

**36th Annual Report
2013 - 2014**



Deccan Finance Limited



DECCAN FINANCE LIMITED

Chairman	: Shri. P. Bhandari B.A.(Hons), B.Sc.(Econ.)(London),Bar-at-law
Managing Director	: Shri. Kailashmull Dugar , B.Com., B.L.
Dy.Managing Director	: Shri. Sanjay Bhansali , B.Com.,
Executive Director	: Shri. Dileep Bhandari , B.A.,
Directors	: Shri. Surendra M. Mehta Shri. K.V. Ramana Shetty
Auditors	: M/s. Bhandari & Keswani
Internal Auditors	: M/s. Victoria Mathews & Santhakumar
Bankers	: State Bank of India Indian Bank The Catholic Syrian Bank Ltd.
Registered Office	: No. 75, III Floor, Mahatma Gandhi Road, Chennai - 600 034. Tel : 044 - 28270870 / 28257575 Website: www.deccanfinance.in Email.Id: deccanfinance@gmail.com C I N No : L65910 TN1978 PLC007632
Administrative Office	: No. 38, Audiappa Naicken Street, Sowcarpet, Chennai - 600 079.
Branches	: Aurangabad
Shares Listed with	: Madras Stock Exchange Ltd., No. 11, Second Line Beach, Chennai-600 001.
Depositories	: National Securities Depository Ltd., (NSDL) Central Depository Services (India) Ltd., (CDSL)
SHARE REGISTRAR / TRANSFER AGENT	: CAMEO CORPRATE SERVICES LTD Subramaniam Building No. 1, Club House Road, Chennai - 600 002.



NOTICE

NOTICE is hereby given that the THIRTY SIXTH Annual General Meeting of the members of **DECCAN FINANCE LIMITED** will be held on Thursday, the 14th day of August, 2014 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, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri. KAILASHMULL DUGAR (DIN : 00134419) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. SANJAY BHANSALI (DIN : 01811994) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED** that M/s. CHANDARANA & SANKLECHA (FRN: 557S), Chartered Accountants, Chennai be and are hereby appointed as Auditors of the Company to fill casual vacancy caused by the resignation of M/s. BHANDARI & KESWANI (FRN: 000433S), Chartered Accountants, Chennai.”

“**RESOLVED FURTHER** that M/s. CHANDARANA & SANKLECHA (FRN: 557S), Chartered Accountants, Chennai, be and are hereby appointed as statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand Only) and Service Tax thereon.

6. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED** that pursuant to the provisions of sections 196, 197, 203, Chapter XIII read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration



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of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) Shri. SANJAY BHANSALI (DIN: 01811994), be and is hereby re-appointed as Deputy Managing Director of the Company for a period of five years with effect from 1st April, 2014 on the salary, allowances and perquisites as under:

- (a) Salary: Not exceeding Rs.80,000/- per month with an annual increment of Rs.10,000/-per annum or such sum as may be agreed by the Board from time to time.
- (b) Perquisites: Subject to the Ceiling of Rs.1,00,000/- per annum.

Category A:

- (i) Reimbursement of medical expenses of the Deputy Managing Director and his family, the total cost of which to the Company shall not exceed one months' salary in the year or three months' salary in a block of three years.
- (ii) Club Fees: Subject to a maximum of two clubs and this will not include admission and life membership.

Category B:

- (i) Car: The Company shall provide a car for the Company's business and, if no car is provided reimbursement of the conveyance shall be made on actual basis as may be claims made by him.
- (ii) Telephone: Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Deputy Managing Director.

Note: For the purpose of perquisites stated in Category "A" above "Family" means the Spouse, the dependent children and dependent parents of the appointee.

"FURTHER RESOLVED THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri. SANJAY BHANSALI shall be the minimum remuneration payable to him in terms of the provisions of Schedule V to the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to decide break-up of the remuneration within the above said maximum permissible



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limit and in order to give effect with the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

7. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED** that pursuant to the provisions of sections 196, 197, 203, Chapter XIII read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) Shri. DILEEP BHANDARI (DIN: 00344354), be and is hereby re-appointed as Executive Director of the Company for a period of five years with effect from 1st April, 2014 on the salary, allowances and perquisites as under:

- (a) Salary: Not exceeding Rs.80,000/- per month with an annual increment of Rs.10,000/-per annum or such sum as may be agreed by the Board from time to time.
- (b) Perquisites: Subject to the Ceiling of Rs.1,00,000/- per annum.

Category A:

- (i) Reimbursement of medical expenses of the Executive Director and his family, the total cost of which to the Company shall not exceed one months' salary in the year or three months' salary in a block of three years.
- (ii) Club Fees: Subject to a maximum of two clubs and this will not include admission and life membership.

Category B:

- (i) Car: The Company shall provide a car for the Company's business and, if no car is provided reimbursement of the conveyance shall be made on actual basis as may be claims made by him.
- (ii) Telephone: Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Executive Director.

Note: For the purpose of perquisites stated in Category “A” above “Family” means the Spouse, the dependent children and dependent parents of the appointee.

“**FURTHER RESOLVED THAT** in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to



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Shri. DILEEP BHANDARI shall be the minimum remuneration payable to him in terms of the provisions of Schedule V to the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to decide break-up of the remuneration within the above said maximum permissible limit and in order to give effect with the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

Chennai
May 24th, 2014

By Order of the Board
DECCAN FINANCE LIMITED
KAILASHMULL DUGAR
Managing Director
DIN : 00134419

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/herself and the proxy need not be a member of the Company.
The proxy form, in order to be effective, must be deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 9th August, 2014 to Thursday, the 14th August, 2014 (both days inclusive) for the purpose of Annual General Meeting of the Company.
3. The members are requested to intimate to the Registrar and Transfer Agents, Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai-600 002, Change of Address, if any, at the earliest quoting their registered folio number.
4. Members holding Shares in more than one folio in identical order of names are requested to write to Registrar and Transfer Agents enclosing their Share Certificate to enable us to consolidate their holding in one folio to facilitate better service.
5. Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date so as to enable the management to keep the information ready.
6. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed herewith.



Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

Item No. 5 :

M/s. BHANDARI & KESWANI (FRN: 000433S), Chartered Accountants, Chennai have expressed their unwillingness to get re-appointed, due to the fact that a partner, Shri. PRADEEP BHANDARI, is related to a Whole-Time Director, Shri. DILEEP BHANDARI (DIN: 00344354) and the Chairman, Shri. P. BHANDARI (DIN: 00719979).

Accordingly, the Board of Directors of your Company have suggested to appoint M/s. CHANDARANA & SANKLECHA (FRN: 557S), Chartered Accountants, Chennai in place of the retiring auditors.

The above appointment requires the approval of the members by an Ordinary Resolution. Hence, the Board of Directors commend the resolution at item No.5 for approval of members.

None of the Directors of the Company are concerned or interested in the above resolution, except, as a member of the Company.

Item No. 6 :

Shri. SANJAY BHANSALI was re-appointed as the Deputy Managing Director of the Company to manage and control the affairs of the Company subject to the control and direction of the Managing Director under the supervision of the Board of Directors of the Company.

In view of Shri. SANJAY BHANSALI's performance and capabilities, the Board of Directors of the Company at its Meeting held on 24th May, 2014 have re-appointed, subject to the approval of the Members of the Company in its ensuing Annual General Meeting, Shri. SANJAY BHANSALI as the Deputy Managing Director of the Company for a further period of 5 (five) years with effect from 1st April, 2014.

The terms and conditions for re-appointment for Shri. SANJAY BHANSALI as the Company's Deputy Managing Director are summarised hereunder:

1. Shri. SANJAY BHANSALI shall be the Deputy Managing Director of the Company for a period of 5 (five) years with effect from 1st April, 2014 to 31st March, 2019 as decided by the Board of Directors.
2. Shri. SANJAY BHANSALI shall be subject to the control and direction of the Managing Director under the supervision of the Board of Directors of the Company have substantial powers of Management and shall perform the duties and exercise the powers in relation thereto and shall also perform such other duties and



exercise such further powers as may from time to time be entrusted to or conferred upon him by the Board either alone or jointly with any other person or persons as the Board shall determine.

3. In consideration of his services as the Company's Deputy Managing Director, Shri. SANJAY BHANSALI shall be entitled to receive the following remuneration from the Company:
 - (a) Basic Salary: Rs.80,000/- per month with an annual increment of Rs.10,000/-per annum or such sum as may be agreed by the Board from time to time.
 - (b) Perquisites: Subject to the Ceiling of Rs.1,00,000/- per annum.

Category A :

- (a) Reimbursement of Medical expenses: Not exceeding one month salary in a year.
- (b) Club fees: Subject to a Maximum of two clubs.

Category B :

- (a) Car: The Company will provide car for the Company's business.
 - (b) Telephone: Reimbursement of bills of one telephone at his residence subject to certain conditions.
4. In the absence or inadequacy of profits of the Company in any financial year during his term of re-appointment hereunder, he shall for that year receive the same remuneration as in clause 3 herein above specified, within the ceiling limits as laid down in Schedule V to the Companies Act, 2013.
 5. Shri. SANJAY BHANSALI shall be entitled to reimbursement of other expenses actually and properly incurred by him in connection with the Company's business.

The terms and conditions of his service, including remuneration, may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its sole discretion deem fit without seeking further approval of the shareholders of the Company within the maximum amount payable to the Deputy Managing Director in accordance with the Act and Schedule V thereto.

The appointment and remuneration of Shri. SANJAY BHANSALI as the Company's Deputy Managing Director require the approval of the members of the Company in General Meeting by passing a resolution in terms of Schedule V read with Section 196, 197, 203 and Chapter XIII of the Act and



the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Board of Directors commend the resolution for approval by the members of the Company.

Except Shri. SANJAY BHANSALI, none of the Directors of the company are concerned or interested in this resolution.

Item No. 7 :

Shri. DILEEP BHANDARI was appointed as the Executive Director of the Company to manage and control the affairs of the Company subject to the control and direction of the Managing Director under the supervision of the Board of Directors of the Company.

In view of Shri. DILEEP BHANDARI's performance and capabilities, the Board of Directors of the Company at its Meeting held on 24th May, 2014 have re-appointed, subject to the approval of the Members of the Company in its ensuing Annual General Meeting, Shri. DILEEP BHANDARI as the Executive Director of the Company for a further period of 5 (five) years with effect from 1st April, 2014.

The terms and conditions for re-appointment for Shri. DILEEP BHANDARI as the Company's Executive Director are summarised hereunder:

1. Shri. DILEEP BHANDARI shall be the Executive Director of the Company for a period of 5 (five) years with effect from 1st April, 2014 to 31st March, 2019 as decided by the Board of Directors.
2. Shri. DILEEP BHANDARI shall be subject to the control and direction of the Managing Director under the supervision of the Board of Directors of the Company have substantial powers of Management and shall perform the duties and exercise the powers in relation thereto and shall also perform such other duties and exercise such further powers as may from time to time be entrusted to or conferred upon him by the Board either alone or jointly with any other person or persons as the Board shall determine.
3. In consideration of his services as the Company's Executive Director, Shri. DILEEP BHANDARI shall be entitled to receive the following remuneration from the Company:
 - (a) Basic Salary: Rs.80,000/- per month with an annual increment of Rs. 10,000/- per annum or such sum as may be agreed by the Board from time to time.
 - (b) Perquisites: Subject to the Ceiling of Rs. 1,00,000/- per annum.



Category A :

- (a) Reimbursement of Medical expenses: Not exceeding one month salary in a year.
- (b) Club fees: Subject to a Maximum of two clubs.

Category B :

- (a) Car: The Company will provide car for the Company's business.
 - (b) Telephone: Reimbursement of bills of one telephone at his residence subject to certain conditions.
4. In the absence or inadequacy of profits of the Company in any financial year during his term of re-appointment hereunder, he shall for that year receive the same remuneration as in clause 3 herein above specified, within the ceiling limits as laid down in Schedule V to the Companies Act, 2013.
5. Shri. DILEEP BHANDARI shall be entitled to reimbursement of other expenses actually and properly incurred by him in connection with the Company's business.

The terms and conditions of his service, including remuneration, may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its sole discretion deem fit without seeking further approval of the shareholders of the Company within the maximum amount payable to the Executive Director in accordance with the Act and Schedule V thereto.

The appointment and remuneration of Shri. DILEEP BHANDARI as the Company's Executive Director require the approval of the members of the Company in General Meeting by passing a resolution in terms of Schedule V read with Section 196 and 197 of the Act.

The Board of Directors commend the resolution for approval by the members of the Company.

Except Shri. P. BHANDARI and Shri. DILEEP BHANDARI, none of the Directors of the company are concerned or interested in this resolution.

Chennai
May 24th, 2014

By Order of the Board
DECCAN FINANCE LIMITED
KAILASHMULL DUGAR
Managing Director
DIN : 00134419

**DIRECTORS' REPORT**

To the Members,

The Directors have pleasure in presenting their Thirty Sixth Annual Report and the Audited Accounts of the Company for the financial year ended 31st March, 2014.

	2014	2013
	Rs.	Rs.
Financial Results		
Profit before Tax	1,37,42,224	1,97,41,657
Less: Provision for Tax		
Current	55,60,589	64,59,164
Deferred	(3,804)	(1,55,847)
Profit after Tax	81,85,439	1,34,38,340
Add: Balance of profit from the previous year	1,31,56,724	66,24,294
Surplus available for appropriation	2,13,42,163	2,00,62,634
Appropriations proposed:		
Statutory Reserve	16,37,088	27,00,000
General Reserve	8,18,600	21,00,000
Proposed Dividend	18,00,000	18,00,000
Provision for Dividend Tax	3,05,910	3,05,910
Profit carried forward	1,67,80,564	1,31,56,724
Total	2,13,42,162	2,00,62,634



Business

During the year, due to economic slowdown, the gross receivables under hypothecation loans stood at **Rs.2,503 lakhs** against Rs.2,535.54 lakhs of the previous year. Also due to increase in provisions, the profitability of the Company has come down from 197 lakhs to 137 lakhs.

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 **45.79%** as at 31.03.2014 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 are 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, 2014 (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, 2014 with the Company were Rs.9,15,30,112/- which include 14 deposits amounting to Rs.5,97,112/-not claimed/renewed by the depositors on due dates. Steps are continuously being taken to arrange for repayment of balance unclaimed deposits.

Directors

In accordance with the provision of the Companies Act, 2013, Shri. Kailashmull Dugar and Shri. Sanjay Bhansali, Directors, retire by rotation, and are eligible for re-appointment.



Directors' Responsibility Statement

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

1. In the preparation of the accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed and there are no material departures.
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 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 31.03.2014.



Corporate Governance

Pursuant to the circular of Securities and Exchange Board of India, the Madras Stock Exchange Limited has incorporated a Clause 49 in the Listing Agreement on Corporate Governance with regard to the composition of Board of Directors, Audit Committee, Remuneration of Directors, Board meeting procedures, Management discussions and analysis about the business, Redressal of Shareholders' grievances and their services. According to the schedule of implementation forwarded by the Madras Stock Exchange Limited, the Companies whose paid-up capital is Rs.3 Crores and above is advised to comply with the Clause 49 of the Listing Agreement. Since the capital of your Company is only Rs.1,50,00,000/- compliance of the Clause 49 of the Listing Agreement does not arise.

Auditors

The Auditors, Messrs.Bhandari & Keswani, retire and have expressed their unwillingness to get re-appointed. Hence Messrs. Chandarana & Sanklecha, Chartered Accountants, Chennai, be and are recommended for appointment.

Chennai
May 24th, 2014

On behalf of the Board
P. BHANDARI
Chairman



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, 2014. *Further it is hereby clarified that in accordance with the Circular No. 8/2014 dated 4th April, 2014 issued by the Ministry of Corporate Affairs, the purview of said certificate is limited only upto the compliance of Companies Act, 1956 and the applicable rules made thereunder.* 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 examinations 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, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, comments are not required.



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4. The Board of Directors duly met Six Times respectively on 27.05.2013, 30.07.2013, 08.08.2013, 30.10.2013, 30.01.2014 and 31.03.2014 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. As informed by the management, the Company has closed its Register of Members from 6th August, 2013 to 7th August, 2013 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 on 31st March, 2013 was held on 8th August, 2013 after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in the 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 to under Section 295 of the 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 auditors who are the relative of two of the Directors.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the Certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
(ii) The Company has deposited the amount of dividend declared in a separate bank account on 12th August, 2013 within Five Days from the date of declaration of such dividend.
(iii) The Company has paid /posted cheques for dividend to all the members within a period of 30 (Thirty) days from the date of declaration (Dividend cheques issued on 19th August, 2013 for the final dividend declared at the AGM held on 8th August, 2013).
(iv) The Company was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.



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- (v) The Company has generally complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
 15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
 16. The Company has not appointed any sole selling agents during the financial year.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such authorities prescribed under the various provisions of the Act during the financial year.
 18. The Directors have disclosed their interest in other firms /companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 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 during the financial year ended on 31st March, 2014 and the Company has filed the copy of statement in Lieu of Advertisement/necessary particulars as required by the Reserve Bank of India on 8th August, 2013. 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, 2014 are within the borrowing limits (Rs.25 Crores) 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 1st September, 1995.



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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 securities provided to the Bank, the Company has not made any other 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.
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 the 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 Fund Trust for its employees or class of its employees as contemplated under section 418 of the Act.

Place: Chennai
Date : 24.05.2014

for **MUNDHARA & Co**
Company Secretaries
(JAGDISH P MUNDHARA)
Proprietor
FCS 2353 C.P. No. 1443



ANNEXURE 'A'

(Forming part of Compliance Certificate dated 24th May, 2014)

Statutory Registers 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. Register 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 24th May, 2014).

Forms and returns as filed by **M/s. DECCAN FINANCE LIMITED**, with the Registrar of Companies, Tamilnadu, Regional Director, Central Government, Company Law Board or other authorities during the financial year ended 31st March, 2014.

1. Form 23AC with Balance Sheet as at 31st March, 2013 and Form 23ACA with Profit & Loss Account for the financial year ended 31st March, 2013 filed u/s 220 vide SRN Q10794527 on 04.09.2013.
2. Form 20B with Annual Return (Schedule V) as on date of AGM held on 8th August, 2013 filed u/s 159 vide SRN Q10848299 on 05.09.2013.



DECCAN FINANCE LIMITED

3. Form 66 with Compliance Certificate for the financial year ended 31st March, 2013 filed u/s 383A vide SRN Q10793404 on 04.09.2013.
4. Form 23 for Special Resolution passed on 8th August, 2013 filed u/s 192 vide SRN B83574475 on 04.09.2013.
5. Form 8 for Creation of Charge on 12th September, 2013 filed u/s 125 vide SRN B86244803 on 08.10.2013 and registered under Charge ID No. 10452100.
6. Form 8 for Modification of Charge on 5th December, 2013 filed u/s 135 vide SRN B91758110 on 18.12.2013 and registered under Charge ID No. 10452100.

Place : CHENNAI
Date : 24.05.2014

for **MUNDHARA & Co,**
Company Secretaries,
(JAGDISH P.MUNDHARA)
PROPRIETOR
FCS 2353 C.P.No.1443



INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF DECCAN FINANCE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Deccan Finance Ltd. (the "Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' (the "Act") and the guidelines issued by Reserve Bank Of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



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

Report on other Legal and Regulatory Requirements

- 7. As required by the Companies (Auditors' Report) Order, 2003, as amended by 'the Companies (Auditors' Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Chennai
May 24th, 2014

for **BHANDARI & KESWANI**
Chartered Accountants
FRN : 000433S
PRADEEP BHANDARI
Partner.
Membership No: 017411



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Deccan Finance Ltd. on the financial statements for the year ended 31st March, 2014.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management at reasonable intervals and no material discrepancies have been noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. The Company's nature of operations does not require it to hold inventories.
3. (a) The Company has not given any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) The Company has not taken any deposits from parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. 5 lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



6. In our opinion and 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 there under, to the extent applicable, have been complied with.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. 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 the operations of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there are no undisputed dues payable in respect of income tax, wealth tax, customs duty, excise duty and cess outstanding as at 31-03-2014 for a period of more than six months from the date they became payable.
10. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures & other securities.
13. In our opinion, the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.



DECCAN FINANCE LIMITED

14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for any loans taken by others from banks & financial institutions.
16. The Company has not raised any new term loans during the year. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
17. 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.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end.
20. The Company has not raised any monies by way of public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Chennai
May 24th, 2014

for **BHANDARI & KESWANI**
Chartered Accountants
FRN: 000433S
PRADEEP BHANDARI
Partner
Membership No: 017411



DECCAN FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note	As at 31.03.14 Rs.	As at 31.03.13 Rs.
<u>EQUITY & LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	1,50,00,000	1,50,00,000
Reserves and Surplus	3	<u>8,21,96,252</u>	<u>9,71,96,252</u>
			<u>7,61,16,724</u>
			9,11,16,724
Non-current Liabilities			
Long-term Borrowings	4	4,09,09,000	5,47,92,112
Deferred Tax Liabilities (Net)		-	-
Other Long-term Liabilities		-	-
Long-term Provisions	5	<u>53,24,185</u>	<u>4,62,33,185</u>
			<u>20,25,962</u>
			5,68,18,074
Current Liabilities			
Short-term Borrowings	6	8,01,60,193	6,97,12,774
Trade Payables		-	-
Other Current Liabilities	7	92,71,099	1,04,91,651
Short-term Provisions	8	<u>21,16,102</u>	<u>9,15,47,394</u>
			<u>27,13,142</u>
			8,29,17,567
TOTAL		<u>23,49,76,831</u>	<u>23,08,52,365</u>
<u>ASSETS</u>			
Non-current Assets			
Fixed Assets			
Tangible Assets	9	30,92,438	31,47,888
Non-current Investments	10	1,47,44,115	1,37,14,725
Deferred Tax Assets (Net)		2,42,443	2,38,639
Long-term Loans and Advances		-	-
Other Non-current Assets	11	<u>1,00,320</u>	<u>1,81,79,316</u>
			<u>1,00,320</u>
			1,72,01,572
Current Assets			
Current Investments			
Trade Receivables	12	2,92,387	26,83,629
Cash and Cash equivalents	13	10,85,885	25,89,297
Short-term Loans and Advances	14	21,19,94,107	20,76,17,131
Other Current Assets	15	<u>34,25,136</u>	<u>21,67,97,515</u>
			<u>7,60,736</u>
			21,36,50,793
TOTAL		<u>23,49,76,831</u>	<u>23,08,52,365</u>
Accounting Policies	1		

per our report attached
for **BHANDARI & KESWANI**
Chartered Accountants
FRN : 000433S
PRADEEP BHANDARI
Partner, Membership No:017411
Chennai
May 24th, 2014

On behalf of the Board
P. BHANDARI
KAILASHMULL DUGAR
SANJAY BHANSALI
DILEEP BHANDARI

Chairman
Managing Director
Deputy Managing Director
Executive Director



DECCAN FINANCE LIMITED

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

Particulars	Notes	31.03.2014 Rs.	31.03.2013 Rs.
INCOME:			
Revenue from Operations	16	5,00,52,396	5,15,45,244
Other Income	17	9,86,190	10,89,205
Total Revenue	(A)	5,10,38,586	5,26,34,449
EXPENSES:			
Employee Benefits	18	82,75,809	71,77,625
Financial Costs	19	1,55,37,215	1,57,65,489
Depreciation and Amortisation Expenses	9	10,27,291	11,12,033
Other Expenses	20	1,24,56,047	88,37,645
Total Expenses	(B)	3,72,96,362	3,28,92,792
Profit before Tax	(A-B)	1,37,42,224	1,97,41,657
Tax Expense			
Current Tax		55,60,589	64,59,164
Deferred Tax		(3,804)	(1,55,847)
Profit for the Year		81,85,439	1,34,38,340
Earning per Equity Share Basic & Diluted		5.46	8.96

per our report attached
for **BHANDARI & KESWANI**
Chartered Accountants
FRN : 000433S
PRADEEP BHANDARI
Partner, Membership No:017411
Chennai
May 24th, 2014

On behalf of the Board
P. BHANDARI
KAILASHMULL DUGAR
SANJAY BHANSALI
DILEEP BHANDARI

Chairman
Managing Director
Deputy Managing Director
Executive Director



NOTES ON ACCOUNTS:

1. ACCOUNTING POLICIES

- The Company prepares its accounts on accrual basis in accordance with the normally accepted accounting principles.
- Depreciation on fixed assets is provided on written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- Investments are stated at cost.
- 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.

	31.03.2014	31.03.2013
	(in Rupees)	
2. SHARE CAPITAL		
AUTHORISED CAPITAL		
30,00,000 Equity Shares of Rs.10/- each	<u>3,00,00,000</u>	<u>3,00,00,000</u>
ISSUED, SUBSCRIBED & PAID UP		
15,00,000 Equity Shares of Rs.10/- each fully paid up in cash	<u>1,50,00,000</u>	<u>1,50,00,000</u>

Details of Share Holding more than 5% 31.03.2014 31.03.2013

S. No.	Folio DP ID / Client ID	Name of the Holder	No. of Shares	%	No. of Shares	%
1.	IN301080 22153807	Mr. Hemant Dugar	1,91,031	12.73	1,91,031	12.73
2.	IN300513 11930462	Mr. Dileep Bhandari	1,61,724	10.78	1,61,124	10.74
3.	IN300450 10397159	Ms. Vimala Bhansali	1,25,860	8.39	1,25,860	8.39
4.	IN300450 10400024	Mr. Sanjay Bhansali	95,500	6.37	95,500	6.37
5.	IN300513 11937689	Mr. Prakashmal Bhandari	84,400	5.62	84,400	5.62

	31.03.2014	31.03.2013
	(in Rupees)	
3: RESERVES & SURPLUS		
Capital Reserve	10,000	10,000
Statutory Reserve:		
Balance brought forward from previous year	1,79,50,000	1,52,50,000
Add: Transfer from Profit & Loss Account	<u>16,37,088</u>	<u>27,00,000</u>
	1,95,87,088	1,79,50,000
General Reserve		
Balance brought forward from previous year	4,50,00,000	4,29,00,000
Add: Transfer from Profit & Loss Account	<u>8,18,600</u>	<u>21,00,000</u>
	4,58,18,600	4,50,00,000
Profit & Loss Account		
Balance brought forward from previous year	1,31,56,723	66,24,294
Add : Profit for the year	<u>81,85,439</u>	<u>1,34,38,340</u>
	2,13,42,162	2,00,62,634



DECCAN FINANCE LIMITED

	(in Rupees)	
	31.03.2014	31.03.2013
Less: Appropriations		
Transfer to Statutory Reserve	(16,37,088)	(27,00,000)
Transfer to General Reserve	(8,18,600)	(21,00,000)
Proposed Dividend	(18,00,000)	(18,00,000)
Tax on Dividend	(3,05,910)	(3,05,910)
TOTAL	8,21,96,252	7,61,16,724
4: LONG-TERM BORROWINGS		
Public Deposits (Unsecured) (Maturing between 1 to 3 years)	4,09,09,000	5,47,92,112
TOTAL	4,09,09,000	5,47,92,112
5. LONG-TERM PROVISIONS		
Contingent Provision on Standard Assets	5,99,368	5,99,368
Provision on Non-Performing Assets	38,67,449	11,72,481
Provision for Repossessed Stock	5,80,225	-
Provision for Diminution in value of Investments	2,77,143	2,54,113
TOTAL	53,24,185	20,25,962
6. SHORT-TERM BORROWINGS		
SECURED		
From banks secured by assets covered by Hypothecation Loans	2,66,04,081	4,06,97,774
UNSECURED		
Deposits form Body Corporate	29,35,000	28,70,000
Public Deposits	5,06,21,112	2,61,45,000
TOTAL	8,01,60,193	6,97,12,774
7. OTHER CURRENT LIABILITIES		
Unmatured Interest on Securitized Assets Portfolio	3,94,332	14,45,108
Amount Payable to Sundaram Finance Ltd	1,94,776	11,78,001
TDS Payable	1,76,840	93,940
Insurance Deposits	1,43,153	4,95,911
Interest Accrued but not due	72,12,756	58,82,986
Other Payables	11,49,242	13,95,705
TOTAL	92,71,099	1,04,91,651
8. SHORT-TERM PROVISIONS		
Proposed Dividend	18,00,000	18,00,000
Provision for Dividend Tax	3,12,812	3,12,862
Provision for Taxation	3,290	6,00,280
TOTAL	21,16,102	27,13,142



DECCAN FINANCE LIMITED

9. FIXED ASSETS TANGIBLE ASSETS

Particulars	Rate	Gross Block				Depreciation				Net Block	
		01.04.13	Additions	Deductions	31.03.14	01.04.13	Additions	Deductions	31.03.14	WDV as on 31.03.14	WDV as on 31.03.13
Plant & Equipment	13.91%	24,97,861	—	—	24,97,861	23,03,287	60,521	—	23,63,808	1,34,053	1,94,574
Furniture & Fixtures	18.10%	8,71,126	—	—	8,71,126	7,56,105	17,159	—	7,73,264	97,862	1,15,021
Vehicles	25.89%	44,32,670	14,72,880	14,00,168	45,05,382	20,59,847	7,28,456	7,23,011	20,65,292	24,40,090	23,72,823
Computer	40.00%	11,23,356	1,76,118	—	12,99,474	6,57,886	2,21,155	—	8,79,041	4,20,433	4,65,470
TOTAL		89,25,013	16,48,998	14,00,168	91,73,843	57,77,125	10,27,291	7,23,011	60,81,405	30,92,438	31,47,888



DECCAN FINANCE LIMITED

(in Rupees)

10. NON - CURRENT INVESTMENTS	31.03.2014		31.03.2013	
Investment in Equity Shares (Quoted), Non – Trade				
ICICI Ltd. 183 (183) shares of Rs. 10/- each	5,000		5,000	
NHPC Ltd. 16,399 (15,686) shares of Rs. 10/- each	<u>5,90,364</u>	5,95,364	<u>5,64,696</u>	5,69,696
Investment in Government Securities (Quoted), Non – Trade				
7.61%, State Development Loan Gujarat (face value of Rs.10,00,000)	10,03,977		10,03,977	
7.89%, State Development Loan Andhra Pradesh (face value of Rs.10,00,000)	10,27,252		10,27,252	
8.47%, State Development Loan Tamil Nadu (face value of Rs.16,00,000)	16,98,725		16,98,725	
8.57%, State Development Loan Andhra Pradesh (face value of Rs.13,00,000)	13,69,856		13,69,856	
7.94%, Govt. of India Loan (face value of Rs.1,00,000)	1,04,007		1,04,007	
8.35%, Govt. of India Loan (face value of Rs.1,50,000)	1,60,905		1,60,905	
8.33%, Govt. of India Loan (face value of Rs.2,00,000)	2,08,357		2,08,357	
8.90%, Tamil Nadu State Loan (face value of Rs.15,00,000)	15,37,612		15,37,613	
8.24%, Govt. of India Loan, OIL BONDS (face value of Rs.10,00,000)	10,32,146		10,32,146	
8.32%, State Development Loan Tamil Nadu (face value of Rs.14,00,000)	14,28,557		14,28,557	
National Savings Certificate	20,000		20,000	
8.26%, Government of India 2027 (face value of Rs.10,00,000)	10,03,722		-	
8.26%, Government of India 2027 (face value of Rs.15,00,000)	15,06,614		-	
8.26%, Govt. of India Loan (face value Rs.5,00,000)	-		4,84,357	
8.26%, Govt. of India Loan (face value of Rs.10, 00,000)	-		10,22,256	
8.80%, Tamil Nadu State Loan 2022 (face value of Rs.5,00,000)	5,23,350		5,23,350	
8.33%, Govt. of India Loan 2036 (face value of Rs.5,00,000)	5,06,849		5,06,849	
8.56%, Tamil Nadu State Loan 2022 (face value of Rs.10,00,000)	<u>10,16,822</u>	<u>1,41,48,751</u>	<u>10,16,822</u>	<u>1,31,45,029</u>
TOTAL	<u>1,47,44,115</u>		<u>1,37,14,725</u>	
Aggregate amount of Quoted Investments	1,47,44,115		1,37,14,725	
Market value of Quoted Investments	<u>1,46,89,889</u>		<u>1,36,47,667</u>	



DECCAN FINANCE LIMITED

	(in Rupees)	
	31.03.2014	31.03.2013
11. OTHER NON-CURRENT ASSETS		
Rental Deposits	65,000	65,000
Telephone Deposits	35,320	35,320
TOTAL	1,00,320	1,00,320
12. TRADE RECEIVABLES		
Less than 6 months (Unsecured, considered good)	2,92,387	26,83,629
TOTAL	2,92,387	26,83,629
13. CASH & CASH EQUIVALENTS		
Cash on Hand	4,67,850	12,97,580
Balance with Scheduled Banks in Current Accounts	6,18,035	12,91,717
TOTAL	10,85,885	25,89,297
14. SHORT TERM LOANS & ADVANCES		
Loan		
a) Secured, Considered Good	20,49,53,619	20,20,96,338
b) Unsecured, Considered Good	25,668	51,336
Advance to suppliers& Others	49,76,970	39,78,546
Interest Accrued on Loans	45,355	42,049
Income Tax	62,844	70,396
Staff Advance	16,80,842	13,78,466
Insurance Premium Recoverable	2,48,809	70,14,820
	-	54,69,457
TOTAL	21,19,94,107	20,76,17,131
15. OTHER CURRENT ASSETS		
Repossessed Stock	34,25,136	7,60,736
TOTAL	34,25,136	7,60,736
16. REVENUE FROM OPERATIONS		
Income from Financing Activities		
Lease Rentals	-	22,772
Interest from Banks	-	1,31,905
Interest on Loans	4,79,20,943	4,89,91,800
Interest on Govt. Securities	11,10,535	8,08,310
Income from Assets Securitized	10,20,918	15,90,457
TOTAL	5,00,52,396	5,15,45,244



DECCAN FINANCE LIMITED

	(in Rupees)	
	31.03.2014	31.03.2013
17. OTHER INCOME		
Miscellaneous Income	82,238	85,719
Profit on Sale of Assets	1,61,240	1,78,565
Dividend	12,232	23,894
Bad Debts Recovered	6,05,872	6,19,500
Commission	70,108	1,60,271
Others	54,500	21,256
TOTAL	<u>9,86,190</u>	<u>10,89,205</u>
18. EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus, PF & ESIC	66,45,954	57,18,839
Leave Encashment	95,563	75,718
Provident Fund	4,96,867	4,71,972
Rent Free Accommodation	3,00,000	3,00,000
Staff Welfare	2,67,768	2,45,476
Other allowances	42,000	-
Gratuity	4,02,657	3,40,620
Exgratia	25,000	25,000
TOTAL	<u>82,75,809</u>	<u>71,77,625</u>
19. FINANCE COST		
Interest Expense		
Bank	47,96,228	54,58,141
Public Deposits	1,01,45,380	86,82,667
Corporate Body	4,10,462	5,61,909
Directors Deposits	-	9,02,740
Brokerage	<u>1,85,145</u>	<u>1,60,032</u>
TOTAL	<u>1,55,37,215</u>	<u>1,57,65,489</u>



DECCAN FINANCE LIMITED

		(in Rupees)
20. OTHER EXPENSES	31.03.2014	31.03.2013
General Expenses	1,47,598	89,417
Printing and Stationery	2,51,103	1,99,493
Postage and Telegram	1,22,784	97,163
Electricity Charges	2,50,781	2,65,898
Books & Periodicals	13,811	14,030
Rent	5,10,000	5,25,000
Bank Charges	18,026	-24,800
Telephone Charges	2,55,657	2,57,675
Subscription	75,508	42,393
Directors' Sitting Fees	12,000	10,000
Audit Fees	84,270	1,68,540
Travelling Expenses	39,717	1,08,748
Advertisement	1,03,141	61,461
Donation	1,53,000	75,000
Commission on Business	16,95,340	19,88,954
Conveyance	1,60,617	1,03,910
Vehicle Repairs & Maintenance	8,07,794	6,41,682
Office Repairs & Maintenance	4,03,317	8,02,025
Legal Fees	87,605	1,61,775
Rate, Tax & Fees	1,62,634	1,28,829
Business Promotion Expenses	1,90,386	75,383
Computer Maintenance	2,33,616	1,01,674
Bad Debts	17,61,037	18,87,163
Insurance	2,03,524	2,02,109
Rebates & Discount	7,48,775	2,83,699
Internal Audit Fees	3,57,000	3,15,000
Entertainment Expenses	58,559	60,717
Provision against Non-Performing Assets	26,94,968	13,952
Provision against Repossessed Assets	5,80,225	-
Provision for Diminution in value of Investments	23,030	-
Professional Fees	2,00,327	1,60,522
Loss on sale of vehicle	4,897	20,233
Contribution to Research Fund	45,000	-
TOTAL	<u>1,24,56,047</u>	<u>88, 37,645</u>



21. Details of Financial Assets sold under Securitization System:

The Company has no securitization of financial assets during the year. Under the earlier year's arrangements, the Company acts as a collection agent for managing such Portfolio.

22. 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, 2014.

Nature of Transaction	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total	31.03.2013
EXPENDITURE:					
Remuneration	26,77,500	NIL	NIL	26,77,500	22,20,000
Interest	NIL	NIL	NIL	NIL	13,92,428
Rent	NIL	5,70,000	24,000	5,94,000	5,25,000
Purchase of Software/ Vehicle	72,500	3,50,000	NIL	4,22,500	NIL
LIABILITIES :					
Deposits as at Year end	NIL	NIL	NIL	NIL	NIL

per our report attached
for **BHANDARI & KESWANI**
Chartered Accountants
FRN : 000433S
PRADEEP BHANDARI
Partner, Membership No:017411
Chennai
May 24th, 2014

On behalf of the Board
P. BHANDARI
KAILASHMULL DUGAR
SANJAY BHANSALI
DILEEP BHANDARI

Chairman
Managing Director
Deputy Managing Director
Executive Director



DECCAN FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2014

(in Rupees)

	2013-2014	2012-2013
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,37,42,224	1,97,41,657
Add:		
ADJUSTMENT FOR:		
Depreciation	10,27,291	11,12,033
Provision against non-performing assets	26,94,968	13,952
Loss on sale of Fixed Assets	4,897	20,233
Diminution in the value of Investments	23,030	-
Provision for repossessed assets	5,80,225	-
TOTAL	1,80,72,635	2,08,87,875
Less:		
Surplus on sale of Fixed assets	1,61,240	1,78,565
Interest / Dividend received	11,22,767	9,64,109
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,67,88,628	1,97,45,201
(Increase)Decrease in Hypothecation Loans	-28,57,281	-1,26,91,673
(Increase)Decrease in other current assets/ Loans & Advances	-17,92,853	-51,79,046
Increase (Decrease) in Current liabilities	-12,20,552	3,57,907
Increase (Decrease) in Non-Current liabilities	-	-4,25,700
Taxes paid	-61,64,581	-69,37,728
NET CASH GENERATED FROM OPERATIONS	47,53,361	-51,31,039
(B) CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Fixed Assets(net of Sales)	-8,15,498	-4,59,689
(Increase) / Decrease in Investments (Net)	-10,29,391	-46,06,891
Interest/Dividend received	11,22,767	9,64,109
	-7,22,122	-41,02,471
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase /(Decrease) in Bank Borrowings	-1,40,93,694	-55,63,872
Increase /(Decrease) in Unsecured Loans	1,06,58,000	1,33,07,500
Dividend paid(Including Dividend tax)	-20,98,958	-20,98,958
	-55,34,652	56,44,670



DECCAN FINANCE LIMITED

NET INCREASE IN CASH & CASH EQUIVALENTS (A)+(B)+(C)	-15,03,413	-35,88,840
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	25,89,298	61,78,138
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	10,85,885	25,89,298

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, 2014 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.

Chennai
May 24th, 2014

for **Bhandari & Keswani**
Chartered Accountants
FRN : 000433S
PRADEEP BHANDARI
Partner
Membership No: 017411



Schedule to the Balance Sheet of a Non-Banking Financial Company as at 31.03.2014

(as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998)

Particulars	(Rs. in lakhs)	
	Amount outstanding	Amount overdue
Liabilities side :		
1. Loans and advances availed by the NBFC's inclusive of interest accrued thereon but not paid:		
a) Debentures : Secured	NIL	NIL
Unsecured	NIL	NIL
(other than falling within the meaning of public deposits)		
b) Deferred Credits	NIL	NIL
c) Term Loans	NIL	NIL
d) Inter-corporate loans and borrowing	29	NIL
e) Commercial Paper	NIL	NIL
f) Public Deposits	915	5.97
g) Other Loans (specify nature) Cash credit limits from Banks	266	NIL
h) Directors Deposit	NIL	NIL
2. Break-up of (1)(f) above(Outstanding public deposits Inclusive of interest accrued thereon but not paid) :		
a) In the form of Unsecured debentures	NIL	NIL
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	NIL	NIL
c) Other public deposits	915	NIL



DECCAN FINANCE LIMITED

Assets Side :	Amount outstanding
3. Break-up of Loans and Advances including bills receivables [other than those included in (4)below] : a) Secured b) Unsecured	70 NIL
4. Break up of Leased Assets and stock on hire and Hypothecation loans counting towards EL/HP Activities: (i) Lease assets including lease rentals under sundry debtors : a) Financial lease b) Operating lease (ii) Stock on hire including hire charges under sundry debtors: a) Assets on hire b) Repossessed Assets (iii) Hypothecation loans counting towards EL/HP activities: a) Loans where assets have been repossessed b) Loans other than (a) above.	 NIL NIL NIL NIL 34 2050
5. Break-up of Investments : Current Investments: 1. Quoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others(please specify) 2. Unquoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds	 NIL NIL NIL NIL NIL NIL NIL NIL NIL NIL



DECCAN FINANCE LIMITED

Assets Side :		Amount outstanding		
(iv) Government Securities		NIL		
(v) Others (Please specify)		NIL		
Long Term investments:				
1. Quoted :				
(i) Share :		(a) Equity		
		(b) Preference		
(ii) Debentures and Bonds		6		
(iii) Units of mutual funds		NIL		
(iv) Government Securities		NIL		
(v) Others (Please specify)		NIL		
2. Unquoted:				
(i) Shares :		(a) Equity		
		(b) Preference		
(ii) Debentures and Bonds		NIL		
(iii) Units of mutual funds		NIL		
(iv) Government Securities		141		
(v) Others (Please specify)		NIL		
6. Borrower group-wise classification of all leased assets, stock- on- hire and loans and advance				
S.No.	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	2050	Nil	2050
	Total	2050	Nil	2050

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

S.No.	Category	Market Value Break up or Fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties ** (a) Subsidiaries (b) Companies in the same group (c) Other related parties	NIL NIL NIL	NIL NIL NIL
2.	Other than related parties	147	144
	Total	147	144

8. Other Information

S.No.	Particulars	Amount
1.	Gross Non-Performing Assets a) Related parties b) Other than related parties	NIL 184.06
2.	Net Non-Performing Assets a) Related parties b) Other than related parties	NIL 145.39
3.	Assets acquired in satisfaction of debt	NIL

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



DECCAN FINANCE LIMITED

DECCAN FINANCE LIMITED

Registered Office : No:75, 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 Sixth 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. Thursday, the 14th day of August, 2014 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 _____

of _____ being a Member/Members of

Deccan Finance Limited, hereby appoint _____ of

_____ of _____

or failing him _____ of _____ as my/our proxy

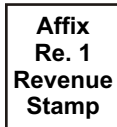
to attend and vote for me / us on my / our behalf at the

Thirty Sixth 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.

Thursday, the 14th day of August, 2014 and any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2014



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.

From

To

Deccan Finance Ltd.
75, Nungambakkam High Road,
Chennai-600 034.

Sir,

Kindly update my details as furnished below:

1. Folio No. :
 2. No. of Shares :
 3. Change in address, if any :
(proof to be attached)

 4. PAN No. :
 5. Bank details
Name and address of my Bankers :
Branch details :
Type of A/c and A/c No. :
IFSC Code :
 6. Email id :
 7. Phone No. :
 8. I consent to receive the Annual Report by email.
- Signature of the Member :

Place :

Date :

Note : Shareholders are requested to DEMAT the shares, if they are in physical form.
Please send the form duly filled in and signed to the Company or to the Registrar

Book-Post

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