

**34th Annual Report  
2011 - 2012**



**Deccan Finance Limited**

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If Undelivered please return to :  
**Deccan Finance Limited**  
No. 75, III Floor,  
Mahatma Gandhi Road, Nungambakkam,  
Chennai - 600 034. Ph : 28257575



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Chairman	: <b>Shri. P. Bhandari</b> B.A.(Hons), B.Sc.(Econ.)(London),Bar-at-law
Managing Director	: <b>Shri. Kailashmull Dugar</b> , B.Com., B.L.
Dy.Managing Director	: <b>Shri. Sanjay Bhansali</b> , B.Com.,
Executive Director	: <b>Shri. Dileep Bhandari</b> , B.A.,
Directors	: <b>Shri. Surendra M. Mehta</b> <b>Shri. K.V. Ramana Shetty</b>
Auditors	: <b>M/s. Bhandari &amp; Keswani</b>
Internal Auditors	: <b>M/s. Victoria Mathews &amp; Santhakumar</b>
Bankers	: <b>State of Bank of India</b> <b>Indian Bank</b> <b>The Catholic Syrian Bank Ltd.</b>
Registered Office	: <b>No. 75 (34-B), III Floor, Mahatma Gandhi Road,</b> <b>Chennai - 600 034.</b>
Administrative Office	: <b>No. 38, Audiappa Naicken Street, Sowcarpet,</b> <b>Chennai - 600 079.</b>
Branches	: <b>Coimbatore, Aurangabad and Madanapalli.</b>
Shares Listed with	: <b>Madras Stock Exchange Ltd.,</b> <b>No. 11, Second Line Beach, Chennai-600 001.</b>
DepositorIEs	: <b>National Securities Depository Ltd.,</b> <b>(NSDL)</b> <b>Central Depository Services (India) Ltd.,</b> <b>(CDSL)</b>
SHARE REGISTRAR / TRANSFER AGENT	: <b>CAMEO CORPRATE SERVICES LTD</b> <b>Subramaniam Building</b> <b>No. 1, Club House Road, Chennai - 600 002.</b>



NOTICE

NOTICE is hereby given that the THIRTY FOURTH Annual General Meeting of DECCAN FINANCE LIMITED will be held on Friday, the 24th day of August, 2012 at 10.00 a.m. at No: 75, I Floor, Mahatma Gandhi Road, Nungambakkam, Chennai-600 034 to transact the following business :

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2012 and the Statement of Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri. DILEEP BHANDARI, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri.Surendra M Mehta, who retires by rotation and is eligible for re-appointment.
5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:

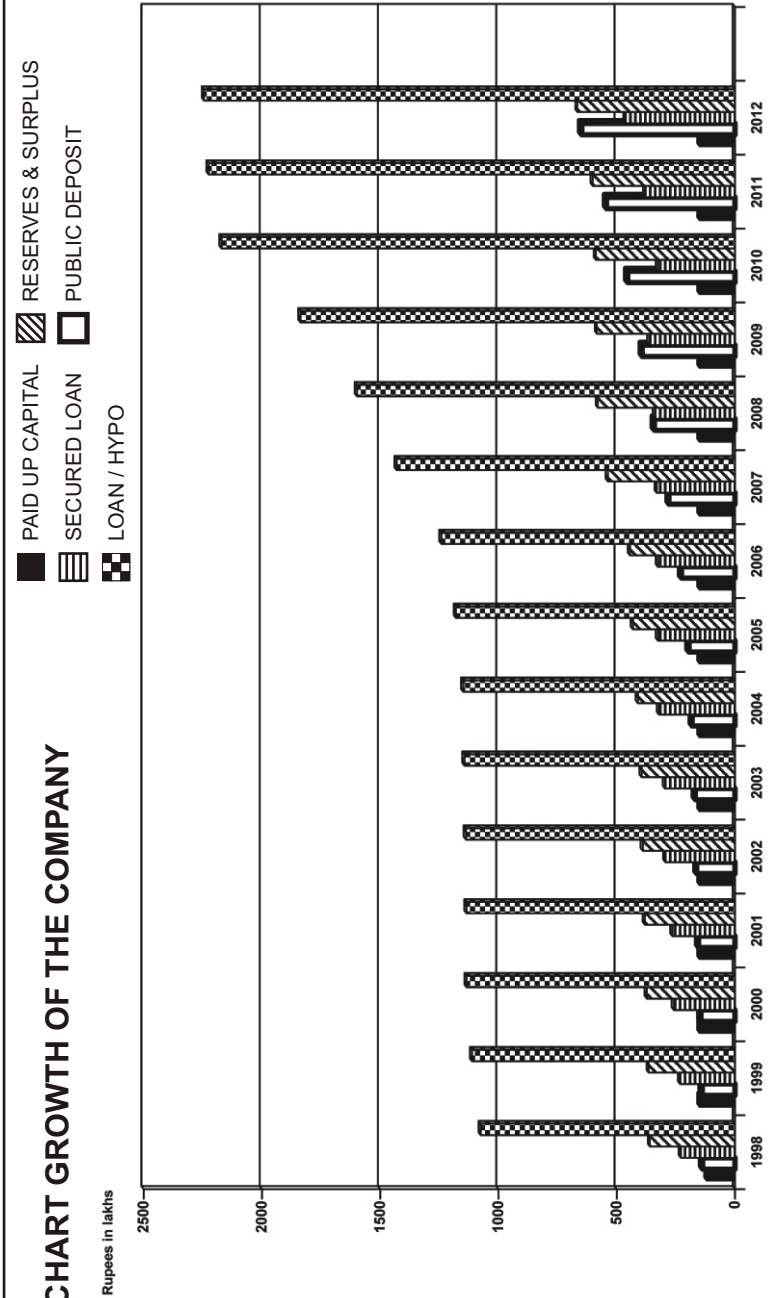
RESOLVED that Messrs. Bhandari & Keswani, Chartered Accountants, Chennai the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs.75,000/- (Rupees seventy five thousand only) and Service Tax thereon.

FURTHER RESOLVED that pursuant to the provisions of Section 314 of the Companies Act, 1956 and all other applicable provisions of the said Act, if any, consent of the Company be and is hereby accorded to Shri. Pradeep Bhandari, Partner of Messrs.Bhandari & Keswani, Chartered Accountants,



DECCAN FINANCE LIMITED

CHART GROWTH OF THE COMPANY





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a relative of Shri.P.Bhandari and Shri.Dileep Bhandari, Directors of the Company, to hold office as Auditors on the remuneration mentioned hereinabove.”

Chennai  
May 30th,2012

By Order of the Board  
**DECCAN FINANCE LIMITED**

**KAILASHMULL DUGAR**  
Managing Director

- NOTES:**
1. A Member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him. The Proxy need not be a member of the Company. Proxy to be valid shall be deposited with the Company not later than forty eight hours before the time for holding the meeting.
  2. The Explanatory statement pursuant to section 173 of the Companies Act,1956 in respect of item No.4 to 8 is appended herewith.
  3. The Register of Members and Share Transfer Books of the Company will remain closed from 22.08.2012 to 24.08.2012 (both days inclusive).



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIESACT, 1956.

Item 5:

Shri.Pradeep Bhandari, Partner of Messrs.Bhandari & Keswani,Chartered Accountants, the retiring Auditors of the Company, is a relative of Shri.P.Bhandari and Shri.Dileep Bhandari, Directors of the Company. Pursuant to the provisions of Section 314 of the Companies Act, 1956, shareholders' consent is required to be accorded at the General Meeting of the Company for their appointment.

Messrs.Bhandari & Keswani, Chartered Accountants, have been the Auditors of the Company even prior to the appointment of Shri.P.Bhandari and Shri.Dileep Bhandari as Directors of the Company and it will be in the interests of the Company to re-appoint them as Auditors of the Company on the remuneration mentioned in the Resolution.

The Board commends the resolution for the approval of members.

Shri.Pradeep Bhandari is related to Shri.P.Bhandari and Shri. Dileep Bhandari, Directors of the Company and to that extent, Shri.P.Bhandari and Shri. Dileep Bhandari may be deemed to be concerned or interested in this resolution.

None of the other Directors of the Company is interested in the above resolution.

By Order of the Board
DECCAN FINANCE LIMITED

Chennai
May,30th ,2012

KAILASHMULL DUGAR
Managing Director



DECCAN FINANCE LIMITED

Registered Office : No:75 (34-B),III Floor, Mahatma Gandhi Road, Chennai - 600 034.

ADMISSION SLIP

Name & Address of Member

I certify that I am registered shareholder of the company and hold shares. (Please indicate whether Member/Proxy).

I confirm to attend and vote for me / us on my / our behalf at the Thirty Third Annual General Meeting of the Company to be held at No:75, I Floor, Mahatma Gandhi Road, Chennai 600034.at 10.00 a.m. Friday, the 24th day of August, 2012 and any adjournment thereof.

Member's/Proxy Signature

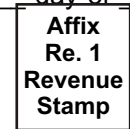
- Notes: 1. Shareholder/Proxy holder wishing to attend the meeting must bring the Admission slip to the meeting and hand over at the entrance duly signed.
2. Shareholders are requested to advise their change in address.

DECCAN FINANCE LIMITED
PROXY FORM

I/We being a Member/Members of Deccan Finance Limited, hereby appoint of

or failing him of as my/our proxy to attend and vote for me / us on my / our behalf at the Thirty Third Annual General Meeting of the Company to be held at No:75, I Floor, Mahatma Gandhi Road, Chennai 600 034. at 10.00 a.m. Friday, the 24th day of August, 2012 and any adjournment thereof.

As witness my/our hand(s) this day of 2012



Signed by the said Re. 1/-

A/c No.

Note : The proxy must be returned so as to reach the Registered Office of The Company not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.



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REPORT OF THE DIRECTORS

To  
The Members,  
Deccan Finance Limited.

The Directors have pleasure in presenting their Report and the Audited Accounts of the Company for the financial year ended 31st March, 2012.

	2012 Rs.	2011 Rs.
<b>Financial Results</b>		
Profit before tax	<b>1,90,31,363</b>	1,67,90,250
Less: Provision for Taxation		
Current	<b>65,19,552</b>	58,94,698
Deferred	<b>(81,405)</b>	(1,51,544)
	<hr/>	<hr/>
Profit after tax	<b>1,25,93,216</b>	1,10,47,096
Add: Balance of profit from previous year	<b>55,73,083</b>	53,44,899
	<hr/>	<hr/>
Surplus available for appropriation	<b>1,81,66,299</b>	1,63,91,995
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<b>Appropriations</b>		
Statutory Reserve	<b>25,50,000</b>	23,26,000
General Reserve	<b>69,00,000</b>	63,93,955
Proposed Dividend	<b>18,00,000</b>	18,00,000
Provision for Dividend Tax	<b>2,92,005</b>	2,98,957
Profit carried forward	<b>66,24,294</b>	55,73,083
	<hr/>	<hr/>
	<b>1,81,66,299</b>	1,63,91,995
	<hr/>	<hr/>



### Business

During the year, your Company continued to maintain its profitability, inspite of intense competition. The gross receivables under hypothecation loans stood at **Rs.2387.72** lakhs against Rs. 2081.72 lakhs of the previous year.

Your company continues to comply with the prudential norms for NBFCs prescribed by Reserve Bank of India. The Capital to Risk Asset Ratio of the company stood at **48.85%** as at 31.03.2012 well above the prescribed minimum of 15%. As required by Reserve Bank of India, your Company has appended a schedule to the balance sheet containing additional particulars relating to the financial statements.

### Dividend

Your Directors pleased to recommend a dividend at the rate of **12%** on the Equity share of Rs.10/- each for the financial year ended 31st March,2012 (Previous year : 12%)

### Fixed Deposits

In terms of the RBI guidelines, the Company can accept deposits upto 1.5 times of its net owned funds. Deposits from the public as on 31st March, 2012 with the Company were Rs.6,66,79,112/- which include 31 deposits amounting to Rs.17,99,000/-not claimed/renewed by the depositors on due dates. Steps are continuously being taken to arrange for repayment of balance unclaimed deposits.

### Directors

1. In terms of Section 256 of the Companies Act 1956, Shri. P.BHANDARI and Shri.Surendra M Mehta, Directors, retire by rotation, and are eligible for re-appointment.



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**9. FIXED ASSETS**

Particulars	Rate	Gross Block				Depreciation			Net Block		
		01.04.11	Additions	Deductions	31.03.12	01.04.11	Additions	Deductions	31.03.12	WDV as on 31.03.12	WDV as on 31.03.11
Tangible Assets											
Plant and Equipment	13.91%	2,383,510	65,595	—	2,449,105	2,117,419	99,549	—	2,216,968	232,138	266,092
Leased Machinery	13.91%	16,602,000	—	—	16,602,000	15,873,625	203,192	—	16,076,817	525,183	728,375
Furniture & Fixtures	18.10%	755,509	115,618	—	871,126	717,946	17,929	—	735,875	135,252	37,563
Vehicles	25.89%	3,116,073	2,509,865	881,995	4,743,953	1,706,655	539,479	440,420	1,805,714	2,938,239	1,409,418
Computer	40.00%	548,336	193,522	—	741,888	375,815	100,503	—	476,318	265,570	172,551
<b>TOTAL</b>		<b>23,405,458</b>	<b>2,884,600</b>	<b>881,985</b>	<b>25,408,073</b>	<b>20,791,460</b>	<b>960,652</b>	<b>440,420</b>	<b>21,311,692</b>	<b>4,096,381</b>	<b>2,613,999</b>

**Directors' Responsibility Statement**

Pursuant of Section 217(2AA) of the Companies Act, 1956, your directors state that.

1. In the preparation of the accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed and there are no material departure.
2. Appropriate accounting policies have been selected and applied consistently and such judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and the net profits of the Company for that period.
3. 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. The financial statements have been prepared on a going concern basis.

**Compliance Certificate**

As per the provisions of section 383A of the Companies Act 1956, a compliance certificate from a Secretary in whole time practice is annexed hereto and forming part of this report.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earning/Outgo.**

Your Company has no activities relating to Conservation of Energy or Technology Absorption. During the year under review, your Company did not have any foreign exchange earnings / outgo.

**Listing**

The shares of your company is being listed at Madras Stock Exchange Limited, Exchange Building, 11, Second Line Beach, Chennai 600 001. The company has paid listing fees up to the financial year ended 31.03.2012.





**Corporate Governance**

Since your Company's paid up Capital is below Rs. 3.00 crores, the SEBI guidelines relating to Corporate Governance do not apply to your Company.

**Auditors**

The Auditors, **Messrs.Bhandari & Keswani**, retire and are eligible for re-appointment.

On behalf of the Board

**P.BHANDARI**  
Chairman

Chennai  
May 30th ,2012



7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
	Category	Market Value Break up or Fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **		
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NIL	NIL
	(c) Other related parties	NIL	NIL
	2. Other than related parties	91	91
	<b>Total</b>	<b>91</b>	<b>91</b>

\*\* as per Accounting Standard ICAI (Please see note 3)

8. Other Information		
	Particulars	Amount
(i)	<b>Gross Non-Performing Assets</b>	
	a) Related parties	NIL
	b) Other than related parties	71.28
(ii)	<b>Net Non-Performing Assets</b>	
	a) Related parties	NIL
	b) Other than related parties	59.69
(iii)	<b>Assets acquired in satisfaction of debt</b>	<b>NIL</b>



2.	Unquoted:		
	(i) Shares : (a) Equity		NIL
	(b) Preference		NIL
	(i) Debentures and Bonds		NIL
	(ii) Units of mutual funds		NIL
	(iii) Government Securities		NIL
	(iv) Others (Please specify)		NIL
	Long Term investments:		
	1. Quoted :		
	(i) Share : (a) Equity		6
	(b) Preference		NIL
	(ii) Debentures and Bonds		NIL
	(iii) Units of mutual funds		NIL
	(iv) Government Securities		NIL
	(v) Others(Please specify)		NIL
	2. Unquoted:		
	(i) Shares : (a) Equity		NIL
	(b) Preference		NIL
	(ii) Debentures and Bonds		NIL
	(iii) Units of mutual funds		NIL
	(iv) Government Securities		85
	(v) Others (Please specify)		NIL

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	<b>2394</b>	1	<b>2395</b>
<b>Total</b>	<b>2394</b>	<b>1</b>	<b>2395</b>

**COMPLIANCE CERTIFICATE**

**CIN : L65910TN1978PLC007632**

Nominal Capital: Rs. 3,00,00,000/=

Paid-Up Capital: Rs. 1,50,00,000/=

To,

**The Members**

M/S. DECCAN FINANCE LIMITED,

No.75,III Floor,

Nungambakkam High Road,

CHENNAI 600 034.

We have examined the registers, records, books and papers of M/S. DECCAN FINANCE LIMITED, having Registered office at No.75, III Floor, Nungambakkam High Road, Chennai - 600 034, as required to be maintained under the Companies Act, 1956,(the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March,2012. It is the responsibility of the Company to prepare and maintain the relevant necessary records under the Companies Act, 1956 and other applicable laws. Our responsibility is to carry out an examination. On the basis of our professional Judgement so as to award a reasonable assurance of the Correctness and Completeness of the records for the purpose of this Certificate. In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Tamilnadu, except in some of cases within the time prescribed under the Act and the rules made thereunder.

3. The Company, being a Public Limited Company, Comments are not required.
4. The Board of Directors duly met Seven times respectively on 30.04.2011, 30.05.2011, 30.07.2011, 19.08.2011, 31.10.2011, 03.12.2011 and 27.01.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Company has not passed any resolution by circulation.
5. The Company has Closed its Register of Members from 17th August, 2011 to 19th August, 2011 and necessary Compliance of section 154 of the Act has been made. The Company does not have any Debenture Holders.
6. The Annual General Meeting for the financial year ended 31st March, 2011 was held on 19th August, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year.
8. As informed by the management, the Company has not advanced any loans to its directors or persons or firms or companies referred in the Section 295 of the Companies Act.
9. As informed by the management, the Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained necessary approvals from the members pursuant to Section 314 of the Act for the appointment of the auditors who is relative of two of the Directors.
12. The Company has not issued any duplicate share certificates during the financial year.

<b>Assets Side :</b>	Amount outstanding
<b>3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below :</b> <ol style="list-style-type: none"> <li>a) Secured</li> <li>b) Unsecured</li> </ol>	95.23 NIL
<b>4. Break up of Leased Assets and stock on hire and Hypothecation loans counting towards EL/HP Activities</b> <ol style="list-style-type: none"> <li>(i) Lease assets including lease rentals under sundry debtors :               <ol style="list-style-type: none"> <li>a) Financial lease</li> <li>b) Operating lease</li> </ol> </li> <li>(ii) Stock on hire including hire charges under sundry debtors.               <ol style="list-style-type: none"> <li>a) Assets on hire</li> <li>b) Repossessed Assets</li> </ol> </li> <li>(iii) Hypothecation loans counting towards EL/HP activities.               <ol style="list-style-type: none"> <li>a) Loans where assets have been repossessed</li> <li>b) Loans other than (a) above.</li> </ol> </li> </ol>	NIL 5  Nil Nil  12 2375
<b>5. Break-up of Investmens :</b> Current Investments: <ol style="list-style-type: none"> <li>1. Quoted:               <ol style="list-style-type: none"> <li>(i) Shares : (a) Equity</li> <li style="padding-left: 20px;">(b) Preference</li> <li>(ii) Debentures and Bonds</li> <li>(iii) Units of mutual funds</li> <li>(iv) Government Securities</li> <li>(v) Others(please specify)</li> </ol> </li> </ol>	NIL NIL NIL NIL NIL



19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the applicable directions issued by the Reserve Bank of India in respect of deposits accepted including unsecured loans taken from Directors, & interest-accrued but not due amounting to Rs. 7,13,01,078/- as on 31.03.2012, and the company has filed the Copy of Statement in Lieu of Advertisement / necessary particulars as required by the Reserve Bank of India on 22.08.2011. The Company has filed necessary Quarterly, Half-Yearly and Annual Return of Deposit with Reserve Bank of India.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2012 are within the borrowing limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened Annual General Meeting held on 1<sup>st</sup> September, 1995.
25. The Company has made investments, with other bodies Corporate in Compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. Except guarantees given and provided securities to the Bank, the Company has not made any loans or advances or given guarantee or provided securities to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.

- (ii) The disclosure of related party transactions during the year and balances as on 31st March, 2012

Nature of Transaction	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total	31.03.2011
<b>EXPENDITURE :</b>					
Remuneration	21,60,000	Nil	Nil	21,60,000	15,10,000
Interest	3,669	7,00,851		7,04,520	17,20,435
Rent	Nil	1,80,000	24,000	2,04,000	2,04,000
<b>LIABILITIES :</b>					
Deposits as at year end.	Nil	38,20,500		38,20,500	50,00,000

per our report attached

for **BHANDARI & KESWANI**  
Chartered Accountants  
FRN : 000433S

**PRADEEP BHANDARI**  
Partner, Membership No:017411

Chennai  
May 30<sup>th</sup>, 2012

On behalf of the Board

**KAILASHMULL DUGAR** Managing Director  
**SANJAY BHANSALI** Deputy Managing Director

**DILEEP BHANDARI** Executive Director

**(B) CASH FLOW FROM INVESTING ACTIVITIES**

(Increase) / Decrease in Fixed Assets (net of Sales)	-2323600		-158038	
Purchase of Investments	-250498		-2402003	
Sale of Investments			1374314	
Interest / Dividend received	882894	-1691204	775461	-410266

**(C) CASH FLOW FROM FINANCING ACTIVITIES**

(Increase)/Decrease in Bank Borrowings	9016285		5499069	
(Increase)/Decrease in Unsecured Loans	4910800		12021888	
Dividend paid (including Dividend Tax)	-2092005	11835080	-2098980	-8621799
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		2588377		709569
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		3589761		2880192
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>		6178138		3589761

For and on behalf of the board  
**Kailashmull Dugar**  
 Managing Director

**Auditor'S Certificate**

We have verified the above cash flow statement of Deccan Finance Limited derived from the audited annual accounts for the year ended 31st March 2012 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreement with Madras Stock Exchange Limited

for **Bhandari & Keswani**  
 Chartered Accountants  
 FRN : 000433S

Chennai  
 May 30th, 2012

**PRADEEP BHANDARI**  
 Partner  
 Membership No: 017411

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not Constituted a separate Provident Funds trust for its employees or class of its employees as contemplated under section 418 of the Act.

for **MUNDHARA & Co.**  
 Company Secretaries,

Place : CHENNAI  
 Date : 30.05.2012.

**(JAGDISH P.MUNDHARA)**  
 PROPRIETOR  
**FCS 2353 C.P.No.1443.**

**ANNEXURE 'A'**

(Forming part of Compliance Certificate Dated 30th May, 2012)

Statutory Register as maintained by **M/s. DECCAN FINANCE LIMITED**

1. Register of Charges u/s 143.
2. Register of Members u/s 150.
3. Index of Members u/s 151.
4. Registers and Returns u/s 163.
5. Minutes Book of Meeting of Board of Directors u/s 193.
6. Minutes Book of Proceedings of General Meeting u/s 193.
7. Books of Accounts u/s 209.
8. Register of Contracts with Companies and firms in which Directors are interested u/s 301.
9. Register of Directors u/s 303.
10. Register of Directors' Shareholdings u/s 307.
11. Register of Investments u/s 372A.
12. Register of Fixed Assets.
13. Register of Deposits.

**ANNEXURE 'B'**

(Forming part of Compliance Certificate Dated 30th May, 2012)

Forms and returns as filed by **M/s. DECCAN FINANCE LIMITED**, with the Registrar of Companies, Tamilnadu during the financial year ending 31st March, 2012.

1. Form No. 23AC with Balance Sheet as at 31st March, 2011 and Form No. 23ACA with Profit & Loss Account for the Financial Year ended on 31st March, 2011 filed u/s 220 vide SRN P69968576 on 05.09.2011.

**ANNEXURE TO CLAUSE-32 OF THE AGREEMENT  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2012**

(Amount in Rs.)

	2011-2012	2010-2011
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	19031363	16790249
ADJUSTMENT FOR:		
Depreciation	960652	988041
Provision against non performing assets	437812	482879
Loss on sale of Fixed Assets		
Dimenution in the value of Investments	254113	1652577
	20683940	18261169
Surplus on sale of Fixed assets	119435	13670
Interest / Divided received	882894	775461
Less : Surplus on sale of Investments	1002329	291092
	19681611	17180946
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
(Increase)Decrease in stock on hire	-20641155	
(Increase)Decrease in other current assets / Loans & Advances	-1077623	-4331962
Increase(Decrease) in Current liabilities	1001219	4203152
Increase(Decrease) in Non Current liabilities		
Taxes paid	-6519552	-6242023
Decreases in Deferred Payment credits	-27237111	-1068480
	-7555500	-7439313
NET CASH GENERATED FROM OPERATIONS		
	-7555500	9741633



**20.Details of Financial Assets sold under Securitization System:**

The Company has entered in to two securitization of financial assets arrangement with Sundaram Finance Limited during the year. Under the arrangement, the Company acts as a collection agent for managing such Portfolio. The Company entered into a separate collection agency agreement in this respect.

	PARTICULARS	2011-12	2010-11
I	No. of Accounts	19	76
II	Aggregate value (net of Provisions) of accounts sold	1,33,04,977	1,79,80,936
III	Aggregate Consideration	1,12,74,069	2,10,89,413
IV	Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
V	Aggregate gain/loss over net book value	14,62,709	31,08,477

21. The previous year's figures are regrouped wherever necessary.
23. 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' issued by ICAI.
24. Related Party Disclosures:  
Related Party Disclosures as required by AS 18 of the Institute Of Chartered Accountants of India are given below :
- (i) Key Management Personnel :
- 1) Mr. Kailashmull Dugar , Managing Director
  - 2) Mr.Sanjay Bhansali, Deputy Managing Director
  - 3) Mr.Dileep Bhandari, Executive Director
- (ii) The disclosure of related party transactions during the year and balances as on 31st March,2012



2. Form No. 20-B with Annual Return (Schedule V) as on date of AGM held on 19th August, 2011 filed u/s 159 vide SRN P72021819 on 10.10.2011.
3. Form No. 66 with Compliance Certificate for the financial year ended 31st March,2011 filed u/s 383A vide SRN P69953388 on 05.09.2011.
4. Form No. 23 for Special Resolution passed on 19th August 2011 filed u/s 192 vide SRN B19955178 on 09.09.2011.
5. Form 8 for Modification of Charges on 30th July 2011 filed u/s 135 vide SRN B19197375 on 29.08.2011 and registered under charge ID No. 10303300.

for **MUNDHARA & Co,**  
Company Secretaries,

Place : CHENNAI  
Date : 30.05.2012

**(JAGDISH P.MUNDHARA)**  
PROPRIETOR  
**FCS 2353 C.P.No.1443**





**AUDITORS REPORT TO THE MEMBERS OF  
DECCAN FINANCE LIMITED**

1. We have audited the attached Balance Sheet of **Deccan Finance Limited** as at 31st March, 2012, the Statement of Profit & Loss Account and also 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the 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, Statement of Profit and Loss and Cash Flow



Particulars	Rs. As at 31.03.12	Rs. As at 31.03.11
<b>19. OTHER EXPENSES</b>		
General Expenses	34,220	49,917
Printing And Stationery	223,620	252,281
Postage And Telegram	154,800	132,057
Filing Fees	490	-
Electricity Charges	201,757	176,227
Books & Periodicals	9,424	7,147
Rent	501,500	529,000
Bank Charges	139,121	229,941
Telephone Charges	223,994	267,504
Subscription	50,216	45,131
Directors' Sitting Fees	4,000	8,000
Audit Fees	-	55,150
Travelling Expenses	75,818	271,487
Advertisement	105,403	67,229
Donations	65,000	77,000
Commission on Business	1,044,900	330,702
Conveyance	60,466	21,189
Vehicle Repairs & Maintenance	718,657	667,067
Office Repairs & Maintenance	293,557	326,265
Legal Fees & Expenses	58,076	164,765
Taxes And Fees	54,464	143,427
Business Promotion Expenses	179,601	68,945
Computer Maintenance	117,532	220,728
Bad Debts	602,449	1,386,237
Insurance	304,152	131,368
Contingent Provision against Standard Assets	196,348	403,020
Rebates & Discount	418,559	447,236
Internal Audit Fees	224,000	206,500
Entertainment Expenses	54,612	40,908
Provisions For NPA	241,464	79,859
Provision for Diminution in value of Investments	254,113	-
Professional & Consultation Charges	171,980	149,607
<b>Total</b>	<b>6,784,293</b>	<b>6,955,894</b>

Particulars	Rs.	Rs.
	As at 31.03.12	As at 31.03.11
<b>15. REVENUE FROM OPERATIONS</b>		
Income from Financing Activities		
Lease Rentals	481,225	792,351
Interest from Banks	199,094	175,734
Interest on Loans	44,361,609	39,205,705
Interest on Govt Securities	682,526	588,008
Income from Assets Securitized	1,188,250	347,371
<b>TOTAL</b>	<b>46,867,704</b>	<b>41,109,169</b>
<b>16. OTHER INCOME</b>		
Profit on Sale of Investments	—	291,092
Miscellaneous Income	—	
Profit on Sale of Assets	119,435	13,670
Dividends	1,274	11,719
Bad Debts Recovered	380,755	755,283
Commission	105,807	29,443
Others	139,034	4,763
Service Charges	143,139	118,500
<b>TOTAL</b>	<b>889,444</b>	<b>1,224,470</b>
<b>17. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Bonus, PF & ESIC	5,081,493	3,780,085
Leave Encashment	54,842	51,852
Provident Fund	294,720	389,619
Rent Free Accommodation	180,000	180,000
Staff welfare	299,572	210,934
Other allowance	98,485	—
Gratuity	143,295	139,291
Exgratia	25,000	48,600
Conveyance Allowance	6500	—
<b>TOTAL</b>	<b>6,183,907</b>	<b>4,800,381</b>
<b>18. FINANCE COST</b>		
Interest - Bank	3,589,230	3,957,341
Deposits	10,536,823	7,708,763
Corporate Bodies	560,310	1,001,779
Brokerage	110,571	131,190
<b>TOTAL</b>	<b>14,796,934</b>	<b>12,799,073</b>

Statement dealt with by this report are in agreement with the books of account;

- (iv) In our opinion, the Balance Sheet, the Statement of Profit & Loss and 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;
- (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) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- (b) In the case of the Statement of Profit & Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for **BHANDARI & KESWANI**  
Chartered Accountants  
FRN : 000433S

Chennai  
May 30th ,2012

**PRADEEP BHANDARI**  
Partner.  
Membership No: 017411

**ANNEXURE TO AUDITOR'S REPORT**
**Re: DECCAN FINANCE LIMITED**

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 assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme 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) During the year, the Company has not disposed off a substantial part of fixed assets that would affect it as a going concern.
- (ii) The Company's nature of operations does not require it to hold inventories. Accordingly, clause 4(ii) of the Companies (Auditor's Report) Order, 2003('the Order') is not applicable.
- (iii) (a) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. The company had taken deposits from 20 parties covered in the register maintained under section 301 of the Companies Act, 1956. The outstanding balance of such loan taken was Rs. 38,20,500/- and the maximum amount involved during the year was 76,38,000/-.
- (b) The rate of interest and other terms and conditions of the aforesaid deposits were prima facie not prejudicial to the interest of the Company.
- (c) The payment of principal amount and interest on the aforesaid deposits were regular.
- (d) There were no overdue amounts in the aforesaid deposits.

Particulars	Rs.	
	As at 31.03.12	As at 31.03.11
Aggregate amount of Quoted Investments	569,696	569,696
Market Value of Quoted Investments	472,904	604,612
Aggregate amount of Un Quoted Investments	8,538,139	8,278,641
<b>11. OTHER NON CURRENT ASSETS</b>		
Rental Deposits	65,000	65,000
Telephone Deposits	35,320	35,320
	100,320	100,320
<b>12 TRADE RECEIVABLES</b>		
Less than 6 months (Unsecured, considered good)	1,569,136	1,088,524
	<b>1,569,136</b>	<b>1,088,524</b>
<b>13. CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	1,996,480	700,424
Bank Balance		
In Current Accounts	1,831,633	574,624
in Fixed Deposits	2,350,000	2,314,714
Stamps in Hand	25	
	<b>6,178,138</b>	<b>3,589,762</b>
<b>14. SHORT TERM LOANS AND ADVANCES</b>		
Loans		
a) Secured, Considered Good	189,404,665	168,763,510
b) Un Secured, Considered Good	51,336	51,336
Advance to suppliers	784,806	142,350
Interest Accrued on Deposits	128,407	52,392
Income Tax	50,480	226,959
Staff Advance	747,930	693,800
Employee Provident Fund	889	
	<b>191,168,513</b>	<b>169,930,347</b>



Particulars	Rs.	
	As at 31.03.12	As at 31.03.11
<b>8. SHORT TERM PROVISIONS</b>		
Proposed Divident	1,800,000	1,800,000
Provision for Divident Tax	298,958	298,958
Provision for Taxation	1,087,125	900,261
<b>TOTAL</b>	<b>3,186,109</b>	<b>2,999,219</b>
<b>9. FIXED ASSETS - Refer Page No.38</b>		
<b>10. NON - CURRENT INVESTMENTS (Long Term Investments)</b>		
Investment in Equity Instruments	569,696	569,696
Investment in Government Securities	8,538,139	8,287,641
<b>TOTAL</b>	<b>9,107,835</b>	<b>8,857,337</b>
Investment in Equity Shares (Quoted), Non - Trade		
ICICI Ltd. 183 (183) shares of Rs. 10/- each	5,000	5,000
NHPC Ltd. 15,686 (15,686) shares of Rs. 10/- each	564,696	564,696
<b>Investment in Govt Securities (Un Quoted), Non - Trade</b>		
7.61% State Development Loan Gujarat (face value of Rs.10,00,000)	1,003,977	1,003,977
7.89% State Development Loan Andra Pradesh (face value of Rs.10,00,000)	1,027,253	1,027,253
8.47% State Development Loan Tamil Nadu (face value of Rs.16,00,000)	1,698,725	1,698,725
8.57% State Development Loan Andra Pradesh (face value of Rs.13,00,000)	1,369,856	1,369,856
7.94% Govt. of India Loan (face value of Rs.1,00,000)	104,007	104,007
8.35% Govt. of India Loan (face value of Rs.1,50,000)	160,905	160,905
8.33% Govt. of India Loan (face value of Rs.2,00,000)	208,357	208,357
7.61% State Development Loan Gujarat (face value of Rs.9,97,500/-)	1,032,146	1,032,146
8.32% State Development Loan Tamil Nadu (face value of Rs.14,00,000)	1,428,557	1,428,557
National Savings Certificate	20,000	20,000
8.26% Govt. of India Loan (face value of Rs.5,00,000)	484,358	
12% Tamil Nadu Loan (face value of Rs.2,30,000)		233,859
	<b>8,538,139</b>	<b>8,287,641</b>



- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control measures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not noted any continuing failure to correct major weaknesses in internal controls during the course of our audit.
- (v) (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the Act, have been so entered.
- (b) These transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the National Company Law Tribunal under sections 58A and 58AA of the Companies Act, 1956.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section(1) of section 209 of the Companies Act, 1956 in respect of financing operations carried out by the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed dues payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were outstanding as at 31.03.2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess that have not been deposited with appropriate authorities on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) We are of the opinion that the Company has maintained adequate records where the Company has granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, clause 4(xiii) of the Order is not applicable.
- (xiv) According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for any loans taken by others from banks and financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.

Particulars	Rs.	
	As at 31.03.12	As at 31.03.11
<b>Profit &amp; Loss Account</b>		
Balance brought forward form previous year	5,573,082	5,344,899
Add : Profit for the year	12,593,216	11,047,095
Less : Appropriations		
Transferred to Statutory Reserve	(2,550,000)	(2,326,000)
Transferred to General Reserve	(6,900,000)	(6,393,955)
Proposed Divident	(1,800,000)	(1,800,000)
Tax on Divident	(292,005)	(298,958)
	6,624,294	5,573,082
<b>TOTAL</b>	<b>64,784,294</b>	<b>54,283,082</b>
<b>4. LONG TERM BORROWING</b>		
Public Deposits (Unsecured)	46,731,112	42,621,112
	<b>46,731,112</b>	<b>42,621,112</b>
<b>5. LONG TERM PROVISIONS</b>		
Contingent Provision on Standard Assets	599,368	403,020
Provision on Non Performing Assets	1,158,529	917,064
Provision for Diminution in value of Investments	254,113	
<b>TOTAL</b>	<b>2,012,010</b>	<b>1,320,084</b>
<b>6. SHORT TERM BORROWING</b>		
<b>SECURED</b>		
From banks secured by assets covered by Hypothecation Loans	46,261,646	37,245,361
<b>UNSECURED</b>		
Indian Renewable Energy Development Agency Ltd	425,700	851,400
Deposits form related parties	3,820,500	5,000,000
Public Deposits	19,948,000	17,542,000
<b>TOTAL</b>	<b>70,455,846</b>	<b>60,638,761</b>
<b>7. OTHER CURRENT LIABILITIES</b>		
Unmatured Interest on Securitized Assets Portfolio	3,035,565	2,761,106
Amount Payable to Sundaram Finance Ltd	474,726	537,579
TDS Payable	120,543	38,678
Insurance, Commitment & Contingent Deposits	525,884	1,033,637
Interest Accrued but not due	4,621,966	4,035,207
Other Payables	1,355,060	913,209
<b>TOTAL</b>	<b>10,133,744</b>	<b>9,319,416</b>



**NOTES ON ACCOUNTS:**

**1. ACCOUNTING POLICIES**

- (a) The Company prepares its accounts on accrual basis in accordance with the normally accepted accounting principles.
- (b) Depreciation on fixed assets is provided on written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956
- (c) Investments are stated at cost.
- (d) In respect of securitised assets, the unmatured interest charges which the company is entitled to retain from the interest to be collected from the borrowers over and above the specified amount to be passed on to the acquirers, will be accounted over the remaining life of the assets sold.

**2. SHARE CAPITAL :**

Particulars	Rs. As at 31.03.12	Rs. As at 31.03.11
<b>AUTHORISED CAPITAL</b>		
30,00,000 Equity Shares of Rs.10/- each	<b>3,00,00,000</b>	3,00,00,000
	<b>3,00,00,000</b>	3,00,00,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
15,00,000 Equity Shares of Rs.10/- each fully paid up	<b>1,50,00,000</b>	1,50,00,000
	<b>1,50,00,000</b>	1,50,00,000

**3. RESERVES & SURPLUS :**

<b>Capital Reserve</b>	<b>10,000</b>	10,000
Statutory Reserve:		
Balance brought forward from previous year	<b>12,700,000</b>	10,374,000
Add: Transfer from Profit & Loss Account	<b>2,550,000</b>	2,326,000
	<b>15,250,000</b>	12,700,000
<b>General Reserve</b>		
Balance brought forward from previous year	<b>36,000,000</b>	29,606,045
Add: Transfer from Profit & Loss Account	<b>6,900,000</b>	6,393,955
	<b>42,900,000</b>	36,000,000



- (xvii) According to the information and explanations given to us and on an Overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for Long-term investment and vice versa.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4 (xviii) of the Order is not applicable.
- (xix) The Company has not issued any debentures. Accordingly, clause 4 (xix) of the Order is not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the Order is not applicable.
- (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.

for **BHANDARI & KESWANI**  
Chartered Accountants  
FRN : 000433S

Chennai  
May 30th, 2012

**PRADEEP BHANDARI**  
Partner  
Membership No: 017411

**BALANCE SHEET AS AT 31ST MARCH 2012**

Particulars	Note	As at 31.03.12 Rs.	As at 31.03.11 Rs.
<b>1. EQUITY &amp; LIABILITIES</b>			
Shareholder's Funds			
(a) Share Capital	2	15,000,000	15,000,000
(b) Reserves and Surplus	3	64,784,294	54,283,082
(c) Money received against share warrants		-	-
<b>Share Application money pending allotment</b>		-	-
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	46,731,112	42,621,112
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	5	2,012,010	1,320,084
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	6	70,455,846	60,638,761
(b) Trade Payables		-	-
(c) Other Current Liabilities	7	10,133,744	9,319,416
(d) Short-Term Provisions	8	3,186,109	2,999,219
<b>TOTAL</b>		<b>212,303,115</b>	<b>186,181,674</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	4,096,381	2,613,999
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		-	-
(iii) Intangible Assets under development		-	-
(b) Non-Current Investments	10	9,107,835	8,857,336
(c) Deferred Tax Assets (net)		82,792	1,387
(d) Long Term Loans & Advances		-	-
(e) Other Non-Current Assets	11	100,320	100,320
<b>Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	12	1,569,136	1,088,524
(d) Cash and cash equivalents	13	6,178,138	3,589,761
(e) Short-Term Loans & Advances	14	191,168,513	169,930,347
(f) Other Current Assets		-	-
<b>TOTAL</b>		<b>212,303,115</b>	<b>186,181,674</b>
<b>ACCOUNTING POLICIES</b>	1	-	-

per our report attached  
for **BHANDARI & KESWANI**  
Chartered Accountants  
FRN : 000433S  
**PRADEEP BHANDARI**  
Partner, Membership No:017411  
Chennai  
May 30<sup>th</sup> 2011

On behalf of the Board  
**KAILASHMULL DUGAR**  
**SANJAY BHANSALI**  
**DILEEP BHANDARI**

Managing Director  
Deputy Managing Director  
Executive Director

**Profit and loss account for the year ended 31st March, 2012**

Particulars	Notes	31.03.2011 Rs.	31.03.2011 Rs.
I Revenue form Operations	15	<b>46,867,704</b>	41,109,169
II Other Income	16	<b>889,444</b>	1,224,470
III <b>Total Revenue (I + II)</b>		<b>47,757,148</b>	42,333,639
<b>IV Expenses</b>			
Employee Benefits Expense	17	<b>6,183,907</b>	4,800,381
Finance Cost	18	<b>14,796,934</b>	12,799,073
Depreciation and Amortization Expense	9	<b>960,652</b>	988,041
Other Expenses	19	<b>6,784,293</b>	6,955,894
<b>Total Expense (IV)</b>		<b>28,725,786</b>	25,543,389
V Profit Before Tax	III - IV	<b>19,031,363</b>	16,790,249
<b>VI Tax Expense</b>			
Current Tax		<b>6,519,552</b>	5,894,698
Deferred Tax		<b>(81,405)</b>	(151,544)
VII Profit for the Year	V - VI	<b>12,593,216</b>	11,047,095
<b>VIII Earning per Equity Share</b>			
Basic & Diluted		8.40	7.36

per our report attached  
for **BHANDARI & KESWANI**  
Chartered Accountants  
FRN : 000433S  
**PRADEEP BHANDARI**  
Partner, Membership No:017411  
Chennai  
May 30<sup>th</sup>, 2012

On behalf of the Board  
**KAILASHMULL DUGAR**  
**SANJAY BHANSALI**  
**DILEEP BHANDARI**

Managing Director  
Deputy Managing Director  
Executive Director