resources therefore unless fresh resources are introduced it is likely to continue to have same level of operation. The Company is exploring the possibilities of raising resources in the financial year 2013.*

**Threats:** *Current elevated rates of inflation poses significant risks to future growth. With the attention of Government in containing the inflation, the economic growth may see a deceleration with corporates turning in moderate growth. There could be increase in borrowing but the risk is likely to be higher. The Company will have to take more care and be conservative which may effect operations of the Company.*

**Risk:** *Being a Financial company, IFL is exposed to specific risks that are particular to its business and the environment within which it operates, including interest rate volatility, economic cycle, credit risk and market risk. The most important among them are credit risk, market risk and operational risk. The measurement, monitoring management of risk remains key focus areas for the company. In retail loan businesses like ours, overall portfolio diversification and reviews also facilitate mitigation and management.*

**Concern:** *As the resources are limited and due to competition among large and medium NBFC's , the Company is approached by borrower, generally served last , the Company need to take all due care to manage the process of selection of clients, delegation of appropriate lending powers.*

**FINANCIAL**

*The financial performance of the Company is given as under:-*

<b>PERFORMANCE</b>	<b>Year ended 31-3-2012 Amount in Rs.</b>	<b>Year ended 31-3-2011 Amount in Rs.</b>
<i>Gross Profit before Depreciation and Provisioning</i>	<b>242,364</b>	246,991
<i>Less : Depreciation</i>	<b>2,364</b>	6,876
<i>Less : Provision for Income Tax (net of MAT entitlement) including deferred tax</i>	<b>22</b>	3,724
<i>Add/(Less) Income Tax of earlier year</i>	-	(43,369)
<i>Net Profit/(Loss)</i>	<b>240,022</b>	193,021

**OUTLOOK**

*Indian economy growth is at 6.5% for the FY 2011-12 as per latest estimates, mainly due to weakening industrial growth and investment slowdown. This indicates a slowdown compared not just to the previous two years, when the economy grew by 8.25%, but also from 2003 to 2011, except 2008-09 economic downturn, when the growth rate was 6.8%.*

*The Economic Survey points out that inflation as measured by the wholesale price index (WPI) was high during most of the current fiscal year, though by year end there has been a clear slowdown in price rise.*

*Monetary policy was tightened by the Reserve Bank of India (RBI) to control inflation and curb inflationary expectations. The year witnessed a sharp increase in interest rates that resulted in higher costs of borrowings; and other rising costs affecting profitability and, thereby, internal accruals that could be used to finance investment.*

*But despite the low growth figure of 6.5%, India remains one of the fastest growing economies of the world as all major countries including the fast growing emerging economies are seeing a significant slowdown.*

*While a large part of the reason for the slowing of the Indian economy can be attributed to global factors, domestic factors also played a role. Among these are the tightening of monetary policy owing to high and persistent headline inflation and slowing investment and industrial activity.*

*Despite these headwinds, however, for the Indian economy, the outlook for growth and price stability at this juncture looks quite more promising. There are signs from some high frequency indicators that the weakness in economic activity has bottomed out and a gradual upswing is imminent. The Economic Survey expects the growth rate of real GDP to pick up to 7.6% in 2012-13 and faster beyond that. Your Company is in planning to expand its resources and thereby enhance its scale of operations and profits.*

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

*The Company has a proper and adequate system of internal control in all spheres of its activities to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported diligently.*

*The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. However internal audit comprises of two layers "Internal Audit" and the "Audit Committee".*

*The Audit committee reviews the internal audit report and also monitors the implementation of the suggestions if any along with the management audit team.*

**HUMAN RESOURCES**

*As the business model of the Company is driven more by relationship based model, Human Resources management becomes more critical and therefore the Company takes continuous HR initiatives to ensure that the teams are fully empowered to perform and deliver to their fullest extent towards achieving the set business targets.*

**DISCLAIMER**

*The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus the actual situation may differ from those expressed or implied.*

**CORPORATE GOVERNANCE – 2011-12**

*Indergiri Finance Ltd. believes in good Corporate Governance, which results in corporate excellence and attaining maximum level of transparency disclosures, accountability and equity in all its interaction with its Shareholders. Your Company continued to recognize the importance of Corporate Governance to ensure fairness of the Shareholders. Corporate Governance envisages disclosures on various facets of Company's operations to achieve corporate excellence. The Company continued to shares with you from time to time various information through public notices, press releases and through Annual Reports. In addition, we give below the information on areas covered under Corporate Governance.*

*In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board.*

*As on 31st March 2012, the Board of Directors of your Company consisted of six directors.*

*The Composition of Board of Directors as of 31.03.2012 was as follows:*

Sr. No.	Name	No. of Outside Directorships held	No. of Membership in Committee of Board
1	Mr. B.P.Rauka	9	3
2	Mr. Kishan Sharma	5	3
3	Mr. D.L.Arora	1	2
4	Mr. L.N.Sharma	-	-
5	Mr. Anand D Bagwe	1	2
6	Mr. Pawan Kumar Maurya	-	-

*Details of Board meeting held during the year 2011-12.*

Meeting No.	Dates of meeting
2/2011	30.04.2011
3/2011	25.06.2011
4/2011	30.07.2011
5/2011	08.08.2011
6/2011	08.11.2011
1/2012	11.02.2012

*Attendance record of the Directors at the Board meetings held during the financial year 2011 –12 and the last AGM held on 10.09.2011*

Name	No. of Board meeting attended	Whether last Annual General meeting Attended
Mr. B.P.Rauka	6	YES
Mr. Kishan Sharma	6	YES
Mr. D.L.Arora	5	YES
Mr. L.N.Sharma	6	YES
Mr. Anand D Bagwe	6	YES
Mr. Pawan Kumar Maurya	-	NO



**AUDIT COMMITTEE**

The Audit committee consists of the Company continued to oversee the functions of the Audit committee under the Companies Act as well as Audit Committee under the listing agreement. As on 31.03.2012 the Audit committee consists of 4 Directors – Mr. B.P.Rauka, Mr. Kishan Sharma, Mr. D.L. Arora and Mr. Anand Bagwe. Mr. B.P.Rauka acts as the secretary of the Committee. During the year the Committee met four times held on 30.04.2011, 30.07.2011, 08.11.2011 and 11.02.2012.

Audit committee attendance during 2011 – 12.

Sr. No.	Name of the Audit Committee Member	No. of Meeting Attended
1	Mr. B.P.Rauka	4
2	Mr. Kishan Sharma	4
3	Mr. D.L.Arora	4
4	Mr. Anand Bagwe	4

**REMUNERATION COMMITTEE**

The remuneration committee met once during the year and all the four member viz. B.P.Rauka, Kishan Sharma, D.L. Arora and Anand Bagwe attended the meetings held on 30.04.2011.

**SHAREHOLDERS COMMITTEE / TRANSFER COMMITTEE**

Shareholders Committee consists of two Directors. Mr. B.P.Rauka & Kishan Sharma. The Committee looks into the redressing of shareholders & investors complaints like transfer of shares, non-receipt of annual Report etc. During the year the committee met 9 times.

Mr. Kishan Sharma Director monitors the activities of Registrar & transfer Agent & look after the issues relating to shareholders. Share transfers / transmission are approved by a sub-committee 482,200 transfers has taken place from 01.04.2011 to 31.03.2012.

Mr. Kishan Sharma is the Compliance officer in terms of the Requirement of the Stock Exchange.

The Company has around 1497 shareholders. The Company regularly interacts with the shareholders through letters and at the AGM wherein the activities of the Company, its performance, its future plans are provided for information of the shareholders. The quarterly results are published in the newspapers.

The numbers of shares transferred during the last three years are as given below:

	2011 –12	2010 –11	2009 –10
Number of meetings for transfer of shares	9	9	5
Average number of shares transfers per meeting	53,578	867	37,060
Number of shares transferred	482,200	7,800	185,300

Shares demated / remated during the year 2011-12 : 778,000

Total number of shares demated till 31<sup>st</sup> March 2012 : 4,556,500

The Company has also been taking all steps to ensure that shareholders related activities are given due priority and matters are resolved at the earliest.

**GENERAL BODY MEETING**

Details of location, time & date of last three AGM & one EGM are given below :

Sr. No.	Date	Location	Time	Meeting
1	10.09.2011	Registered office	10.00 A.M.	AGM
2	25.09.2010	Registered office	03.00 P.M.	AGM
3	26.09.2009	Registered office	03.30 P.M.	AGM

Key special business if any transacted during the last three years at the General Body Meeting in the order of Sr. No. as given above.

Sr. No.	Special Business	Type of Resolution	Date of Meeting
1	N.A	N.A	10.09.2011
2	N.A	N.A	25.09.2010
3	Appointment of Director Mr. Anand Bagwe	Ordinary	26.09.2009

Although the notification prescribing the important items to be considered by postal ballot was issued by the Government of India, as far as the Company is concerned the necessity of passing such resolutions relating to business specified in the Rules did not arise.

**DISCLOSURES**

There was no material transaction with directors or the management or their relatives having potential conflict with the interest of the Company at large,

There have been no instances of non compliance by the Company, Penalty / Structures / imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities on any matter related to Capital Market during the Last three years.

**MEANS OF COMMUNICATION**

Your directors take on record the unaudited Financial Results, in the Prescribed Performance of every quarter & announce the results to all the listed Stock Exchanges.

**GENERAL INFORMATION TO SHAREHOLDERS**

Number of AGM	18 <sup>th</sup>
Day & time	Friday, 28 <sup>th</sup> September, 2012, At 10:00 A.M.
Venue	Registered Office
Book Closure	26 <sup>th</sup> September 2012 to 28 <sup>th</sup> September, 2012 (Both days inclusive)
Proposed Dividend	NIL

The Company has paid listing fees of the Stock Exchange, Mumbai upto 2011-12

Code Number:

Stock Exchange : Mumbai, Stock Code: 531505, Trade Symbol: INDERGIRI FN ISN NO for Dematerialized Shares: INE628F01019

*Shares Price movement in the Stock Exchange Mumbai from April 2011 to 31<sup>st</sup> March 2012*

MONTH	NO. OF SHARES TRADED	HIGH	LOW
Apr-11	7,260	13.00	10.35
May-11	30,140	10.85	8.98
Jun-11	372,588	10.76	8.30
Jul-11	745,057	16.20	9.87
Aug-11	105,185	16.28	11.65
Sep-11	7,705	13.55	10.15
Oct-11	21,655	11.48	8.41
Nov-11	3,645	10.50	9.51
Dec-11	1,453	10.35	9.41
Jan-12	6,509	11.10	9.50
Feb-12	196,280	11.05	9.15
Mar-12	518,038	10.28	8.95

### REGISTRAR & TRANSFER AGENT

*System Support Services, 209, Shivai Industrial Estate 89, Andheri Kurla Road, Next to Parke Davis, Andheri (East) 400072*

### SHARES TRANSFER SYSTEM

*A committee of directors of the Company is authorized to approve transfer of shares, transmission, transposition etc and dematerialization of shares. If the transfer documents are in order, the transfer of share(s) is registered within 15 days of receipt of transfer documents.*

*482,200 Shares were transferred during the year and 778,000 shares were received for dematerialization during the year under review. There is no pending request for dematerialization of shares.*

### DEMATERIALIZATION OF SHARES & LIQUIDITY

*The shares of the Company are under the category of compulsory delivery in dematerialization mode by all categories of investors.*

*As on 31<sup>st</sup> March 2012, 4,556,500 Shares constituting 90.03 % shares of the Company were dematerialized. For details and status of dematerialized shares refer the details given herein after.*

*Distribution of shares as on 31.03.2012*

Shareholding of Nominal Value	No of Shareholders			No of Shares			% of holding		
	Demat	Physical	Total	Demat	Physical	Total	Demat	Physical	Total
Upto 1000	263	1043	1306	91000	274500	365500	1.80	5.42	7.22
1001-5000	69	57	126	155148	125800	280948	3.07	2.49	5.56
5001-10000	17	3	20	131717	21300	153017	2.60	0.42	3.02
10001 & above	42	3	45	4178635	82900	4261535	82.57	1.64	84.20
Total	391	1106	1497	4556500	504500	5061000	90.03	9.97	100.00

Shareholdings Pattern as on 31.03.2012

Shares held by	No. of shares		Total Shares	Percentage
	Physical	Demat		
Mutual Funds	Nil	Nil	Nil	Nil
FII	Nil	Nil	Nil	Nil
NRI	Nil	300	300	00.01
Employees	Nil	Nil	Nil	Nil
Bodies Corporate other than promoters holding	91,800	959,031	1,050,831	20.76
Indian Public	410,200	1,396,549	1,806,749	35.70
Promoters	2,500	2,200,620	2,203,120	43.53
Total	504,500	4,556,500	5,061,000	100.00

The Company has not issued any GDR / ADR / Convertible instruments.

Address for Correspondence:

502, Chartered House, 292 Dr. C.H. Street, Near Marinelines Church, Mumbai 400 002

Phone 022 2201 6956

Email. Kishan1107@hotmail.com/ benibeni@rediffmail.com

For and on behalf of the Board of Director

Place : Mumbai

Date : 31<sup>st</sup> May 2012

**Laxminarayan Sharma**    **Kishan Sharma**  
Managing Director                      Director

#### AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

The Members

Indergiri Finance Ltd.

We have examined the compliance of conditions of Corporate Governance by Indergiri Finance Ltd. for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending as on 31-03-2012 against the Company as per the records maintained by the Shareholders / Transfer Committee.

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

**For A. H. Agarwal & Associates**  
Chartered Accountants  
F. R. No. 129533W

Place : Mumbai

Date : 31<sup>st</sup> May 2012

**[Anand H. Agarwal]**  
Proprietor  
M.No. 38906

## AUDITORS' REPORT

To,  
The Members  
Indergiri Finance Ltd.

We have audited the attached Balance Sheet of Indergiri Finance Limited, as at 31st March 2012, and also the Statement of Profit and Loss and the cash flow statement for the year ended on that date annexed thereto. 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.

We conducted our audit in accordance with generally accepted auditing standards 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report that:

1. As required by the Companies (Auditor's Report) Order, 2003 ('the order') (as amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 we give in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the order.
2. Further to our comments in the annexure referred to in the paragraph (1) above;
  - 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 accounts as required by law have been kept by the company so far as appears from our examination of the books.
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956.
  - e. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and 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 2012;
    - (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.
3. On the basis of the written representations of the directors, taken on record by the Board of Directors and on the basis of examination of records of the Company, we report and certify that none of the directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date.

**For A. H. Agarwal & Associates**  
Chartered Accountants  
F. R. No. 129533W

**[Anand H. Agarwal]**  
Proprietor  
M.No. 38906

Place : Mumbai  
Date : 31<sup>st</sup> May 2012

**ANNEXURE TO THE AUDITORS' REPORT**

*Referred to in paragraph 1 of the Auditors' Report of INDERGIRI FINANCE LIMITED, on the accounts for the year ended on 31<sup>st</sup> March, 2012.*

- I (a) *The Company has maintained proper records to show full particulars including quantitative details and situation of its Fixed Assets.*
- (b) *The management has verified the assets no material discrepancy has been noticed on such verification. In our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of fixed assets.*
- (c) *During the year, Company has not disposed off substantial part of fixed assets.*
- II (a) *The inventories of securities have been physically verified with stock statement by the management during the year. In our opinion the frequency of verification is reasonable.*
- (b) *The procedure of physical verification of the inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.*
- (c) *The Company has maintained proper records of inventory and no discrepancies were noticed on physical verification.*
- III (a) *The Company has not granted any loans to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 and the Company has not taken loans from any party covered in the Register maintained under section 301 of the Companies Act, 1956.*
- IV *There are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to sale of securities.*
- V *During the year, there are no transactions that need to be entered into the register maintained in pursuance of section 301, of the Companies Act 1956.*
- VI *The Company has not accepted any deposit since inception and during the year and accordingly the provisions of Section 58A and the rules framed there under are not applicable to the Company.*
- VII *In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.*
- VIII *The Company does not require to have cost records.*
- IX (a) *The Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with appropriate authorities where ever applicable.*
- (b) *There were no undisputed amounts payable in respect of the statutory dues which have remained outstanding as at 31<sup>st</sup> March 2012 for a period of more than six months from the date they became payable.*

- (c) *There were no dues in respect of Sales Tax / Income Tax / Custom Duty / Wealth Tax / Excise Duty / Cess that have not been deposited on account of any dispute.*
- X *The Company has accumulated losses amounting to Rs. 20.84 lacs as at the end of the year and the company has not incurred cash losses during current year.*
- XI *The Company has not availed any loan from financial institution and bank hands there is no question of default in repayment of dues to financial institutions and banks.*
- XII *The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.*
- XIII *The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the company.*
- XIV *The Company has kept adequate records of its transactions and contracts in respect of dealing in shares, securities, and other investments and timely entries have been made therein. The shares, securities, and other investments have been held in the name of the Company except shares of **Somani Securities Private Limited**, certificates in respect of which not yet received by the Company.*
- XV *The Company has not given any guarantee for loans taken by others from banks and financial institutions.*
- XVI *The Company has not taken and availed any term loans.*
- XVII *The Company has not raised any fund either on short term basis or long term basis hence the utilization for long term or short investment does not apply.*
- XVIII *The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act 1956, during the year.*
- IX *No debentures have been issued by the company and hence, the question of creating securities in respect thereof does not arise.*
- XX *The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.*
- XXI *To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.*

**For A. H. Agarwal & Associates**  
Chartered Accountants  
F. R. No. 129533W

**[Anand H. Agarwal]**  
Proprietor  
M.No. 38906

Place : Mumbai  
Date : 31<sup>st</sup> May 2012

## BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	As at 31-03-2012 (Rupees)	As at 31-03-2011 (Rupees)
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	2	50,610,000	50,610,000
Reserves and Surplus	3	(2,084,341)	(2,324,363)
		<u>48,525,659</u>	<u>48,285,637</u>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	5,109	5,635
		<u>5,109</u>	<u>5,635</u>
<b>Current Liabilities</b>			
Other Current Liabilities	5	331,816	312,995
Short Term Provisions	6	194,350	338,450
		<u>526,166</u>	<u>651,445</u>
<b>Total</b>		<u><b>49,056,934</b></u>	<u><b>48,942,717</b></u>
<b>II. ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets			
Tangible Assets	7	18,357	30,791
Non Current Investments	8	50,000	50,000
Long Term Loans and Advances	9	4,825,700	4,834,700
Inventories	10	390,525	373,900
		<u>5,284,582</u>	<u>5,289,391</u>
<b>Current Assets</b>			
Trade Receivables	11	4,250,703	5,292,797
Cash and Bank Balances	12	100,829	268,072
Short Term Loans and Advances	9	39,420,820	38,092,457
		<u>43,772,352</u>	<u>43,653,326</u>
<b>Total</b>		<u><b>49,056,934</b></u>	<u><b>48,942,717</b></u>

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached

For and on behalf of  
A.H. Agarwal & Associates  
Chartered Accountants

(Anand H Agarwal)  
Proprietor

Place : Mumbai  
Date : 31<sup>st</sup> May 2012

For and on behalf of the Board of Directors

Laxminarayan Sharma Managing Director

Kishan Sharma Director

Beni Prasad Rauka Director

Sunil Kumar Sharma Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	Year Ended 31-03-2012 (Rupees)	Year Ended 31-03-2011 (Rupees)
<b>I. INCOME</b>			
Revenue from Operations	13	5,011,066	6,942,646
Other Income	14	-	355,580
<b>Total Revenue</b>		<b>5,011,066</b>	<b>7,298,227</b>
<b>II. EXPENSES</b>			
Purchases of Traded Goods	15	2,987,450	5,446,730
Changes in Inventories of Traded Goods	16	(16,625)	-
Employee Benefit Expenses	17	1,336,400	1,324,400
Depreciation and Amortization Expenses	18	2,364	6,876
Other Expenses	19	461,476	280,106
<b>Total Expenses</b>		<b>4,771,065</b>	<b>7,058,112</b>
<b>III. Profit before Tax</b>		<b>240,000</b>	<b>240,115</b>
<b>IV. Tax Expenses</b>			
Current Tax		45,000	45,000
Less: MAT Credit Entitlement		44,496	44,517
		504	483
Deferred Tax		(526)	3,241
Earlier years adjustments		-	43,369
		(22)	47,093
<b>V. Profit for the year</b>		<b>240,022</b>	<b>193,022</b>
<b>VI. Earnings per Equity Share</b> (Nominal Value of share Rs.10/- each)	22	0.05	0.04
Basic			
Diluted			
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached

For and on behalf of  
A.H.Agarwal & Associates  
Chartered Accountants

(Anand H Agarwal)  
Proprietor

Place : Mumbai  
Date : 31<sup>st</sup> May 2012

For and on behalf of the Board of Directors

Laxminarayan Sharma Managing Director

Kishan Sharma Director

Beni Prasad Rauka Director

Sunil Kumar Sharma Company Secretary

**CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

	Year Ended 31-03-2012 (Rupees)	Year Ended 31-03-2011 (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/Loss(-) Before Tax and Extraordinary Items	240,000	240,115
Adjustment for :		
Loss on impairment of assets	10,070	-
Depreciation	<u>2,364</u>	<u>6,876</u>
	12,434	6,876
<b>Operating Profit Before Working Capital Changes</b>	<b>252,434</b>	<b>246,991</b>
Adjustment for :		
Sundry Debtors	1,042,094	70,930
Loans & Advances	(1,319,363)	571,055
Inventories	(16,625)	-
Trade & Other payable	(125,280)	(575,778)
Short Provisions	-	-
(Increase)/Decrease in Net Current Assets	<u>(419,174)</u>	<u>66,207</u>
Direct Tax Paid	(504)	(88,369)
<b>Cash Generated From Operations</b>	<b>(167,244)</b>	<b>224,829</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
(Purchase)/sales of Investments(net)	-	-
Fixed Assets Adujstment	-	-
Net Cash used in Investing Activities	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
<b>Net increase in Cash and Cash Equivalents</b>	<b>(167,244)</b>	<b>224,829</b>
Cash and Cash Equivalents at the begining of the year	268,073	43,244
Cash and Cash Equivalents at the close of the year	100,829	268,073

This is the cash flow statement referred to in our report of even date

For and on behalf of  
**A.H.Agarwal & Associates**  
Chartered Accountants

(Anand H Agarwal)  
Proprietor

Place : Mumbai  
Date : 31<sup>st</sup> May 2012

For and on behalf of the Board of Directors

Laxminarayan Sharma Managing Director

Kishan Sharma Director

Beni Prasad Rauka Director

Sunil Kumar Sharma Company Secretary

**AUDITORS CERTIFICATE**

*We have verified the above Cash Flow Statement of INDERGIRI FINANCE LTD. derived from the audited Financial Statements for the year ended March 31, 2012 and for the year ended March 31, 2011 and found the same to be drawn in accordance and also with the requirements of clause 32 of the listing agreement with Stock Exchanges.*

For A.H. Agarwal & Associates  
Chartered Accountants

(Anand H. Agrawal)  
Proprietor

Place : Mumbai  
Date : 31<sup>st</sup> May 2012

M. No. 38906  
Registration No 129533W

## Notes to Financial Statements for the year ended 31 March, 2012

**1. Significant Accounting Policies****1.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**1.2 Change in Accounting Policy:****Presentation and Disclosure of Financial Statement**

During the year ended 31-03-2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

**1.3 Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**1.4 Tangible Fixed Assets**

Tangible Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**1.5 Depreciation on Tangible Fixed Assets**

Depreciation on tangible fixed assets is provided on a straight line basis from the date the asset is ready to use or put to use, whichever is earlier at the rates prescribed in the Schedule XIV to the Companies Act 1956. In respect of assets sold, depreciation is provided upto the date of disposal.

**1.6 Impairment of Tangible and Intangible Assets:**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**1.7 Investments:**

Investments are classified as long term and current in accordance with the Accounting Standard on 'Accounting for Investments' (AS 13) issued by the Institute of Chartered Accountants of India. Long-term investments are valued at acquisition cost unless the fall in value is of permanent nature. Current investments are valued at lower of cost and market value and in case of unquoted shares lower of cost or break up value. The break up value of unquoted investment is determined as per the Non Banking Prudential Norms Directions, 1998. Provision for diminution in the value of investments is made in accordance with the directions issued by Reserve Bank of India and recognized through provision for diminution in the value of investments.

In accordance with the Note No. 1 of Revised Schedule VI to the Companies Act, 1956, the portion of the Long Term Investments classified above, and expected to be realised within 12 months of the reporting date, have been classified as current investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**1.8 Stock in Trade**

The securities acquired with the intention of short term holding and trading positions are considered as stock-in-trade and disclosed as current assets. Stock in trade of shares being current in nature is valued in accordance accounting policy mentioned under the head investments.

**1.9 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

**a) Income from Advisory Services**

Income from Advisory Services are accounted for as and when the relevant services are rendered and revenue is recognised using completed service contract method except where the recovery is uncertain in which case it is accounted for on receipt.

**b) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Revenue from Operations" in the statement of profit and loss.

**c) Dividends**

Dividend income is recognized when the company's right to receive dividend is established on the reporting date.

**d) Profit/ Loss on sale of Investments/ Stock in Trade**

Profit/loss on the sale of investments/ stock in trade is dealt with at the time of actual sale except for shares held as stock in trade if the fall in value is other than temporary, the valuation of the same is done as per RBI prudential norms as applicable to the NBFC.

**1.10 Retirement and other employee benefits**

The Company has adopted the revised Accounting Standard 15 – Accounting for Employee Benefits. The accounting policy followed by the Company in respect of its employee benefit schemes is set out below :

**Gratuity:** Short term employee benefits are accounted in the period during which the services have been rendered. Defined contribution plans such as Provident Fund Act 1952 is not applicable to the Company

**Leave Encashment:** The employees of the Company are entitled to leave as per the leave policy of the Company however no carry forward is permitted and the same if any remain balance is encashed at the end of the year.

**1.11 Income Taxes**

Income tax expenses comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) & the deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

**Deferred Taxation:** The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

**1.12 Earnings Per Share**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – Earning per Share prescribed by the Companies (Accounting Standards) Rules, 2006.

**1.13 Segment Reporting Policies**

**Identification of segments:** The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

**Unallocated items:** Unallocated items include income and expenses which are not allocated to any business segment.

**Segment Policies:** The company prepares its segment information in conformity with the accounting policies for preparing and presenting the financial statements of the company as a whole.

**1.14 Provisions**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amounts of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. . If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

**1.15 Contingent Liabilities / Assets**

A contingent liabilities is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an economic benefit will rise, asset and related income are recognised in the period in which the change occurs.

**1.16 Cash and Cash Equivalents**

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less, as per Accounting Standard 3 "Cash Flows".

**Notes to Financial Statements for the year ended 31 March, 2012**

	31-03-2012 Rs.	31-03-2011 Rs.
<b>2. Share Capital</b>		
<b>Authorized Shares</b>		
5,500,000 (31 March 2011: 5,500,000) Equity Shares of Rs. 10 each	<b>55,000,000</b>	55,000,000
	<u><b>55,000,000</b></u>	<u>55,000,000</u>
<b>Issued, Subscribed and fully paid up Shares</b>		
5,061,000 (31 March 2011: 5,061,000) Equity Shares of Rs.10/- Each fully paid up	<b>50,610,000</b>	50,610,000
	<u><b>50,610,000</b></u>	<u>50,610,000</u>

**2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**

Equity Shares:	31-03-2012		31-03-2011	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	5,061,000	50,610,000	5,061,000	50,610,000
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<u><b>5,061,000</b></u>	<u><b>50,610,000</b></u>	<u>5,061,000</u>	<u>50,610,000</u>

**2.2 Terms/Rights attached to equity shares:**

The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (31st March 2011 Rs. Nil)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be proportional to the number of equity shares held by the shareholders.

**2.3 Details of shareholders holding more than 5% share in the company**

Equity Shares of Rs. 10 each fully paid up: Name of Shareholder	31-03-2012		31-03-2011	
	Nos.	%	Nos.	%
Beni Prrasad Rauka	380,860	7.53	380,860	7.53
Indergiri Securities Pvt Ltd	460,000	9.09	460,000	9.09
Indergiri Share And Stock Brokers Pvt Ltd	392,500	7.75	392,500	7.75
Manoo Investment & Finance Pvt Ltd	360,000	7.11	360,000	7.11
Shri Parsaram Holding Pvt Ltd	407,658	8.05	-	-

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



	Non-Current		Current	
	31-03-2012 (Rupees)	31-03-2011 (Rupees)	31-03-2012 (Rupees)	31-03-2011 (Rupees)
<b>9 Loans and Advances</b>				
9.1 <b>Security Deposit</b>				
Unsecured, considered good	<u>78,700</u>	78,700	-	-
	<u>78,700</u>	<u>78,700</u>	-	-
9.2 <b>Loans &amp; Advances to related parties</b>				
Unsecured, considered good (Refer Note No 21)	-	-	<b>100,000</b>	100,000
	-	-	<u>100,000</u>	<u>100,000</u>
9.3 <b>Other Loans and Advances</b>				
TDS (Net of provision for taxation)	-	-	<b>1,102,853</b>	1,243,985
MAT Credit Entitlement	-	-	<b>618,968</b>	574,472
Other Advances	<b>4,430,000</b>	4,430,000	<b>500,000</b>	-
Prepaid Expenses	-	-	-	-
Loans to Employees				
Less than 12 months	-	-	-	-
More than 12 months	<b>267,000</b>	276,000	-	-
Current maturities of more than 12 months	-	-	<b>24,000</b>	24,000
Advances Recoverable in cash or kind (Unsecured, Considered good)	<u>50,000</u>	<u>50,000</u>	<u>37,075,000</u>	<u>36,150,000</u>
	<u>4,747,000</u>	<u>4,756,000</u>	<u>39,320,821</u>	<u>37,992,457</u>
Less: Statutory Provision on Standard Assets as per RBI directions	-	-	-	-
	<u>4,747,000</u>	<u>4,756,000</u>	<u>39,320,821</u>	<u>37,992,457</u>
	<u>4,825,700</u>	<u>4,834,700</u>	<u>39,420,821</u>	<u>38,092,457</u>
<b>Loans and advances to related parties includes</b>				
Amount due from group companies in which directors and their relatives are holding majority shares	-	-	<b>100,000</b>	100,000
			<b>31-03-2012 (Rupees)</b>	<b>31-03-2011 (Rupees)</b>
<b>10 Inventories</b>				
(valued at lower of cost and net realizablve value)				
<b>Non Current (In related parties)</b>				
13000 (13000) Equity Shares of Rs 10 each fully paid of Indergiri Securities Pvt Ltd			<b>1,300,000</b>	1,300,000
8500 (8500) Equity Shares of Rs 10 each fully paid of Indergiri Share & Securities Pvt Ltd			<b>850,000</b>	850,000
			<u>2,150,000</u>	<u>2,150,000</u>
Less: Provision for diminution in the value of stocks			<b>1,759,475</b>	1,776,100
NetAmount			<u>390,525</u>	<u>373,900</u>
<b>Traded Goods (Shares)</b>				
<b>11 Trade receivables</b>				
<b>Unsecured, considered good</b>				
Overdue for a period exceeding six months			<b>1,121,818</b>	2,280,918
Others			<b>3,128,885</b>	3,011,879
			<u>4,250,703</u>	<u>5,292,797</u>
<b>12 Cash and Bank Balances</b>				
<b>Cash and Cash equivalents</b>				
Cash in hand			<b>12,533</b>	198,783
<b>Balance with banks:</b>				
In CurrentAccounts			<b>88,296</b>	69,289
			<u>100,829</u>	<u>268,072</u>
<b>13. Revenue from Operations</b>				
13.1 <b>Interest Income</b>				
Interest on Loans given			<b>3,368,933</b>	3,320,051
			<u>3,368,933</u>	<u>3,320,051</u>





Notes to Financial Statements for the year ended 31 March, 2012

20. Segment Information (AS - 17)

The primary reporting of the company has been performed on the basis of business segment. The company is engaged into three business segments, providing financial services, investment (Finance & Investment) and trading in shares (Trading in Shares). Segments have been identified and reported based on the nature of the products, the risks and returns, the organisation structure and the internal financial reporting systems.

Particulars	Trading in Shares	Finance & Investment	Unallocated	Total
<b>Revenues</b>				
<b>Sales/Income from finance &amp; investment</b>	<b>1,642,133</b>	<b>3,368,933</b>	-	<b>5,011,066</b>
Previous Year	3,622,135	3,320,511	-	6,942,646
<b>Increase/ (Decrease) in stocks</b>	-	-	-	-
Previous Year	-	-	-	-
<b>Total</b>	<b>1,642,133</b>	<b>3,368,933</b>	-	<b>5,011,066</b>
Previous Year	3,622,135	3,320,511	-	6,942,646
<b>Costs</b>				
<b>Segment costs</b>	<b>2,995,058</b>	-	<b>1,790,268</b>	<b>4,785,326</b>
Previous Year	5,462,788	-	1,588,448	7,051,236
<b>Segment results</b>	<b>(1,352,926)</b>	<b>3,368,933</b>	<b>(1,790,268)</b>	<b>225,740</b>
Previous Year	(1,840,653)	3,320,511	(1,588,448)	(108,590)
<b>Other income</b>	-	-	-	-
Previous Year	-	-	355,580	355,580
<b>Operating profit/ (loss)</b>	<b>(1,352,926)</b>	<b>3,368,933</b>	<b>(1,790,268)</b>	<b>225,740</b>
Previous Year	(1,840,653)	3,320,511	(1,232,868)	246,990
<b>Depreciation</b>	-	-	<b>2,364</b>	<b>2,364</b>
Previous Year	-	-	6,876	6,876
<b>Income tax - Current, deferred &amp; earlier year adjustments</b>	-	-	<b>(22)</b>	<b>(22)</b>
Previous Year	-	-	91,610	91,610
<b>Net Profit/ (loss)</b>	<b>(1,352,926)</b>	<b>3,368,933</b>	<b>(1,792,610)</b>	<b>223,398</b>
Previous Year	(1,840,653)	3,320,511	(1,331,354)	148,504
<b>Other information</b>				
<b>Segment assets</b>	<b>580,525</b>	<b>48,296,880</b>	<b>197,886</b>	<b>49,075,291</b>
Previous Year	1,733,900	46,862,045	377,563	48,973,508
<b>Segment liabilities</b>	-	-	<b>531,275</b>	<b>531,275</b>
Previous Year	-	-	657,080	657,080
<b>Accumulated (losses)/ profits</b>	-	-	<b>(2,084,341)</b>	<b>(2,084,341)</b>
Previous Year	-	-	(2,324,363)	(2,324,363)

Segment revenue and result

The expenses that are not directly attributable and that cannot be allocated to a business segment on a reasonable basis are shown as unallocated corporate expenses.

Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally of fixed assets, investments and current assets. Segment liabilities comprise of loan funds which can be identified directly against the respective segments and includes segment current liabilities and provisions. Assets and liabilities that have not been allocated between segments are shown as part of unallocated corporate assets and liabilities respectively.

21. Related Party Disclosures (AS - 18)

**Name of related parties and related party relationship:**

- a) Related parties where control exists:
  - Holding Company Nil
- b) Key Management Personnel :
  - L.N.Sharma Managing Director
- c) Fellow Subsidiary Companies : Nil
- d) Fellow Step Down Subsidiary Nil
- e) Other Related Parties (in which either of the directors or their relatives have significant influence)
  - Indergiri Securities Pvt Ltd
  - Indergiri Share & Stock Brokers Pvt Ltd
  - Manoo Finance And Investment Pvt Ltd
  - Pranoo Financial Services Pvt Ltd
  - Bagra Financial Services Pvt Ltd
  - Kaizen Finance Pvt Ltd

f) Related parties with whom transaction have taken place during the year & amount outstanding at the end of the year

Nature of Transactions	Key Management Personnel	Other Related Parties
Advance Taken	Nil (Nil)	- (Nil)
Advance repaid	Nil (Nil)	- (Nil)
Expenses incurred on behalf	Nil (Nil)	- (Nil)
Directors Remuneration	195000 (195,000)	Nil (Nil)
<b>Amount outstanding as at 31.03.2012</b>		
Share Application Money	Nil (Nil)	100,000 (100,000)
<b>Maximum Amount Outstanding during the year</b>	Nil (Nil)	100,000 (100,000)
Non Current Stock in Trade	Nil (Nil)	2,150,000 (2,150,000)
<b>Maximum Amount Outstanding during the year</b>	Nil (Nil)	100,000 (100,000)
Non Current Stock in Trade (Net of provision for diminution in the value)	Nil (Nil)	373,900 (373,900)

(Figures in bracket represent previous year's figures)

Note : Related Parties are as disclosed by the Management and relied upon by the Auditors

22. In accordance with Accounting Standard - 20 Earnings per Share, the computation of earnings per share is set out below :

Particulars	31st March, 2012	31st March, 2011
Number of shares at the beginning of the period	5,061,000	5,061,000
Number of shares at the end of the period	5,061,000	5,061,000
Net Profit after tax available for equity shareholders	240,022	193,022
Basic Earnings Per Share (In Rs.)	0.05	0.04

23. The Company provided loss on impairment of assets during the year as per the recommendations of Accounting Standard - 28 Impairment of Assets, issued by the Institute of Chartered Accountants of India.

24. **Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**

Based on the intimation received by the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to amounts unpaid as at the year end together with interest paid /payable are required to be furnished.

25. **Previous year figures**

Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. the company has reclassified previous year figures to conform to this year's classification. Except accounting for dividend on investments in subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of Balance Sheet.

26. In the opinion of the Board, the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

As per our report of even date attached

**For and on behalf of**  
**A.H.Agarwal & Associates**  
Chartered Accountants

(Anand H Agarwal)  
Proprietor

Place : Mumbai  
Date : 31<sup>st</sup> May 2012

**For and on behalf of the Board of Directors**

**Laxminarayan Sharma** Managing Director

**Kishan Sharma** Director

**Beni Prasad Rauka** Director

**Sunil Kumar Sharma** Company Secretary

To,  
The Board of Directors  
Indergiri Finance Ltd.  
Mumbai

*As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions 1998 as per RBI Notification No. DFC 114/DGSPT)-98 dated 02.01.1998 issued by the Reserve Bank of India and on the basis of such examinations of the books and records of the Company as we considered appropriate and according to the information and explanation given to us during the course of our audit of the Company for the Accounting year ended on 31<sup>st</sup> March, 2012, we report that:*

- (i) *The Company incorporated prior to 09.01.1997 has applied for Registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). As informed to us the Company has received the Registration Certificate No.B-13.01893 under Non-Banking Financial Companies (Reserve Bank) Directions 1998 issued vide Notification No. DFC 114/DG (SPT) dated January 02,1998 issued by RBI, Regional Office at Mumbai, consequent to change of the registered office of the Company from the state of Rajasthan to the state of Maharashtra at Mumbai.*
- (ii) *The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits.*
- (iii) *The Company has not accepted any public deposits during the year under reference i.e. Financial Year 2011-12.*
- (iv) *The Company has complied with the prudential norms relating to income recognition, accounting standards, asset calcification and provisioning of bad and doubtful debts as applicable to it.*

**For A. H.Agarwal & Associates**  
Chartered Accountants  
F. R. No. 129533W

**[Anand H. Agarwal]**  
Proprietor  
M.No. 38906

Place : Mumbai  
Date : 31<sup>st</sup> May 2012



	(iv) Government Securities		Nil	
	(v) Others (please specify)		Nil	
	<b>2. Unquoted :</b>			
	(i) Shares : (a) Equity		3.90*	
	(b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of mutual funds		Nil	
	(iv) Government Securities		Nil	
	(v) Others (Please specify)*		Nil	
	Held as stock in trade			
	<b>Long Term investments :</b>			
	<b>1. Quoted :</b>			
	(i) Share : (a) Equity		Nil	
	(b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of mutual funds		Nil	
	(iv) Government Securities		Nil	
	(v) Others (Please specify)		Nil	
	<b>2. Unquoted :</b>			
	(i) Shares : (a) Equity		5.00	
	(b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of mutual funds		Nil	
	(iv) Government Securities		Nil	
	(v) Others (Please specify)		Nil	
(6)	<b>Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:</b> Please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same Group	Nil	Nil	Nil
	(c) Other related parties	Nil	1.00	1.00
	2. Other than related parties	Nil	441.46	441.46
	Total	Nil	442.46	442.46
(7)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b> Please see note 3 below			
	Category	Market Value / Break up or fair value or NAV		Book Value
				(Net of Provisions)
	1. Related Parties **			
	(a) Subsidiaries	Nil		Nil
	(b) Companies in the same group	3.90		3.90
	(c) Other related parties	Nil		Nil
	2. Other than related parties	0.50		0.50
	Total	4.40		4.40
	** As per Accounting Standard of ICAI (Please see Note 3)			

## (8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	21.50
(b) Other than related parties	5.00
(ii) Net Non-Performing Assets	
(a) Related parties	3.90
(b) Other than related parties	0.50
(iii) Assets acquired in satisfaction of debt	Nil

*Notes:*

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

**For and on behalf of the Board of Directors**

Laxminarayan Sharma	Managing Director
Kishan Sharma	Director
Beni Prasad Rauka	Director
Sunil Kumar Sharma	Company Secretary

Place : Mumbai  
Date : 31<sup>st</sup> May 2012



BOOK - POST

*If undelivered, please return to :*  
**INDERGIRI FINANCE LIMITED**  
502, Chartered House,  
292, Dr. C.H. Street, Near Marinelines Church, Mumbai- 400 002

**INDERGIRI FINANCE LIMITED**

Regd Office: 502, Chartered House, 292 Dr. C.H.Street, Near Marinelines Church, Mumbai- 400 002

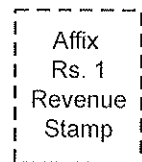
**PROXY FORM**

Ref. Folio No. \_\_\_\_\_ No. of Equity Shares held \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_

being a member / members of the above named Company, hereby appoint \_\_\_\_\_ of in the district \_\_\_\_\_ of \_\_\_\_\_ or failing him / her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my / our Proxy to attend and vote for me /us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Friday, the 28<sup>th</sup> September, 2012 at 10.00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.



**Signature**

- Note:
- a) This form should be signed across the stamp as per specimen signature registered with company.
  - b) The Proxy form must be deposited at the Registered Office of the Company not less then 48 hours before the time fixed foe holding the aforesaid meeting.
  - c) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.

**ATTENDANCE SLIP**

18th Annual General Meeting 28<sup>th</sup> September, 2012

Shareholder's Folio No. \_\_\_\_\_ No. of shares held \_\_\_\_\_

\_\_\_\_\_  
Name of the attending shareholder

\_\_\_\_\_  
Name of Proxy  
(to be filled in by the proxy attending instead of the shareholder)

I hereby record my presence at the 18th Annual General Meeting of the Company