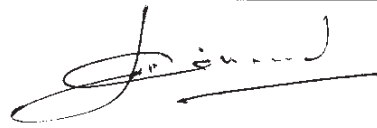

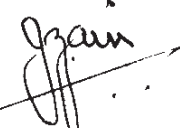



FORM –A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	S R G Securities Finance Limited
2.	Annual Financial Statements for the year ended	31 st MARCH, 2014
3.	Type of Audit Observations	Un- Qualified
4.	Frequency of Observation	NA
5	To be signed by-	
	• Managing Director	
	• CFO	
	• Auditor of the Company	
	• Audit Committee Chairman	

S R G SECURITIES FINANCE LIMITED



ANNUAL REPORT 2013-14

322, S M Lodha Complex, Near Shastri Circle, Udaipur (Rajasthan)- 313001,
Website www.srgfin.com, Email- srgsecurities@gmail.com, Phone No: 0294-2561882,
Fax- 294-5100098 CIN: L67120RJ1995PLC009631

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MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

It is with great joy that I welcome you to the Company's 19th Annual General Meeting. This AGM assumes immense significance, as it is our first post the Initial public offering (IPO) AGM of the company. We must record our sincere thanks and appreciation to all those who applied in our IPO and have stood by us with their investments.

A wonderful benefit of this opportunity was the addition of a number of new shareowners into the SRG SFL family, and I along with the Board and all the existing shareowners warmly welcome them and look forward to a bright future together with everyone's strong support and participation.

In order to augment its present loan portfolio, the Company came out with its Initial Public Offering of 2508000 equity shares with face value of Rs. 10/- each at a premium of Rs. 10/- . The issue was accepted well in the market and was oversubscribed. The shares were allotted to successful allottees in October, 2013 and listed on SME platform of BSE for trading from 29th October, 2013.

The IPO was an important milestone and the next step in the ladder is to take the Company to a higher level of growth and operational scale. It will also be fair to say that by virtue of being a listed one, the stature of your Company has also increased in the business and financial community. At the same time, this has showered more responsibilities on us, which we are sure to take care with the support of our team.

The Company did quite well in FY 2013-14, reporting a rise in its revenues and profits as can be seen from the Annual Report.

Looking at the overall picture and business environment, I feel we have made good progress in FY 2013-14, inspite of the fact that your Company's Board and management had intensively invested its time and resources to roll out the Company's IPO successfully. Now, we should be able to post even better results next year as we are all set to strongly focus on taking our business to higher levels of operational excellence and growth. This gives me the confidence to say that with God's blessings, team's hard work and your support; we shall be able to report stellar results for the next year.

Your Company has been able to achieve this sterling performance based on the trust reposed in the Company by the customers and stake holders and adherence to the traditional values and ethics. The ability to service the customers to their satisfaction, the flexibility afforded to the customers in repayment and an efficient and committed team of employees helped the Company to achieve the remarkable growth during the year under review. In India, Non-Banking Finance Companies (NBFCs) play a vital role as financial intermediaries due to their inherent ability to take quicker decisions, assume greater risks and customize their services and change according to the needs of the clients. In the recent years, the regulatory supervision for the NBFC sector has been increasing which is likely to be tightened further. Various steps including increased disclosures are initiated to implement more transparency in the system, which is aimed at strengthening the growth of NBFCs. RBI had also formulated Committees to study the concerns in the NBFC sector and also to study about the priority sector lending by banks. It is expected that the recommendations of these committees shall prove beneficial to the NBFC sector in the long run.

Thank you for your support. May it continue as SRG SFL scales greater heights. I welcome your feedback and suggestions on what we can do to improve SRG SFL as a company. Feel free to send me your thoughts and comments at srcsecurities@gmail.com

Warm regards,

Vinod K. Jain
Managing Director
DIN: 00248843



CORPORATE INFORMATION

BOARD OF DIRECTORS

1. **Shri Vinod K. Jain** Managing Director
2. **Shri Rajesh Jain** Executive Director
3. **Smt. Seema Jain** Whole time Director
4. **Shri Bhupesh K Jain** Independent Director
5. **Shri Arjun Lal Jain** Independent Director
6. **CA Nishant Badala** Independent Director

NOMINATION & REMUNERATION COMMITTEE

- 1) **Mr. Arjun Lal Jain**, Chairman
- 2) **Mr. Bhupesh Kumar Jain**, Member
- 3) **Mr. Nishant Badala**, Member

SHAREHOLDERS GRIEVANCE COMMITTEE

- 1) **Mr. Bhupesh Kumar Jain**, Chairman
- 2) **Mr. Rajesh Jain**, Member
- 3) **Mr. Arjun Lal Jain**, Member

AUDIT COMMITTEE

- 1) **CA. Nishant Badala**, Chairman
- 2) **Mr. Bhupesh Kumar Jain**, Member
- 3) **Shri Vinod K. Jain**, Member

EXECUTIVE

Mrs. Aarti Jain (CFO)

CIN NO.

L67120RJ1995PLC009631

LISTED IN STOCK EXCHANGE SME BSE

AUDITORS

M/s. VALAWAT JHA PAMECHA & CO.
Chartered Accountants
UDAIPUR

PRINCIPAL BANKER

Bank of Baroda

REGISTERED OFFICE

322, S. M. Lodha Complex near
Shastri circle Udaipur- 313 001
Rajasthan Phone: 0294-2561882
Fax: 0294-5100098

REGISTERED AND SHARE TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.
Unit No.1, Luthra Industrial
Premises, Andheri Kurla Road,
Safed Pool, Andheri - East,
Mumbai - 400 072. Phones : 022 -
28515606, 28515644. Fax : (022)
28512885
email: sharexindia@vsnl.com
Website : www.sharexindia.com

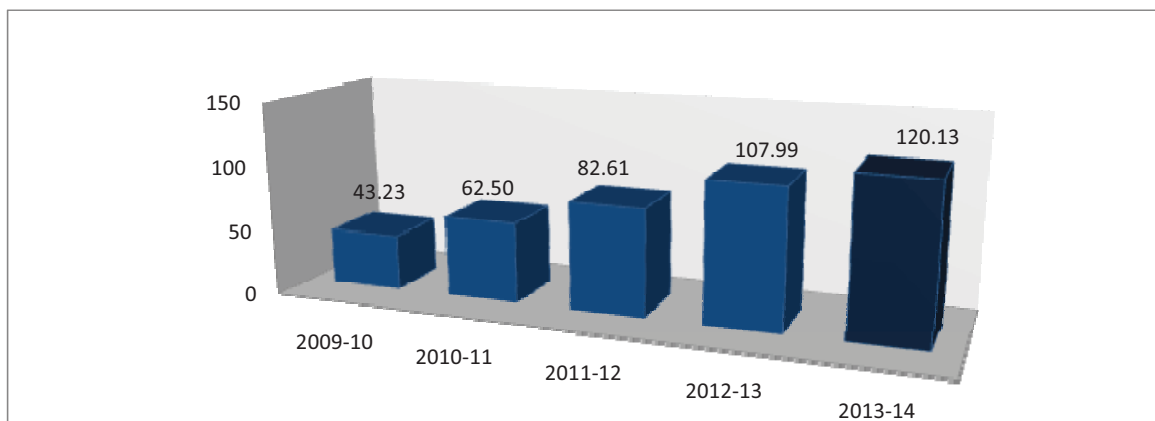
FINANCIAL GROWTH

FINANCIAL HIGHLIGHTS	(Rs.In lacs)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Revenues	43.23	62.50	82.61	107.99	120.13
Profit After Tax	4.22	5.90	11.27	15.46	17.23
Shareholders' Funds	126.58	129.76	140.42	160.61	680.84
Share Capital	91.16	91.16	91.16	91.16	387.54
Reserve and Surplus	35.42	38.60	49.26	69.45	293.29
Borrowings from Banks	169.15	256.73	310.28	335.56	214.16
Receivables under financing activity	284.26	354.90	444.50	454.24	765.45

GROSS REVENUES

Current Year

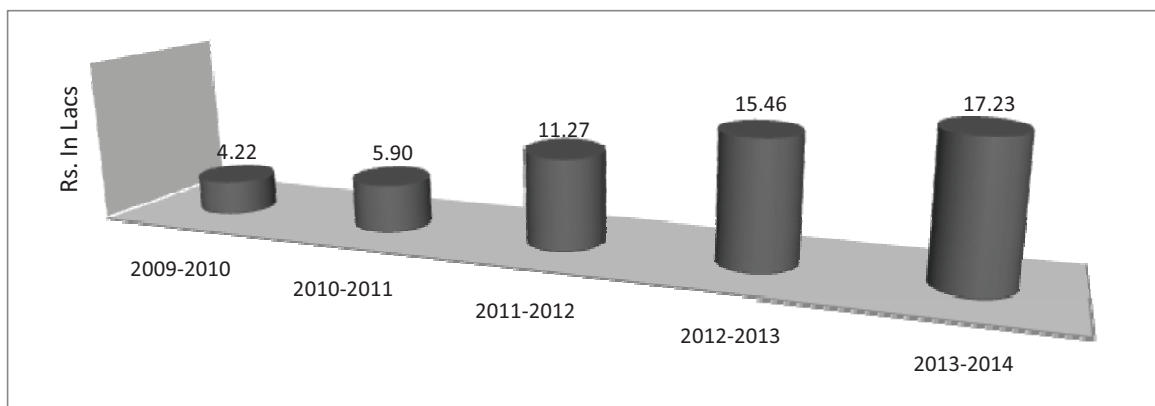
Rs. 120.13 Lacs



Profit After Tax

Current Year

Rs. 17.23 Lacs



DIRECTORS' REPORT

To
The members
S R G SECURITIES FINANCE LIMITED

Your Directors are pleased to present their Nineteenth Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended 31st March, 2014.

The Financial performance of the Company for year ended 31st March, 2014 is summarized below:

FINANCIAL RESULT

(Rs. In Lacs)

Particulars	2013-14	2012-13
Gross Income	120.13	107.99
Less: Finance Cost	36.96	49.30
Overheads	55.07	33.43
Depreciation	3.17	2.88
Profit before Tax & Exceptional Items	24.93	22.38
Add : Exceptional Items	0.00	0.00
Profit before Tax	24.93	22.38
Less : Provision for taxation	7.95	7.11
Profit after tax	16.98	15.27
Deferred Tax Assets	0.24	0.19
Add : Balance b/d from the previous year	41.58	25.90
Excess Provision for NPA	2.11	5.77
Excess Provision for Income Tax	0.09	0.04
Surplus available for appropriations	61.00	47.17
Appropriations		
Transferred to Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	3.50	4.50
Provision for standard Assets	0.79	1.09
Bonus Issue	37.93	0.00
Balance carried over to Balance Sheet	18.78	41.58

PERFORMANCE

Lending Operations Disbursement of Loans:

Your Company registered a remarkable growth in its operations. The operating profit before charging depreciation and tax amounted to Rs.28.10 lacs as against Rs. 25.26 lacs in the preceding year; representing a rise of 11.24%. Profit After Tax (PAT) before extraordinary items went up by 11.44% to Rs. 17.23 Lacs from Rs. 15.46 Lacs in the previous year.

The loan disbursed during the year ended 31st March, 2014 was to the extent of Rs. 435 Lacs as against Rs. 145 Lacs disbursed during the previous year.

As at 31st March, 2014, the loan book stood at Rs. 765.45 Lacs as against Rs. 454.24Lacs in the previous year an increase of 68.51%

As part of its liability management, your Company endeavors to diversify its resource base in order to achieve an appropriate maturity structure and minimize the weighted average cost of borrowed funds.

DIVIDEND

Your Directors felt it prudent to retain the earnings for the year under review to be ploughed back in business, which shall result in further augmentation of the Company's growth and shareholders' wealth.

CAPITAL ADEQUACY

Particulars As on 31st March	2014
Capital Adequacy Ratio	77.63%

Your Company's capital adequacy ratio was at 77.63% as on 31st March, 2014, which we believe provides adequate caution to withstand business risks and is above the minimum requirement of 15% stipulated by the RBI.

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

Your Company adhered to the prudential guidelines for Non performing Assets (NPAs), issued by Reserve Bank of India, as amended from time to time. As per the prudential norms, the income on such NPAs is not to be recognised.

As per the prudential norms prescribed by the Reserve Bank of India, the Company has made provision for contingencies on standard as well as non-performing assets.

PARTICULARS OF EMPLOYEES

During the year under review, no employee of the Company was in receipt of the remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

INFORMATION TECHNOLOGY AND COMMUNICATIONS

During the financial year 2013-14, apart from upgrading the existing software applications with enhanced/ added features to meet the current and emerging business needs, certain new application systems were implemented. Regular updation of Systems and procedures is undertaken from time to time to provide checks and alerts for avoiding fraud arising out of misrepresentation given by borrower/s while availing loans.

ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R & D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, as amended, the relevant information is given below :

A. CONSERVATION OF ENERGY :

The Company's operations are not power intensive. Nevertheless, your Company is taking every steps to conserve and minimise the use of energy wherever possible such as using energy efficient computer terminals, purchasing energy efficient equipments etc.

B. RESEARCH AND DEVELOPMENT :

The Company has no formal research and development department but the Company is continuously making efforts to strengthen research and development activities to improve quality and reduce cost.

C. TECHNOLOGY IMPORT AND ABSORPTION :

The Company has imported no technology. Indigenous technology available is continuously upgraded to improve overall performance.

D. FOREIGN EXCHANGE EARNINGS AND OUT GO

During the year under review there was no earnings and outgo in foreign exchange.

INITIAL PUBLIC OFFERING

Company has fully spent / utilized the proceeds of the funds raised under the IPO as per the object of the issue. The disclosure in compliance with the Listing Agreement is as under :

STATEMENT OF UTILIZATION OF ISSUE PROCEEDS BY COMPANY

Issue Objects (as per Prospectus)	Amount to be utilized	(Rs. In Lac)
		Amount actually utilized till date
To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities		
Granting of Loans	450.00	467.50
To meet the Issue Expenses	51.60	34.10
Total	501.60	501.60

CORPORATE GOVERNANCE :

Pursuant to the Clause 52 of the Listing Agreement with the Bombay Stock Exchange Limited, Report on Corporate Governance is annexed herewith.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to the Clause 52 of the Listing Agreement with the Bombay Stock Exchange Limited, Report on Management Discussion and Analysis Report is annexed herewith.

PUBLIC DEPOSIT

Your Company has not accepted any deposits from the public during the year under review. The Company has been granted registration by the Reserve Bank of India, as a non-deposit taking NBFC. Being so, the Company has neither accepted in the past nor has any future plans to accept any public deposits.

DIRECTORATE

Mr. Nishant Badala (DIN: 06611795) and Mr. Bhupesh Kumar Jain (DIN: 06611787), directors of the company liable to retire by rotation and being eligible have offered themselves for re-appointment. Further Mr. ARJUN LAL JAIN (00147912), Independent Director of the Company, whose present term of office is as per the Companies Act, 1956 and liable to retire by rotation, be reappointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years. Further re appointment of Mr. Vinod K. Jain Managing Director on same terms and conditions as before is also approved by board and remuneration committee. Your Directors recommend the above re-appointments.

BONUS ISSUE

The Company allotted a bonus issue of Shares in the ratio of 2:1 by capitalising Rs. 45, 58,000/-the balance lying in the Reserves and Surplus

PUBLIC ISSUE

During the year under review your Company entered into the capital market with a maiden public issue of 2508000 equity shares of Rs. 10/- each at a premium of Rs. 10/- per share aggregating to Rs.501.60 Lacs. The issue received an overwhelming response and the same was over subscribed by 1.15 times. The equity shares have been listed and are being traded on the SME platform of the Bombay Stock Exchange Limited. Subsequent upon the bonus and public issue of the shares the issued, subscribed and paid up capital of your Company stands at Rs. 38754000 divided into 3875400 equity shares of Rs. 10/- each.

AUDITORS

The Board of Directors of the Company have on the recommendation of the Audit Committee proposed that Pursuant to the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014 as may be, M/s Valawat Jha Pamecha & Co. Chartered Accountants (registration No. 008265 C), be reappointed as statutory auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the Twenty Second Annual General Meeting (AGM) of the Company, subject to ratification by Members every year on a remuneration (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee. M/S Valawat Jha Pamecha & Co., Chartered Accountants, Udaipur have forwarded their certificates to the Company stating that their re-appointment, if made, will be within the limit specified in that behalf in section 141 of the Companies Act, 2013.

AUDITORS' REPORT

The Auditors' observations are self explanatory and hence do not call for any further clarification under section 217 of the Companies Act, 1956.

INVESTOR COMPLAINTS AND COMPLIANCE

All the investor complaints duly resolved and as on date no complaints are pending.

LISTING OF SHARES

The Equity Shares of your Company are listed on the SME platform of Bombay Stock Exchange Limited P. J. Towers, Dalal Street, Mumbai - 400 023 and the listing fees for the year 2014-2015, has been paid.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2014; the applicable accounting standards have been followed along with proper explanation relating to material departure.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and loss of the Company for the year under review.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis.

EARNINGS PER SHARE (EPS)

The Earnings Per Share (EPS) is Rs. 0.73 as at March 31, 2014 as against Rs. 1.70 as at March 31, 2013.

REGULATORY GUIDELINES/AMMENDMENTS

The Company has also been following directions, guidelines, circulars issued by RBI, SEBI, BSE, MCA, from time to time pertaining to listed companies.

HUMAN RESOURCES AND TRAINING

The Company aims to align HR practices with business goals, motivate people for higher performance and build a competitive working environment. Productive high performing employees are vital to the company's success. The Company had organised various training programmes for upgrading the skill and knowledge of its employees in different operational areas.

CODES AND STANDARDS

FAIR PRACTICE CODE

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with customers and on the organisation's policies vis-à-vis client protection.

CODE OF CONDUCT

Your Company has adopted a Code of Conduct for its Board Members and Senior Management personnel. The code of conduct has also been posted on the official website of the Company. The declaration by the Managing Director of the Company regarding compliance with the Code of Conduct for Board Members and Senior Management is annexed with the Corporate Governance Report.

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

Your Company has formulated and adopted a Code for Prevention of Insider Trading Practices in accordance with the model code of conduct as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. The code is applicable to all directors, senior employees and their dependents. The said persons are restricted from dealing in the securities of the Company during the 'restricted trading periods' notified by the Company, from time to time.

A NOTE OF APPRECIATION

The Directors place on record their appreciation for co-operation and support extended by the Government, RBI, Banks, SEBI, Shareholders, Bankers to issue, RTA and customers for their continued support extended to the company at all times. The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Vinod K. Jain
Managing Director
DIN: 00248843

Place : Udaipur
Date : 29.05.2014

MANAGEMENT DISCUSSION & ANALYSIS REPORT

GENERAL: OVERVIEW OF THE ECONOMY

INDUSTRY STRUCTURE & DEVELOPMENTS

India's services sector has been the most dynamic part of its economy, leading GDP growth for past two decades. India serves as an example as to how services sector can play an important role in a country's economic growth. India is doing reasonably well in retail sector and the financial sector including insurance. India is now eager to open up the pensions sector also to foreign investors. The way these sectors have been developed with a robust regulatory and policy framework also holds important lessons for other countries. India's financial services sector has been one of the fastest growing sectors in the economy. The economy has witnessed increased private sector activity including an explosion of foreign banks, insurance companies, mutual funds, venture capital and investment institutions. Although significant steps have been taken in reforming the financial sector, some areas require greater focus like the ability of the financial services sector in its present structure to make available investible resources to the potential investors in coming years, such as equity and long term, medium and short-term debt and the inability of banks to quickly enforce security and access to collateral, and the capital constraints in recognizing large loan losses. The global economy witnessed a sluggish growth during the year under review mainly due to the slow down in the advanced economies, sovereign debt crisis in euro zone area, political turmoil in the Middle East and increase in crude oil prices. Increasing input costs, rising vehicle and crude prices, general inflation and an upward spiral in interest rates have resulted in moderating the demand for automobiles. The volume momentum was less when compared to the previous year. However, several research studies have stated that India will become a dominant force in the world automotive industry by 2015.

OPPORTUNITIES & THREATS

SRG SFL has been able to explore new areas for its business especially in rural India. With the innovative marketing strategies, the Company is able to add new customers and retain existing clientele. The clientele mainly comprise of individual borrowers. The limited infrastructure facilities has increased the bottlenecks in transportation, which has resulted in more and more people resorting to the use of commercial vehicles. This has helped to increase the demand for auto loans which has enhanced our market access. There has been increased competition from the scheduled banks and other NBFCs operating in the field of automobile finance.

Company has always maintained sufficient liquid funds, so that its operations are not affected. Constantly sticking on to the traditional values and ethics and with the support of efficient and dedicated resources, we are able to phase out any difficulties in our area of operation.

SEGMENT REPORTING

The Company is exclusively engaged in the Finance business and revenues are mainly derived from this activity. Accounting Standard 17 regarding Segment-wise Reporting issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006 does not apply to your Company since revenues are derived from only one segment i.e. From finance activity.

RISKS AND CONCERNS

Your Company is exposed to internal and external risks. The internal risks relates to the risks within the Company due to change in management, personnel and policies, lapses / inadequacy in existing infrastructure facilities, delinquencies on the part of employees, staff attrition, misfeasance etc. The external risks can be associated to those factors which are not within the control of the Company like change in interest rates, government regulations, competition from others operating in similar business, etc.

RISK MANAGEMENT

Comprehensive risk management practices form an integral part of the operations at SRG SFL. The nature of business the company is engaged in exposes it to a slew of complex and variable risks. The rapid and continuous changes in the business environment have ensured that the organisation becomes increasingly risk focused to achieve its strategic objectives. SRG SFL policies ensure timely identification, management and mitigation of relevant risks, such as credit Risk, liquidity risk, interest rate risk, operational risk, reputational and regulatory risks, which help the company move forward with vigour.

INTERNAL CONTROL SYSTEMS & ADEQUACY

SRG SFL has adequate internal control systems which provide reasonable assurance that the assets of the Company are safeguarded and transactions executed in accordance with the Management's authorization which is properly recorded and accounted for. The Company also has a dedicated team of concurrent auditors, which is lead by a well experienced banker, supported by efficient staff drawn from within the organization. The internal auditors periodically review the report of concurrent auditors and verify their effectiveness and coverage. SRG SFL has a robust mechanism to control, detect and prevent fraud. The investigations are reviewed by a disciplinary committee comprising senior management members and chaired by the managing director. The company has a strong IT security system and audit to ensure information security. Clear segregation of duties exists between various functions.

INFORMATION TECHNOLOGY

Your Company is developing new in house accounting software which is a step towards aligning technology to the projected business growth. All our operations will be in the “central data base platform” from the coming financial year. The steps taken to upgrade Information Technology platform will facilitate your Company to serve the customer(s) in an efficient manner and which is an integral part of the control mechanism.

DISCUSSION ON FINANCIAL PERFORMANCE AND OPERATIONAL HIGHLIGHTS

The financial and other operational performance of the Company for the year under review has been discussed in detail in the Directors’ Report. The Cash-Flow Statement and the Balance Sheet Abstract and Company’s General Business Profile are annexed to the Annual Accounts of the Company.

HUMAN RESOURCES

Human resource development is considered vital for effective implementation of business plans The Company aims to align HR practices with business goals, motivate people for higher performance and build a competitive working environment. Productive high performing employees are vital to the company’s success. The Board values and appreciates the contribution and commitment of the employees towards performance of your Company during the year. In pursuance of the Company’s commitment to develop and retain the best available talent, the Company continued to offer inhouse training programme to staff members in executive development, leadership and management skills. The Company had organised various training programmes for upgrading the skill and knowledge of its employees in different operational areas.

RELATED PARTY TRANSACTIONS

Transactions with related parties entered into by the Company in the normal course of business were placed before the Audit Committee. None of the transactions with any of the related parties were in conflict with the interests of the Company. The details of transactions with the Company and related parties are given for information under notes to accounts.

CAUTIONARY STATEMENT

Statements in this Directors’ Report and Management Discussion and Analysis describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward-looking statements” within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. These statements are based on certain assumptions and expectations of future events over which the Company has no direct control. Important factors that could make a difference to the Company’s operations include performance of the overall economy; rate of interest position in the economy; performance of the real estate market and other relevant external and internal factors.

Statements in this report, describing the company’s objectives, estimations, projections, expectations are “forward looking statements” based on the management’s current expectations and beliefs concerning future developments and their potential effect upon the Company. Several factors could make significant difference to the company’s operations. These include economic conditions affecting demand and supply, Government regulations and taxation, natural calamities, etc. over which the company does not have any direct control. SRGSFL assumes no responsibility in case the actual results differ materially due to change in internal or external factors

For and on behalf of the Board of Directors

Vinod K. Jain
Managing Director
DIN: 00248843

Place : Udaipur
Date : 29.05.2014

CORPORATE GOVERNANCE REPORT

In terms of Clause 52 of the Listing Agreement with BSE Limited (BSE) the report containing details of corporate governance systems and processes at S R G Securities Finance Limited is as under:

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's Corporate Governance Philosophy is based on trusteeship, transparency, empowerment, control and ethical corporate citizenship. The Company believes that the practice of each of these create a right culture and fulfills the true purpose of Corporate governance. The Company remained committed towards protection and enhancement of overall long term value for its entire stakeholders – customer, lenders, employee and society.

Your company has consistently aimed at developing and internalizing such policies and implementing best-in-class actions that make it a good model of corporate governance. To that effect your Company has adopted practice mandated in Clause 52 of Equity listing agreement with SME BSE & has established procedure & systems to be fully compliant with it.

BOARD OF DIRECTOR

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors as per Clause 52 of the listing agreement. The Board comprises of 6 Directors, out of which three Directors are Promoter-Directors and three directors are non-executive Independent directors. The Independent Directors take active part at the Board and Committee meetings, which adds value in the decision making process. Half of the Board comprise of non-executive Independent directors.

As on 31st March 2014 the details of composition of Board, category of directors as well as their Directorship/membership in other companies/committees are given below

The Board comprises of the following:

Sr. No	*Name of the Director	Designation	Executive / Non Executive / Promoter	Independent / non Independent
1	Vinod K. Jain	Managing Director	Executive Director & Promoter	Non- Independent
2	Rajesh Jain	Director	Executive Director & Promoter	Non- Independent
3	Seema Jain	Whole time Director	Executive Director & Promoter	Non- Independent
4	Nishant Badala	Director	Non Executive Director	Independent
5	Bhupesh Kumar Jain	Director	Non Executive Director	Independent
6	Arjun Lal Jain	Director	Non Executive Director	Independent

Note:-

*

Vinod K. Jain designated to Managing Director w.e.f. 24.06.2013

Mr. Rajesh Jain appointed as Executive Director w.e.f.20.07.2013

Mrs. Seema Jain appointed as WTD w.e.f. 20.07.2013

Mr. Nishant Badala appointed as director w.e.f. 24.06.2013

Mr. Bhupesh Kumar Jain appointed as director w.e.f. 24.06.2013

Mr. Arjun Lal Jain appointed as director w.e.f. 24.06.2013

Board Meetings and Attendance of Directors

During the year under review, Eight (8) Board meetings were held, on the following dates: 27/04/2013, 30/05/2013, 20/06/2013, 28/06/2013, 29/07/2013, 23/10/2013, 29/11/2013, 15/03/2014.

Attendance of directors at the board meetings and at the last Annual General Meeting held on 20/07/2013 is as under

Sr. No.	Name of the Director	Designation	Board Meetings during the year 2013-14		No of Directorship in other limited companies	Members of Committee		Attendance in last AGM held on 20/07/13
			Held	Attended		Member	Chairperson	
1	Vinod K. Jain	Managing Director	8	8	1	1	0	Yes
2	Rajesh Jain	Executive Director & Promoter	8	8	1	1	0	Yes
3	Seema Jain	Whole time director	8	8	1	0	0	Yes
4	Nishant Badala	Non Executive Independent Director	8	2	0	1	1	Yes
5	Bhupesh Kumar Jain	Non Executive Independent Director	8	5	0	2	1	Yes
6	Arjun Lal Jain	Non Executive Independent Director	8	2	0	1	1	Yes

*Directorships and Committee member/Chairmanship in other companies mentioned above excludes directorships in private limited companies, unlimited companies, foreign companies and Companies incorporated under section 25 of the Companies Act, 1956.

While calculating the number of Membership / Chairmanship in Committees of other Companies, Membership / Chairmanship of only Audit Committee and Shareholders' / Investors' Grievance Committee have been considered pursuant to Clause 52 of the listing agreement. None of the Director is a member in more than ten committees and act as a Chairman in more than five committees across all companies in which he is a Director.

The role of Independent Director

The independent director play an important role in deliberation at the board meeting and to brings the company wide experience in field if finance, accounting, law and public policy.

GENERAL BODY MEETING:

1. Annual General Meetings

The last three Annual General Meetings of the Company were held within the statutory time period and the details of the same are as under:

PARTICULARS	DATE & TIME	VENUE
16 th AGM	29/09/2011 AT 11.30 A.M.	322, S M LODHA COMPLEX, NEAR SHASTRI CIRCLE, UDAIPUR
17 th AGM	29/09/2012 AT 11.00 A.M.	322, S M LODHA COMPLEX, NEAR SHASTRI CIRCLE, UDAIPUR
18 th AGM	20/07/2013 at 11.30 A.M.	322, S M LODHA COMPLEX, NEAR SHASTRI CIRCLE, UDAIPUR

2. Details of Extra Ordinary General Meetings:

Extra ordinary general meeting was held 27/05/2013 & 24/06/2013 in financial year 01/04/2013 to 31/3/2014

Special Resolutions Passed At Previous AGM's / EGM's

18 th Annual general Meeting held on 20/07/2013	Appointment of whole time director & Paying Remuneration by way of commission to executive director.
Extra ordinary general meeting held on 24/06/2013	Approval of borrowing powers, issue of bonus shares, further issue of equity shares, appointment of managing director, appointment of independent director & company secretary.
Extra ordinary general meeting held on 27/05/2013	Increase in authorized capital
17 th Annual general Meeting held on 29/09/2012	No Special Resolution was passed
16 th Annual general meeting held on 29/09/2011	No Special Resolution was passed

POSTAL BALLOT: -

The Company has not put any resolution for postal ballot in previous Annual General Meeting. In ensuing Annual General Meeting there is no business requiring postal ballot.

COMMITTEES OF BOARD

A. Audit Committee

The Audit Committee of S R G Securities Finance Limited consists of the two independent Directors and one Managing Director of the Company. All the Directors have good knowledge of Finance, Accounts and Company Law. CA. Nishant Badala is the Chairman of the Committee. He is a practicing chartered accountant. Mr. Bhupesh Kumar Jain is B.Com MBA (finance). All members of the Committee are financially literate as per meaning of listing agreement. The Committee held 3(three) meetings during the year. The Audit Committee also advises the Management on the areas where internal control system can be improved. The Terms of reference of the Audit Committee are in accordance with all the items listed in Clause 52 (II)(D) and (E) of the Listing Agreement and Section 292 of the Companies Act, 1956 as follows:

- ✓ Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ✓ Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- ✓ Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
- ✓ Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 1. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in Term of clause (2AA) of Section 217 of the Companies Act, 1956;
 2. Any changes in accounting policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on exercise of judgment by management;
 4. Significant adjustments made in the financial statements arising out of audit findings;
 5. Compliance with listing and other legal requirements relating to financial statements;
 6. Disclosure to any related party transactions;
 7. Qualifications in the draft audit report.
- ✓ Reviewing with the management the half yearly financial statements before submission to the Board for approval.
- ✓ Reviewing with the management, performance of statutory and internal auditors, and adequacy of internal control systems;
- ✓ Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ✓ Discussion with internal auditors any significant findings and follow up thereon;

- ✓ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matters to the Board;
- ✓ Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- ✓ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- ✓ Mandatorily Review the following information:
 - a) Management Discussion and Analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the audit committee) submitted by management;
 - c) Management letters / letters of internal control weaknesses issued by statutory auditors;
 - d) Internal audit report relating to internal control weaknesses; and
 - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be review by the Audit Committee.

The Audit Committee has the following powers:

- i. to investigate any activity within its terms of reference.
- ii. to seek information from any employee.
- iii. to obtain outside legal and professional advice.
- iv. to secure attendance of outsiders with relevant expertise, if it considers necessary.

Meetings and Attendance during the Year:

During the financial year 2013 -2014, Three meetings of the Audit Committee were held on 27/07/2013 , 22/10/2013 , 20/02/2014 .During these meetings, the Committee, inter alia, reviewed the financial statements including changes in accounting policies and practices before submission to the Board, recommended the appointment of statutory and internal auditors including fixation of audit fee, discussed the internal auditors findings and reviewed the company's financial and risk management policies. Generally all items listed in Clause 52 of the Listing Agreement are covered in the term of reference. The Audit Committee has been granted powers as prescribed under Clause 52.

Necessary information as required by Clause 52 of the Listing Agreement is also reviewed by the Audit Committee

Details of Attendance at the Audit Committee

Name Designation	Catagory	No. Of Meeting Held	No. Of Meeting Attend
CA Nishant Badala, Independent Director	Chairman	3	3
Mr. Bhupesh Kumar Jain, Independent Director	Member	3	3
Mr. Vinod K. Jain, Managing Director	Member	3	3

B. Remuneration Committee:

(i) Brief description of Terms of Reference

The Remuneration Committee has been constituted to recommend and review remuneration package of managing & Other Directors by reference to performance, experience and responsibilities.

(ii) Composition of the Committee

The Remuneration Committee consists of three non-executive independent directors, to comply with and meets the requirements of the listing agreement and Schedule XIII of the Companies Act, 1956. Mr. Arjun Lal Jain Is the Chairman And Mr. Bhupesh Kumar Jain & Mr. Nishant Badala are members of the Remuneration Committee.

(iii) Meetings and attendance

The Committee met once during the financial year 2013– 2014 on 29/06/2013

(iv) Details of Remuneration of Directors

The details of remuneration paid to the directors during the financial year ended on 31st March, 2014 is as under:

Name	Remuneration	Commission	Sitting Fees	Total
Mr. Vinod K. Jain	NIL	NIL	NIL	NIL
Mr. Rajesh Jain	NIL	20000/-	NIL	20000/-
Mrs. Seema Jain	1108350/-	NIL	NIL	1108350/-
Mr. Arjun Lal Jain	Nil	NIL	NIL	NIL
Mr. Bhupesh Kumar Jain	Nil	NIL	NIL	NIL
Mr. Nishant Badala	Nil	NIL	NIL	NIL

No Bonus, severance fees, performance linked incentives was paid during the period.

(v) Shares held by Non-Executive Independence Directors:

All Non-Executive Independent Directors hold Nil Shares in the S R G Securities Finance Ltd.

C. Shareholder's / Investor's Grievances Committee

Terms of Reference

The terms of reference of Shareholders' / Investors' Grievances Committee includes the following:

- Allotment and listing of our shares in future;
- Redressing of shareholders and investors complaints such as non-receipt of declared dividend, annual report, transfer of Equity shares and issue of duplicate/split/consolidated Share Certificate(s);
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issue by our Company, including review of cases for refusal of transfer / transmission of share and debentures;
- Reference to statutory and regulatory authorities regarding investors grievance; and
- To otherwise ensure proper and timely attendance and redressal of investor's queries and grievances;
- To do all such acts, deeds and things, as may be necessary or incidental to the exercise of the above powers.

Composition of the Shareholders' / Investors Grievance Committee:

As on 31st March 2014, the Composition of the Shareholders' / Investors Grievance Committee has been as under:

Mr. Bhupesh Kumar Jain	Chairman
Mr. Rajesh Jain	Member
Mr. Arjun Lal Jain	Member

Mr. Rajesh Jain Compliance Officer
 S R G SECURITIES FINANCE LIMITED
 322, S. M. Lodha Complex, Near Shastri Circle
 Udaipur- 313 001
 Phone NO. : 0294 2561882 Fax: 0294 5100098
 Email: srgsecurities@gmail.com

Details of Shareholders Complaints

The details of complaints received / solved / pending during the year are as under:

Number of Shareholders' Complaints received during the Year	NIL
Number of Complaints not solved to the satisfaction of share holders	NIL
Number of pending Complaints	NIL

DISCLOSURES

Related Party Transaction

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the company and related parties are given in notes to accounts.

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

Whistle Blower Policy

The Company has framed a Code of Conduct for Directors and Senior Management. In consonance of provisions of Companies Act, 2013, Company have made a formal Whistle Blower Policy which provides detailed procedure to protect the interest of employees of the company.

Reconciliation of Share Capital Audit

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a Quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

NON-MANDATORY REQUIREMENTS

The Status of compliances with the non-mandatory requirements is as under:

The Board

No separate office for the Chairman is maintained, and hence no reimbursement is made towards the same.

No Specific tenure has been specified for the Independent Director. However, they are liable to retire by rotation and seek re-appointment by the Members.

Remuneration Committee

Details regarding Remuneration Committee are provided and forms part of this report.

Shareholders' Rights

The company has posted its half yearly and yearly financial results on its website i.e. - www.srgfin.com

Audit Qualification

There are no audit qualifications in the financial statements for the financial year 2013-14. Standard practices and procedures are followed to ensure unqualified financial statements.

Training to Board Members

The Board is equipped to perform its role through inputs from various sources from time to time. Directors are fully briefed on all matters concerning the business and operations of the Company and they regularly interact with the management in a free and open manner in order to obtain any information that they may require.

Means of Communication

The half yearly financial results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and also uploaded on the Company's website - www.srgfin.com

The official news, release, presentation that may be made to the Shareholders at the Annual General Meeting and the presentation as may be done to the analysts will be posted on the Company's website - www.srgfin.com

Code of Conduct

The Company has a Code of Conduct for prevention of insider trading in place, as prescribed by the Securities and Exchange Board of India. All board members and senior management Personnel have affirmed compliance with the Code of Conduct.

The Annual Report of the Company contains a declaration to this effect signed by the Managing Director of the Company.

GENERAL SHAREHOLDER INFORMATION

- 1. Financial Year** : 1st April to 31st March
2. Annual General Meeting : Date & day: Thursday, 18th Day of September, 2014 at 10:00 A.M
3. Venue : Hotel Q, 2- A New Flora Complex, Near New Pula Bridge, Fatehpura, Udaipur- Rajasthan 313 001

4. Financial Calendar:-

For the Financial Year 2014-15, Financial Results will be announced as per the following tentative schedule:-

Half Year ending September, 2014	By 14 th November, 2014
Year ending March, 2014	Within 60 days from 31 st March, 2015
Annual General Meeting	By September, 2015

Book Closure & Dividend:-

Date of Book Closure	16 th September, 2014 to 18 th September, 2014 (Both Day inclusive)
Dividend	No Dividend has been declared

5. Face value of the equity share: Rs. 10/- per Share

6. Listing on Stock Exchange(s)

The Company's equity shares are listed on SME Platform of BSE Limited

7. Stock Code:

Stock Code / Symbol	536710 SRGSFL
ISIN with NSDL & CDSL	INE326P01019

8. Market price data:

Market price data on SME Platform of Bombay Stock Exchange Limited (BSESME) for the listing date i.e. 29/10/2013 to 31/3/2014 are given below:
(In Rs. per share)

MONTH	OPEN	HIGH	LOW	CLOSE
OCT.13	23.90	25.05	22.00	22.00
NOV.13	21.15	21.15	20.00	20.00
DEC.13	20.00	21.50	20.00	20.75
JAN.14	21.00	21.00	20.00	20.00
FEB.14	21.00	21.00	20.00	20.00
MAR.14	20.00	20.00	20.00	20.00

9. Registrar and Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.
 Unit No.1, Luthra Industrial Premises,
 Andheri Kurla Road, Safed Pool,
 Andheri - East, Mumbai - 400 072.
 Phones: 022 - 28515606, 28515644. Fax: (022) 22641349.
 Email: sharexindia@vsnl.com Website: sharexindia.com

10. Share Transfer System

Share transfers have been normally processed and returned within 21 days from the date of lodgment, provided the necessary documents were in order.

11. Distribution of shareholding as on 31st March, 2014

Shareholding Distribution on number of shares		Share Holders		Numbers	
		Numbers	% of Total	Numbers	% of Total
Up to	5000	0	0	0	0
5001	10000	85	56.67	510000	13.16
10001	100000	54	36	1297650	33.48
100001	And above	11	7.33	2067750	53.36
TOTAL		150	100	3875400	100

12. Category of Shareholders as on 31st March, 2014

Category	No Of Shares Held	Shareholdings %
1. Promoter and Promoter group	1677150	43.27
2. Mutual Funds / UTI / Trusts	0	0
3. Banks/Financial Institutions	0	0
4. Foreign Institutional Investors	0	0
5. Bodies Corporate	384000	9.91
6. NRIs	0	0
7. Clearing Members	0	0
8. Market Makers	144000	3.72
9. Indian Public	1670250	43.10
Total	3875400	100

Note: None of the shares of the promoters/promoter group's are pledged or encumbered with any of the banks or any financial institutions.

13. Dematerialization of Shares & Facility of simultaneous transfer

100% of the paid-up equity share capital of the Company has been dematerialized as on 31st March, 2014. Trading in equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI.

14. Outstanding ADRs / GDRs

The company has not issued any ADRs / GDRs

15. Plant Location: - not applicable being a Securities finance company.

Registered Office & Correspondence address:-

S R G SECURITIES FINANCE LIMITED
 322, S.M. Lodha Complex, Near Shastri Circle
 Udaipur- 313 001
 Phone No.: 0294 -2561882 Fax: 0294- 5100098
 Email: srgsecurities@Gmail.Com
 Website: www. srgfin.com

16. Investor's Correspondence may be addressed to:

Mr. Rajesh Jain **Compliance** officer
S R G SECURITIES FINANCE LIMITED
322, S.M. Lodha Complex, Near Shastri Circle
Udaipur- 313 001
Phone No: 0294 2561882 Fax: 0294 5100098
Email: srgsecurities@gmail.com

Or

Sharex Dynamic (India) Pvt. Ltd.

Unit No.1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri - East, Mumbai - 400 072.
Phones: 022 - 28515606, 28515644.
Fax: (022) 22641349.
Email: sharexindia@vsnl.com
Website: sharexindia.com

17. Compliance Certificate of the Auditors

A Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause-52 of the Listing Agreement is attached to this report

18. Transaction with Non Executive Director

The Non executive Director of the company do not have any material pecuniary relationship or transaction vis- a -vis company

19. Risk Management Committee

The company has formulated risk Management framework, which lays the procedure for Risk assesment and mitigation. The risk Management Committee comprise managing director as the chairman and the member include the senior manager holding key position in the company. The risk management committee apprises the Audit committee of the key Risk associated with business of the company and measure to mitigate them.

Vinod K. Jain

Managing Director

00248843

Place : Udaipur

Date : 29.05.2014

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company - www.srgfin.com.

As the Managing Director of the S R G Securities Finance Limited and as required by Clause 52(1)(D) of the Listing Agreement of the Stock Exchanges in India, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year 2013-2014

Vinod K. Jain

DIN: 00248843

Managing Director

Place : Udaipur

Date : 29.05.2014

CEO CERTIFICATION TO THE BOARD

The Board of Directors
S R G SECURITIES FINANCE LIMITED

Ref- Financial Statements for the period ended March 31, 2014:

I, Vinod K. Jain, Managing Director, of the Company on the basis of the review of the financial statements for the year ended on 31st March, 2014 along with cash flow statement for that period and to the best of our knowledge and belief, certify under Clause 52 v of the Listing Agreement that:-

- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (3) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ending March 31,2014, that are fraudulent, illegal or volatile of the Company's Code of Conduct.
- (4) We accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.

We have indicated to the Auditors and the Audit Committee:

- (i) Significant changes in internal control over financial reporting during the year;
- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud, if any, of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Udaipur
Date : 29.05.2014

Vinod K. Jain
Managing Director
(DIN: 00248843)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
S R G Securities Finance Limited,

We have examined the compliance of conditions of corporate governance by S R G Securities Finance Limited, ("the Company"), for the year ended on 31 March 2014, as stipulated in clause 52 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 was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. No investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

In our opinion and to the best of my information and according to the explanations given to us and 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 52 of the Listing Agreement.

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

For VALAWAT JHA PAMECHA & CO
Chartered Accountants
FRN: 008265 C

(Jinendra Jain)
Partner
M.No.072995

SECRETARIAL COMPLIANCE CERTIFICATE

Pursuant to proviso to Sub-section (1) of Section 383A of the Companies Act, 1956,
and rule 3(1) of the Companies (Compliance Certificate) rules, 2001

CIN Number : L67120RJ1995PLC009631

Nominal Capital : Rs. 38754000/-

To,
The Members
S R G Securities Finance Limited
322, SM Lodha Complex,
Near Shastri Circle,
Udaipur (Rajasthan) - 313001

I have examined the registers, records, books and papers of S R G Securities Finance Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents. I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of Companies Act, 1956 and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the MCA-21 within the time prescribed under the Companies Act, 1956 and the rules made there under. No form or return was required to be filed with Regional Director, Central Government, or other authorities.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 8 [Eight] times respectively on [27/04/2013, 30/05/2013, 20/06/2013, 28/06/2013, 29/07/2013, 23/10/2013, 29/11/2013, 15/03/2014] in respect of which proper notice were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose. The company has not passed any board resolution by circulation.
5. The Company was not required to close its Register of Members and Debenture holders during the year under Section 154 of the Act.
6. The Previous Annual General Meeting for the financial year ended on 31st March, 2013 was held on 20.07.2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minute Book maintained for the purpose.
7. The Company has convened 2 [Two] Extra Ordinary General Meetings during the financial year on 27.05.2013 to Increase Authorised Capital and on 24.06.2013 for Approval of borrowing powers, issue of bonus shares, further issue of equity Shares, appointment of managing director, appointment of independent director & company secretary.
8. The Company has not advanced loans to its Directors referred to under section 295 of the Act during the financial year under review.
9. The Company has not entered into any contract in terms of section 297 of the Act during the year and all necessary formalities have been complied with.
10. The Company has made all necessary entries in the register maintained under section 301 of the Act.
11. The Company was not necessitated to obtain any approvals from the Board of Directors, members and previous approval of the central Government pursuant to section 314 of the Act wherever applicable.

12. There was no issue of duplicate share certificates by the Company during the year under review.
13. According to the information and explanations provided, the Company:
- (i) Has delivered all the certificates on allotment of securities and on lodgment thereof for transfer of securities during the financial year. The company has not received any shares for transmission during the financial year.
 - (ii) Was not required to deposit any amount of dividend in a separate bank account as there was no declaration of any dividend during the year.
 - (iii) Was not required to pay/post warrants for dividends to all the members as there was no declaration of any dividend during the year.
 - (iv) Has not transferred any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon as there exists no such account.
 - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of any additional director, alternate director and director to fill casual vacancy during the financial year.
15. The appointment of Managing Director Mr. Vinod K. Jain and Whole-time Director Mrs. Seema Jain has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act.
16. There was no appointment of sole-selling agents during the year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has issued 2963800 Equity Shares of Rs. 10/- each during the financial year.
20. The Company has not bought back any shares during the financial year ending 31st March, 2014.
21. The Company has not redeemed any preference shares/debentures during the year.
22. The Company was not necessitated to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has not accepted any deposits falling under the provisions of section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975.
24. The Company has not borrowed any amount from directors, members, public, financial institutions, banks and others during the financial year ending on 31st March, 2014.
25. The Company has not made loans and investments, or given guarantees or provided securities to other bodies corporate and consequently no entries has been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the registered office from one state to another during the year under the scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under the scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under the scrutiny.

29. The company has altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny and complied with the provisions of the Act.

30. The Company has not altered its Articles of Association during the year under scrutiny.

31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and no fines and penalties or any other punishment imposed on the Company during the year under the scrutiny.

32. The Company has not received any amount as security from its employees during the year under certification.

33. According to the information and explanations provided to us, the Company was not required to constitute Provident Fund pursuant to section 418 of the Act; hence requirement of deposits with Provident Authority does not arise.

Date: 29.05.2014

Place: Udaipur

TUSHITA SISODIA
PRACTICING COMPANY SECRETARY
MEMBERSHIP NO: 30752

COP NO: 1208

ANNEXURE-'A'

(Forming part of compliance certificate dated 29.05.2014)

Name of Company: S R G Securities Finance Limited
CIN : L67120RJ1995PLC009631
Authorised Capital: Rs. 50000000 /-
Paid Up Capital : Rs. 38754000/-

REGISTERS MAINTAINED BY THE COMPANY

1. Details of statutory registers maintained:

- (a) Register of Charges u/s 143
- (b) Register of Members u/s 150
- (c) Copies of Annual Returns u/s 159 & 160
- (d) Minutes Book of Board Meetings U/s 193
- (e) Minutes Book of General Meetings U/s 193(1)
- (f) Books of Accounts
- (g) Register of Contracts u/s 301
- (h) Register of Directors etc u/s 303
- (i) Register of Director's Shareholding u/s 307

2. Details of other registers maintained:

- (a) Register of Transfers
- (b) Register of Fixed Assets

ANNEXURE-B

Name of Company: S R G Securities Finance Limited
 CIN : L67120RJ1995PLC009631
 Authorised Capital: Rs. 50000000 /-
 Paid Up Capital : Rs. 38754000/-

Forms and Returns as filed by the Company with the MCA, Regional Director, Central Government or other authorities during the financial year ended 31st March, 2014

FORMS & RETURNS FILED WITH MCA

S. No.	Particulars of Forms/ Returns Filed	Relevant Section(Companies Act, 1956)	Date of Documents	Date of Filing	Whether filed within Prescribed Time	Additional Fees Paid
1.	Form-5 Increase in Authorised Capital	97	27.05.2013	19.06.2013	YES	NA
2.	Form- 32 Appointment of Director and Company Secretary	303(2)264(2)	24.06.2013	27.06.2013	YES	NA
3.	Form 23- Registration of Resolutions	192	24.06.2014	13.07.2013	YES	NA
4.	Form 25C – Return of Appointment of Managing Director	269(2)	24.06.2013	13.07.2013	YES	NA
5.	Form 32 – Particulars of Appointment of Director	303(2),264(2)	24.06.2013	13.07.2013	YES	NA
6.	Form 25C- Return of Appointment of WTD	269(2)	20.07.2013	29.07.2013	YES	NA
7.	Form 32 Particulars of Appointment of Director	303(2),264(2)	20.07.2013	29.07.2013	YES	NA
8.	Form 23 Registration of Resolutions	192	20.07.2013	29.07.2013	YES	NA
9.	Form 32 Particulars of Appointment of Directors	303(2),264(2)	20.07.2013	05.08.2013	YES	NA
10.	Form 2 Allotment of Bonus shares	75	24.06.2013	13.07.2013	YES	NA
11.	Form 23AC Balance Sheet Form 23ACA Profit and Loss Statement and others	220	31.03.2013	17.08.2013	YES	NA
12.	Form 66 Compliance Certificate	383A	31.03.2013	17.08.2013	YES	NA
13.	Form 23B Information by Auditor to Registrar	224(1A)	20.07.2013	17.08.2013	YES	NA
14.	Form 20B Annual Return	159	20.07.2013	06.09.2013	YES	NA
15.	Form 62- Prospectus	60	24.06.2014	19.09.2013	YES	NA
16.	Form 2 Allotment of Equity Shares	75	23.10.2013	15.11.2013	YES	NA
17.	Form 32- Resignation of CS	303(2)	15.03.2014	31.03.2014	YES	NA

Forms and returns as filed by the company with Regional Director during the financial year ending 31stMarch 2014.

NIL

Forms and returns as filed by the company with Central Government during the financial year ending 31stMarch 2014.

NIL

Forms and returns as filed by the company with other authorities during the financial year ending 31stMarch 2014.

NIL

Date: 29.05.2014

Place: Udaipur

TUSHITA SISODIA

PRACTICING COMPANY SECRETARY

MEMBERSHIP NO: 30752

COP NO: 12089

VALAWATJHA PAMECHA & CO.
CHARTERED ACCOUNTANTS

432-433, 2nd Floor,
S.M. Lodha Complex
Near Shastri Circle
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INDEPENDENT AUDITOR'S REPORT

To the Members of S R G SECURITIES FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of S R G Securities Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Contd..2

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) 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 comply with Accounting Standards notified under the companies Act, 1956 (the act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274 (1)(g) of the Companies Act, 1956.

For Valawat Jha Pamecha & Co.
Chartered Accountants
(FRN 008265 C)

Place : Udaipur
Date : 29.05.2014

(Jinendra Jain)
Partner
M.No. 072995

VALAWATJHA PAMECHA & CO.
CHARTERED ACCOUNTANTS

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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 under "Report on other legal and regulatory requirements" of our report of even date)

Having regard to the nature of the Company's business / Activities /results during the year , clauses (ii), (viii), (xiii) of paragraph 4 of the order are not applicable to the Company . In respect of the other clauses, we report as under:

1. a) The company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, the assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed on such physical verification.
c) In our opinion, during the year, the company has not disposed off any substantial/major part of fixed assets.
2. The Company has not granted / taken any loan to / from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii, b to iii g) of paragraph 4 of the order are not applicable.
3. In our opinion and according to the information and explanations given to us, there exists 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 the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
4. To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there were no contracts or arrangements that needs to be entered in the register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses (v,a) and (v,b) of paragraph 4 of the order not applicable.
5. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public and therefore, the provisions of section 58AA of the companies Act, 1956 and Rules there under are not applicable.
6. In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
7. According to the records of the company and information and explanations given to us, the company is regular in depositing undisputed statutory dues.
8. The company neither has any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
9. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions and banks.

Contd....2.

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:: 2 ::

10. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. According to us the company is not dealing or trading in shares, securities debentures & other investments.
12. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
13. According to the records examined by us and information and explanations given to us, the company has not availed term loan during the year.
14. According to the records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long terms investment and vice versa.
15. According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year.
16. According to the information and explanations given to us, the company has not issued debentures during the year.
17. The company has raised the money, by way of public issue during the year.
18. 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.
19. As per NBFC (Reserve Bank of India) Directions , 1999 , we report that :
 - a) The Company has been allotted registration from RBI, Jaipur as per section 14 I A of the Reserve Bank of India Act, 1934.
 - b) In case of Non Banking Finance Company , not accepting public deposit : -
 - i) The Board of Directors have passed resolution for not accepting public deposit.
 - ii) The Company has not accepted public deposit during the year 2013-2014.
 - iii) The Company have complied with prudential norms relating to the Income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable it.

For Valawat Jha Pamecha & Co.
Chartered Accountants
(FRN 008265 C)

Place : Udaipur
Date : 29.05.2014

(Jinendra Jain)
Partner
M.No. 072995

S R G SECURITIES FINANCE LIMITED

Balance Sheet as at 31st March, 2014

Particulars	Note No	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	38754000	9116000
(b) Reserves and Surplus	2	29329729	6944951
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	0	116413
(3) Current Liabilities			
(a) Short-term borrowings	4	21416088	33439755
(b) Other current liabilities	5	852553	255458
(c) Short-term provisions	6	1472771	1520034
Total		91825141	51392611
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	962908	1229926
(b) Non-current investments	8	1000	1000
(c) Deferred tax assets (net)	9	160982	136228
(d) Other non-current assets	10	6203760	1502160
(2) Current assets			
(a) Receivables under financing activity	11	76544994	45424050
(b) Cash and cash equivalents	12	4031378	2365954
(c) Other current assets	13	3920119	733293
Total		91825141	51392611

The accompanying notes are an integral part of these financial statements

In terms of our report attached 1 to 28

As per Our Report of even date

For Valawat Jha Pamecha & Co.

Chartered Accountants

FRN:008265 C

For & On Behalf of the Board

Vinod K. Jain Rajesh Jain
Managing Director Director

(Jinendra Jain)
Partner
Membership No.072995
Date : 29.05.2014
Place : Udaipur

Seema Jain
Whole Time Director

S R G SECURITIES FINANCE LIMITED

Profit and Loss statement for the year ended 31st March, 2014

Particulars	Note No	As at 31st March, 2014	As at 31st March, 2013
I. Revenue from operations	14	12013008	10752432
II. Other Income	15	0	46975
III. Total Revenue (I +II)		12013008	10799407
IV. Expenses:			
Employee benefit expense	16	2830533	1975085
Financial costs	17	3696071	4930014
Depreciation and amortization expense	7	317018	288215
Other expenses	18	2676104	1368138
IV. Total Expenses		9519726	8561452
V. Profit before tax (III-IV)		2493282	2237955
VI. Tax expense:			
(1) Current tax		795184	711211
(2) Deferred tax		-24754	-19683
VII. Profit/(Loss) for the period (V-VI)		1722852	1546427
VIII. Earning per equity share: Basic & diluted		0.73	1.70

The accompanying notes are an integral part of these financial statements

In terms of our report attached 1 to 28

As per Our Report of even date

For & On Behalf of the Board

For Valawat Jha Pamecha & Co.

Chartered Accountants

FRN:008265 C

Vinod K. Jain
Managing Director

Rajesh Jain
Director

(Jinendra Jain)

Partner

Membership No.072995

Date : 29.05.2014

Place : Udaipur

Seema Jain
Whole Time Director

S R G SECURITIES FINANCE LIMITED

Cash Flow Statement for the year ended 31st March , 2014

(Amount in Rs.)

Particulars	Figures as at end of the current reporting period		Figures as at end of the previous reporting period	
A. Cash flow from operating activities				
Net Profit before tax		2493282		2237955
Adjustments for:				
Depreciation	317018		288215	
Provision for NPA	210805		577187	
Provision for Standard Assets	(79569)		(108776)	
Other Provision	8690	456944	3834	760460
Operating profit / (loss) before working capital changes		2950226		2998415
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Loans and Advances	(31120944)		(973743)	
Other current assets	(3186826)		(304840)	
Other non-current assets	(4701600)	(39009370)	0	(1278583)
Adjustments for increase / (decrease) in operating liabilities:				
Other current liabilities	597095		(1497252)	
Short-term provisions	(47263)	549832	(308882)	(1806134)
Cash generated from operations		(35509312)		(86302)
Net income tax (paid) / refunds		795184		711211
Net cash flow from / (used in) operating activities (A)		(36304496)		(797513)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(50000)	(50000)	(521975)	(521975)
Net cash flow from / (used in) investing activities (B)		(50000)		(521975)
C. Cash flow from financing activities				
Proceeds from issue of equity shares	25080000		0	
Security Premium from issue of equity shares	25080000		0	
Proceeds from long-term borrowings	(116413)		(442315)	
Proceeds from Short-term borrowings	(12023667)	38019920	2970021	2527706
Net cash flow from / (used in) financing activities (C)		38019920		2527706
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		1665424		1208218
Cash and cash equivalents at the beginning of the year		2365954		1157736
Cash and cash equivalents at the end of the year		4031378		2365954

The accompanying notes are an integral part of these financial statements

In terms of our report attached

As per Our Report of even date

For Valawat Jha Pamecha & Co.

Chartered Accountants

FRN:008265 C

For & On Behalf of the Board

Vinod K. Jain
Managing Director

Rajesh Jain
Director

(Jinendra Jain)

Partner

Membership No.072995

Date : 29.05.2014

Place : Udaipur

Seema Jain
Whole Time Director

SIGNIFICANT ACCOUNTING POLICIES AS AT 31.03.2014

1. Basic of preparation

The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), and provisions of the Companies Act, 1956 and accounting standards issued by the Institute of Chartered Accountants of India (ICAI) as Applicable. The Company also follows the directions prescribed by the Reserve Bank of India (RBI) for NBFC's.

2. Income Recognition

Interest income on loans and hire charges are accounted on accrual basis. Loans are classified into "Performing and non-performing assets in terms of the directions issued by the RBI from time to time". Income recognition on non-performing advances are made in accordance with the RBI guidelines.

Additional Finance Charges, Cheque bounce charges, Field visit charges and other penal / servicing charges are recognised as income on realisation due to uncertainty in their collection.

3. Segment Reporting

The Company is primarily engaged in the business of financing. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segmental Reporting".

4. Fixed Assets And Depreciation

- a. Fixed Assets are stated at cost, Depreciation on fixed assets is provided on pro-rata basis from the date of installation on written down value method in accordance with Schedule XIV of the Companies Act, 1956.
- b. Assets costing till 5000 are being depreciated fully in the year of acquisition.

5. Provision on Non-Performing Assets

Non- performing assets are identified and categorized into Sub-standard, Doubtful and Loss Category based on the guidelines and direction issued by RBI. Provisions for non-performing assets are made in the accordance with the said guidelines

6. Contingent Liabilities

All the known liabilities where ever Materials are provided for.

7. Investments

The Company's investments are valued at cost.

8. Retirement Benefits :

Liabilities on accounts of Gratuity has not been ascertained and provided for as none of the employees have completed the qualifying service even on accrual basis the amount have not been ascertained , same being insignificant.

9. Accounting For Taxes On Income

Income tax expenses is the aggregate amount of current tax and deferred tax charge, Taxes on income are accrued in the same period as the revenue and expenses to which they relate. Current Tax is determined in accordance with the Income Tax Act 1961, on the amount of tax payable in respect of income for the year.

Deferred Tax Assets is recognized on timing difference, between taxable income and accounting income which originate in one period and are capable of reversal is one or more subsequent period. The tax effect calculated on the accumulated timing differences at the yearend based on tax and laws enacted or substantially enacted as of the Balance Sheet.

10. Earnings Per Share

The Company reports basic and diluted earnings per equity share in accordance with (AS) 20, Earnings per share issued by the Institute of Chartered accountants of India. Basic earnings share have been computed by dividend net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity shares have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

1. SHARE CAPITAL :	As at 31st March, 2014	As at 31st March, 2013
Authorised Share Capital : 50,00,000 Equity Shares of Rs. 10 /- Each (P.Y. 10,00,000 Equity Shares of Rs. 10/- Each)	50000000	10000000
Issued , Subscribed & Paid up : 38,75,400 Equity shares of Rs. 10 /- Each (P.Y. 9,11,600 Equity Shares of Rs. 10/- Each)	38754000	9116000
Total	38754000	9116000

The reconciliation of the number of share outstanding is set out below:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	911600	9116000	911600	9116000
Share issued during the year:				
Bonus share issued during the year	455800	4558000	-	-
Initial Public Offering (IPO)	2508000	25080000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3875400	38754000	911600	9116000

The details of Shareholding more than 5 % shares:

Name of the shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares Held	%	No. of Shares Held	%
Smt. Pushpa Jain			69000	7.57%
Shri Genda Lal Jain			86800	9.52%
Shri Vinod K.Jain	410700	10.60%	189800	20.82%
Smt. Seema Jain	216900	5.60%	60600	6.65%
Shri Rajesh Jain	364200	9.40%	150800	16.54%
Vinod Jain HUF			104500	11.46%
Genda Lal Jain HUF			57500	6.31%
Smt.Aarti Jain			85000	9.32%

2. RESERVE AND SURPLUS :	As at 31st March, 2014	As at 31st March, 2013
Special Reserve (in terms of section 45IC(1) of the reserve bank of India Act,1934)		
As per Last Balance Sheet	2021500	1571500
Add : Transferred from Profit and Loss Account	350000	450000
Total	2371500	2021500
Securities Premium Reserve		
As per Last Balance Sheet	765000	765000
Add: Received during the year	25080000	0
Less: Utilized for issue of Bonus Share	765000	0
Total	25080000	765000
Profit & Loss Account		
As per last Balance Sheet	4158451	2589779
Add : Profit for the year	1722852	1546427
Add: Excess Provision for NPA	210805	577187
Add: Excess Provision for Income Tax	8690	3834
Total	6100798	4717227
Less : Appropriations		
Transfer to Special Reserve	350000	450000
Provision for Standard Assets	79569	108776
Utilised for issued of Bonus Share	3793000	0
	4222569	558776
	1878229	4158451
Total	29329729	6944951
3. LONG TERM BORROWINGS :		
From: HDFC Bank (Car Loan)	0	116413
Total	0	116413
4. SHORT TERM BOROWINGS :		
Cash Credit Limit form Bank of Baroda, Sukher Branch, Udaipur (Hypothecation against Book Debts & Personal Guarantee of the Director)	21416088	33439755
Total	21416088	33439755
5. OTHER CURRENT LIABILITIES :		
Creditors for Expenses	133889	215360
Other Current Liabilities	718664	40098
Total	852553	255458
6. SHORT TERM PROVISIONS :		
Provision for Taxation	795184	711211
Provision for NPA	489242	700047
Provision for Standard Assets	188345	108776
Total	1472771	1520034

7. FIXED ASSETS :										
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.13	ADDITION	DEDUCTI ON	AS AT 31.03.14	AS AT 01.04.13	FOR THE YEAR	DEDUCTI ON	AS AT 31.03.14	AS AT 31.03.14	AS AT 31.03.13
TANGIBLE ASSETS										
Computers	187730	0	0	187730	178954	3511	0	182465	5265	8776
Furniture and Fixtures	263039	0	0	263039	239418	4275	0	243693	19346	23621
Cars	2112063	0	0	2112063	934868	304776	0	1239644	872419	1177195
Scooter	39702	0	0	39702	39701	0	0	39701	1	1
Kinetic Deo	40272	0	0	40272	31269	2331	0	33600	6672	9003
Office Equipments	40623	50000	0	90623	29293	2125	0	31418	59205	11330
Total	2683429	50000	0	2733429	1453503	317018	0	1770521	962908	1229926
Previous Year	2334007	640422	291000	2683429	1337841	288215	172553	1453503	1229926	996166

8. NON CURRENT INVESTMENT:	As at 31st March,2014	As at 31st March,2013
Investment in share (Share of SRG Global Solution Pvt. Ltd.)	1000	1000
Total	1000	1000
9. DEFERRED TAX ASSETS :		
Opening Balance	136228	116545
Add: For the Year	24754	19683
Total	160982	136228
10. OTHER NON CURRENT ASSETS :		
Advance against Office Booking	5700000	1500000
Deposit with BSE	501600	0
Security Deposit	2160	2160
Total	6203760	1502160
11. RECEIVABLES UNDER FINANCING ACTIVITY :		
Secured Considered good Loan and Advances (Including Loans against Hypothecation)	76544994	45424050
Total	76544994	45424050
12. CASH & CASH EQUIVALENTS :		
Cash on Hand	3397406	1554886
Balance With Banks	633972	811068
Total	4031378	2365954

13.OTHER CURRENT ASSETS :	As at 31st March,2014	As at 31st March,2013
Prepaid Expenses	44944	0
Advance Tax and TDS	980019	733293
Deferred Expenses	2727742	0
Interest Accrued But Not Due	167414	0
Total	3920119	733293
14. REVENUE FROM OPERATIONS :		
Interest Received on Advances	12013008	10752432
Total	12013008	10752432
15. OTHER INCOME :		
Profit on sale of Assets	0	46975
	0	0
16. EMPLOYEE BENEFIT EXPENSES :		
Salaries to Employees	1702183	1255085
Directors Remuneration	1128350	720000
Total	2830533	1975085
17. FINANCIAL COST :		
Interest on working Capital loan	3399230	4678429
Bank Charges	43958	25548
Interest on Car loan	1613	29789
Other Interest	140228	107591
Processing Fees	111042	88657
Total	3696071	4930014
18.OTHER EXPENSES :		
Advertisement Expenses	32398	0
Audit Fees	50000	28000
Internal Audit Fees	15000	0
Insurance Expenses	35519	31625
Legal & Professional Fees	84860	62000
Office Expenses	71667	39957
Printing and Stationery Expenses	9913	8472
Rent	180000	151200
Telephone Expenses	52490	32820
Travelling Expenses	25065	0
Vehicle Running & Maintenance	130482	73706
Bad Debts Written off	601057	830683
Commission	335000	0
Market Maker Fees	224720	0
Business Promotion Exp.	103300	0
Miscellaneous Exp.Written Off	681936	0
Other Expenses	42697	109675
Total	2676104	1368138

19. Auditors Remuneration Includes: -	Rs. In lakh
Audit Fees	0.35
Taxation Fees	0.10
R.O.C. Matters	0.05

	0.50

20. Related Party Disclosures : Disclosures as required by the accounting standard 18 of ICAI in respect of related party transactions for the year ended on 31/03/2014 :-

Key Managerial Personnel (KMP) on the Board

Mrs. Seema Jain Director

Mr.Rajesh Jain Director

Particulars of Related Party Transactions:-

Directors Remuneration- Rs. 11.28 Lakh (Previous year Rs. 7.20 Lakh)

Relative of Key Managerial Personnel (KMP)

Genda Lal Jain HUF

Aarti Jain

Meenakshi Jain

Particulars of Related Party Transactions:-

Rent Rs.1.80 Lakh (Previous Year Rs.1.51 Lakh)

Salary Rs.7.98 Lakh (Previous Year Rs. 6.60 Lakh)

- 21.** In the opinion of management the current assets and advances are approximately of the value as stated. If realized in the ordinary course of business unless otherwise stated. The provisions for all liabilities are adequate and not in excess/shortage of the amount reasonably necessary.
- 22.** None of the employees were getting more than Rs.60, 00,000/-p.a. or Rs. 5, 00,000/- p.m. during the year.
- 23.** All the balances of Sundry Creditors, Loans and advances are subject to confirmation.
- 24.** The Company have complied all the prudential norms prescribed by Reserve Bank of India on income recognition, accounting standards, assets classification, provisions for Bad & doubtful debts, capital adequacy and credit / investment concentration .
- 25.** The Company has written off unrecoverable debts of Rs. 6.01 Lacs during the year.
- 26.** Capital adequacy ratio is 77.63% for the year ended 31.03.2014.
- 27.** Previous year figures have been regrouped / reclassified wherever necessary to correspond with the figures of the current year under review.

28. In terms of Paragraph 13 of Non –Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 2007

(Rs. in Lacs)

Liabilities side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued Thereon but not paid : (a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits) (b) Deferred Credits (c) Term Loans (d) Inter – corporate loans and borrowing (e) Commercial Paper (f) Public Deposits (g) Other Loans (specify nature) i) Cash Credit Limit ii) Car Loan	Amount Outstanding 31.03.2014	Amount overdue
	214.16 NIL	NIL NIL
(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) : (a) In the form of Unsecured debentures (b) In the form of partly secured debentures, i.e., debentures where there is a shortfall in the value of security (c) Other public deposits	NIL NIL NIL	NIL NIL NIL
Assets side :	Amount Outstanding	
(3) Break-up of Loan and Advances including bills receivables [other than those included in (4) below] : (a) Secured (b) Unsecured	NIL	
(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities (i) Lease assets including lease rentals under sundry debtors: (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets (iii) Hypothecation loans counting towards AFC activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	NIL NIL NIL NIL 765.45	

(5) Break-up of Investments:
Current investments:

1. Quoted :

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

NIL

2. Unquoted :

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

NIL

Long-Term investments :

1. Quoted :

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

NIL

2. Unquoted :

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

0.01

NIL

(6) Borrower group-wise classification of assets financed:

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	9.98	9.98
2. Other than related parties	748.70	0.00	748.70
Total	748.70	9.98	758.68

(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 (b) Companies in the same group (c) Other related parties	NIL	NIL
2. Other than related parties		
Total	NIL	NIL

(8) Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	Rs. 12.07 Lacs
(ii) Net Non Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	Rs. 7.18 Lacs
(iii) Assets acquired in satisfaction of debt	NIL

Signatures to Schedule 1 to 28

As per our report attached
For VALAWAT JHA PAMECHA & CO.
Chartered Accountants
FRN: 008265 C

For & on behalf of the Board

Vinod K. Jain
(Managing Director)

Rajesh Jain
(Director)

(JINENDRA JAIN)

Partner
M.No.0 72995

Seema Jain
(Whole Time Director)

Date : 29.05.2014
Place : UDAIPUR

BOOK POST

TO,

IF UNDELIVERED PLEASE RETURN TO :-
S R G SECURITIES FINANCE LIMITED
CIN: L67120RJ1995PLC009631
322, S. M . LODHA COMPLEX, NEAR SHASTRI CIRCLE
UDAIPUR -313 001, RAJASTHAN