

NOTICE

NOTICE is hereby given that Annual General Meeting of **SAFAL SECURITIES LIMITED** will be held on 24th September, 2013 at 11:00 a.m. at the Registered office of the Company at 9, Ankur Complex, B/h. Town Hall, Ellipsebridge, Ahmedabad - 380006 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Directors and auditors thereon.

2. To appoint a Director in place of Mr. Sanjay S. Shah who retires by rotation and being eligible offers himself for reappointment.

3. To appoint auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To Consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary Resolution.

RESOLVED THAT Mr. Rajubhai B. Desai who was appointed as additional Director of the company by the Board of Directors with effect from 23rd July, 2012 and who according to section 260 of the companies Act, 1956 hold office up to the date of this Annual General Meeting and in respect of whom the company has received a notice from shareholders in writing proposing his candidature for the office of the Directors be and is hereby appointed as a Director of the company.

Dated : 30th May, 2013
Place : AHMEDABAD

BY ORDER OF THE BOARD

SD/-
CHAIRMAN

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty-eight hours before the time of holding the Meeting.
2. Members/Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
3. The Register of Members and share transfer books of the Company will remain closed from 18.09.2013 to 24.09.2013 (both days inclusive)
4. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.

DIRECTOR'S REPORT

To,

The Members

Safal Securities Ltd.

Your Directors have pleasure in presenting the Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

The summarized financial results for the year ended 31st March, 2013 are as under:

<u>Particulars</u>		<u>2012-2013</u>	<u>2011-2012</u>
1. Profit before Interest, Depreciation and Tax	1.04	5.10	
2. Interest	--	--	
3. Depreciation	--	--	
4. Profit (Loss) Before Tax	1.04	5.10	
5. Provision for taxation	0.32	1.60	
6. Profit (loss) after Tax	0.72	3.50	

DIRECTORS :

Mr. Sanjay S. Shah director of the Company retires by rotation at this annual general meeting and being eligible, offers himself for reappointment. The board of directors recommends the appointment of the directors.

DIVIDEND :

Your director do not recommend dividend for the year.

FIXED DEPOSITS:

The company has not accepted the fixed deposits during the year under report.

AUDITORS :

D. A. Rupawala & Associates, Auditors of the Company retires at the conclusion of this Annual General Meeting and being eligible, are recommended for reappointment.

AUDITORS REPORT:

The Auditors report is self-explanatory and so far, there is no negative remark by the Auditors.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement under section 217 (2AA) of the Companies Amendment Act, 2000 with respect to Director Responsibility Statement it is hereby confirmed:

1. That in the preparation of the annual accounts for the financial year ended 31st March, 2013 the applicable accounting standards had been followed along with proper explanation relating to material departures.

2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. That the directors had prepared the accounts for the financial year ended 31st March, 2013 on a going concern basis.

CORPORATE GOVERNANCE :

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance there to is set out in the Annexure forming part of this report.

LISTING:

The shares of the Company are listed on Ahmedabad and Bombay Stock Exchange Limited.

PARTICULARS OF THE EMPLOYEES :

The Company has no employee to whom the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 apply and so it is not applicable to the company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO :

The additional information required under Section 217(1)(e) of the Companies Act, 1956 relating to Conservation of energy, technology absorption and foreign exchange earnings or outgoes is not applicable.

ACKNOWLEDGMENT :

The Directors wish to thank and deeply acknowledge the cooperation and assistance received from the Bankers, Suppliers and shareholders. The Director also wishes to place on record their appreciation of the devoted services of employees of the Company.

**DATE : 30.05.2013
PLACE: AHMEDABAD**

**FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS**

**S/-
CHAIRMAN**

SAFAL SECURITIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Overall Review

The Growth rate has been on the upward trend as compared to the previous year with favorable market conditions which reflect the positive market.

2. Financial Review

During the year the company has continue its business activities and earned the profit of Rs. 1.04 Lacs.

3. Risk and Concern

Bullish trend in Equity Markets, Commodities and Real estate will effect volume and profitability of Government Securities business. Changes in rate of interest will effect Company's Profitability.

4. Internal Control System and their adequacy

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliance of guide lines and policies, adhere to the management instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management.

5. Environmental Issues

As the company is not in the field of manufacture, the matter relating to produce any harmful gases and the liquid effluents are not applicable.

6. Financial Performance with Respect to Operation Performance

The Company has all the plans for tight budgetary control on key operational performance indication with judicious deployment of funds without resorting to any kind borrowing where ever possible.

7. Cautionary Statement

Statement in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of forward - looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

The company pursuant to the code on Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) furnishes its report as under :

Company's Philosophy on Code of Governance

The Company's philosophy on corporate governance envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders.

BOARD OF DIRECTORS

a) Size and Composition of the Board:

The Company has a proper blend of Executive and Independent Directors to maintain the independence of the Board. As of the year ended 31st March, 2013, the Board of Directors had 3 members comprising of 1 Executive Directors and 2 Non-Executive Directors. All the Non-Executive Directors are Independent Directors.

The details in regard to the attendance of Directors at Board Meetings/Shareholders Meetings held during the year as also the number of Directorships held by them in other Companies and the position of membership of Committee/s are given below:

Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31 st March 2013	Chairman as at 31 st March 2013	Other Mandatory Committee** membership as at 31 st March 2013
Mr. Sanjay S. Shah	Executive Director	12	Yes	No	No	No
Mr. Mukesh B. Desai	Non Executive Director	12	Yes	Yes	No	Yes
Mr. Rajubhai B. Desai	Non Executive Director	12	N.A.	NIL	NIL	NIL

Mr. Prakashsinh Rehvar had resigned from the post of director as on 23.07.2013.

*Excludes Directorships in private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

**Represents Membership/Chairmanship of the Audit Committee, Shareholders/ Investors Grievance Committee and Remuneration Committee of other companies.

CMD-Chairman & Managing Director, WTD- Whole Time Director, NE- Non Executive.

b) Management & Function of the Board:

The day-to-day management of the Company is conducted by the Chairman & Managing Director in consultation with four Whole Time Directors and subject to the supervision and control of the Board of Directors. The required information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board also reviews the Board Minutes of its Subsidiary Company.

c) Details of Board Meetings held during the Financial Year and the number of Directors present:

Serial No.	Dates on which the Board Meeting was held	Total Strength of the Board	No. of Directors Present
1	17.04.2012	3	3
2	30.04.2012	3	3
3	07.06.2012	3	3
4	26.07.2012	3	3
5	31.07.2012	3	3
6	31.10.2012	3	3
7	18.12.2012	3	3
8	29.12.2012	3	3
9	31.12.2012	3	3
10	31.01.2013	3	3
11	14.03.2013	3	3
12	31.03.2013	3	3

d) Committees of the Board

Currently the Board has three committees viz:

1) Audit Committee

Composition:

The Audit Committee has been constituted in conformity with the requirements of Section - 292A of the Companies Act, 1956 and Clause – 49 of the Listing Agreement with Stock Exchanges.

At present the Audit Committee comprises of two Non Executive & Independent Directors. Details of the composition, number of meetings held during the year and attendance thereat are as under :

Name	Position held	Attendance at Audit Committee meeting held on			
		30.04.2012	31.07.2012	31.10.2012	31.01.2013
Mr. Mukesh Desai	Chairman	Yes	Yes	Yes	Yes
Mr. Rajubhai Desai	Member	N.A.	Yes	Yes	Yes

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

Powers of the audit committee includes:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference are broadly as under :

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Matters required to be included in the Director's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the periodical financial statements with management before submission to the board for their approval.

- f. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g. Discussion with internal auditors any significant findings and follow up there on.
- h. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- j. Reviewing the Company's financial and risk management policies.
- k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

2) Shareholders'/Investors' Relations Committee

The Shareholders'/Investors' Grievance Committee of the Company comprises of two directors. Details of the composition, number of meetings held during the year and attendance thereat as under:

Name	Category of Director	Attendance at Shareholders' Committee meeting held on				Position held	Category of Director	Non – Executive	Member	N.A.	Yes	Yes	Yes	Yes
		30.04.2012	30.07.2012	30.09.2012	31.10.2012									
Mr. Sanjay S. Shah	Executive Director	Yes	Yes	Yes	Yes	Chairman	Director				Yes	Yes	Yes	Yes
Mr. Rajubhai B. Desai	Non – Executive Director					Member	Director			N.A.	Yes	Yes	Yes	Yes

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days except in case of dispute over facts or other legal constraints.

During the year complaints were received from SEBI or shareholders were resolved satisfactorily.

No requests for share transfers are pending except those that are disputed or sub-judice.

Mr. Sanjay Shah, Director of the company is the Compliance Officer of the Company.

3) Remuneration Committee:

The Remuneration Committee of the Company comprises of two members, all being non-executive independent directors. Details of composition, number of meetings held during the year and attendance thereat are as under:

Name	Position held	Attendance at Remuneration Committee meeting held on			
		30.04.2012	30.07.2012	30.10.2012	31.03.2013
Mr. Mukeshbhai Desai	Chairman	Yes	Yes	Yes	Yes
Mr. Sanjay S. Shah	Member	Yes	Yes	Yes	Yes

The terms of reference of the Remuneration Committee, inter alia consists of to recommend to the Board and to the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for executive directors including any compensation payment if required and shall review the same from time to time if required.

e) Remuneration Policy & Remuneration paid to Board of Directors:

Remuneration Policy

At present the company has decided not to pay any remuneration to any directors of the company unless and until the company will achieve good financial performance.

The Company does not have any scheme for grant of stock option to its Directors or Employees nor it pay any commission to any of its Directors.

Code of Conduct for Senior Management

The Company has adopted a Code of Conduct for Directors and Senior Management. It is the responsibility of all employees and Directors to familiarize themselves with the Code and comply with the same.

The Code includes provisions where the employees of the Company can voice their concerns on violation and potential violation of this Code in a responsible and effective manner.

All Board members and senior management personnel have confirmed compliance with the code. A declaration signed by the Managing Director is attached and forms part of the Annual Report of the company.

CEO Certification

Chief Executive Office (CEO) certification on financial statements pursuant to the provisions of Clause 49 of the listing agreement is annexed and forms part of the Annual Report of the company.

SHAREHOLDERS INFORMATION::

Location and time of Annual General Meetings held in last three years

For the Year	Location	Date & Time	Special Resolution passed Yes Or No
2011-12	9, Ankur Complex, B/h. Town Hall, Opp. X-ray House, Ellisbridge, Ahmedabad - 380006	28 th May, 2012 11.00 a.m.	No
2010-11	9, Ankur Complex, B/h. Town Hall, Opp. X-ray House, Ellisbridge, Ahmedabad - 380006	30 th September, 2011 11.30 a.m.	No
2009-10	9, Ankur Complex, B/h. Town Hall, Opp. X-ray House, Ellisbridge, Ahmedabad - 380006	30 th September, 2010 11.00 a.m.	No

Financial year : 1st April 2012 to 31st March 2013

Date & Time of Annual General Meeting : 24th September, 2013 at 11.00 a.m.

Venue : 9, Ankur Complex, B/h. Town Hall, Opp. X-ray House, Ellisbridge, Ahmedabad - 380006

Book closure date : 18th September, 2013 to 24th September, 2013 (both days inclusive) for Annual General Meeting.

Dividend payment date : N.A.

Registered office : 9, Ankur Complex, B/h. Town Hall, Ellisbridge, Ahmedabad - 380006

Compliance officer : Mr. Sanjay Shah, Director

Financial calendar

The Company has announced/expects to announce the unaudited quarterly results for the year 2013-14 as per the following schedule:

First quarter : on or before 30th July, 2013
 Second quarter : on or before 31st October, 2013
 Third quarter : on or before 30th January, 2014
 Fourth Quarter : on or before 30th April, 2014

Means of communication

The quarterly and half-yearly financial results are published in newspapers.

Listing on Stock Exchange

The shares of the Company are listed on Ahmedabad and Bombay Stock Exchange Limited.

Stock Code - BSE : 531448

ASE : 04940

Dematerialization Information

M/s. Cameo Corporate Services Ltd. is a Registrar and Transfer Agent of the Company for handling the work of shares for transfer/demat/remat and any other specified work.

Distribution of Shareholding as on March 31, 2013

No. of Equity shares held	No of share holders	% of shareholders	No of shares held	% of holding
1-5000	339	47.55	793560	1.59
5001-10000	128	17.95	1129800	2.26
10001-20000	106	14.87	1634750	3.27
20001-30000	33	4.63	862140	1.72
30001-40000	12	1.68	446990	0.89
40001-50000	16	2.24	742410	1.48
50001-100000	21	2.95	1478440	2.96
More than 100000	58	8.13	42912910	85.82
Total	701	100.00	5000100	100.00

Categories of Shareholders as on March 31, 2013

Category	No. of Shares	% of Shares
A Promoter's Holding		
1 Indian Promoters	17,00,000	34.00
2 Foreign Promoters	-----	-----
Sub total	17,00,000	34.00
B Non-Promoters		
3 Institutional Investors	-----	-----
A Mutual Funds and UTI	-----	-----
B Banks, Financial Inst., Insurance Com.	-----	-----
(Central State Gov. Inst./Non-Gov Inst.)	-----	-----
C FIIS	-----	-----
Sub total	-----	-----
4 Non - Institutional Investors		
A Private corporate Bodies	11,77,835	23.56
B Indian Public	17,97,718	53.94
C NRIs / Clearing Member/OCBS	3,24,547	6.50
Sub total	33,00,100	66.00
GRAND TOTAL	50,00,100	100.00

Disclosures

(1) There are no materially significant related party transactions of the Company with key managerial personnel which have potential conflict with the interest of the Company at large.

(2) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from 1st April 2012 to 31st March 2013 : NIL.

(3) Secretarial Audit -

Mrs. Khushbu Trivedi, Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Unclaimed Dividends
The Company will be required to transfer dividends which have remained unpaid/unclaimed for the period of 7 years to the Investor Education & Protection Fund established by the Government. However there is no such unclaimed/unpaid dividend for which Company has to transfer the same to the Investor Education & Protection Fund in this financial year.

Address for Correspondence

Shareholders can do the correspondence at:

To,
Compliance Officer
Safal Securities Limited
9, Ankur Complex,
B/h. Town Hall, Ellisebridge,
Ahmedabad - 380006

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company. The Board members and Senior Management have affirmed compliance with the code of conduct.

For, Safal Securities Limited

SD/-

DIRECTOR

CEO CERTIFICATION

We, Mr. Sanjay Shah, Director certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2013 and that to the best of their knowledge and belief:
(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) 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.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

(i) significant changes in internal control during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they 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.

For Safal Securities Limited

SD/-
DIRECTOR

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

1. We have examined the Compliance of conditions of Corporate Governance by **Safal Securities Limited** ("the Company") for the period from during the year ended 1st April, 2012 to 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. As required by the Guidance Note issued by the Institute of Chartered Accountant of India we have to state that based on the report given by the Registrar of the Company to the Investor's Grievance Committee, as on 31st March, 2013, there were no investor grievance matter against the Company remaining unattended/pending for more than 30 days.
5. 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.

**Place : Ahmedabad
Date : 30.05.2013**

For, D.A. RUPAWALA & ASSOCIATES
Chartered Accountants
Firm Reg. No. 108902W

**Sd/-
(D. A. Rupawala)
Proprietor
Mem. No. 37674**

Auditor's Report

To,
Members of

Safal Securities Limited

Report on Financial Statements

1. We have audited the accompanying Financial Statements of **Safal Securities Limited** which comprise the Balance Sheet as at 31st March 2013, Profit and Loss Account for the year then ended, and other explanatory information.

Management's Responsibility for the Financial Statements:

2. Management of the Branch is responsible for the preparation of these Financial Statements that give true and fair view of the financial position and financial performance of the Branch in accordance with the Banking Regulation Act, complying with Reserve Bank of India Guidelines from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In our opinion, and to the best of our information and according to the explanation given to us, read with the Memorandum of Changes mentioned in paragraph 11 below, the financial statements 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 Branch as at March 31, 2013; and

(b) in the case of Profit and Loss Account, of the **Profit** for the year ended on that

date;

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;
8. Subject to the limitations of the audit as indicated in Paragraphs 3 to 5 above and paragraph 10 below, we report that:

We further report that:

- The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account and returns;
- We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our Opinion, the Balance Sheet and Statement of Profit & Loss Account comply with the Accounting Standards referred to in subsection (3C) of section 211 of the companies Act, 1956.
- In our opinion, proper books of account as required by law have been kept by the branch so far as appears from our examination of those books;
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit and have found them to be satisfactory.
- On the basis of written representation received from the directors as on March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- Since Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for , D.A. Roopawala & Asso.

Chartered Accountants

FRN No.108902W

Sd/-

(Dawoodi Rupawala)

PROPRIETOR

MEMBERSHIP NO. : 037674

Ahmedabad : May 30th, 2013.

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Safal Securities Limited. on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. There is no Fixed Assets, Hence not applicable.
2. There is no Inventory during the year, Hence not applicable.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses (b), (c) and (d) of the order are not applicable to the Company. Nil
- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company. **13,27,20,319/-**
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceed five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has no an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, No maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have not been made and maintained.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance,

- Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.

21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For D.A.Rupawala & Associates
Chartered Accountants

Sd/-

(Dawoodi Rupawala)
Proprietor

Firm No. 108902W

Membership : 37674

Place: Ahmedabad
Date: 30th May, 2013

Particulars	Note No	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds	1	50,001,000	50,001,000
(a) Share Capital			
(b) Reserves and Surplus		(1,629,947)	(1,702,047)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities	3	132,720,319	132,719,819
(a) Long-term borrowings			
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long term provisions			
(4) Current Liabilities			
(a) Short-term borrowings			
(b) Trade payables			
(c) Other current liabilities			
(d) Short-term provisions		403,929	371,687
Total		182,603,746	181,872,613
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets			
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long term loans and advances			
(e) Other non-current assets			
(2) Current assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables			
(d) Cash and cash equivalents			
(e) Short-term loans and advances			
(f) Other current assets			
Total		182,603,746	181,872,613

As Per Our Separate Report Of Even Date Attached Herewith

For D.A.Roopawala & Associates Firm Registration No :- 108902w

Chartered Accountants

Sd/-

Dawoodi Rupawala

Proprietor

Membership No. 037674

Place : Ahmedabad

Date : 30th May, 2013

Sd/-

Director

Sd/-

Director

For Safal Securities Ltd.