

## NOTICE

NOTICE is hereby given that the Twenty- Ninth Annual General Meeting of the Company will be held on Friday the 14<sup>th</sup> December 2012 at 11.00 AM at Mohanambal Kalyana Mandapam, No. 3, Rangabhashyam Street, Chennai-600015 (Near West Saidapet Bus Terminus) to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2012 and the Reports of the Directors and the Auditors thereon.
- To appoint a Director in place of Mr. P. B. Appiah, who retires by rotation and being eligible offers himself for re-appointment.
- To appoint auditors of the company and fix their remuneration and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Brahmayya & Co, Chartered Accountants being and are hereby appointed as the Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company."

### NOTE :

- A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself. A proxy need not be a member of the company. Proxies, in order to be valid, must be lodged at the registered office of the company not later than 48 hours before the commencement of the meeting.
- The Share Transfer Register and the Register of Members of the Company shall remain closed from 7<sup>th</sup> December 2012 to 14<sup>th</sup> December 2012 (both days inclusive).
- Members are requested to notify immediately any change of address quoting their folio numbers.
- Members desirous of obtaining any information on the annual accounts of the Company to be explained at the meeting are requested to write to the company at an early date to facilitate compilation of information.
- Individual shareholder can avail of the facility of nomination. The nominee shall be a person in whom all rights of transfer and amount payable in respect of the shares shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name of the guardian is given in the nomination form. The facility of nomination is not available to non-individual shareholders such as Bodies Corporate, Kartas of Hindu Undivided families, Partnership firms, Societies trusts and holders of Power of Attorney. For further details please contact Company's Secretarial Department.

### Information about Directors seeking appointment/re-appointment in this AGM in respect of item No.2 above (in accordance with Clause 49 VI of the Listing Agreement)

Name	Age	Quali fication	Other Directorship	Other Committee Membership
Mr. P. B. Appiah	50 years	B.Com, L.L.B.	1	NIL

Place: Chennai

Date : 29.10.2012

By Order of the Board

GEORGE KURUVILLA

Managing Director

## DIRECTOR'S REPORT

To the members ,

The Director's are pleased to present the 29<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

(Rs. In lakhs )

### 1. FINANCIAL RESULTS :

	For the year ended 31.03.2012	For the year ended 31.03.2011
Gross Profit / Loss before Interest		
Depreciation and Tax	53.55	161.16
Interest	778.94	269.46
Profit / loss before depreciation and tax	(725.39)	(108.30)
Depreciation	5.34	6.95
Prior year adjustment	(0.25)	465.19
Profit before tax	(730.98)	349.93
Provision for tax (FBT)	-	-
Profit/Loss after tax	(730.98)	349.93
Amount brought forward from the prev yr	(26092.40)	(26442.34)
Balance carried to Balance Sheet	(26833.38)	(26092.40)

### 2. DIVIDEND :

The Board of Directors has not recommended any dividend on equity shares for this year.

### 3. MANAGEMENT DISCUSSION AND ANALYSIS :

Management discussion and analysis of financial condition and results of operation of the Company for the year under review as required under Clause 49 of the Listing Agreement with the Stock Exchange is given under .

All statements that address expectations or projections about the future , including but not limited to statements about the Company's strategy for growth , market position , expenditure and financial results are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results , performance or achievements could thus differ materially from those projected in any such forward looking statements. Important factors that could influence the Company's operations that include the recovery of all overdues , policies of regulatory authorities , changes in government regulations and other matters. The Financial Statements have been prepared in compliance with the requirement of the Companies Act, 1956 . The Management accepts responsibility for the integrity and objectivity of these financial statements as well as for various estimates and judgements used therein.

Performance of the Company

Your Company has changed its business lines and worked out new organisation plans. Regarding the re-structuring programme of the Company, the Division Bench of the Madras High Court on 30.04.2008 has allowed the appeals filed by the R.B.I. and others against the order of the Single Judge of the Madras High Court favouring re-structuring under Petition No. 160/2005 . However, the Company has filed a Special Leave Petition in the Supreme Court, New Delhi on 09.05.2008 and the same was admitted and ordered notices to the R.B.I. and others.

As already reported, your Company is negotiating with the Consortium of Banks . Many Banks have shown keen interest for the OTS settlement of our Company and we are awaiting clearance of the re-structuring package.

#### 4. SUBSIDIARY COMPANIES :

In terms of the amendment made by the SEBI in their notifications, SEBI / CFD / LA / 2 / 2007 / 2614 dated 26.04.2007, the reports of the Board of Directors and Auditors, Balance Sheet and Profit and Loss Account of the following subsidiaries have not been attached to the Balance Sheet of the Company. The Company believes that the consolidated annual accounts which form part of the Annual Report present a full and fair picture of the state of affairs. The Company will make available the Audited Annual Accounts and related details upon request by any member of the Company. These documents will also be available for inspection during the business hours at the Registered Office of the Company. The financial data of the subsidiaries have been furnished in the consolidated balance sheet forming part of the Annual Report.

##### a. INDUSTRIAL VENTURE CAPITAL LIMITED (IVCL)

The Company has reported a loss of Rs. 22,77,013/- after depreciation for the year. There were no fresh investments by the Company during the year. The Company is negotiating with the companies in which investments were made for dis-investing its holdings. The Company continued to enjoy registration status for the Securities and Exchange Board of India (SEBI). The company's entire earnings are exempt from Income Tax as per the amended provisions of the Income Tax Act, 1961.

##### b. INTEGRATED STOCK BROKING SERVICES PRIVATE LIMITED

The total revenue earned during the year was Rs. 16,46,560 while the net loss before depreciation stands at Rs. 4,22,793.

Integrated Stock Broking Services Private Limited is a wholly owned subsidiary of Integrated Finance Company Limited. The Company, to be a depository participant had to increase its capital by Rs. 1.50 crores as per the stipulations of NSDL. The capital had to be contributed by Integrated Finance Company Limited and Integrated Finance Company Limited in turn asked RBI for permission to invest in Integrated Stock Broking Services Private Limited. As the restructuring of Integrated Finance Company Limited is yet to be completed due to litigation on the 391 restructuring proposal, Reserve Bank of India had not permitted further investment in Integrated Stock Broking Services Private Limited inspite of repeated requests by the Management as the Company's operations would get crippled and the subsidiary would incur huge losses. As the required capital was not brought in, National Securities Depository Limited unilaterally shut the Company's depository operations and took over the accounts and the broking operations were also affected.

#### 5. DEPOSITS/BONDS :

The Company has discontinued acceptance of fresh deposits including renewals with effect from 7<sup>th</sup> December 2003. The interest rates offered by the Company on deposits and bonds are far above the current rates. This has resulted in higher cost of funds and has affected the liability of your company. To overcome with this situation, your Company has filed an application for restructuring under Section 391 of the Companies Act, 1956.

The Single Judge of the Hon'ble High Court, Madras has pronounced its order on 19.08.2006 to convert all deposits and bonds into 6% convertible debentures with a conversion into equity shares within 12 months from the date of issue. However, the Division Bench of the Madras High Court on 30.04.2008 has set aside the order of the Single Bench of Madras High Court and allowed the appeals filed by the RBI and others. The Company has filed a Special leave Petition in the Supreme Court, New Delhi on 09.05.2008 against the order of the Division Bench of the Madras High Court and the same has been admitted and ordered notices to RBI and others.

#### 6. PRUDENTIAL NORMS FOR NBFCs :

The Capital to Risk Assets Ratio of your Company stood at a negative as against the minimum of 12%. This trend will not be continued as the Company has filed an appeal in the Supreme Court, New Delhi against the order of the Division Bench of the Madras High Court setting aside the order of the Single Bench of the Madras High Court. The Company is confident of winning the appeal in the Supreme Court which would result in the addition of Rs. 150 crores (apprx.) to net worth.

#### 7. CORPORATE GOVERNANCE:

The Company has complied with the statutory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock exchanges with which the Company's shares have been listed. A separate Report on Corporate Governance is enclosed as part of the Annual Report. A certificate as to compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

#### 8. DIRECTORS:

Mr. P.B. Appiah retires by rotation and being eligible offers himself for re-appointment.

#### 9. INFORMATION AS PER SECTION 217(1) (E) OF THE COMPANIES ACT, 1956 :

The Company has no activity relating to conservation of energy or technology absorption.

#### 10. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Foreign Exchange Earnings : Rs. NIL (Previous year Rs. NIL)

Foreign Exchange Outgo : Rs. NIL (Previous year Rs. NIL)

#### 11. PARTICULARS OF EMPLOYEES :

There are no employees drawing salary in excess of the monetary ceiling prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the financial year 2011-12.

#### 12. AUDITORS:

M/s. Brahmaya and Co., Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

#### 13. DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956 :

The Directors, to best of their knowledge and belief, confirm that :

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
2. That the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 and of the Profit of the Company for the year ended on that date.
3. That proper and sufficient care has been taken 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.
4. That the annual accounts have been prepared on a going concern basis.

#### 14. ACKNOWLEDGEMENTS :

The Board of Directors place on record its appreciation for the assistance and co-operation received from the Financial Institutes, Banks, Government Authorities, Vendors, members, bondholders and depositors during the year under review. The Board also places on record its gratitude to the employees at all levels for their commitment and dedicated efforts.

Place : Chennai  
Date : 29.10.2012

By Order of the Board  
GEORGE KURUVILLA  
Director

## REPORT ON CORPORATE GOVERNANCE

### COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

In terms of Clause 49 of the Listing Agreement of the Stock Exchanges, the Compliance Report on Corporate Governance (in the prescribed format), along with the Certificate from the Statutory Auditors (Annexure) is given as under.

#### Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance envisages the attainment of transparency and accountability in all its operations and in all its interactions with its stakeholders, including shareholders, employees, lenders and the Government. The Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes that all its operations and actions must serve the underlying goal of achieving overall shareholders value over a sustained period of time. The Company will continue to seek enhancement to shareholders value within the frame of business ethics, regulatory compliances and contributions to the society. This philosophy has been further strengthened with the implementation of the requirements stipulated in Clause 49 of the Listing Agreement

#### A. BOARD COMPOSITION:

##### 1. Size of the Board and Independent Directors:

The Board has currently three Members comprising of three Non-executive Directors. The present Board has three independent directors.

##### Details of the Directors.

- a. **Mr. D.G. Nayar**, 79 years, is a Fellow Chartered Accountant. He has vast experience in the field of accounts and Finance. He is the Chairman of the Audit Committee and Shareholders/Investor's Grievances Committee of the Company.
- b. **Mr. George Kuruvilla**, 61 years, is a Fellow Chartered Accountant. He is the Managing Director of the Company since its inception. He is also a Director in Atlas Securities (Coimbatore) Private Limited.
- c. **Mr. P.B. Appiah**, 50 years, is a reputed Advocate. He is also a Director in MAC Charles (India) Limited.

Composition and category of directors as of March 31, 2012 is as follows:

Category	No. of Directors	%
Executive Directors	1	33
Non - Executive Directors	2	67

During the period ended 31.3.2012, 4 Board Meetings were held on the following dates.

Sl. No.	Date of Meeting
1.	09.08.2011
2.	16.09.2011
3.	18.11.2011
4	06.02.2012

Attendance of each of the directors at the Board Meetings and the last AGM is as follows:

Sl. No.	Name of Director	Category	Membership in other Boards	Committee other than IFCL	Board meetings		Attendance in the last AGM on 30.09.2012
					Held Nos.	Attended Nos.	
1.	Mr. D. G. Nayar	NED/ID	-	-	4	4	Yes
2.	Mr. George Kuruvilla	ED	1	-	4	4	Yes
3.	Mr. P. B. Appiah	NED/ID	1	-	4	4	Yes

\* ED - Executive Director; NED - Non- Executive Director; ID - Independent Director

##### 2. Board Committee:

Currently, the Board has Three Committees - the Audit Committee, the Investor Relations Committee and Remuneration Committee.

##### a. Audit Committee:

As per the requirement of Part II of clause 49 of the Listing Agreement, the Company has formed an Audit Committee. Mr. D. G. Nayar was appointed as Chairman of the Audit Committee.

Composition of the Committee and the details of Meetings and attendance of members thereof during the year is as follows:

Director	Held	Attended
Mr. D. G. Nayar-Chairman	4	4
Mr. George Kuruvilla- Member	4	4
Mr. P. B. Appiah-Member	4	4

• Brief Description of terms of reference:

- i) The Committee reviews the quarterly, half-yearly and annual financial statements before they are submitted to the Board.
- ii) Overseeing the financial reporting process and disclosure of its financial information to ensure that the statement is correct, sufficient and credible.
- iii) Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other services is also reviewed by this committee.
- iv) Approval of payment to the Statutory Auditors for any other services rendered by them.
- v) Reviewing the internal control systems and internal audit functions, reports and compliances thereof.
- vi) The Audit remarks/qualifications dealt in the Auditor's Report have been considered by the Audit Committee and the Board of Directors and proper explanations have been given in the Director's Report which forms part of this Report.
- vii) Discussion with the Internal Auditors regarding any significant findings and follow up thereon.
- viii) Discussion with the Statutory Auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any concern.
- ix) To look into reasons for substantial defaults, if any, in the payments to the depositors, debenture holders, shareholders (in case of non-payment of dividend declared) and creditors.

**b. Remuneration Committee:**

- Composition and Meetings of the Committee:

The Composition of the committee and the attendance of each member at these meetings are given below.

Director	Held on 23.12.2011	Attended
Mr. D. G. Nayar-Chairman	1	1
Mr. George Kuruvilla- Member	1	1
Mr. P. B. Appiah-Member	1	1

- Remuneration Policy :

- For Managing Director/ Wholetime Director:** The remuneration consists of salary, perquisites, retirement benefits and commission, within the limits specified under Schedule XIII of the Companies Act, 1956. No sitting fees is payable.
- For Non-Executive Directors:** Sitting fee of Rs. 1000/- to each Director per meeting of the Board is paid to Non-Executive Directors, apart from reimbursement of actual travel and out of pocket expenses incurred by them for attending the meetings. No other remuneration/fee is paid to the Non-Executive Directors. The details of the sitting fees paid to the Non-Executive Directors for the year 2011-12 are given below:

Name	Amount
Mr. D.G. Nayar	Rs. 3000/-
Mr. P.B. Appiah	Rs. 3000/-

**c. Share Transfer and Investor Grievances Committee:**

It is a Sub - Committee of the Board of Directors of the Company with Mr. D. G. Nayar being the Chairman of the Committee and Mr. P. B. Appiah and Mr. George Kuruvilla being the Members of the Committee. Mr. George Kuruvilla, Managing Director is also the Compliance Officer.

- Brief Description of terms of reference:

The terms of reference of this Committee compasses the formulation of shareholders/investor's servicing policies, looking into investors' complaints viz., transfer of shares, non receipt of balance sheet, etc., and deciding on any other matter as may be required in connection with the share holders / investors servicing and redress their grievances.

The Board has delegated the power of share transfer to the Registrar and Share Transfer agents, who process the transfers. The committee also looks after the performance of the Registrar and Transfer Agents of the Company.

Requests for dematerialization of shares are generally confirmed on a fortnightly basis.

- Number of Shareholders complaints received, number not solved to the satisfaction of the Share holder and number of pending transfers:
  1. As on date of the balance sheet no incestor complaint is pending.
  - (2) Representatives of your company are continuously in touch with Cameo Corporate Services Limited, Share Transfer Agents of the Company and review periodically the outstanding complaints.

**B. GENERAL MEETINGS:**

Location and time for the last three Annual Greeting Meetings

Year	Date	Time	Venue
2008-09	30.09.2009	11.00 a.m.	Mohanambal Kalyana Mandapam, No. 3, Rangabhashyam Street, Chennai-600015 (Near West Saidapet Bus Terminus)
2009-10	30.09.2010	11.00 a.m.	Mohanambal Kalyana Mandapam, No. 3, Rangabhashyam Street, Chennai-600015 (Near West Saidapet Bus Terminus)
2010-11	29.12.2011	11.00 a.m.	Mohanambal Kalyana Mandapam, No. 3, Rangabhashyam Street, Chennai-600015 (Near West Saidapet Bus Terminus)

**C. POSTAL BALLOT:**

None of the subjects placed before the shareholders in the last annual general meeting required approval by a postal ballot.

**D. DISCLOSURE:**

Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the company at large.

- (1) During the year, the Company has not entered into any transaction of material nature with directors, their relatives or management which was in conflict with the interest of the Company.
- (2) The transaction with the promoters, its associate companies etc., of routine nature have been reported elsewhere in the annual report as per Accounting Standard 18 (AS18) Issued by the institute of Chartered Accountants of India.

The Company has complied with the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines. No penalties or strictures have been imposed on the company by the Stock Exchanges or SEBI or any other Statutory Authority, on any matter related to the capital markets, during the last three years.

**Whistle Blower Policy:** The Company has evolved a Whistle Blower Policy to provide appropriate avenues to the employees to bring to the attention of the Management any issue which is perceived to be in violation or in conflict with the fundamental business principles as enunciated in the Code of Business Principles of the Company. The employees are encouraged to raise their concerns/ complaints by way of written communications to the Company. The Management and Senior Directors are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

**Stock option to Non- Executive Directors:** No stock options were granted to Executive/Non-Executive Directors of the Company.

**Code of Conduct:** The Board has laid a Code of Conduct for all the Directors and Senior Management Staff of the Company as per Clause 49 (I) (D)(ii) of the Listing Agreement. All the Directors and members of senior management have affirmed their compliance with the code of conduct.

**Accounting Standard:** the Company does not have any proposal to change the present Accounting Standard.

**Pecuniary relationships or transactions of Non-Executive Directors:** No such transaction is in existence in this company.

**Shares or convertible debentures held by Non-Executive Directors:** No shares or debentures are held by Non-Executive directors.

**Pledging of shares by Promoters:** No such transaction is in existence.

**E. MEANS OF COMMUNICATION:**

The un-audited Financial Results on a quarterly basis subject to limited review by the Auditors of the company are taken on record by the Board of Directors at its meeting within one month of the close of every quarterly / half year respectively.

**F. SHAREHOLDER INFORMATION:****General Share holder information:**

1. AGM (Date and Venue) : (Friday, 14<sup>th</sup> December 2012, at 11.00 a.m.) at Mohanambal Kalyana Mandapam, No. 3, Rangabhashyam Street, Chennai-600015 (Near West Saidapet Bus Terminus)
2. Date of Book Closure : (07<sup>th</sup> December 2012 to 14<sup>th</sup> December 2012) (both days inclusive)

3. Financial Calendar : Financial Reporting for 2011-2012  
First Quarter June 30<sup>th</sup>, 2011, on or before July 2011  
Second Quarter September 30<sup>th</sup> 2011, on or before October 31, 2011  
Third Quarter December 31<sup>st</sup>, 2011, on or before January 31, 2012  
Fourth Quarter March 31<sup>st</sup> 2012, on or before April 30, 2012  
AGM for year ending 31<sup>st</sup> March 2012, 14<sup>th</sup> December 2012
4. Registrar and Transfer Agents : M/s. Cameo Corporate Services Ltd.  
Subramanian Building, No.1, Club House Road, Chennai - 600 002. Tel: 28480390 Fax: 28480129
5. Listing of Company's Shares : i) The Stock Exchange, Mumbai (BSE) (Scrip Code: 5111031;  
Demat ISIN number for equity shares- INE787E01016)  
ii) The Madras Stock Exchange Limited (MSE)

The **shareholding pattern of the Company** as on 31.03.2012 is as follows:

Category	No. of Holders	No. of Equity Shares	% to Equity shares
Resident	23589	9080510	68.52
NRI	387	457730	3.45
Corporate Body	157	3712298	28.01
Bank	3	2050	0.02
Total	24136	13252588	100

**Distribution of shareholding pattern** as on 31.03.2012 is as follows:

Category	No. of cases	% of cases	Total shares	Amount	% Amount
1 - 500	21602	89.50	3083767	30837670	23.27
501 - 1000	1604	6.65	1233046	12330460	9.30
1001 - 2000	519	2.15	787933	7879330	5.95
2001 - 3000	135	0.56	343429	3434290	2.59
3001 - 4000	64	0.27	227366	2273660	1.72
4001 - 5000	67	0.28	319633	3196330	2.41
5001 - 10000	67	0.28	493175	4931750	3.72
10001 and above	78	0.32	6764239	67642390	51.04
TOTAL	24136	100	13252588	132525880	100

**Dematerialisation of shares:**

Category	No. of Holders	Total Position	% of Position
Physical	18424	4151955	31.33
NSDL	4401	6926484	55.27
CDSL	1311	2174149	16.41
TOTAL	24136	13252588	100

6. Address to the Correspondence Regd. Office : **Secretarial Department**  
**Integrated Finance Company Limited**  
R-10, Prem Nagar Colony, South Boag Road, T. Nagar, Chennai- 600017

#### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of the Integrated Finance Company Limited

We have examined the compliance conditions of Corporate Governance by Integrated Finance Company Limited, for the year ended 31<sup>st</sup> March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

- (a) The Company has not published its quarterly and Half-yearly financial results.
- (b) The company does not have a website for the financial statements, code of conduct and other analysis to be posted
- (c) The Company has no company secretary, chief financial officer and compliance officer.
- (d) The Company has not submitted its quarterly Report on Corporate Governance with in the stipulated time.
- (e) The Company has not submitted its quarterly Secretarial Audit Report and Share Holding Pattern Report within the stipulated time.
- (f) The report on Corporate Governance does not include information relating to management discussions and analysis and Risk assessment and Minimization procedures.
- (g) There are no minutes available for Investor Grievance Committee being held.

Subject to the above, in our opinion and to the best of our information and according to the explanation given to us and the representation made by the Directors and the Management, we certify that the company has materially complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

**For BRAHMAYYA & Co.**  
Chartered Accountants  
(Firm Regn. No.000511S)

N. SRI KRISHNA  
Partner  
Membership No.26575

Place : Chennai  
Date : 28.09.2012

## CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

- I, George Kuruvilla, Director of Integrated Finance Company Limited., to the best of my knowledge and belief hereby certify that :
1. I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief.
    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.
  2. There are, to the best of my knowledge and belief, no transaction entered into by the company during the year which is fraudulent, illegal or in violation of the Company's code of conduct..
  3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take or rectify these deficiencies.
  4. I further certify that:
    1. There have been no significant changes in internal control over financial reporting during the year.
    2. There have been no significant changes in accounting policies during the year.
    3. There have been no instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.
- Place : Chennai For Integrated Finance Company Limited  
Date : 29.10.2012 Director  
George Kuruvilla

## AUDITOR'S REPORT TO THE MEMBERS OF M/S. INTEGRATED FINANCE COMPANY LIMITED

We have audited the attached Balance Sheet of M/s. Integrated Finance Company Limited, as at 31st March 2012 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) 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
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) **a) The net worth of the company is completely eroded and restrictions are placed by RBI on accepting further deposits which seriously hampers the ability of the company to carry on its designated business activities as NBFC. In the meanwhile the company filed a scheme of restructuring U/s 391 to 394 of Companies Act, 1956 on 1.06.2005 which was approved by the Hon'ble High Court, Madras on 19.08.2006 vide order of Single Judge Bench, which on an appeal the division bench of Madras High court has decided the proposed restructuring against the company, in respect of which the company the approached Supreme Court through a Special Leave Petition (SLP) and the same has been admitted by the Hon'ble Supreme Court pending the outcome of the same (despite huge accumulated losses accumulated by the company) the financial statements have been prepared as that on a going concern basis. In the event, the outcome of the ongoing proceedings are going to be against the company the same will impair the very going concern assumption of the company, and would place serious limitations on the company's eventual liability to meet its obligation to secured/ unsecured lenders/ depositors. On view of the above we are unable to express our view whether the company is a going concern or not, consequently we are unable to express our opinion whether the financial statements give a true and fair view of the affairs of the company.**
- b) 1) Interest to banks has been provided at the contracted rates on the sanctioned limits, which is different from the actual out standings to the respective banks. The claims of the bank towards all penal levies not quantified.**
- 2) The company has not provided interest on fixed deposits and non-convertible secured bonds after 19<sup>th</sup> May 2005 (effective date under scheme U/s 391 of Companies Act, 1956) for the financial year amounting to Rs. 158.52 lakhs on the un-matured bonds cumulative 5076.25 lakhs, consequently the loss for the year has been understated by Rs. 158.52 lakhs consequently the carried forward profit and loss account balance is also understated by Rs. 5076.25 lakhs. The interests on matured bonds and matured fixed deposits have not been provided for and the amount is not quantified.**
- 3) During the previous year ending March 31, 2011 the government of Pondicherry had acquired a property of company under compulsory acquisition of land for a compensation of Rs. 2.18 Crores, for which the company had filed the writ petition before the High Court of Madras seeking the quashing of the acquisition. Pending the outcome the Company had not recorded and taken cognizance of the transaction in the books of accounts, and consequently in the financial statements also. Had the company accounted for the transaction, the loss for the financial year would have been lower by Rs 1.96 crores and the accumulated Profit and loss account debit balance would be lower by 1.96 Crores with a reduction in carrying value of assets to the extent of Rs. 32 Lakhs.**

- 4) The company ceased to be a deposit accepting NBFC and further also discounted its primary objective as NBFC (other than collecting dues from its debtors or payment of dues to lenders/ depositors) many of the provisions pertaining to NBFC have not been complied with.
- 5) An amount of Rs. 67.5 lakhs being the balance in the current account of a scheduled bank has been adjusted by the bank as a preference dividend due by the company (notwithstanding that no dividend is declared by the company), in respect of which we are unable to express our opinion on recoverability of said amount from the bank.
- 6) Cash and bank balances include an amount of Rs.7,88,967 being the balance with a bank which has not been reconciled due to non availability of statements and confirmation. We are unable to form an opinion to that extent.
- 7) In our view the investments of the company in the form of long term investments including investments in subsidiaries have been affected by permanent diminution in carrying value held by the company thus such diminution warrants a provision to the extent of Rs. 828.11 lakhs. Had this amount being provided the loss for the year would have been higher by Rs. 828.11 lakhs and the debit balance in profit and loss account would have been higher by Rs. 828.11 lakhs.
- 8) In view various qualifications and disclaimers in our report as mentioned above, our report cannot be taken as any assurance for future performance of the company in meeting any of its obligations towards secured/ unsecured lenders or depositors.

(vii) Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, and especially in view of our comments in Para (iv)(a) above, the said accounts does not give the information required by the Companies Act, 1956, in the manner so required and does not 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 31st March, 2012; and
- b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date;

**For BRAHMAYYA & CO.,**  
Chartered Accountants  
Firm Reg No: 000511S  
N. SRI KRISHNA  
Partner  
Membership No:26575

Place : Chennai  
Date : 28.09.2012

#### ANNEXURE REFERRED IN OUR REPORT OF EVEN DATE

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. **Fixed Assets including assets under lease, have not been physically verified by the management during the year. The company has no programme of verification for the fixed assets other than the assets under lease which, in our opinion, is not reasonable having regard to the size of the company and the nature of its assets, and the Company has not verified the fixed assets during year. The company does not have any programme of verification in respect of assets on lease.** During the year, there was no substantial disposal of fixed assets affecting the status of the company as a going concern, however this should be read along with our comments in Para (iv)(a) of the main audit report.
2.
  - a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms and other parties entered in the Register maintained under Section 301 of the Companies Act, 1956.
  - b) In our opinion and according to the information and explanations given to us, during the year the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register mentioned under Sec 301 of the Act.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls.
4. Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that the no transactions need to be entered into the Register maintained under Section 301.
5. **In our opinion and according to the information and explanations given to us, the company has not complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder with regard to deposits accepted from the public and the company has not submitted the required returns/statements to Reserve Bank of India with in the stipulated time. The Reserve Bank of India passed an order, prohibiting the company from accepting any deposits from public from 18<sup>th</sup> January 2005. The company has filed a restructuring proposal for meeting the liability towards deposits under section 391 of the Companies Act, 1956 on 21.06.2005 which was approved by the Hon'ble High Court, Madras on 19.08.2006 vide order of Single Judge Bench, which on an appeal the Division Bench of Madras High Court decided the proposal for restructuring against the company, in respect of which the company appealed to Supreme Court through a Special Leave Petition (SLP) and the same been admitted by the Hon'ble Supreme Court pending the outcome of the same the interest amounting to Rs. 418.97 lakhs for the year on deposits has not been provided after 19.05.2005.**
6. **In our opinion the Company has no internal audit system commensurate with the size and nature of its business.**
7. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, , employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess, **except for the tax deducted but remitted amounting to Rs. 93,450 including interest for delayed remittance of Rs. 22,798 for the year ended.** There are no undisputed amounts payable in respect of statutory dues, which are outstanding as at 31st March, 2012 for a period of more than six months from the date they become payable except as aforesaid. **The company has not deposited the amounts stipulated under Section 205C (2) to the credit of "Investor Education and Protection Fund" amounting to 13.90 Lakhs.**
8. Based on our audit procedures and on the information and explanations given by the Management, there are no dues outstanding in respect of excise duty, customs duty, wealth tax, service tax and cess on account of any dispute. Disputed income tax and sales tax which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Name of the statute	Assessment year	Tax Amount	Amount deposited	Forum where dispute is pending with
		(In lakhs)		
1. Income Tax Act, 1961	1997-1998	39.37	39.37	The High Court of Judicature at Madras
	1999-2000	182.35	0	The High Court of Judicature at Madras
	2000-2001	664.64	40.82	The High Court of Judicature at Madras
	2001-2002	250.31	0	The High Court of Judicature at Madras
	2002-2003	227.37	7.40	The High Court of Judicature at Madras
	2003-2004	133.03	0	The High Court of Judicature at Madras
	2004-2005	411.97	0	The Income tax Appellate Tribunal
2. Tamilnadu General Sales Tax Act, 1959	1992-1993	1.23	0.20	The Appellate Assistant Commissioner (CT) III Chennai
	1995-1996	4.38	0	The Sale Tax Appellate Tribunal, Chennai
	1996-1997	11.88	0	The Appellate Assistant Commissioner (CT) III Chennai
	2004-2005	1.30	1.30	The Appellate Assistant Commissioner (CT) III Chennai
3. Kerala General Sales Tax Act, 1963	1993-1994	5.02	0	The Sale Tax Appellate Tribunal, Additional Bench, Emakulam
	1994-1995	0.80	0	The Sale Tax Appellate Tribunal, Additional Bench, Emakulam
	1995-1996	15.26	5.09	The Sale Tax Appellate Tribunal, Additional Bench, Emakulam
4. Bombay Sales Tax Act, 1959	1992-1993	8.97	3.11	Remanded back to Assistant commissioner Mumbai
5. Delhi Sales Tax Act, 1975	1989-1990	1.50	0.15	Deputy commissioner of sales tax, Appeal -1, New Delhi

9. **The Company's accumulated losses as at the end of financial year is more than its net worth. The company has incurred cash losses during the financial year, as well as in the preceding financial year.**
10. **The Company has defaulting in payment of interest and installments to banks towards working capital borrowings of Rs. 11581.26 lakhs. The company has filed a restructuring proposal for meeting the liability towards Bonds under section 391 of the Companies Act, 1956 on 21.06.2005 which was approved by the Hon'ble High Court, Madras on 19.08.2005 vide order of Single Judge Bench, which on an appeal the Division Bench of Madras High Court decided the proposal for restructuring against the company, in respect of which the company appealed to Supreme Court through a Special Leave Petition (SLP) and the same been admitted by the Hon'ble Supreme Court pending the outcome of the same the interest amounting to Rs.162.16 lakhs for the financial year and Rs. 4657.28 lakhs cumulatively on bond has not been provided after 19.05.2005, the company has not repaid the matured bonds on due dates, amounting to Rs. 8407.81 lakhs. Had the company provided for the interest on Bonds for the year the loss for the year would have been higher by Rs.162.16 lakhs and consequently balance in Profit and loss account would have been higher by similar amount.**
11. **According to the information and explanations given to us, the company has granted loans and advances on the basis of security by way of pledge of shares.**
12. The company has given guarantee for loans taken by the associate company from banks, the terms and conditions of which are prima facie not prejudicial to the interest of the company.
13. According to the information and explanations given to us and records examined by us, the company has not availed any term loan during the year.
14. In our opinion and according to the explanations given to us, on an overall examination of balance sheet of the company, funds raised on short-term basis, prima-facie, have not been used during the year for long term investment.
15. Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
16. The provisions of Clauses of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 listed below are not applicable to the Company for the year:
- Clause (ii) regarding physical verification and maintenance proper records, of inventory;
  - Clause (viii) regarding maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956;
  - Clause (xiii) regarding special statute applicable to Chit Funds and Nidhis/Mutual Benefit Fund and Societies;
  - Clause (xiv) regarding dealing or trading in shares, securities, etc;
  - Clause (xviii) regarding preferential allotment of shares to specified parties and
  - Clause (xx) regarding money raised by public issue and its end use.

**For BRAHMAYYA & Co.**  
Chartered Accountants  
(Firm Regn. No.000511S)

N. SRI KRISHNA  
Partner

Membership No.26575

Place : Chennai  
Date : 28.09.2012



## Balance Sheet as at 31st March, 2012

(Amount in ₹)

Particulars	Note no	As at March 31, 2012		As at March 31, 2011	
<b>EQUITY AND LIABILITIES</b>					
Shareholders' funds					
Share capital	2	<b>182,525,880</b>		182,525,880	
Reserves and surplus	3	<b>(2,494,373,979)</b>	<b>(2,311,848,099)</b>	(2,420,498,148)	(2,237,972,268)
<b>Non-current liabilities</b>					
Long-term borrowings	4	-		17,240,758	
Other non-current liabilities	5	<b>54,666,652</b>		54,666,652	
Long-term provisions	6	<b>1,882,165,687</b>	<b>1,936,832,339</b>	1,882,920,850	1,954,828,260
<b>Current liabilities</b>					
Short-term borrowings	7	<b>153,278,479</b>		153,278,479	
Other current liabilities	8	<b>2,424,927,226</b>	<b>2,578,205,705</b>	2,336,559,624	2,489,838,103
		<b><u>2,203,189,945</u></b>		<u>2,206,694,095</u>	
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Fixed assets</b>					
Tangible assets	9	<b>33,479,945</b>		34,762,693	
Non-current investments	10	<b>174,716,572</b>		154,816,572	
Long-term loans and advances	11	<b>103,379,869</b>		103,981,648	
Other non-current assets	12	<b>1,862,765,195</b>	<b>2,174,341,581</b>	1,864,850,459	2,158,411,372
<b>Current assets</b>					
Current investments		-		10,675,000	
Cash and Bank balances	13	<b>25,376,958</b>		35,222,429	
Other current assets	14	<b>3,471,405</b>	<b>28,848,363</b>	2,385,294	48,282,723
		<b><u>2,203,189,944</u></b>		<u>2,206,694,095</u>	
Summary of Significant Accounting Policies		1			
The accompanying Notes are an integral part of the Financial Statements.					

As per our report attached  
For Brahmayya & Co.,  
Chartered Accountants  
Registration No.000511S

For and on behalf of the Board of Directors

N. SRI KRISHNA  
Partner  
Membership No.26575

P.B. APPIAH  
Director

GEORGE KURUVILLA  
Director

Place : Chennai  
Date : 28.09.2012

## Profit and Loss Account for the year ending 31st March, 2012

(Amount in ₹)

Particular	Note No.	2012 Rs.	2011 Rs.
<b>REVENUE:</b>			
Revenue from operations	15	<b>8,486,195</b>	26,961,169
Other income	16	<b>7,731,187</b>	3,791,088
<b>Total Revenue</b>	<b>(A)</b>	<b><u>16,217,382</u></b>	<u>30,752,257</u>
<b>EXPENSES:</b>			
Finance Costs	17	<b>77,894,063</b>	26,945,953
Employee benefits	18	<b>2,516,580</b>	2,667,050
Other expenses	19	<b>8,346,322</b>	11,969,721
Depreciation		<b>533,914</b>	694,648
(Net of transferred to Revaluation reserve '7,76,884 previous year'.7,89,020)			
<b>Total expenses</b>		<b><u>89,290,879</u></b>	<u>42,277,372</u>
(Loss) before exceptional and tax		<b>(73,073,497)</b>	(11,525,115)
Waiver of principal Loan Amount on onetime settlement(OTS) with bank		-	46,100,000
Prior Period Items		<b>(25,449)</b>	419,086
<b>(Loss ) Profit for the year</b>		<b>(73,098,946)</b>	34,993,971
Earnings per share		<b>(5.52)</b>	2.64

Summary of Significant Accounting Policies 1  
 The accompanying Notes are an integral part of the Financial Statements.

As per our report attached  
 For Brahmayya & Co.,  
 Chartered Accountants  
 Registration No.000511S

For and on behalf of the Board of Directors

N. SRI KRISHNA  
 Partner  
 Membership No.26575

P.B. APPIAH  
 Director

GEORGE KURUVILLA  
 Director

Place : Chennai  
 Date : 28.09.2012

## NOTES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

### I. SIGNIFICANT ACCOUNTING POLICIES:

1. Financial Statements are prepared under the historical cost convention, in accordance with Accounting Standards applicable in India, issued by The Institute of Chartered Accountants of India (ICAI) and Directions prescribed by the Reserve Bank of India for Non-Banking Financial Companies.
2. **Valuation of Fixed Assets:**  
Fixed assets are carried at cost or revalued value less accumulated depreciation. Assets on lease are further stated net of balance in the Lease Terminal Adjustment Account.
3. **Valuation of Investments:**  
Long-term investments are stated at cost and provision for decline in value, other than temporary, has been considered wherever necessary.
4. **Valuation of Stock on Hire:**  
Stock on Hire stated at aggregate of:
  - a. Agreement value less amount received
  - b. Cost of re-acquiring the securitised contracts
  - c. Cost of acquiring the receivables
  - d. The additional finance charges accrued less amount received and
  - e. The other charges recoverable from the hirer.
5. **Income recognition:**
  - a. Income in respect of Hire purchase and Lease:
    - i. Finance Charges in respect of Hire Purchase is accounted in proportion to outstanding installments bearing to the sum of total installments, which is similar to the apportionment based on implicit rate.
    - ii. Lease income is accounted as per the terms of the lease agreements.
    - iii. Additional Finance Charges are recognised on receipt basis or at the time of new facilities granted or on securitisation.
    - iv. Other charges i.e., cheque dishonored charges, insurance are recognized on accrual basis.
  - b. Incomes from Services are recognized on accrual basis.
6. **Depreciation/Amortisation:**
  - a. Own Asset: Depreciation is provided on "Straight line" basis at rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs.5,000/- or less have been fully depreciated.
7. **Leased Assets:** Cost less the residual value is depreciated over the lease period on "Straight line" basis. As recommended in the Guidance Note on Accounting for leases (Revised) issued by ICAI lease equalisation account, which represents the excess of annual lease charges over statutory depreciation is deducted from lease income.
8. **Retirement Benefits:**  
Contribution to Provident fund is made monthly at predetermined rate to the provident fund authorities for eligible persons and accounted on accrual basis.  
In respect of the Gratuity, contribution is made to Life Insurance Corporation of India (LIC) through an independent trust. Contribution is charged to profit and loss account as they become due. Premium is paid on the basis of actuarial valuation made by LIC.  
In respect of the superannuation, contribution at predetermined rate is made to LIC; contribution is charged to profit and loss account as they become due.
9. **Taxes on Income:**  
Tax is determined in accordance with the tax laws applicable for the year.

### Note 2: Share Capital

	<b>31.03.2012</b>	31.03.2011
	<b>Amount in ₹</b>	Amount in ₹
Authorised capital		
3,50,00,000 Equity Shares of '10/- each	<b>350,000,000</b>	350,000,000
2,00,00,000 Preference shares of INR 10/- each	<b>200,000,000</b>	200,000,000
	<b><u>550,000,000</u></b>	<u>550,000,000</u>
Issued, Subscribed and fully paid-up		
1,32,52,588 Equity Shares of ' 10/- each	<b>132,525,880</b>	132,525,880
50,00,000 13.5% Cumulative Redeemable Preference Shares of Rs.10 each (Due for Redemption on 27th December, 2003) (Accumulated dividend on Preference shares to Rs.810 lakhs not accounted)	<b>50,000,000</b>	50,000,000
	<b><u>182,525,880</u></b>	<u>182,525,880</u>

#### 2.1 Terms / Rights attached to equity shares

The company has only one class of equity shares having a par value of Rs10 Per share. Each Holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

#### 2.2 Terms/ Rights attached to 13.5% Cumulative Redeemable Preference Shares

The company issued Rs.5,00,00,000 13.5% Cumulative Redeemable Preference Shares of Rs. 10 each fully paid . Each holder of 13.5% Cumulative Redeemable Preference Shares is entitled to one vote per share only on resolutions placed before the company which directly affects the rights attached to 13.5% Cumulative Redeemable Preference Shares. The period of redemption of cumulative redeemable preference shares issued by the Company, which was originally, due for redemption on 27.12.2000 was extended with the consent of preference shareholder in terms of Section 106 of the Companies Act, 1956. As per revised terms the shares are redeemable after 36 months from the date they become originally due for redemption i.e. on 27.12.2003.

#### 2.3 The Company does not have any holding company/ultimate holding company.

#### 2.4 There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.

#### 2.5 No equity shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment as at the balance sheet date.

2.6 Details of Shareholder holding more than 5% shares of the company:

	31.03.2012		31.03.2011	
	Shares	Percentage	Shares	Percentage
Equity Shares of Rs. 10/- each Held By				
Atlas Investments Private Limited	<b>2,383,038</b>	<b>18</b>	2,383,038	18
Niche Risk Advisory Services P Ltd	<b>896,948</b>	<b>7</b>	896,948	7
2.7 13.5% Cumulative Redeemable Preference Shares of Rs. 10 each Held By				
The Federal Bank Limited	<b>5,000,000</b>	<b>100</b>	5,000,000	100

	31.03.2012 (Amount in ₹)		31.03.2011 (Amount in ₹)	
<b>Note 3 : Reserves and Surplus</b>				
a) Capital Reserve -As at the commencement of the year		<b>23,370</b>		23,370
b) Capital Reserve -As at the commencement of the year (One Time Settlement)		<b>29,200,000</b>		29,200,000
c) Statutory Reserve -As at the commencement of the year (As per Section 45-IC of the Reserve Bank of India Act, 1934)		<b>13,702,500</b>		13,702,500
d) General Reserve -As at the commencement of the year		<b>33,133,846</b>		33,133,846
e) Capital Redemption Reserve -As at the commencement of the year		<b>6,172,000</b>		6,172,000
f) Revaluation Reserve For buildings				
-As at the commencement of the year	<b>15,506,831</b>		16,295,851	
Less: Transferred to Depreciation	<b>776,885</b>	<b>14,729,946</b>	789,020	15,506,831
g) Investment Allowance Reserve -As at the commencement of the year		<b>554,825</b>		554,825
h) Investment Allowance Reserve Utilised -As at the commencement of the year		<b>428,294</b>		428,294
i) Surplus in the Profit and Loss statement				
-As at the commencement of the year	<b>-2,609,240,204</b>		-2,644,234,175	
Add:( Loss) for the year from the Profit and Loss statement	<b>-73,098,946</b>		<u>34,993,971</u>	
		<b>-2,682,339,150</b>		-2,609,240,204
		<b>-2,494,373,979</b>		<u>-2,420,498,148</u>

**Note 4 : Long-Term Borrowings**

	(Amount in ₹)			
	Non Current Portion		Current Maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Secured				
Redeemable bonds(Series A to E) Refer No 20	<b>0</b>	17,240,758	<b>858,021,346</b>	840,780,588
Term loan				
From banks	<b>0</b>	0	<b>36,096,815</b>	36,096,815
From Companies	<b>0</b>	0	<b>6,500,000</b>	6,500,000
Un Secured				
Term loans Companies	<b>0</b>	0	<b>973,120</b>	3,321,135
Fixed deposits	<b>0</b>	0	<b>256,135,416</b>	258,233,828
	<b>0</b>	17,240,758	<b>1,157,726,69</b>	1,144,932,366
Amount disclosed under the head "Other Current Liabilities" (Refer Note no 8)	<b>0</b>	0	<b>-60,810,693</b>	-183,925,026
Current maturities of long-term debt	<b>0</b>	0	<b>-256,135,416</b>	-258,233,828
Unpaid matured fixed deposits	<b>0</b>	0	<b>-840,780,588</b>	-702,773,512
Unpaid matured Bonds	<b>0</b>	0	<b>-840,780,588</b>	-702,773,512
	<b>0</b>	17,240,758	<b>0</b>	0

- Redeemable bonds are Secured by the hypothecation of Fixed Assets, Loans and Advances, unquoted investments, lease receivables and Stock on Hire other than charged/hypothecated to secured lenders and income receivables by the Company for the business contracts for UTI Bank both present and future as may be notified from time to time.
- Term loan from banks are secured by hypothecation of vehicles and machinery covered by Hire Purchase/Lease Agreement by a deed of hypothecation in favour of a consortium of banks ranking pari-passu inter se.
- Term loan from companies are secured by immovable properties of the Company at Mumbai and Kozhicode and receivables from specific party.
- In regard to the security offered to the secured lenders in the form of charge on various receivables, inspite of the difficulties faced by the management in the recovery of the receivables, the management is confident of eventually recovering these dues and hence in the opinion of the management there is no potential sacrifice on adequacy of security at present. Hence taking into consideration of the management the secured lenders are considered as adequately secured.
- The company has filed a restructuring proposal for meeting the liability towards Bonds and fixed deposits under section 391 of the Comonoies Act, 1956 on 21.06.2005 which was approved by the Hon'ble High Court, Madras on 19.08.2006 vide order of Single Judge Bench, which on an appeal the Division Bench of Madras High Court decided the proposal for restructuring against the company, in respect of which the company appealed to Supreme Court through a Special Leave Petition (SLP) and the same been admitted by the Hon'ble Supreme Court.
- All loans have turned Non-Performing Assets in the books of the lenders and the same have been recalled by them and at present being contested in Debt Recovery Tribunals . Hence, the clause relating to disclosure of terms of repayment of loans in such cases has become inapplicable.
- The Company has been negotiating with various Banks for OTS and in this direction the company reached OTS with M/s. State Bank of Hyderabad, for a sum of Rs.35 lakhs as against the limit sanctioned by them amounting to Rs.461 lakhs. (Loan outstanding Rs.522.34 Lakhs) in previous year. The Company has adjusted the difference between outstanding balance in its books and limit sanctioned against the interest expenditure of the previous year and the limit sanctioned to the credit of Profit and Loss Account.

	31.03.2012	31.03.2011
<b>Note 5 : Other non-current liabilities</b>		(Amount in ₹)
Trade / security deposits received	<b>51,660,554</b>	51,660,554
Interest accrued on other payables	<b>3,006,098</b>	3,006,098
	<b><u>54,666,652</u></b>	<u>54,666,652</u>
<b>Note 6 : Long-term provisions</b>		(Amount in ₹)
Provision for Income Tax	<b>1,754,278</b>	1,754,278
Non-performing assets		
Investments	<b>14,065,703</b>	13,907,390
Hire purchase and lease	<b>1,794,591,892</b>	1,794,902,037
Advance	<b>71,753,814</b>	72,357,145
	<b><u>1,882,165,687</u></b>	<u>1,882,920,850</u>
<b>Note 7 : Short-term borrowings</b>		(Amount in ₹)
<b>Secured</b>	<b>31.03.2012</b>	31.03.2011
From Banks		
Cash Credit and Working Capital Demand Loan	<b>153,278,479</b>	153,278,479
	<b><u>153,278,479</u></b>	<u>153,278,479</u>
Refer Note no 4.2 and 4.6 above		
<b>Note 8 : Other current liabilities</b>		(Amount in ₹)
Current maturities of long-term debt (refer note no 4)	<b>60,810,693</b>	183,925,026
Interest accrued and due on borrowings	<b>981,378,708</b>	904,728,343
Unpaid dividends		
Unpaid matured deposits and interest accrued thereon (refer note no 8.1)	<b>340,772,198</b>	343,095,298
Unpaid matured Bonds and interest accrued thereon (refer note no 8.2)	<b>1,020,117,765</b>	882,110,689
Other payables	<b>17,695,904</b>	14,755,498
Employee payable	<b>218,789</b>	4,011,601
Taxes payable	<b>1,236,220</b>	1,236,220
Unclaimed preference shares	<b>1,374,000</b>	1,374,000
Unclaimed Debenture and interest	<b>1,322,949</b>	1,322,949
(Due for remittance to Investor Education and Protection fund)		
	<b><u>2,424,927,226</u></b>	<u>2,336,559,624</u>

8.1 The Reserve Bank of India passed an order, prohibiting the company from accepting any deposits from public from 18<sup>th</sup> January 2005. The company has filed a restructuring proposal for meeting the liability towards deposits under section 391 of the Companies Act, 1956 on 21.06.2005 which was approved by the Hon'ble High Court, Madras on 19.08.2006 vide order of Single Judge Bench, which on an appeal the Division Bench of Madras High Court decided the proposal for restructuring against the company, in respect of which the company appealed to Supreme Court through a Special Leave Petition (SLP) and the same been admitted by the Hon'ble Supreme Court pending the outcome of the same the interest amounting to Rs. 418.97 lakhs on deposits has not been provided after 19.05.2005.

8.2 The company has filed a restructuring proposal for meeting the liability towards Bonds under section 391 of the Companies Act, 1956 on 21.06.2005 which was approved by the Hon'ble High Court, Madras on 19.08.2005 vide order of Single Judge Bench, which on an appeal the Division Bench of Madras High Court decided the proposal for restructuring against the company, in respect of which the company appealed to Supreme Court through a Special Leave Petition (SLP) and the same been admitted by the Hon'ble Supreme Court pending the outcome of the same the interest amounting to Rs. 4657.28 on bond has not been provided after 19.05.2005, the company has not repaid the matured bonds on due dates, amounting to Rs. 8407.81 lakhs.

8.3 Other Payables includes Rs. 9.18 Lakhs due to Managing Director (Previous year Rs. 6.74 Lakhs).

## Schedules to the Balance Sheet as at 31st March '2012

## Note 9: FIXED ASSETS

(Amount in ₹)

Asset	Gross Block			Depreciation			Net Block		
	As at 31 March 2011 Rs	Additions Rs	Deletions/ Adjustments Rs	As at 31st March 2012 Rs	For the year Rs	Deletions/ Adjustments Rs	As at 31st March 2012 Rs	Lease Adjustment Rs	
	As at 31 March 2011 Rs	As at 31st March 2012 Rs	As at 31 March 2011 Rs	As at 31st March 2012 Rs	As at 31st March 2011 Rs	As at 31st March 2012 Rs	As at 31st March 2011 Rs	As at 31st March 2011 Rs	
<b>Tangible Assets</b>									
<b>Leased Assets</b>									
Plant and machinery	271,628,825	-	-	271,628,825	-	-	258,482,214	13,146,587	24
Computers and accessories	12,968,187	-	-	12,968,187	-	-	12,452,747	515,427	13
Office equipment	2,185,183	-	-	2,185,183	-	-	2,178,181	6,998	4
Furniture and fittings	4,233,820	-	-	4,233,820	-	-	3,970,821	262,998	2
Vehicles	3,489,493	-	-	3,489,493	-	-	3,334,165	155,326	2
<b>Total</b>	<b>294,505,508</b>	-	-	<b>294,505,508</b>	-	-	<b>280,418,128</b>	<b>14,087,336</b>	<b>44</b>
Other Assets									
Freehold land	4,067,133	-	-	4,067,133	-	-	-	-	4,067,133
Buildings	40,141,613	-	-	40,141,613	776,884	-	12,112,818	-	28,028,795
Plant and machinery	2,051,116	-	-	2,051,116	78,537	-	1,707,649	-	343,467
Computers and accessories	14,894,021	28,050	-	14,922,071	23,874	-	14,861,032	-	61,039
Electrical Fittings	829,389	-	-	829,389	11,814	-	746,348	-	83,041
Office equipment	3,125,336	-	-	3,125,336	41,660	-	2,777,351	-	347,985
Furniture and fittings	5,148,346	-	-	5,148,346	149,187	-	4,852,838	-	295,508
Vehicles	4,651,534	-	-	4,651,534	228,842	-	4,398,601	-	252,933
<b>Total</b>	<b>74,908,488</b>	<b>28,050</b>	-	<b>74,936,538</b>	<b>1,310,798</b>	-	<b>41,456,637</b>	-	<b>33,479,901</b>
<b>Grand total</b>	<b>369,413,996</b>	<b>28,050</b>	-	<b>369,442,046</b>	<b>1,310,798</b>	-	<b>321,874,765</b>	<b>14,087,336</b>	<b>33,479,945</b>
Previous Year	369,382,046	31,950	-	369,413,996	1,483,668	-	320,563,967	14,087,336	34,762,693
									<b>34,762,693</b>

	31.03.2012	31.03.2011	(Amount in ₹)
<b>Note 10 : Non-current investments</b>			
Investment in equity instruments (Refer note no 33 )			
(i) of subsidiaries	<b>77,600,730</b>		77,600,730
(ii) of associates	<b>5,210,370</b>		5,210,370
(iii) of other entities	<b>15,442,422</b>		15,442,422
Investment in government or trust securities (Refer note no 33 )			
(i) government securities	<b>76,451,000</b>	67,226,000	
Less : Amount disclosed under Current Investments	<b>0</b>	10,675,000	56,551,000
(ii) trust securities			12,050
			<u>154,816,572</u>
Aggregate amount of quoted investments	<b>12,442,422</b>	12,442,422	
Aggregate market value of listed and quoted investments	<b>6,381,706</b>	7,252,164	
Aggregate value of listed but not quoted investments	<b>3,000,000</b>	3,000,000	
Aggregate amount of unquoted investments	<b>82,811,100</b>	82,811,100	

	31.03.2012		31.03.2011		(Amount in ₹)
	Short-Term	Long term	Short-Term	Long term	
<b>Note 11 : Loans and advances</b>					
<b>(Unsecured unless otherwise stated and Considered Good)</b>					
Trade / security deposits		<b>3,747,744</b>			4,322,730
Secured Loan		<b>5,701,492</b>			5,724,292
Un Secured Loan		<b>2,579,078</b>			2,579,078
Staff advances		<b>496,053</b>			631,086
Receivable from bank (Refer Note no 12.1)		<b>26,322,621</b>			26,322,621
Other receivables		<b>504,518</b>			709,958
Advance for purchase of assets		<b>29,981,764</b>			29,981,764
Advance Income tax and Tax Deducted at Source		<b>34,046,599</b>			33,710,119
		<u><b>103,379,869</b></u>			<u>103,981,648</u>

11.1 The Company entered into an arrangement with a Bank to market various financial products including sourcing of hire purchase loans. The arrangement is akin to that of a principal and Agent. The arrangements and further agreements entered between parties envisages that upon happening of certain events, the Company has to repossess the underlying assets, dispose the same, and credit the proceeds towards repayment of amount advanced by bank. In the event of there being any deficit in loan repayment, after sale of the assets, the same shall be made good by the Company. The amount so involved under such an obligation being contingent in nature, is not quantifiable at this point of time. The overall value of contracts covered under this arrangement is Rs.130.99 Lakhs.

However, the Company entered into a Memorandum of understanding with the said bank consequent to which such obligation does not arise on the contracts entered into after the said Memorandum of understanding dated 6th November 2002. Further, the company made claims towards the entitlement of fees for services aggregating to 263.23 lakhs which is yet to be acknowledged by the bank. Also the banks has raised certain counter claims on the company, as the counter claims are at the very early stage, no provision is made in the accounts for such claims.

11.2 Trade / security deposits includes Rs.8.55 Lakhs towards Sales Tax Deposit under protest/ recoverable.

	31.03.2012	31.03.2011	(Amount in ₹)
<b>Note 12 : Other Non-Current Assets</b>			
Stock on hire under Hire Purchase and other receivables	<b>1,597,556,480</b>		1,597,866,625
Lease and other receivables	<b>248,113,346</b>		248,113,346
Bills Purchased	<b>9,733,196</b>		9,733,196
Non Current Bank Deposits ( as per Note 18)	<b>7,362,173</b>		9,137,292
	<u><b>1,862,765,195</b></u>		<u>1,864,850,459</u>

	Non Current		Current		(Amount in ₹)
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	
<b>Note 13: Cash and Bank balances</b>					
Cash and Cash Equivalents					
Balances with Banks					
-On Current Accounts			<b>22,433,041</b>	34,061,580	
-On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)			<b>0</b>	63	
Cheques, Drafts on hand and Stamps on hand			<b>18,012</b>	10,000	
Cash on Hand			<b>22,451,053</b>	34,071,643	
Other Bank Balances			<b>9,245</b>	9,245	
Unpaid dividend account					
On Deposit Accounts (Statutory liquid deposit for Fixed Deposit)					
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	<b>7,362,173</b>	9,137,292	<b>1,775,119</b>	0	
Having Maturity more than 12 Months from date of deposit			<b>1,141,541</b>	1,141,541	
On Margin Money Deposit Accounts	<b>7,362,173</b>	9,137,292	<b>2,925,905</b>	1,150,786	
Amount disclosed under non Current assets (Note 12)	<b>-7,362,173</b>	-9,137,292			
	<u><b>0</b></u>	<u>0</u>	<u><b>25,376,958</b></u>	<u>35,222,429</u>	

13.1 Balances with Banks in Current Accounts includes Rs.67.50 lakhs being balance in a current account with a Scheduled Bank intended for meeting commitments towards preference dividend as and when declared. The said bank has adjusted the same towards the Bank's Funds and Investments Branch at Chennai. The company has taken up the matter with the Bank, pending the outcome of the same is continued to be shown under Balances with Banks in Current Accounts. However this has no impact on the operating results of the Company.

13.2 The Company has made a no lien deposit of Rs.52 lakhs during earlier years with State Bank of Travancore for proposed one time settlement with the consortium of Banks. Consequent to the decision made by the consortium of banks that the bank would settle the dues independent of the consortium, the no lien deposit has become repayable to the Company. However, one of the banks approached DRT and obtained stay against the release of the deposit which is being contested by the Company. The above deposit has been adjusted against the dues to the State Bank of Travancore in the books of the Company.

13.3 The company has reconciled only the operative accounts. Inoperative accounts have not been reconciled in the absence of confirmation or statements from banks.

(Amount in ₹)

<b>Note 14 : Other current assets</b>	<b>31.03.2012</b>	31.03.2011
Income Receivable	<b>3,471,405</b>	2,385,294
	<b><u>3,471,405</u></b>	<u>2,385,294</u>
<b>Notes to financial statements for the year ended March 31, 2012</b>		
		(Amount in ₹)
<b>Note 15 : Revenue from Operations</b>	<b>31.03.2012</b>	31.03.2011
Income from Financing Operations		
Finance Charges Earned	-	-
Finance Charges-UTI	<b>1,682,612</b>	2,826,106
Excess NPA Provision-HP, Lease & Others	<b>310,145</b>	16,530,331
Other operating income		19,356,437
Interest	<b>6,370,463</b>	7,304,682
Dividend	<b>122,975</b>	215,050
Profit on sale of Investments	-	85,000
	<b><u>6,493,438</u></b>	<u>7,604,732</u>
	<b><u>8,486,195</u></b>	<u>26,961,169</u>
		(Amount in ₹)
<b>Note 16 : Other Income</b>	<b>31.03.2012</b>	31.03.2011
Other Income		
Excess provision for employee benefits written back	<b>4,294,152</b>	-
Excess provision written back	<b>727,920</b>	-
Rent	<b>703,020</b>	669,060
Miscellaneous Income	<b>2,006,095</b>	3,122,028
	<b><u>7,731,187</u></b>	<u>3,791,088</u>
		(Amount in ₹)
<b>Note 17 : Finance Costs</b>	<b>31.03.2012</b>	31.03.2011
Interest expense on		
(i) Borrowings	<b>77,887,592</b>	78,175,691
Less:- Interest waiver (State Bank of Hyderabad pertaining to earlier years consequent to OTS)		(51,384,643)
(ii) Others	<b>6,471</b>	26,791,048
	<b><u>77,894,063</u></b>	<u>154,905</u>
		<u>26,945,953</u>
The Company has been negotiating with various Banks for OTS and in this direction the company reached OTS with M/s. State Bank of Hyderabad, for a sum of Rs.35 lakhs as against the limit sanctioned by them amounting to Rs.461 lakhs. (Loan outstanding Rs.522.34 Lakhs). The Company has adjusted the difference between outstanding balance in its books and limit sanctioned against the interest expenditure of the current year and the limit sanctioned to the credit of Profit and Loss Account.		
		(Amount in ₹)
<b>Note 18 : Employee benefits</b>	<b>31.03.2012</b>	31.03.2011
Salaries, bonus and commission	<b>1,939,125</b>	2,039,744
Contribution to Provident and other funds	<b>250,829</b>	285,561
Gratuity	<b>63,020</b>	61,645
Staff welfare expenses	<b>263,606</b>	280,100
	<b><u>2,516,580</u></b>	<u>2,667,050</u>
		(Amount in ₹)
<b>Note 19 : Other expenses</b>	<b>31.03.2012</b>	31.03.2011
Rent	<b>514,570</b>	344,620
Rates and taxes	<b>32,860</b>	30,141
Communication expenses	<b>612,721</b>	445,326
Electricity expenses	<b>244,349</b>	69,451
Travelling and conveyance	<b>710,369</b>	482,402
Printing and Stationery	<b>118,372</b>	157,127
Insurance	<b>12,277</b>	9,506
Audit fee		
-Statutory Audit	-	-
-Tax Audit	-	-
-Certification	<b>193,025</b>	213,525
- Reimbursement of Expenses	-	-
Repairs		
- Buildings	<b>335,735</b>	275,891
- Vehicles	<b>77,301</b>	124,320
- Plant & Machinery	<b>23,350</b>	5,150
- Others	<b>2,985</b>	-
Legal Expenses	<b>439,371</b>	405,361
Provision on Non Performing assets	<b>2,048,262</b>	7,011,828
Bad Debts (Net of Provision Rs.6,03,331)	<b>158,312</b>	207,842
Loss on sale of investments	<b>90,963</b>	-
Director Sitting fee	<b>675,000</b>	-
Director Sitting fee	<b>6,000</b>	10,000
Advertisements	<b>10,000</b>	43,790
Brokerage	<b>14,000</b>	-
Professional Charges	<b>2,056,656</b>	1,939,671
Other Expenditure	<b>409,215</b>	599,131
	<b><u>8,346,322</u></b>	<u>11,969,721</u>



**Note No.20. Secured Loans:  
Particulars of Privately placed secured Redeemable Non-Convertible Bonds**

Number of Bonds	Face Value Rs.	Issue Value Rs.	Balance as on		Terms of Redemption (Redeemable at par in)
			31.03.2012 Rs.	31.03.2011 Rs.	
<b>Series 'A' Bond</b>					
905	1000	1000	9,05,000	9,05,000	October 2005
1,385	1000	497	6,88,345	6,88,345	October 2005
20,196	1000	1000	2,01,96,000	2,01,96,000	December2005
64,614	1000	497	3,21,13,158	3,21,13,158	December2005
13,614	1000	1000	1,36,14,000	1,36,14,000	December2005
26,304	1000	497	1,30,73,088	1,30,73,088	December2005
24,396	1000	1000	2,43,96,000	2,43,96,000	February 2006
1,04,290	1000	497	5,18,32,130	5,18,32,130	February 2006
<b>Total</b>			<b>15,68,17,721</b>	<b>15,68,17,721</b>	
<b>Series 'B' Bond</b>					
3,594	1000	1000	35,94,000	35,94,000	May 2008
31,359	1000	399	1,25,12,241	1,25,12,241	May 2008
14,925	1000	1000	1,49,25,000	1,49,25,000	June 2008
80,030	1000	399	3,19,31,970	3,19,31,970	June 2008
4,075	1000	1000	40,75,000	40,75,000	August 2008
18,202	1000	399	72,62,598	72,62,598	August 2008
<b>Total</b>			<b>7,43,00,809</b>	<b>7,43,00,809</b>	
<b>Series 'C' Bond</b>					
2188	1000	1000	21,88,000	21,88,000	December 2007
7276	1000	593	43,14,668	43,14,668	December 2007
1384	1000	1000	13,84,000	13,84,000	January 2008
3869	1000	593	22,94,317	22,94,317	January 2008
1321	1000	1000	13,21,000	13,21,000	February 2008
4281	1000	593	25,38,633	25,38,633	February 2008
640	1000	1000	6,40,000	6,40,000	March 2008
2190	1000	593	12,98,670	12,98,670	March 2008
180	1000	1000	1,80,000	1,80,000	April 2008
831	1000	593	4,92,783	4,92,783	April 2008
1128	1000	1000	11,28,000	11,28,000	May 2008
3058	1000	593	18,13,394	18,13,394	May 2008
1359	1000	1000	13,59,000	13,59,000	July 2008
3861	1000	593	22,89,573	22,89,573	July 2008
<b>Total</b>			<b>2,32,42,038</b>	<b>2,32,42,038</b>	
<b>Series 'D' Bond</b>					
10,161	1000	1000	1,01,61,000	1,01,61,100	December 2009
47,433	1000	452	2,14,39,716	2,14,39,716	December 2009
15,108	1000	1000	1,51,08,000	1,51,08,000	January 2010
38,736	1000	452	1,75,08,672	1,75,08,672	January 2010
8,806	1000	1000	88,06,000	88,06,000	February 2010
29,759	1000	452	1,34,51,068	1,34,51,068	February 2010
5,472	1000	1000	54,72,000	54,72,000	March 2010
16,698	1000	452	75,47,496	75,47,496	March 2010
5,360	1000	1000	53,60,000	53,60,000	April 2010
12,586	1000	452	56,88,872	56,88,872	April 2010
10,559	1000	1000	1,05,59,000	1,05,59,000	May 2010
22,261	1000	452	1,00,61,972	1,00,61,972	May 2010
10,273	1000	1000	1,02,73,000	1,02,73,000	July 2010
30,042	1000	452	1,35,78,984	1,35,78,984	July 2010
<b>Total</b>			<b>15,50,15,780</b>	<b>15,50,15,780</b>	
<b>Series 'E' Bond</b>					
929	1000	1000	9,29,000	9,29,000	July 2010
2,564	1000	481	12,33,284	12,33,284	July 2010
8,852	1000	1000	88,52,000	88,52,000	August 2010
17,348	1000	481	83,44,388	83,44,388	August 2010
6,987	1000	1000	69,87,000	69,87,000	September 2010
19,617	1000	481	94,35,777	94,35,777	September 2010
13,101	1000	1000	1,31,01,000	1,31,01,000	November 2010
36,565	1000	481	1,75,87,765	1,75,87,765	November 2010
1,680	1000	1000	16,80,000	16,80,000	December 2010
5,535	1000	481	26,62,335	26,62,335	December 2010
1,719	1000	1000	17,19,000	17,19,000	January 2011
3,828	1000	481	18,41,268	18,41,268	January 2011
4,084	1000	1000	40,84,000	40,84,000	February 2011
9,586	1000	481	46,10,866	46,10,866	February 2011
4,379	1000	1000	43,79,000	43,79,000	March 2011
4,162	1000	481	20,01,922	20,01,922	March 2011
3,367	1000	1000	33,67,000	33,67,000	April 2011
10473	1000	481	50,37,513	50,37,513	April 2011
3934	1000	1000	39,34,000	39,34,000	May 2011
7727	1000	481	37,16,687	37,16,687	May 2011

Number of Bonds	Face Value Rs.	Issue Value Rs.	Balance as on		Terms of Redemption (Redeemable at par in)
			31.03.2012 Rs.	31.03.2011 Rs.	
7000	1000	1000	70,00,000	70,00,000	June 2011
12,556	1000	481	60,39,436	60,39,436	June 2011
6,434	1000	1000	64,34,000	64,34,000	July 2011
13,501	1000	481	64,93,981	64,93,981	July 2011
5,084	1000	1000	50,84,000	50,84,000	August 2011
17,013	1000	481	81,83,253	81,83,253	August 2011
8,361	1000	1000	83,61,000	83,61,000	September 2011
13,601	1000	481	65,42,081	65,42,081	September 2011
7,922	1000	1000	79,22,000	79,22,000	October 2011
29,272	1000	481	1,40,79,832	1,40,79,832	October 2011
5,285	1000	1000	52,85,000	52,85,000	November 2011
18,065	1000	481	86,89,265	86,89,265	November 2011
4,326	1000	1000	43,26,000	43,26,000	January 2012
17,342	1000	1000	83,41,502	83,41,502	January 2012
2,215	1000	1000	22,15,000	22,15,000	January 2012
5,042	1000	481	24,25,202	24,25,202	January 2012
6,640	1000	1000	66,40,000	66,40,000	March 2012
16,404	1000	481	78,90,324	78,90,324	March 2012
7,207	1000	1000	72,07,000	72,07,000	May 2012
13,173	1000	481	63,36,213	63,36,213	May 2012
1,800	1000	1000	18,00,000	18,00,000	June 2012
3,945	1000	481	18,97,545	18,97,545	June 2012
<b>Total</b>			<b>24,46,96,439</b>	<b>24,46,96,439</b>	

<b>Series "F" Bond</b>					
401	1000	922	3,69,722	3,69,722	December 2004
1,416	1000	842	11,92,272	11,92,272	December 2005
429	1000	1000	4,29,000	4,29,000	December 2006
1,761	1000	762	13,41,882	13,41,882	December 2008
460	1000	1000	4,60,000	4,60,000	December 2008
3,115	1000	607	18,90,805	18,90,805	December 2008
245	1000	922	2,25,890	2,25,890	January 2005
220	1000	1000	2,20,000	2,20,000	January 2006
930	1000	842	7,83,060	7,83,060	January 2006
530	1000	1000	5,30,000	5,30,000	January 2007
1,744	1000	762	13,28,928	13,28,928	January 2007
359	1000	695	2,49,505	2,49,505	January 2008
1,300	1000	1000	13,00,000	13,00,000	January 2009
4,907	1000	607	29,78,549	29,78,549	January 2009
50	1000	1000	50,000	50,000	February 2005
1,384	1000	922	12,76,048	12,76,048	February 2005
222	1000	1000	2,22,000	2,22,000	February 2006
1,186	1000	842	9,98,612	9,98,612	February 2006
1,713	1000	1000	17,13,000	17,13,000	February 2007
1,967	1000	762	14,98,854	14,98,854	February 2007
1,599	1000	1000	15,99,000	15,99,000	February 2009
6,382	1000	607	38,73,874	38,73,874	February 2009
50	1000	1000	50,000	50,000	March 2005
2,957	1000	922	27,26,354	27,26,354	March 2005
555	1000	842	4,67,310	4,67,310	March 2006
840	1000	1000	8,40,000	8,40,000	March 2007
2,106	1000	762	16,04,772	16,04,772	March 2007
1,007	1000	1000	10,07,000	10,07,000	March 2009
5,867	1000	607	35,61,269	35,61,269	March 2009
135	1000	1000	1,35,000	1,35,000	April 2005
1,750	1000	922	16,13,500	16,13,500	April 2005
57	1000	1000	57,000	57,000	April 2006
1,084	1000	842	9,12,728	9,12,728	April 2006
754	1000	1000	7,54,000	7,54,000	April 2007
2,154	1000	762	16,41,348	16,41,348	April 2007
790	1000	1000	7,90,000	7,90,000	April 2009
5,197	1000	607	31,54,579	31,54,579	April 2009
357	1000	1000	3,57,000	3,57,000	May 2005
2,748	1000	922	25,33,656	25,33,656	May 2006
30	1000	1000	30,000	30,000	May 2006
1,029	1000	842	8,66,418	8,66,418	May 2006
622	1000	1000	6,22,000	6,22,000	May 2007
2,222	1000	762	16,93,164	16,93,164	May 2007
2,026	1000	1000	20,26,000	20,26,000	May 2009
4,807	1000	607	29,17,849	29,17,849	May 2009
356	1000	1000	3,56,000	3,56,000	June 2005
4,838	1000	922	44,60,636	44,60,636	June 2005
75	1000	1000	75,000	75,000	June 2006
1,410	1000	842	11,87,220	11,87,220	June 2006
2,161	1000	1000	21,61,000	21,61,000	June 2007
3,426	1000	762	26,10,612	26,10,612	June 2007
4,837	1000	607	29,36,059	29,36,059	June 2009

Number of Bonds	Face Value Rs.	Issue Value Rs.	Balance as on		Terms of Redemption (Redeemable at par in)
			31.03.2012 Rs.	31.03.2011 Rs.	
480	1000	1000	4,80,000	4,80,000	July 2005
4,266	1000	922	39,33,252	39,33,252	July 2005
163	1000	1000	1,63,000	1,63,000	July 2006
957	1000	842	8,05,794	8,05,794	July 2006
2,248	1000	1000	22,48,000	22,48,000	July 2007
4,692	1000	762	35,75,304	35,75,304	July 2007
2,777	1000	1000	27,77,000	27,77,000	July 2009
8,221	1000	607	49,90,147	49,90,147	July 2009
1,495	1000	1000	14,95,000	14,95,000	August 2005
3,384	1000	922	31,20,048	31,20,048	August 2005
542	1000	1000	5,42,000	5,42,000	August 2006
4,339	1000	842	36,53,438	36,53,438	August 2006
2,984	1000	1000	29,84,000	29,84,000	August 2007
3,958	1000	762	30,15,996	30,15,996	August 2007
2,566	1000	1000	25,66,000	25,66,000	August 2009
6,266	1000	607	38,03,462	38,03,462	August 2009
165	1000	1000	1,65,000	1,65,000	September 2005
783	1000	922	7,21,926	7,21,926	September 2005
20	1000	1000	20,000	20,000	September 2006
470	1000	842	3,95,740	3,95,740	September 2006
1,591	1000	1000	15,91,000	15,91,000	September 2007
5,438	1000	762	41,43,756	41,43,756	September 2007
100	1000	695	69,500	69,500	September 2008
1,519	1000	1000	15,19,000	15,19,000	September 2009
6,318	1000	607	38,35,026	38,35,026	September 2009
1,749	1000	1000	17,49,000	17,49,000	October 2007
8,149	1000	762	62,09,538	62,09,538	October 2007
2,123	1000	1000	21,23,000	21,23,000	October 2009
8,355	1000	607	50,71,485	50,71,485	October 2009
1,779	1000	1000	17,79,000	17,79,000	November 2007
9,414	1000	762	71,73,468	71,73,468	November 2007
288	1000	695	2,00,160	2,00,160	November 2008
761	1000	1000	7,61,000	7,61,000	November 2009
8,276	1000	607	50,23,532	50,23,532	November 2009
300	1000	1000	3,00,000	3,00,000	January 2006
2,240	1000	922	20,65,280	20,65,280	January 2006
300	1000	1000	3,00,000	3,00,000	January 2007
547	1000	842	4,60,574	4,60,574	January 2007
1,540	1000	1000	15,40,000	15,40,000	January 2008
5,023	1000	762	38,27,526	38,27,526	January 2008
264	1000	1000	2,64,000	2,64,000	January 2010
3,543	1000	607	21,50,601	21,50,601	January 2010
200	1000	1000	2,00,000	2,00,000	January 2006
423	1000	922	3,90,006	3,90,006	January 2006
55	1000	1000	55,000	55,000	January 2007
60	1000	842	50,520	50,520	January 2007
365	1000	1000	3,65,000	3,65,000	January 2008
958	1000	762	7,29,996	7,29,996	January 2008
405	1000	1000	4,05,000	4,05,000	January 2010
863	1000	607	5,23,841	5,23,841	January 2010
4,471	1000	1000	44,71,000	44,71,000	March 2006
2,206	1000	922	20,33,932	20,33,932	March 2006
250	1000	1000	2,50,000	2,50,000	March 2007
1,647	1000	842	13,86,774	13,86,774	March 2007
1,206	1000	1000	12,06,000	12,06,000	March 2008
3,623	1000	762	27,60,726	27,60,726	March 2008
1,445	1000	1000	14,45,000	14,45,000	March 2010
3,424	1000	607	20,78,368	20,78,368	March 2010
348	1000	1000	3,48,000	3,48,000	May 2006
120	1000	1000	1,20,000	1,20,000	May 2007
2,546	1000	1000	25,46,000	25,46,000	May 2008
643	1000	1000	6,43,000	6,43,000	May 2010
3,465	1000	922	31,94,730	31,94,730	May 2006
1,038	1000	842	8,73,996	8,73,996	May 2007
4,652	1000	762	35,44,824	35,44,824	May 2008
144	1000	695	1,00,080	1,00,080	May 2009
3,466	1000	607	21,03,862	21,03,862	May 2010
2,981	1000	922	27,48,482	27,48,482	June 2006
383	1000	842	3,22,486	3,22,486	June 2007
1,613	1000	762	12,29,106	12,29,106	June 2008
2,886	1000	607	17,51,802	17,51,802	June 2010
816	1000	1000	8,16,000	8,16,000	June 2006
160	1000	1000	1,60,000	1,60,000	June 2007
561	1000	1000	5,61,000	5,61,000	June 2008
494	1000	1000	4,94,000	4,94,000	June 2010
<b>Total</b>			<b>20,39,48,559</b>	<b>20,39,48,559</b>	
<b>Grand Total</b>			<b>85,80,21,346</b>	<b>85,80,21,346</b>	

**Note No. 21. Current Assets:**

As required under the Accounting Standard (AS 19) the details of total hire

Purchase receivable as on 31.03.2012 is given hereunder:

(Rs. in lakhs)

		31.3.2012	31.03.2011
Gross Investment (excluding repossessed stock)		15971.06	15974.17
Less: Unearned Finance income		0.00	0.00
Net Investment		15971.06	15974.17
Maturity pattern of the Gross receivables			
		Gross	Net
		31.3.2012	31.3.2011
Less than 1 year		0.00	0.00
Later than 1 year & not later than 5 years		0.00	0.00
Later than 5 years		15971.06	15974.17
Accumulated provision for un-collectible finance income		-	-
Un-guaranteed residual value		Nil	Nil

**Note No.22.**

Since the number of employees in roll of the company is less than 50, the disclosure as required by Accounting standard (AS 15) not disclosed.

**Note No.23. Deferred Taxation:**

In view of past losses and difference in income recognition under sum of digits and equated installments method the company is required to create a deferred tax asset. However in view of various pending proceedings under the Income Tax Act, which is having a bearing on the ultimate amount to be allowed to be carried forward to subsequent years, no deferred tax asset has been created.

**III. Statement of Profit and Loss****Note No.24.**

a. Managing Director's Remuneration:

(Rs. in lakhs)

		31.3.2012	31.03.2011
Salary		7.09	7.09
Commission		-	-
Contribution to Provident Fund & Superannuation Scheme		1.91	1.91
Other Perquisites		-	-
TOTAL		9.00	9.00

b. Due to inadequate of profits no commission is payable to Managing Director for the year.

**Note. No. 25. Earnings per Share:**

(Rs. in lakhs except EPS)

Particulars	31.3.2012	31.03.2011
Profit/ (Loss) after tax	(730.98)	349.93
Less: Cumulative Preference share dividend for the year	0.00	0.00
Profit available for equity shareholders		349.93
Total number of shares	1,32,52,588	1,32,52,588
Basic and Diluted * earning per Share	Rs.(5.52)	Rs.2.64

\*On 30.04.2008, the Division Bench of the High Court, Madras has set aside the order of the Single Bench of the Madras High Court. However, the Company has filed a Special Leave Petition in the Supreme Court, New Delhi and the same was admitted. Depending on the final out come the above proceedings, the amount disclosed under number of shares, may undergo change.

**IV. GENERAL****Note No.26.**

Hire Purchase/Lease contracts entered include contracts with existing hirer/ lessees the proceeds of which have been adjusted against the arrears/ outstanding arrears/outstanding of the respective hirers/lessees under the existing H.P/Lease contracts.

**Note No.27.**

The levy of Service Tax on Hire Purchase and Leasing transactions introduced with effect from 16-07-2001 has been challenged by Trade Associations. The court has dismissed the appeal filed by the association. The company has not provided for Service Tax payable if any to the authorities for the orders pending.

**Note No.28. Contingent Liability:**

a. Interest tax:

The Company has gone on appeal for the assessment year 1992-93 to 2000-01 in respect of disputed demand of interest tax of Rs.85.18 lakhs on account of certain disallowances and the demand arising out of the disallowances were adjusted/paid against the refund due amounting to Rs.84.98 lakhs. The quantum of liability, if any, is ascertainable only on completion of these appeals/assessments. Hence no provision has been made for the balance demand in the books of accounts.

b. Income Tax

- Disputed Income tax demands totaling to Rs.7.21 lakhs (previous year Rs. 7.21 lakhs) for which the Income-tax department has gone on appeal.
- The Company has gone on appeal for the assessments 1991-92 to 2008-09 in respect of disputed demand of Rs.2,308.31 Lakhs (previous year Rs. 2,308.31 Lakhs) against which an amount of Rs.166.86 Lakhs paid/adjusted in subsequent years. (Previous year Rs. 166.86 Lakhs). Depending upon the outcome of these appeals, a demand for income tax may be made on the Company for subsequent years also as the matter under dispute are recurring. The exact quantum of liability if any, is ascertainable only on completion of these appeals/assessments. Hence, no provision has been made for the potential liability if any, in the books of accounts. However, the income-tax department attached the current account maintained in banks towards recovery of their dues and adjusted.

c. Sales tax:

The Company has gone on appeal against a total demand of Sales Tax for Rs. 50.33 Lakhs (previous year Rs.50.33 Lakhs) from the Commercial Tax Authorities in the States of Tamilnadu, Kerala, Maharashtra and New Delhi against which the Company has deposited a sum of Rs.9.85 Lakhs (Previous year Rs.9.85 Lakhs) and Bank Guarantee and Corporate Bond are furnished for Rs.12.85 Lakhs (Previous year Rs.12.85 Lakhs) and for the balance amount, stay has been granted. No provision has been made in the books of accounts.

d. Guarantee given on behalf of other companies Rs.330 Lakhs (previous year Rs.330 Lakhs)

e. Claims against the Company not acknowledged as debts Rs.10.97 Lakhs (previous year Rs.10.97 Lakhs)

**Note No. 29.**

Segment Reporting: The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard AS 17 - 'Segment Reporting'.

**Note No. 30. Investments:**

Long term at Cost

**I. In Government / Trust Securities**

Non-Trade, Unquoted

	Particulars	Face Value	31.3.2012 Rs.	31.03.2011 Rs.
I	GOVERNMENT OF INDIA - BONDS			
a)	2011 SERIES Govt. of India Stock - 9.39 % (1,00,000Bonds @ Rs.106.75 each)	1,00,00,000	-	1,06,75,000
b)	2013 SERIES Govt. of India Bonds - 7.27% (1,00,000Bonds @ Rs.101.80 each)	1,00,00,000	<b>1,01,80,000</b>	1,01,80,000
c)	2014 SERIES 7.37% GOI BONDS - (100000 Bonds @ Rs.102.53 each)	1,00,00,000	<b>1,02,53,000</b>	1,02,53,000
d)	2015 SERIES 7.38% GOI BONDS - (50000 Bonds @ Rs.95.60 each)	50,00,000	<b>47,80,000</b>	47,80,000
e)	2017 SERIES 7.46% GOI BONDS - (20000 Bonds @ Rs.100.60 each)	20,00,000	<b>20,12,000</b>	20,12,000
f)	2017 SERIES 7.46% GOI BONDS - (200000 Bonds @ Rs.97.18 each) 7.49% GOI BONDS - (50000 Bonds @ Rs.96.80 each) 8.07% GOI BONDS - (200000 Bonds)	2,00,00,000 50,00,000 2,00,00,000	<b>1,94,36,000</b> <b>48,40,000</b> <b>1,99,00,000</b>	1,94,36,000 48,40,000
g)	2021 SERIES 7.94% GOI BONDS - (50000 Bonds @ Rs.101.00 each)	50,00,000	<b>50,50,000</b>	50,50,000
II	6 Year National SavingsCertificate		<b>5,000</b>	5,000
III	Indira Vikas Patra		<b>2,000</b>	2,000
IV	Post Office Time Deposit		<b>5,050</b>	5,050
	Total	6,70,00,000	<b>7,64,63,050</b>	6,72,38,050

**II. Investments in Equity Shares:**

Non-Trade, Unquoted

In Subsidiary Companies: In Fully Paid Equity shares of Rs.10/- each

	Particulars	No. of Shares Nos.	31.3.2012 Rs.	31.03.2011 Rs.
1	Industrial Venture Capital Ltd.	19,88,100	<b>1,78,80,930</b>	1,78,80,930
2	Integrated Stock Broking Services Private Ltd.	59,71,980	<b>5,97,19,800</b>	5,97,19,800
	Total		<b>7,76,00,730</b>	7,76,00,730

In Associate Companies: In Fully Paid Equity shares of Rs.10/- each

	Particulars	No. of Shares Nos.	31.03.2012 Rs.	31.03.2011 Rs.
1	Operating Lease and Hire Purchase Company limited	3,15,780	<b>52,10,370</b>	52,10,370

In Other Companies: In Fully Paid Equity shares of 10/- each

	Particulars	No. of Shares	31.03.2012 Rs.	31.03.2011 Rs.
1	A C E Garment Exports Ltd.	3,00,000	<b>30,00,000</b>	30,00,000
	Total		<b>82,10,370</b>	82,10,370

## 2) Quoted

In Companies other than Subsidiary Companies and associated companies: In Fully Paid Equity shares of 10/- each (unless otherwise stated)

	Particulars	No. of Shares Nos.	31.03.2012 Rs.	31.03.2011 Rs.
1	E L Forge Limited	22,135	<b>8,70,001</b>	8,70,001
2	M.R.F. Ltd.	103	<b>2,96,429</b>	2,96,429
3	Micam Leather Export Limited	7,800	<b>37,050</b>	37,050
4	Tebma Shipyards Limited	533	<b>360</b>	360
5	Vippy Industries Limited	30,400	<b>42,560</b>	42,560
6	Hindustan Ferro & Industries Limited	39,500	<b>51,350</b>	51,350
7	Rane (Holdings) Limited	1,800	<b>1,36,191</b>	1,36,191
8	Rane (Madras) Limited	3,800	<b>1,99,500</b>	1,99,500
9	Ross Murarka Finance Limited	50	<b>88</b>	88
10	Techtran Polylenses Limited	589	<b>2,268</b>	2,268
11	Pentamedia Graphics Ltd	15,600	<b>1,03,74,000</b>	1,03,74,000
12	Standard Medicals & Pharmaceuticals Limited	50	<b>90</b>	90
13	Gemini Communications Ltd(Equity shares @ Rs.5 each)	200	<b>11,768</b>	11,768
14	Whirlpool (Kelvinator) India Limited	25	<b>768</b>	768
15	TCFC Finance Limited	1	-	-
16	State Bank of Travancore(Equity shares @ Rs.10 each)	7000	<b>4,20,000</b>	4,20,000
	Total		<b>1,24,42,423</b>	1,24,42,423
	Total-Investments in Equity Shares		<b>9,82,53,523</b>	9,82,53,523

**Note.No.31. Related Parties Disclosures:****A. Related Parties:**

Subsidiaries	1. Integrated Stock Broking Services Pvt. Ltd 2. Industrial Venture Capital Ltd
Associates	1. Operating Lease & Hire Purchase Company Limited.
Key Management Personnel	1. George Kuruvilla

**B. The transactions with related parties:**

(Rs. in lakhs)

Particulars	Subsidiaries	Associates	Key Management Personnel	Total
Remuneration - Current year	-	-	9.00	9.00
- Previous year	-	-	9.00	9.00
Assets				
Advance revocable at the end of the year				
- Current year	-	-	-	-
- Previous year	-	-	-	-
Amounts payable				
- Current year	17.91	24.07	9.18	51.16
- Previous year	17.49	24.36	6.75	48.60

**Note No. 32**

Disclosure pursuant to Reserve Bank of India Notification DNBS.167/CGM (OPA) - 2004 dated March 31, 2004.

(Rs. in Lakhs)

Particulars	Amount Outstanding	Amount Overdue
<b>Liabilities side:</b>		
<b>(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid</b>		
A Debentures: Secured	10,373.59	*
Unsecured other than falling within the meaning of public deposits		
B Term Loans/Cash Credit Accounts	11581.26	11581.26
C Inter-corporate loans and borrowing	201.01	201.01
D Public Deposits	3386.65	*
E Other Loans (specify nature)		
<b>(2) Break-up of (1)(d) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
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	3324.95	*

\*On 30.04.2008, the Division Bench of the High Court, Madras has set aside the order of the Single Bench of the Madras High Court. However, the Company has filed a Special Leave Petition in the Supreme Court, New Delhi and the same was admitted. Depending on the final outcome the above proceedings, the amount disclosed under overdue, may undergo change.

Particulars	Amount Outstanding
<b>Assets Side</b>	
<b>(3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below):</b>	
A Secured	NIL
B Unsecured	45.26
<b>(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>	
(i) Leased assets including lease rentals under sundry debtors:	
A Financial lease	2481.13
B Operating lease	
(ii) Stock on hire including hire charges under sundry debtors :	
A Assets on hire	15975.56
B Repossessed Assets	4.50
(iii) Hypothecation loans counting towards EL/HP activities	
A Loans where assets have been repossessed	
A Loans where assets have been repossessed	
B Loans other than (a) above	
<b>(5) Break-up of Investments</b>	
1. Current Investments	
2. Long Term investments:	
1. Quoted:	
(i) Shares: (a) Equity	124.42
(ii) Others (please specify)	
2. Unquoted:	
(i) Shares: (a) Equity	858.12
(ii) Debentures and Bonds	
(iii) Government Securities	764.63
(iv) Others (please specify)	
<b>TOTAL</b>	<b>1744.06</b>

## (6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:

	Category	Secured	Amount net of provisions	
			Unsecured	Total
1	Related Parties			
	A Subsidiaries	-	-	-
	B Companies in the same group	-	-	-
	C Other related parties	-	-	-
2	Other than related parties	-	45.26	45.26
	Total	-	45.26	45.26

## (7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Rs. In lakhs)

	Category	Market Value/ Break-up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties		
	A Subsidiaries	535.60	776.00
	B Companies in the same group		
	C Other related parties	NIL	52.10
2	Other than related parties	828.33	778.28
	Total	1363.93	1606.38

## (8) Other Information

	Particulars	Amount
1	Gross Non-Performing Assets	
	A Related parties	
	B Other than related parties	20410.62
2	Net Non-Performing Assets	
	A Related parties	
	B Other than related parties	63.82
3	Assets acquired in satisfaction of debt	

**Note No.33.**

The Company is in the process of ascertaining the vendor/supplier who fall under the purview of "The Micro, Small and Medium Enterprise Development Act, 2006" and on completion of this process, will take necessary steps to comply with the said Act.

**Note No.34.**

The Revised Schedule VI to the Companies Act, 1956 has become effective from April 1, 2011 for preparation and presentation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Accordingly, the figures for the previous year have been reclassified, wherever necessary to conform with the current year's classification.

As per our report attached  
**For Brahmayya & Co.,**  
Chartered Accountants  
Registration No.000511S

For and on behalf of the Board of Directors

N Sri Krishna  
Partner  
Membership No 26575

P B APPIAH  
Director

GEORGE KURUVILLA  
Director

Place : Chennai  
Date : 28.09.2012

**INTEGRATED FINANCE COMPANY LIMITED**

Cash flow statement for the year ended 31.03.2012

	<b>Year ended 31.03.2012 Rs.</b>	Year ended 31.03.2011 Rs.	
<b>(A) Cash flows from operating activities</b>			
Profit before extraordinary items and tax	<b>(73,073,497)</b>	(11,525,115)	
Add : Depreciation	<b>533,914</b>	694,648	
Bad debts written off	<b>694,294</b>	-	
Loss On Sale Of Investments	<b>675,000</b>	-	
Interest expenditure	<b>77,894,063</b>	26,945,953	
Provision Against Non performing assets	<b>79,797,270</b>	207,842	27,848,443
Less: Profit On Sale Of Assets	-	-	
Excess Provision Against Non performing assets revised	<b>755,163</b>	16,530,331	
Interest income	<b>6,370,463</b>	7,304,682	
Excess Provision written back	<b>5,022,072</b>	-	
Profit on sale of Investments	-	85,000	
Dividend income	<b>122,975</b>	215,050	24,135,063
<b>Operating profit before working capital changes</b>	<b>(5,546,900)</b>	(7,811,734)	
(INC)/DEC In Net Stock On Hire	<b>310,145</b>	16,530,331	
(INC)/DEC In Lease Receivables	-	-	
(INC)/DEC In Loans and ICDS	<b>22,800</b>	-	
(INC)/DEC In other Loans and advances	<b>213,524</b>	(1,321,043)	
(INC)/DEC In Bills Purchased	-	-	
INC/(DEC) In Current Liabilities	<b>647,644</b>	(1,200,004)	14,009,284
Cash generated from operation	<b>(4,352,787)</b>	6,197,550	
Prior Year Adjustments	<b>(25,449)</b>	419,086	
Fringe Benefit Tax Paid	-	(86,115)	
Interest paid	<b>(294,380)</b>	(438,551)	
Income Tax Paid(net)	<b>(336,480)</b>	(636,794)	
<b>Net cash flows from operating activities</b>	<b>(5,009,096)</b>	5,455,176	
<b>(B)Cash flow from investing activities</b>			
(Inc)/Dec In Bank Deposits	-	(2,707,349)	
Sale Of Fixed Assets	-	-	
Sale Of Investments	<b>10,000,000</b>	5,000,000	
Purchase Of Fixed Assets	<b>(28,050)</b>	(31,950)	
Purchase Of Investments	<b>(19,900,000)</b>	(4,840,000)	
Dividend Received	<b>122,975</b>	215,050	
Interest Received	<b>5,291,992</b>	7,605,182	
<b>Net cash flow from investing activities</b>	<b>(4,513,083)</b>	5,240,933	
<b>(C)Cash flow from financing activities</b>			
Repayment of perference capital	-	-	
Repayment of Cash credit (net)	-	(3,500,000)	
Repayment of fixed deposits	<b>(2,098,412)</b>	(1,890,225)	
<b>Net cash flow from financing activities</b>	<b>(2,098,412)</b>	(5,390,225)	
<b>Net (Decrease) / Increase in cash and cash equivalents</b>	<b>(11,620,591)</b>	5,305,884	
Cash and cash equivalents at the beginning of the year	<b>34,071,643</b>	28,765,759	
<b>Cash and cash equivalents at the end of the year</b>	<b>22,451,052</b>	34,071,643	

As per our report attached  
**For Brahmaya & Co.,**  
Chartered Accountants  
Registration No.000511S

For and on behalf of the Board of Directors

N Sri Krishna  
Partner  
Membership No 26575  
Place : Chennai  
Date : 28.09.2012

P B APPIAH  
Director

GEORGE KURUVILLA  
Director



STATEMENT IN PURSUANCE OF SECTION 212(1)(E) OF THE COMPANIES ACT, 1956

1	Name of the Holding Company	INTEGRATED FINANCE COMPANY LIMITED	INTEGRATED FINANCE COMPANY LIMITED
2	Name of the Subsidiary Company	INDUSTRIAL VENTURE CAPITAL LIMITED	INTEGRATED STOCK BROKING SERVICES PRIVATE LIMITED
3	Financial year of the subsidiary ended on	31.03.2012	31.03.2012
4	Holding Company's interest in the subsidiary	19,88,100 equity shares of Rs. 10.00 each ( 61.40% as on 31.03.2012 )	59,71,980 equity shares of Rs. 10.00 each ( 99.99% as on 31.03.2012 )
5	Net aggregated amount of the profits of the subsidiary not dealt within the holding company's accounts		
	a For the financial year of the subsidiary company	-2277013	-7669600
	b For the previous financial year of the subsidiary company	-1255922	-961523
6	Net aggregated amount of the profits of the subsidiary dealt within the holding company's accounts		
	a For the financial year of the subsidiary company	Nil	Nil
	b For the previous financial year of the subsidiary company	Nil	Nil

Place : Chennai  
Date : 28.09.2012

P.B. Appiah  
Director

George Kuruvilla  
Director

# INDUSTRIAL VENTURE CAPITAL LIMITED

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Sixth Annual Report and Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2012  
(Rs. in lakhs)

	2012	2011
<b>1. Financial Results:</b>		
Income from Operations	<b>0.00</b>	10.00
Profit / (Loss) after depreciation	<b>(22.77)</b>	(12.56)
Profit / (Loss) for the year	<b>(22.77)</b>	(12.56)
Amount brought forward from the previous year	<b>(150.91)</b>	(138.35)
Profit available for appropriation		
Deferred Tax	<b>0.02</b>	—
Surplus / (Deficit) in Profit and Loss account	<b>(173.66)</b>	(150.91)

### 2. Operations :

No fresh investments were committed during the year. The Company is taking all steps to disinvest holdings already made in Venture Capital undertakings. Your company continued to enjoy registration status with the Securities and Exchange Board of India (SEBI). The Company's entire earnings are exempt from Income Tax as per the amended provisions of Income Tax Act, 1961.

### 3. Dividend :

Due to inadequate distributable profits, your Directors do not recommend any dividend for the year.

### 4. Fixed Deposits :

The Company has not accepted any Fixed Deposits from the Public.

### 5. Auditors :

M/s. C.B. Joseph & Co., Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The declaration u/s. 224 (1b) of the Companies Act, 1956 has been received from them.

### 6. Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Inflow and Outflow :

The nature of the activity of the Company does not entail conservation of energy or technology absorption. There has been no inflow or outflow of Foreign Currency during the year.

### 7. Personnel :

Particulars of Employees in terms of requirements of Section 217 2 (A A) of the Companies Act, 1956 are not given as there are no employees drawing salary in excess of the limits prescribed by the relevant rules.

### 8. Director's Responsibility Statement pursuant to Section 217 2(M) of the Companies Act, 1956 :

Your Directors confirm that :

1. In preparation of the annual accounts for the period ended 31<sup>st</sup> March 2012, the applicable Accounting Standards have been followed along with proper explanation relating to material departures .
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the company at the end of the financial year and of the Profit or Loss of the company for the year under review .
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the accounts for the Financial Year ended 31<sup>st</sup> March 2012 on a 'going concern' basis.

### 9. Acknowledgements :

Your Directors appreciated the assistance and co-operation extended by the Bankers , Financial Institutions and the services rendered by the Employees.

Place : Chennai  
Date : 09.08.2012

For and on behalf of the Board  
GEORGE KURUVILLA  
Director

## AUDITORS REPORT TO THE MEMBERS OF M/s. INDUSTRIAL VENTURE CAPITAL LIMITED, CHENNAI - 600 017

1. We have audited the attached Balance Sheet of **M/s Industrial Venture Capital Limited** as at 31<sup>st</sup> March 2012, and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation . We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order 2003 issued by the Central Government in terms of Sub section (4A) of Section 227 of the Companies Act 1956, we enclose in the annexure a statement on the matter specified in paragraph 4 and 5 of the said order .
4. Further to our comments in the Annexure referred to above, we report that
  1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;
  2. In our opinion, the company as required by law has kept proper books of accounts so far as it appears from our examination of the books;
  3. The Balance Sheet, Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
  4. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Subsection (3C) of section 211 of the Companies Act 1956;
5. On the basis of written representations received from the directors as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, we report that non of the directors are disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act 1956
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon, give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India subject to

## INDUSTRIAL VENTURE CAPITAL LIMITED

- 1) In our opinion no provision has been made on advances due from venture capital assisted units, which are disputed and under litigation
- 2) The accounts have been prepared on a going concern basis, notwithstanding the company having during the current year incurred a loss of Rs. 22, 77,013/- and the debit balance in the P&L Account at the year end aggregating Rs 17,366,076/- and uncertainty regarding realisation of investments made in Venture capital units, non redemption of Cumulative convertible preference shares amounting to Rs 2,75,00,000, as the Directors are reasonably certain to recover the dues and realise the investments.
- 3) Fixed Assets includes land at Semmanchery, of which ownership is under dispute and the case pending in court of law In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with notes thereon
  - a) In case of Balance Sheet of the state of affairs of the company as at 31<sup>st</sup> March 2012
  - b) In the case of Profit & Loss Account , of the loss for the year ended on that date

Place : Chennai  
Date : 07.08.2012

For C. B. Joseph &Co  
Chartered Accountants  
Firm Regn. No. 001382S

Malcolm Joseph  
M. No 202680

---

### STATEMENT ON THE COMPANIES (AUDITORS REPORT) ORDER 2003, REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- I (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed asset.  
(b) All assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification  
(c) The company has not disposed off any fixed assets during the year
- II The company has no inventory to be physically verified during the year by the management.
- III The company has neither granted nor taken any loan from companies firms or other parties in the register maintained under section 301 of the Act during the year.
- IV In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of fixed assets. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.
- V According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956 have been so entered
- VI In our opinion and according to the information and explanations given to us, the company has not taken deposits from public and hence Sections 58A and 58AA of the Companies Act 1956 are not applicable.
- VII In our opinion the company has no internal audit system commensurate with the Size and nature of its business.
- VIII The Central Government has not ordered maintenance of cost records U\ s 209(1)(d) of the Companies Act 1956
- IX (a) The company is regular in depositing with appropriate authorities undisputed statutory dues  
(b) According to the information and explanations given to us , there are no dues of sales tax , income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- X In our opinion the accumulated losses of the company are not more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year
- XI In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- XII We are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares and debentures and other securities.
- XIII In our opinion the company is not a chit fund or a nidhi, mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the companies (Auditors Report) Order 2003 are not applicable to the company.
- XIV In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditors Report ) Order 2003 are not applicable to the company.
- XV In our opinion the term loans has been applied for the purpose for which they were raised.
- XVI According to the information and explanations given to us and on overall examination of Balance Sheet of the Company , we report that no funds raised on short term basis have been used for long term investment.
- XVII According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions
- XVIII According to the information and explanations given to us the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act .
- XIX According to the information and explanations given to us , during the period covered by our audit report the company has not issued any debentures
- XX The company has not made any public issue during the year
- XXI According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit

Place : Chennai  
Date : 07.08.2012

For C. B. Joseph &Co  
Chartered Accountants  
Firm Regn. No. 001382S

Malcolm Joseph  
M. No 202680

**INDUSTRIAL VENTURE CAPITAL LIMITED**
**Balance Sheet as at 31.03.2012**

Particulars	Note No.	Figures for the current reporting period 31/3/2012	Figures for the previous reporting period 31/3/2011
1	2	3	4
<b>I EQUITY &amp; LIABILITIES:</b>			
<b>1 Shareholders' Funds:</b>			
a Share Capital	A	69,881,070	69,881,070
b Reserves & Surplus	B	(17,261,076)	(14,986,013)
<b>2 Non-current Liabilities</b>			
a Long-Term Borrowings		-	-
b Deferred Tax Liabilities (Net)		-	-
<b>3 Current Liabilities</b>			
a Trade Payables			
b Other Current Liabilities	C	4,936,766	4,953,113
c Short-term Provisions	D	26,478	26,478
Total		57,583,238	59,874,648
<b>II ASSETS:</b>			
<b>1 Non-Current Assets</b>			
a Fixed Assets			
i) Tangible Assets	E	1,271,371	1,271,638
ii) Capital work-in-progress		-	-
b Long-term Loans & Advances	J	40,491,542	39,971,163
c Non-Current Investments	G	12,710,350	12,708,401
<b>2 Current Assets</b>			
a Inventories	H		
b Trade Receivables	I	1,095,882	1,095,882
c Cash and cash equivalents	J	2,014,092	4,827,564
Total		57,583,238	59,874,648

See accompanying notes to the financial statements

For M/s Industrial Venture Capital Ltd.

For C.B.Joseph & Co.

Chartered Accountants

(Malcolm Joseph, Partner)

M. No. 202680 / FRN - 001385

As per our report of even date

Place : Chennai  
Date : 07.08.2012

George Kuruvilla  
Director

R.Nandakumar  
Director

**Statement of Profit & Loss Account**

Particulars	Note No.	Figures for the current reporting period 31/3/2012	Figures for the previous reporting period 31/3/2011
1	2	3	4
1 Revenue from Operations	L		
2 Other Income		805	1,000,000
3 Profit on write-off of expense		-	-
4 Total Revenue (1+2)		805	1,000,000
5 Expenses			
a Cost of materials consumed	M	-	-
b Purchases of Stock-in-trade		-	-
c Changes in Inventories of finished goods and work-in-progress and stock-in-trade		-	-
d Employee Benefits Expense	N	162,853	74,650
e Finance Costs	O	-	-
f Depreciation & Ammortization Expenses	P	17,367	10,667
g Other Expenses	Q	2,097,598	2,170,604
Total Expenses		2,277,818	2,255,921
6 Profit before exceptional and extra-ordinary items and tax (3-4)		(2,277,013)	(1,255,921)
7 Exceptional Items		-	-
8 Profit before extra-ordinary items and tax (5-6)		(2,277,013)	(1,255,921)
9 Extraordinary Items		-	-
10 Balance loss brought forward		(15,091,013)	(13,835,092)
11 Profit Before Tax (7-8)		(17,368,026)	(15,091,013)
12 Tax Expense:			
1. Current Tax	R	-	-
2. Deferred Tax		1,949	-
13 Profit/(Loss) for the period from operations		(17,366,076)	(15,091,013)
14 Earnings per Equity share:			
1. Basic	S		
2. Diluted			

See accompanying notes to the financial statements

As per our report of even date

For M/s Industrial Venture Capital Ltd.

For C.B.Joseph & Co.

Chartered Accountants

(Malcolm Joseph, Partner)

M. No. 202680 / FRN - 001385

Place : Chennai  
Date : 07.08.2012

George Kuruvilla  
Director

R.Nandakumar  
Director

**Notes to the balance sheet and profit and loss account for the year ended 31st March 2012**

**1. Accounting Policies:**

**a) Fixed Assets and depreciation:**

Fixed assets are carried at cost less accumulated depreciation. Depreciation is calculated from the month of purchase on Straight Line Method as rates specified as per Schedule XIV of the Companies Act and amendments thereof.

**b) Valuation of investments:**

Considered as long term and valued at cost. Accounting Standard 13 relating to valuation of shares is not applicable as the company is a Venture Capital Company.

**2. Contingent Liabilities:**

- a) Due to inadequate profits, the company has not provided for preference dividend payable to 15% Cumulative Convertible Preference Shareholders for the following years amounting to

Year	Rs.
1995-96	3,220,890.00
1996-97	4,125,000.00
1997-98	4,125,000.00
1998-99	4,125,000.00
1999-00	4,125,000.00
2000-01	4,125,000.00
2001-02	4,125,000.00
2002-03	915,411.00
(Upto 20.06.02 being the date of redemption)	
<b>TOTAL</b>	<b>28,886,301.00</b>

- b) The Company has not redeemed the Cumulative Convertible Preference shares amounting to Rs. 2,75,00,000/-, which was due for redemption on 20.06.2002 due to inadequate profits and reserves and the inability to mobilize fresh capital funds.

**3. Claims against the company, not acknowledged as debt:**

	<b>2011-2012</b>	2010-2011
	<b>Rs.</b>	Rs.
Claims against the company, not acknowledged as debt	<b>Nil</b>	Nil
4. Cash flow statement as required by Accounting Standard 3 has been enclosed in the Annexure below.		
5. Provisions relating to AS 17 (Segment Reporting) are not applicable as the earnings of the Company are from investments by way of deposit or shares.		
6. EPS as per AS 20 has not been worked out in view of arrears of preference dividend of Rs. 2,88,86,301/-		
7. Other additional information pertaining to paragraph 4c of part II of Schedule-I is not applicable.		
8. Figures of the previous year have been regrouped wherever necessary.		

Vide our report of even date

For C.B. Joseph & Co.  
Chartered Accountants  
Malcolm Joseph  
Membership No.: 202680

Place : Chennai  
Date : 07.08.2012

George Kuruvilla  
Director

R. Nandakumar  
Director

# INDUSTRIAL VENTURE CAPITAL LIMITED

Particulars	<b>Figures for the current reporting period 31/3/2012</b>	Figures for the previous reporting period 31/3/2011
<b>A Share Capital</b>		
Authorized Capital	<b>69,881,070</b>	69,881,070
a Par value per share	<b>10</b>	10
b No. of shares outstanding at the beginning of the year	<b>69,881,070</b>	69,881,070
Add: Shares issued during the year	-	-
Less: Shares bought-back during the year	-	-
No. of shares outstanding at the end of the year	<b>69,881,070</b>	69,881,070
c Shares held by persons in excess of 5% of the paid-up share capital:		
Equity shares:		
No. of Shares Held By :		
Holding Company (HC)		
Integrated Finance Company Ltd	<b>1988107</b>	1,988,107
Tamilnadu Industrial Investments Corporation Ltd	<b>1000000</b>	1,000,000
ICICI Bank	<b>250000</b>	250,000
Preference shares:		
No. of Shares Held By :		
Holding Company (HC)		
Tamilnadu Industrial Investments Corporation Ltd	<b>1000000</b>	1,000,000
ICICI Trustship	<b>2750000</b>	2,750,000
Total for Share Capital	<b>69,881,070</b>	69,881,070
<b>B Reserves &amp; Surplus</b>		
a Securities Premium Reserve		
Opening Balance:	<b>105,000</b>	105,000
Add: Receipts during the year:	-	-
Less: Deductions/Transfers during the year, if any:	-	-
Closing Balance	<b>105,000</b>	105,000
b Surplus from Profit & Loss Account:		
Opening Balance:	-	-
Add: Surplus/(Deficit) during the year	-	-
Less: Deductions during the year, if any:	-	-
Less: Transfer of surplus to Reserves	-	-
Closing Balance	-	-
Total for Reserves & Surplus	<b>105,000</b>	105,000
<b>C Other Current Liabilities</b>		
a Current Maturities of long-term debt	-	-
b Expenses payable	<b>4,925,530</b>	4,946,495
c Against Statutory Obligations	-	-
d Payable to service	<b>11,236</b>	6,618
Total for Other Current Liabilities	<b>4,936,766</b>	4,953,113
<b>D Short-term Provisions</b>		
a Provision for taxation (Also refer Note R on Tax Expenses)	<b>26,478</b>	26,478
Total for Short-term Provisions	<b>26,478</b>	26,478
<b>E Fixed Assets</b>		
a Tangible Assets		
Gross Block of Fixed Assets as at the beginning of the year	<b>1,271,638</b>	1,265,105
Add: Additions of Assets during the year	<b>17,100</b>	17,200
Gross Block of Fixed Assets as at the end of the year	<b>1,288,738</b>	1,282,305
Cumulative Depreciation on the assets upto 31-03-2012	<b>178,001</b>	160,633
Net Block of Fixed Assets as at the end of the year	<b>1,271,371</b>	1,271,638
Net Block of Fixed Assets as at the end of the year	<b>1,271,371</b>	1,271,638

## Fixed Assets &amp; Depreciation

Name of the Asset	Gross Block			Depreciation			Net Block	
	As at 31.03.11	Additions	As at 31.03.12	Upto 31.03.11	For the year	Upto 31.03.12	As at 31.03.12	As at 31.03.11
(Rate of Depreciation)								
<b>Land (0%)</b>	1,223,731	-	1,223,731	-	-	-	1,223,731	1,223,731
Sub-Total	1,223,731	-	1,223,731	-	-	-	1,223,731	1,223,731
<b>Plant &amp; Machinery (13.91%):</b>								
Electrical Fittings	5,503	-	5,503	17,336	765	18,101	4,738	5,503
Office Equipment	27,595	-	27,595	90,829	3,838	94,667	23,757	27,595
Sub-Total	33,098	-	33,098	108,165	4,603	112,768	28,495	33,098
<b>Electronics (40%):</b>								
Computers	14,808	17,100	31,908	47,992	12,763	60,755	19,145	14,808
Sub-Total	14,808	17,100	31,908	47,992	12,763	60,755	19,145	14,808
<b>Furniture &amp; Fittings (18.10%):</b>								
Furniture & Fixtures	1	-	1	4,477	-	4,477	1	1
Sub-Total	1	-	1	4,477	-	4,477	1	1
<b>Total</b>	<b>1,271,638</b>	<b>17,100</b>	<b>1,288,738</b>	<b>160,634</b>	<b>17,367</b>	<b>178,001</b>	<b>1,271,371</b>	<b>1,271,638</b>
Previous Year:	1,265,105	17,200	1,282,305	149,966	10,667	160,633	1,271,638	1,265,105

Particulars	<b>Figures for the current reporting period</b>	Figures for the previous reporting period
F Long-term Loans & Advances	<b>31/3/2012</b>	31/3/2011
a Loans & advances to related parties	<b>13,810,105</b>	13,282,643
b Other Loans and advances		
i) Outstanding lease rental - Kerala	<b>0</b>	215
ii) Inter Corporate Deposit	<b>26,370,592</b>	26,370,592
iii) Interest receivable	<b>0</b>	1,868
iv) Tax deducted at source	<b>257,845</b>	257,845
v) Advance	<b>35,000</b>	40,000
vi) Telephone deposit	<b>18,000</b>	18,000
Total for Long-term Loans & Advances	<b><u>40,491,542</u></b>	<u>39,971,163</u>
G Non-current Investments		
Non-current Investments shall be classified as trade investments and other investments and further classified as:		
a Investment Property		
b Investment in Equity Instruments		
c Investments in preference shares:		
A) 4,46,400 Equity shares of Rs. 10 each in Premier Housing & Industries Ltd. Fully paid (Rs.18 premium)	<b>12,499,200</b>	12,499,200
B) 60,000 Equity shares of Rs. 10 each in Operating Lease & Hire Purchase Co. Ltd. Fully paid	<b>600,000</b>	600,000
C) 6,02,000 Equity shares of Rs. 10 each in Muthu Murugan Mills Ltd. Fully paid	<b>6,020,000</b>	6,020,000
D) 50,000 Equity shares of Rs.10 each in M.M. Research Co. Pvt. Ltd. Fully paid	<b>500,000</b>	500,000
E) 4,28,900 Equity shares of Rs. 10 each in Archana Spinners Pvt. Ltd. Fully paid	<b>4,200,000</b>	4,200,000
F) 93,000 Equity shares of Rs. 10 each in Kelbro Floatech Ltd. Fully paid	<b>930,000</b>	930,000
G) 4,28,900 Equity shares of Rs. 10 each in Neptune Inflatables Ltd. Fully paid (Rs. 7 Premium)	<b>7,291,300</b>	7,291,300
Less: Diminution in Value of Investments	<b>32,040,500</b>	32,040,500
Add: Sundry Deposits	<b>(19,344,099)</b>	(19,344,099)
a) Fixed Deposit with SBT - Kerala (Sales Tax)	<b>12,696,401</b>	12,696,401
b) Fixed Deposit with SBI - Tamil Nadu (Sales Tax)	<b>10,000</b>	10,000
d Deferred Tax assets (net)	<b>2,000</b>	2,000
Total for Non-current Investments	<b><u>1,949</u></b>	<u>                    </u>
H Inventories		
Traded and Other goods	-	-
Total for Inventories	-	-
I Trade Receivables		
Non-current portion	<b>2,655,712</b>	2,655,712
Less: Provision for bad debts	<b>1,559,830</b>	1,559,830
Outstanding for a period less than six months	<b>1,095,882</b>	1,095,882
Outstanding for a period more than six months	-	-
Doubtful debts	-	-
(All receivables are unsecured, but considered good)		
Total for Trade Receivables	<b><u>1,095,882</u></b>	<u>1,095,882</u>
J Cash & Cash Equivalents		
a Cash on hand	-	-
b Balances with Banks	<b>2,014,092</b>	4,827,564
(Balances with nationalised banks and private banks)		
Total for Cash & Cash-Equivalents	<b><u>2,014,092</u></b>	<u>4,827,564</u>



**Notes to Accounts (Statement of Profit & Loss Account)**

Particulars	<b>Figures for the current reporting period 31/3/2012</b>	Figures for the previous reporting period 31/3/2011
L Revenue from Operations		
a Other Income	<b>805</b>	-
othe non-operating income (net of expenses directly attributable to such income		
Total Revenue from Operations	<b>805</b>	-
M Cost of Materials Consumed		
a Opening Stock of materials	-	-
Add: Purchases	-	-
Less: Closing Stock of materials	-	-
Cost of Materials Consumed	-	-
N Employees Benefit Expenses:		
a Salaries & Wages to staff	<b>162,853</b>	74,650
b Managerial Remuneration	-	-
c Staff welfare expenses	-	-
Total for Employees Benefit Expenses	<b>162,853</b>	74,650
O Finance Costs		
a Interest paid to bank on Term Loans	-	-
Total for Finance Costs	-	-
P Depreciation		
a Depreciation on fixed assets during the year	<b>17,367</b>	10,667
Depreciation has been charged on assets at appropriate rates as detailed in the Appendix giving the details of fixed assets and depreciation. In respect of additions, depreciation has been charged proportionately for the period they have been put to use.		
Total for Depreciation	<b>17,367</b>	10,667
Q Other Expenses		
a Other Direct Expenses		
Power & Fuel	<b>11,874</b>	11,532
	<b>11,874</b>	11,532
b Administrative Expenses		
Audit Fees	<b>11,236</b>	6,618
Audit Expenses	-	420
Administrative Charges P F	<b>147</b>	-
Bank Commission & Charges	<b>1,849</b>	764
Board Meeting Expenses	-	1,200
Board Sitting Fees	-	1,500
Boarding & Lodging Expenses	-	100,000
Miscellaneous Expenses	<b>139,650</b>	121,500
Other General Expenses	<b>86,400</b>	-
Outstation Transport Expenses	<b>8,564</b>	65,837
Legal Expenses & Fees	<b>1,367,150</b>	1,225,710
Local conveyance	<b>165,180</b>	223,006
Loss on write off income	<b>2,083</b>	-
Printing & Stationery	<b>109,097</b>	105,533
Professional charges	<b>5,000</b>	128,143
Postage & courier	<b>96,000</b>	115,432
Petrol	<b>9,000</b>	1,500
Rent Paid	<b>36,000</b>	36,000
Repairs & Maintenance	<b>6,600</b>	4,055
Taxes & Cess	-	1,454
Telephone Expenses	<b>17,850</b>	20,400
Travelling & Conveyance	<b>23,918</b>	-
	<b>2,085,724</b>	2,159,072
	-	-
	-	-
Total for Other Expenses	<b>2,097,598</b>	2,170,604

# INDUSTRIAL VENTURE CAPITAL LIMITED

Particulars	Figures for the current reporting period 31/3/2012	Figures for the previous reporting period 31/3/2011
R Tax Expenses:		
a Current Tax		
Opening Balance of Provision for taxation	-	-
Add: Provision set-aside during the year	-	-
Less: Tax computed and paid against the said provision	-	-
Less: Provision written back, if any	-	-
Closing Balance of Provision for taxation	-	-
No Provision has been made in the current year, in view of the loss incurred by the company during the year. The company is not required to pay even Minimum Alternate Tax u/s 115JB of the Income Tax Act, 1961.		
b Deferred Tax (Liability)		
Opening Balance of Deferred Tax Liability	-	-
Addition during the year *	<b>(1,949)</b>	-
Less: Reduction during the year	-	-
Closing Balance of Deferred Tax Liability	<b>(1,949)</b>	-
* Computation of DTL:		
Cumulative Depreciation as per Companies Act	<b>17,367</b>	-
Cumulative Depreciation as per Income Tax Act	<b>11,058</b>	-
Differential amount of Depreciation	<b>6,309</b>	-
Reduction in Income Tax payable due to higher depreciation	<b>1,949</b>	-

## Cash Flow Statement

	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
<b>(A) Cash Flow from OPERATING ACTIVITIES</b>		
Loss before extraordinary items and tax	2,277,013	
Add: Depreciation	<u>17,367</u>	
Less: Other Income	<b>805.00</b>	
Operating loss before adjusting working capital	<b>(2,260,451)</b>	
less: changes decrease in current liabilities	<b>16,347</b>	
Net cash flow from operating activities	<b>(2,276,798)</b>	<u>2,015,504</u>
<b>(B) Cash Flow from INVESTING ACTIVITIES</b>		
Interest received	0	
Net cash flow from investing activities	<b>(536,674)</b>	<u>0</u>
<b>(C) Cash Flow from FINANCING ACTIVITIES</b>		
Repay of Loan	0	
Net cash flow from financing activities	<b>0</b>	<u>0</u>
Net Increase/(Decrease) in cash/cash equivalents	<b>(2,813,472)</b>	2,015,504
Cash and cash equivalents at the beginning of the year	<b>4,827,564</b>	<u>2,812,060</u>
Cash and cash equivalents at the end of the year	<b>2,014,092</b>	<u>4,827,564</u>

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

For C.B. Joseph & Co.  
Chartered Accountants  
Malcolm Joseph  
Membership No.: 202680

Place : Chennai  
Date : 07.08.2011

George Kuruvilla  
Director

R. Nandakumar  
Director

# INTEGRATED STOCK BROCKING SERVICES PRIVATE LIMITED

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fifteenth Annual Report, Audited Balance Sheet and Profit and Loss Account of the company for the year ended 31st March 2012.

(Rs. in lakhs)

### 1. Financial Results and Operations:

	<b>For the year ended 31.03.2012</b>	Rot the year ended 31.03.2011
Gross Profit / (Loss)	<b>(74.75)</b>	(7.99)
Depreciation	<b>1.95</b>	1.62
Profit/(Loss) after Tax	<b>(76.70)</b>	(9.62)
Prior Year adjustment 0	-	-
Loss brought forward from previous year	<b>(407.62)</b>	(398.01)
Loss Carried forward	<b>(484.32)</b>	(407.62)

### 2. Operations :

Your Company is a wholly owned subsidiary of Integrated Finance Company Limited . The Company had to suspend its DP operations due to regulations requiring all depositories to increase the capital. As the restructuring of Integrated Finance Company Limited is yet to be completed due to litigation on the 391 restructuring proposal, Reserve Bank of India had not permitted further investment in Integrated Stock Broking Services Private Limited inspite of repeated requests by the Management as the Company's operations would get crippled and the subsidiary would incur huge losses. National Securities Depository Limited shut the Company's depository operations and the broking operations were also affected.

### 3. Future Prospects :

Your Company has decided to close branches during the previous year. The Company's plans are presently put on hold as the required funding from the holding Company for Capital expenditure is delayed due to pending court case pertaining to their restructuring.

### 4. Dividend :

Your Directors do not recommend any dividend for the year.

### 5. Fixed Deposits :

The Company has not accepted any Fixed Deposits from the Public.

### 6. Auditors :

M/s. Brahmaya & Co., Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The declaration u/s. 224 (1b) of the Companies Act, 1956 has been received from them.

### 7. Directors :

Mr. S.R. Veeraraghavan, Mr. N. Muralidharan, Mr. A. Gowrinathan and Mr. Amjad Siddique (additional director ) were the Directors as on 31.03.2012.

### 8. Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Inflow and Outflow :

The nature of the activity of the Company does not entail conservation of energy or technology absorption. There has been no inflow or outflow of Foreign Currency during the year.

### 9. Personnel :

Particulars of Employees in terms of requirements of Section 217 2 (A A) of the Companies Act, 1956 are not given as there are no employees drawing salary in excess of the limits prescribed by the relevant rules.

### 10. Director's Responsibility Statement pursuant to Section 217 2(M) of the Companies Act, 1956 :

Your Directors confirm that :

1. In preparation of the annual accounts for the period ended 31<sup>st</sup> March 2012, the applicable Accounting Standards have been followed along with proper explanation relating to material departures .
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the company at the end of the financial year and of the Profit or Loss of the company for the year under review .
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the accounts for the Financial Year ended 31<sup>st</sup> March 2012 on a 'going concern" basis.

### 11. Acknowledgements :

Your Directors appreciated the assistance and co-operation extened by the Bankers , Clients and the services rendered by the Employees.

Place : Chennai  
Date : 29.08.2012

For and on behalf of the Board  
M.AMJAD SIDDIQUE  
Director

## INTEGRATED STOCK BROCKING SERVICES PRIVATE LIMITED

### Auditor's Report to the Members of Integrated Stock Broking Services Private Limited

1. We have audited the attached balance sheet of Integrated Stock Broking Services Private Limited, as at 31st March 2012, and also the Profit and Loss account and the cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (ii) 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.
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the balance sheet and profit and loss account and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
  - (v) On the basis of written representations received from the Directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) a) **The Operations of the company have been suspended and no business is carried from mid August 2011 onwards. All the branches have been closed except the Cochin branch (PMD Division). The Company has surrendered the license to NSDL in respect of DP Operations during July 2011. In View of the above we are unable to express our view whether the company is a going concern or not, consequently we are unable to express our opinion whether the financial statements give a true and fair view of the affairs of the company.**
  - b) **Cash and bank balances include an amount of Rs.4,02,214 (unfavourable) being the balance with the banks which has not been reconciled due to non availability of statements and confirmation. We are unable to form an opinion to that extent.**
- (vii) **Subject to our comments above, in our opinion and to the best of our information and according to the explanations given to us, and especially in view of our comments in Para (vi) (a) above, the said accounts does not give the information required by the Companies Act, 1956, in the manner so required and does not 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 31<sup>st</sup> March 2012;
  - (b) in the case of the profit and loss account, of the loss for the period ended on that date; and
  - (c) in the case of cash flow statement of the cash flows for the period ended on that date;

For BRAHMAYYA & CO.,  
Chartered Accountants  
( Firm Regn No:000511S)  
N SRIKRISHNA  
Partner  
Membership No 26575

Place : Chennai  
Date : 27.08.2012

### ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. The provisions of Clauses of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 listed below are not applicable to the Company for the year:
  - a. Clause (vi) regarding acceptance of deposits;
  - b. Clause (viii) regarding maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956;
  - c. Clause (xi) regarding defaults in repayment of dues to financial institutions, bank and debenture-holders;
  - d. Clause (xii) regarding loans granted against pledge of shares and securities etc.;
  - e. Clause (xiii) regarding special statute applicable to Chit Funds and Nidhis/Mutual Benefit Fund and Societies;
  - f. Clause (xvi) regarding funds raised by term loans and their end use;
  - g. Clause (xviii) regarding preferential allotment of shares to specified parties;
  - h. Clause (xix) regarding creation of securities in respect of debentures; and
  - i. Clause (xx) regarding money raised by public issue and its end use
2. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management during the year has not physically verified the fixed assets. During the year, there was no substantial disposal of fixed assets affecting the status of the company as a going concern.
3. The Company does not have any inventory other than stock of shares. The Company has verified the stock of shares.
4. In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loans secured or unsecured to / from companies, firms and other parties entered in the Register maintained under Section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and sale of services. During our audit, no major weakness has been noticed in the internal controls, except to the point as mentioned in the Clause 8 below.
6. Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that the transactions that need to be entered into the Register maintained under Section 301 have been so entered.
7. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Registers maintained under Section 301 and exceeding the value of Rs.5, 00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
8. In our opinion the Company has no internal audit system, commensurate to the size and nature of the business of Company.

- 9 a) Generally the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, investor education and protection fund, income tax, sales tax, wealth tax, service tax, excise duty and customs duty during the year.
- b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, service tax and excise duty which are outstanding as at 31st March, 2012 for a period of more than six months from the date they become payable except default in payment of service tax amounting Rs 0.2 Lakhs (11.09 Lakhs accumulated) and ESI Rs. 0.05 Lakhs with respect to current year.
10. According to the records of the company and the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty, cess which have not been deposited on account of any dispute.
11. The accumulated losses at the end of the financial year of Rs 484.27 Lakhs are more than fifty per cent of its net worth of Rs 597.20 Lakhs and the Company has not incurred cash loss during the current year.
12. Based on our examination of records and information and explanations given to us, the company has not dealt / traded in shares, securities, debentures and other investments during the year. However, in course of business, company is obligated to under take the transaction of purchase and sale of shares. As informed and explained to us proper records have been maintained of the transactions and contracts relating to such transactions and timely entries have been made therein. The company in its own name has held the shares, securities, debentures and other investments except for securities mentioned in Note No.6.
13. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
14. No funds raised on short-term basis have been used for long-term investment.
15. Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Chennai  
Date : 27.08.2012

For BRAHMAYYA & CO.,  
Chartered Accountants  
(Firm Regn No:000511S)  
N SRIKRISHNA  
Partner  
Membership No 26575

**INTEGRATED STOCK BROKING SERVICES PRIVATE LIMITED**  
**Balance Sheet as at 31.03.2012**

	Schedule No.	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	<b>59,720,000</b>	59,720,000
(b) Reserves and surplus	3	<b>(48,431,635)</b>	(40,762,034)
(c) Money received against share warrants			
<b>2 Share application money pending allotment</b>			
-			
<b>3 Non-current liabilities</b>			
(a) Long-term provisions	4	<b>366,244</b>	366,244
<b>4 Current liabilities</b>			
(a) Trade payables		<b>3,507,875</b>	3,579,700
(b) Other current liabilities	5	<b>4,236,709</b>	3,687,291
(c) Short-term provisions	6	<b>56,000</b>	56,000
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,455,193</b>	<b>26,647,200</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	<b>353,405</b>	548,078
(b) Long-term loans and advances	8	<b>16,256,585</b>	17,181,162
<b>2 Current assets</b>			
(a) Inventories	9	<b>55,427</b>	55,427
(b) Trade receivables	10	<b>257,593</b>	6,329,819
(c) Cash and Bank balances	11	<b>864,747</b>	378,504
(d) Short-term loans and advances	12	<b>1,624,137</b>	2,058,551
(e) Other current assets	13	<b>43,300</b>	95,657
<b>TOTAL ASSETS</b>		<b>19,455,193</b>	<b>26,647,200</b>
Summary of Significant Accounting Policies	1		

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

As per our report attached  
**FOR BRAHMAYYA & CO.**  
Chartered Accountants

Registration No.000511S  
N SRIKRISHNA  
Partner  
Membership No 26575

Place : Chennai  
Date : 27.08.2012

For and on behalf of the Board of Directors of  
**INTEGRATED STOCK BROKING SERVICES (P) LIMITED**

M.Amjad Siddique  
Director

N.Muralidharan  
Director

**Statement of Profit and Loss for the year ended 31st March 2012**

Particulars	Note No.	Year ended 31st March 2012 Rs.	Year ended 31st March 2011 Rs.
Revenue from operations	14	<b>805,488</b>	4,790,052
Other Income	15	<b>841,072</b>	93,438
<b>Total Revenue</b>	A	<b>1,646,560</b>	4,883,490
Expenses:			
Employee benefits expense	16	<b>987,610</b>	2,392,469
Depreciation and amortization expense	7	<b>194,673</b>	162,344
Other expenses	17	<b>1,068,332</b>	3,290,201
Loss on trading in Securities			
Diminution in the value of Securities held as stock in trade			
Bad Debts Written off		<b>13,411</b>	-
<b>Total expenses</b>	B	<b>2,264,026</b>	5,845,013
<b>Profit before exceptional and extraordinary items and tax</b>	(A-B)	<b>(617,466)</b>	(961,523)
Provision for Doubtful Debts and Advances		<b>7,052,134</b>	-
<b>Profit before tax</b>		<b>(7,669,600)</b>	(961,523)
Tax expense		-	-
<b>Profit (Loss) for the period</b>		<b>(7,669,600)</b>	(961,523)
Earnings per share		<b>(1.28)</b>	(0.16)
Summary of Significant Accounting Policies	1		

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

As per our report attached  
**FOR BRAHMAYYA & CO.**  
Chartered Accountants

Registration No.000511S  
N SRIKRISHNA  
Partner  
Membership No 26575

Place : Chennai  
Date : 27.08.2012

For and on behalf of the Board of Directors of  
**INTEGRATED STOCK BROKING SERVICES (P) LIMITED**

M.Amjad Siddique  
Director

N.Muralidharan  
Director

## Notes forming part of the Accounts for the year ended 31.03.2012

Note: 1 Accounting Policies:

- (a) Income Recognition:  
Brokerage on Stock broking activity, Depository Participant activity and interest on Fixed Deposits are accounted on accrual basis.
- (b) Depreciation Policy:  
Depreciation on assets is provided on Straight Line Method at rates prescribed in schedule XIV to Companies Act, 1956. Assets costing Rs.5, 000/- or less acquired during the period have been written off.
- (c) Valuation of Fixed Assets:  
Fixed Assets are carried at cost less accumulated depreciation.
- (d) Valuation of Closing Stock of Shares:  
Closing Stock of Shares are valued at lower of cost or market value .Cost is ascertained on First in first out method.
- (e) Retirement Benefits:
  - a) Liability on account of Gratuity to employees has been provided for on the basis of Actuarial valuation.
  - b) Contribution to Provident fund is made monthly at predetermined rate, to the Provident fund authorities for eligible persons and is accounted on accrual basis.
  - c) Provision for leave encashment is made as per the company's scheme on the basis of Actuarial valuation.
- (f) According to Sec 383(A) of the Companies Act 1956, the company does not have a Company Secretary though the paid up capital is above Rupees two crores. However, the management is taking all reasonable steps to appoint a Company Secretary.
- (g) As per amended Companies Act, 2000 since the Company is a Subsidiary Company of Integrated Finance Company Limited, it becomes a Public Company as per Sec 3(1) (iv) of the Act.

### Note no. 2 Share Capital

Share Capital	As at 31st March 2012		As at 31 March 2011	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of Rs.10/- each	6,000,000	60,000,000	6,000,000	60,000,000
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs.10/- each	5,972,000	59,720,000	5,972,000	59,720,000
<b>Total</b>	<b>5,972,000</b>	<b>59,720,000</b>	<b>5,972,000</b>	<b>59,720,000</b>

### Particulars of shares outstanding during the reporting period

Particulars	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	5,972,000	59,720,000	5,972,000	59,720,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,972,000	59,720,000	5,972,000	59,720,000

### Particulars of shareholders holding more than 5% of the shares

Name of Shareholder	As at 31st March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCL	5,971,980	99.99	5,971,980	99.99

2.1 Terms / Rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs10 per share. Each Holder of equity shares is entitled to one vote per share.

2.2 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

2.3 There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.

2.4 No equity shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment as at the balance sheet date.

### Note No. 3 Reserves and Surplus

#### Reserves & Surplus

	As at 31st March 2012 ₹	As at 31st March 2011 ₹
<b>a. Surplus /(Deficit)</b>		
Opening balance	(40,762,034)	(39,800,511)
(+) Net Profit/(Net Loss) For the current year	(7,669,600)	(961,523)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<u>(48,431,635)</u>	<u>(40,762,034)</u>
	<b>(48,431,635)</b>	<b>(40,762,034)</b>

### Note 4 - Long Term Provisions

#### Long Term Provisions

(a) Provision for employee benefits

Gratuity	366,244	366,244
	<b>366,244</b>	<b>366,244</b>

### Note No. 5 Other Current Liabilities

#### Other Current Liabilities

Other liabilities	4,236,709	3,687,291
	<b>4,236,709</b>	<b>3,687,291</b>

### Note No. 6 Short Term Provisions

#### Short Term Provisions

(a) Provision for employee benefits

Leave Encashment	56,000	56,000
	<b>56,000</b>	<b>56,000</b>

## 7. Schedule of Fixed Assets

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.04.2011	Additions	Deletions	As on 31.03.2012	As on 1.04.2011	Depreciation during the year	Deletions	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010
1. Computer	8,181,821	0	0	8,181,821	8,052,477	125,153	0	8,177,630	4,191	129,344
2. Furniture	648,195	0	0	648,195	602,841	22,894	0	625,735	22,460	45,354
3. Vehicles	23,317	0	0	23,317	23,313	0	0	23,313	4	4
4. Electrical Fittings	112,008	0	0	112,008	67,157	5,046	0	72,203	39,805	44,851
5. Office Equipments	883,974	0	0	883,974	555,449	41,580	0	597,029	286,945	328,525
<b>TOTAL</b>	<b>9,849,315</b>	<b>0</b>	<b>0</b>	<b>9,849,315</b>	<b>9,301,237</b>	<b>194,673</b>	<b>0</b>	<b>9,495,910.44</b>	<b>353,404.56</b>	<b>548,078</b>
Previous Year	9,710,435	138,880	-	9,849,315	9,138,894	162,344	0	9,301,238	548,077	571,541
								<b>As at 31st March 2012</b>		<b>As at 31st March 2011</b>
								₹		₹

### Note No.8 Long Term Loans and Advances

#### Long Term Loans and Advances

##### (Unsecured unless otherwise stated and Considered Good)

Trade/Security Deposits	<b>16,754,666</b>	16,734,276
Less: Provision for doubtful deposits	<b>(1,000,000)</b>	-
	<b>15,754,666</b>	16,734,276
Other loans and advances (specify nature)		
Advance Tax (net of provisions)	<b>603,703</b>	548,670
FBT	<b>(101,783)</b>	(101,783)
	<b>501,920</b>	446,887
	<b>16,256,585</b>	17,181,162

### Note 9 Inventories

Particulars	2011-12		2010-11	
	No. of Shares	Value (Rs)	No. of Shares	Value (Rs)
Larsen & Turbo Ltd (face value Rs 2 each) ( 10 Nos. received as Bonus share)	20	905	20	905
Ultratech Cement Ltd	4	904	4	904
MRF Ltd	50	39,767	50	39,767
Sundaram Brake Linings Ltd	360	5,400	360	5,400
Tata Investment Corporation Ltd	-	-	-	-
ICICI Bank Ltd	50	6,080	50	6,080
Reliance Industries Ltd	9	1,980	9	1,980
Prism Cement Ltd	100	390	100	390
Vasta Corporation Ltd	500	0	500	0
Shaan Interwell(India) Ltd	400	0	400	0
<b>TOTAL</b>		55426		55426

### Note 10 Trade receivable

#### Trade Receivables

a)Trade receivables outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered doubtful	<b>6,309,727</b>	6,329,819
Less: Provision for doubtful debts	<b>6,052,134</b>	-
	<b>257,593</b>	6,329,819
	<b>257,593</b>	6,329,819

### Note 11 Cash and bank balances

#### Cash and cash equivalents

a. Balances with banks

In Current Accounts with Schedule Banks	<b>547,687</b>	50,160
Fixed Deposits	<b>216,260</b>	205,649
b. Cash on hand	<b>100,800</b>	122,696
	<b>864,747</b>	378,504

### Note 12 Short term loans and advances

#### Short-term loans and advances

##### a. Loans and advances to related parties

Unsecured, considered good	<b>915,186</b>	1,351,146
Less:Provision for doubtful loans and advances	-	-
	<b>915,186</b>	1,351,146

##### b. Others

Loans and Advances to Employees	<b>5,833</b>	5,833
Other Advances	<b>703,118</b>	701,572
	<b>708,951</b>	707,405
	<b>1,624,137</b>	2,058,551

### Note 13 Other current assets

#### Other current assets

Brokerage Receivable	-	4,188.00
Receivable Others	<b>43,300</b>	91,469
	<b>43,300</b>	95,657



**Note 14 Revenue from Operations****Particulars**

Registration service	1,200	14,400
Income from primary issues	146,590	-
Brokerage Income	657,699	3,589,548
Demat	-	1,044
Income from DP Operations	-	901,605
Market Transfer	-	202,145
OFF Market Transfer	-	68,481
Pledge Income	-	12,829
	<b>805,488</b>	<b>4,790,052</b>

**Note 15 Other Income****Particulars**

Miscellaneous Income	830,460	81,045
Interest Income	10,612	12,394
Write off of Trade Payables	-	-
	<b>841,072</b>	<b>93,438</b>

**Note 16 Employee Benefits expense****Employee Benefits Expense**

(a) Salaries and incentives	905,235	2,012,516
(b) Contributions to -		
(i) Provident fund	45,495	218,867
(ii) Gratuity fund contributions		
(iii) Staff welfare expenses	36,880	161,086
	<b>987,610</b>	<b>2,392,469</b>

**Note. 17 - Other Expenses****Particulars**

Repair charges	20,098	175,118
Audit fees	11,030	275,311
Bank charges	9,755	2,446
Brokerage paid	271,390	143,528
Business promotion	5,000	6,000
Computer maintenance	14,160	111,735
Courier charges	2,482	35,315
Dp transaction charges	4,522	11,477
Electricity charges	44,940	139,713
Insurance premium	25,166	26,964
Internet charges	3,883	10,961
Legal expenses	35,000	28,120
Miscellaneous expense	62,620	405,553
Nsecharges	236,339	52,706
Periodicals & subscriptions	2,270	3,560
Postages	10,918	176,680
Printing & stationery	41,770	121,072
Professional charges	7,206	31,095
Rent	136,236	394,524
Repairs and maintenance	8,560	70,687
Service tax	11,533	64,274
Telephone charges	103,454	306,040
Nse annual fees	-	100,000
Vsat expenses	-	210,299
Nsdl fees account	-	387,022
	<b>1,068,332</b>	<b>3,290,201</b>

**Note. 18**

The Debtors of the company include receivables of Rs.35,03,412 from its D.P customers spread over large number (small values), out of which Rs.22,50,810 from clients without holdings in the Depository account. Currently there is no process of confirmation or there is no process to validate the outstanding due from such customers. However, the company has initiated steps to bring in a process wherein all the receivables will be addressed in a phased manner and those eventually realizable would be ascertained upon completion of such process.

**Note. 19**

The company is in the process of ascertaining the details of Vendor/Supplier who fall under the purview of "The Micro, Small and Medium Enterprises Development Act 2006" and on completion of this process, will take necessary steps to comply with the said Act.

**Note. 20**

Previous year figures have been regrouped wherever necessary.

As per our report attached  
For BRAHMAYYA & Co.,  
Chartered Accountants,  
Firm Regn. No: 000511S  
N. SRIKRISHNA  
Partner  
Membership No.26575  
Place : Chennai.  
Date : 27.08.2012

For and on behalf of Board of Directors of  
Integrated Stock Broking Services (P) Limited

M.AMJAD SIDDIQUE  
Director

N.MURALIDHARAN  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012**

	<b>For 12 Month period ended 31-03-12</b>	<b>For 12 Month period ended 31-03-11</b>
	Rs	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
LOSS BEFORE TAX:	<b>(7,669,600)</b>	(961,523)
Adjustments for:		
Add: Depreciation	<b>194,673</b>	162,344
Provision for Doubtful Debts	<b>7,052,134</b>	-
Provision for Gratuity/ leave encashment	-	(62,564)
	<b>(422,792)</b>	(861,743)
Less: Profit on sale of assets	-	-
Interest/dividend	<b>10,612</b>	12,394
Profit on sale of Investments	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<b>(433,404)</b>	(874,137)
Adjustments for:		
Trade and other receivables	<b>431,442</b>	(766,133)
Inventories	-	-
Trade and other payables	<b>477,593</b>	(138,784)
CASH GENERATED FROM OPERATIONS	<b>475,631</b>	-
Direct taxes paid (Net)	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	<b>475,631</b>	(1,779,054)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(138,880)
Sale of assets	-	-
Purchase of Investments	-	-
Sale of Investments	-	-
Interest/dividends received	<b>10,612</b>	12,394
NET CASH USED IN INVESTING ACTIVITIES (B)	<b>10,612</b>	(126,486)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of Share capital including share premium	-	-
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	-	-
Proceeds/(Repayment) of short term borrowings (Net)	-	-
Interest and finance charges Paid	-	-
Dividends and Dividend tax paid	-	-
NET CASH USED IN FINANCING ACTIVITIES (C)	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<b>486,243</b>	(1,905,540)
Cash and cash equivalents at the beginning of the year	<b>378,504</b>	2,284,043
Cash and cash equivalents at the end of the year	<b>864,747</b>	378,504
	<b>486,243</b>	(1,905,539)

Note: 1. Figures in brackets indicate cash outflow  
2. Figures have been regrouped wherever necessary.

As per our report attached  
For Brahmaya & Co.,  
Chartered Accountants  
Registration No.000511S  
N Sri Krishna  
Partner  
Membership No. 026575  
Place : Chennai  
Date : 27.08.2012

For and on behalf of the Board of Directors of  
INTEGRATED STOCK BROKING SERVICES (P) LIMITED

M.Amjad Siddique      N.Muralidharan  
Director                      Director