



# SRI AMARNATH FINANCE LIMITED

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**COMPANY INFORMATION:****Board Structure:-**

Mrs. Priti Jain	Managing Director
Mr. Surender Kumar Jain	Director
Mr. Sujan Mal Mehta	Director
Mr. Anil Prakash	Director
Mr. Rajesh Singhal	Director
Mr. Manish Kapoor	Director
Mr. Rakesh Kapoor	Director

**Company Secretary**

Mr. Rajat Gupta

**Auditors:****M/S Singh and Nagayach**

U-74, Office-402, Tirupati Complex,  
Shakarpur, New Delhi-1100092

**Registered Office:**

22, Rajindra Park  
New Delhi – 110060.

**Shares Listed At:**

- 1. Delhi Stock Exchange Limited**  
DSE House, 3/1 Asaf Ali Road,  
New Delhi-110002.
- 2. U.P Stock Exchange Ltd.**  
Padam Towers, 14/113, Civil Lines,  
Kanpur-208001(UP).

**Bankers:**

Axis Bank  
Padam Singh Road, Karol Bagh-110005.

**Registrar and Share Transfer Agent:****Bigshare Services Pvt. Ltd.**

4E/8, First Floor, Jhandewalan Extension,  
New Delhi-110055.

## Chairman's Statement:-

### Ladies and Gentlemen,

On behalf of the Board of Directors of Sri Amarnath Finance Limited (SAFL) and on my own behalf, I am pleased to welcome you on the occasion Of Annual General Meeting of Your Company. After nurturing the Co. for Twenty Nine years since its incorporation, Mrs. Priti Jain has stepped down as Founding Chairman of Sri Amarnath Finance Limited Board. Mrs. Jain has been an extraordinary great influence on SAFL Growth trajectory, making it a premier financing company in the country and setting the path for private participation in financing area for the Investors. An exemplary Chairman and individual, Mrs. Jain has accepted the Board's invitation to remain associated with SAFL in a new capacity as Chair of the Co. He will continue to provide advice and counsel. On behalf of the firm, I have assured him that we stand committed to his vision, and continue to be inspired by his hard work, dedication and foresight in building tomorrow's India.

**We kept a sharp focus on our main priorities - of delivering a number of investment opportunity for the investors and operational excellence to strive for Continuous growth with motivational people processes.**

**MISSION & OBJECTIVES OF OUR COMPANY****MISSION**

- To facilitate availability of Finance for growth and development.
- To act as a competitive, client-friendly and development oriented organization for financing and promoting.

**OBJECTIVES**

In furtherance of the Mission, the main objectives to be achieved by the Corporation are listed below:

- To expand and diversify into other related areas and activities like investing in the shares, stocks, bonds and debentures.
- To mobilize funds from various sources including raising of funds from domestic and international agencies and sanction loans to the State
- To optimize the rate of economic and financial returns for its operations while fulfilling the corporate goals.

**COMPANY POLICIES**

**Exposure Policy**

These exposure norms are intended to align the loan/investment amounts to the repayment capacity/ servicing ability of the borrower, to spread the exposures over a large number of borrower's entities and to contain the impact of market, economic and other movements on the portfolio.

**Investment Policy**

One of the main objects of Sri Amarnath Finance Limited is "to invest in, acquire and hold, buy/sell or otherwise dispose off or deal in any manner in securities of any nature, equity shares, debenture, bonds etc."

To meet this objective, the Board of Directors of the Company has framed the broad guidelines for making investment decisions as well as to inculcate the operational efficiency for investments and have adopted the Investment

**Credit Appraisal Policy**

Accurate information about the borrower is a critical input for decision-making by Company in the lending process. Where business owners or managers know more about the prospects for, and risks facing their business than existed, the Company responds by increasing lending margins to levels in excess of that which the inherent risks required. Where the Company did not have the requisite capability to discriminate between good and bad risks. The Company tightens credit terms

**Asset Liability Management Policy**

The ALCO-RM committee constituted by the Board of Directors shall be responsible for ensuring adherence to various operational limits set by the Board of Directors as well as deciding the business strategy of SLFL (assets and liabilities) in line with overall business objectives. The adherence would also ensure that the statutory compliances set out by the Reserve Bank of India ('RBI') are complied with. The ALCO-RM will review, update, and approve the Asset/Liability and Risk Management policy annually.

## NOTICE

**NOTICE** is hereby given that the 29<sup>th</sup> Annual General Meeting of the members of **SRI AMARNATH FINANCE LIMITED** will be held on Saturday, the 6<sup>th</sup> day of September, 2014 at 05:00 P.M. at the Registered Office of the Company at 22, Rajindra Park, New Delhi-110060 to transact the following business: -

### AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2014 including audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Statutory Auditors of the Company and to fix their remuneration.

To consider and, if thought fit, the following resolution, with or without modification as an ordinary resolution.

“Resolved that pursuant to Section 139 & 141 and other applicable provisions, if any, of Companies Act, 2013 and rules made there under as amended from time to time **M/S SINGH AND NAGAYACH**, Chartered Accountants (**ICAI Registration No. 014131C**) be and is hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 34<sup>th</sup> Annual General Meeting subject to ratification of their appointment at every annual general meeting on such remuneration as may be decided by the Board of Directors in consultation with the Auditors.”

3. To appoint Director in place of **Mr. Sujan Mal Mehta (Holding DIN 01901945)** who retires by rotation at this meeting and being eligible offers herself for re-appointment.

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution:-

**“RESOLVED that** Mr. Rakesh Kapoor (holding DIN 00216016), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30<sup>th</sup> April, 2014, in terms of Section 161 and other applicable provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, pursuant to section 149, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules thereunder, for a consecutive period of five years from 25<sup>th</sup> September, 2014 to 24<sup>th</sup> September, 2019”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED that** Mr. Manish Kapoor (holding DIN 00025655), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30<sup>th</sup> April, 2014, in terms of Section 161 and other applicable provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, pursuant to section 149, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules thereunder, for a consecutive period of five years from 25<sup>th</sup> September, 2014 to 24<sup>th</sup> September, 2019”

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

**“RESOLVED that** Mr. Rajesh Singla (holding DIN 00002555), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30<sup>th</sup> April, 2014, in terms of Section 161 and other applicable provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, pursuant to section 149, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules thereunder, for a consecutive period of five years from 25<sup>th</sup> September, 2014 to 24<sup>th</sup> September, 2019”



**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the company must be supported by an appropriate resolution/authority, as applicable.
3. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself /herself and a proxy need not be a member. Proxies in order to be effective must be received by the company, not less than 48 hours, before the time for holding the meeting. The proxy form is enclosed.
4. The Register of Members and Share Transfer Books will remain closed on 5<sup>th</sup> September, 2014.
5. Members are requested to notify the change of address, if any, to the Share Department of the Company.
6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the Meeting.
7. As per the Provisions of the amended Companies Act, 1956 facilities for making nomination is now available to the shareholder of the company in respect of shares held by them.
8. Members are requested to affix their signatures at the space provided for on the attendance sheet annexed to the proxy form and hand over the slip at the entrance to the place of the meeting.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore,
11. requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
13. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.sriamarnathfinance.in](http://www.sriamarnathfinance.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [amarnath01finance@gmail.com](mailto:amarnath01finance@gmail.com)
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

## **I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 4**

Mr. Rakesh Kapoor was appointed as an Additional Director of the Company by the Board of Directors with effect from April 30, 2014. He holds office until the ensuing Annual General Meeting under Section 161(1) of the Companies Act, 2013. It is proposed to appoint Mr. Rakesh Kapoor as an Independent Director of the Company pursuant to Section 149, Schedule IV, and other applicable provisions of Companies Act, 2013. In respect of proposed appointment, the company has, as required by Section 160 of Companies Act, 2013 received a notice in writing regarding his candidature for the office of the Director. Mr. Rakesh Kapoor has submitted the declaration of independence, as required pursuant to section 149(7) of Companies Act, 2013 stating that he meets the criteria of independence as provided in subsection (6) and he is not disqualified from being appointed as a director in terms of section

164 of the Act. In the opinion of the Board, the proposed appointment of Rakesh Kapoor as independent Director fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed appointment of Mr. Rakesh Kapoor is independent of the Management.

Brief resume of Mr. Rakesh Kapoor is given in the annexure of the Notice. The Board of Director is of the opinion that Mr. Rakesh Kapoor possesses requisite skills, experience, and knowledge relevant to the Company's business and it would be in the interest of the Company to continue to have his association with the Company as Director.

The Board recommends passing of the Ordinary Resolution set out in item no. 4 of the Notice.

None of the Directors, except Mr. Rakesh Kapoor, key managerial personnel of the Company and their relatives are, concerned or interested, in this resolution, except to the extent of their respective shareholding, if any, in the Company

#### **Item No. 5**

Mr. Manish was appointed as an Additional Director of the Company by the Board of Directors with effect from April 30, 2014. He holds office until the ensuing Annual General Meeting under Section 161(1) of the Companies Act, 2013. It is proposed to appoint Mr. Manish Kapoor as an Independent Director of the Company pursuant to Section 149, Schedule IV, and other applicable provisions of Companies Act, 2013. In respect of proposed appointment, the company has, as required by Section 160 of Companies Act, 2013 received a notice in writing regarding his candidature for the office of the Director. Mr. Manish Kapoor has submitted the declaration of independence, as required pursuant to section 149(7) of Companies Act, 2013 stating that he meets the criteria of independence as provided in subsection (6) and he is not disqualified from being appointed as a director in terms of section 164 of the Act. In the opinion of the Board, the proposed appointment of Manish Kapoor as independent Director fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed appointment of Mr. Manish Kapoor is independent of the Management.

Brief resume of Mr. Manish Kapoor is given in the annexure of the Notice. The Board of Director is of the opinion that Mr. Manish Kapoor possesses requisite skills, experience, and knowledge relevant to the Company's business and it would be in the interest of the Company to continue to have his association with the Company as Director.

The Board recommends passing of the Ordinary Resolution set out in item no. 5 of the Notice.

None of the Directors, except Mr. Manish Kapoor, key managerial personnel of the Company and their relatives are, concerned or interested, in this resolution, except to the extent of their respective shareholding, if any, in the Company

**Item No. 6**

Mr. Rajesh Singal was appointed as an Additional Director of the Company by the Board of Directors with effect from April 30, 2014. He holds office until the ensuing Annual General Meeting under Section 161(1) of the Companies Act, 2013. It is proposed to appoint Mr. Rajesh Singal as an Independent Director of the Company pursuant to Section 149, Schedule IV, and other applicable provisions of Companies Act, 2013. In respect of proposed appointment, the company has, as required by Section 160 of Companies Act, 2013 received a notice in writing regarding his candidature for the office of the Director. Mr. Rajesh Singal has submitted the declaration of independence, as required pursuant to section 149(7) of Companies Act, 2013 stating that he meets the criteria of independence as provided in subsection (6) and he is not disqualified from being appointed as a director in terms of section 164 of the Act. In the opinion of the Board, the proposed appointment of Rajesh Singal as independent Director fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed appointment of Mr. Rajesh Singal is independent of the Management.

Brief resume of Mr. Rajesh Singal is given in the annexure of the Notice. The Board of Director is of the opinion that Mr. Rajesh Singal possesses requisite skills, experience, and knowledge relevant to the Company's business and it would be in the interest of the Company to continue to have his association with the Company as Director.

The Board recommends passing of the Ordinary Resolution set out in item no. 4 of the Notice.

None of the Directors, except Mr. Rajesh Singal , key managerial personnel of the Company and their relatives are, concerned or interested, in this resolution, except to the extent of their respective shareholding , if any, in the Company

**BY ORDER OF THE BOARD****SRI AMARNATH FINANCE LIMITED**

**Place: New Delhi**  
**Date: 26.08.2014**

**Rajat Gupta**  
**Company secretary**

**Details of Directors Retiring by Rotation and Seeking Re-Appointment**  
**(In Pursuance of Clause 49 of the Listing Agreement)**

Particular	Date Of Appointment	Qualification	Expertise in specific functional Area	Directorship In The Other Companies
Mr. Sujan Mal Mehta	04.04.2012	Graduate	Financial Sector	<ol style="list-style-type: none"> <li>1. C Batia &amp; Co Pvt Ltd</li> <li>2. Greenfield Pvt Ltd</li> <li>3. Kallinugger And Khoreel Tea Co Ltd</li> <li>4. Jaipur Investment Limited</li> <li>5. Barduar Tea &amp; Timber Co Ltd</li> <li>6. Echt Finance Limited</li> <li>7. Sital Leasing And Finance Ltd</li> <li>8. Transnational Growth Fund Ltd.</li> <li>9. Sunshine Capital Limited</li> <li>10. RKG Finvest Limited</li> <li>11. Chandmull Batia (Exports) Pvt. Ltd</li> </ol>
Mr. Rajesh Singal	30.04.2014	Law Graduate	Legal Matters	<ol style="list-style-type: none"> <li>1. Vaishnavi &amp; Goswami(Consultants) Private Ltd</li> <li>2. R Kumar Singal And Company Consultants Private Limited</li> <li>3. Akshi World Linkers Private Limited</li> </ol>
Mr. Rakesh Kapoor	30.04.2014	Under Graduate	Financial Sector	<ol style="list-style-type: none"> <li>1. B R Kapoor And Sons Private Limited</li> <li>2. B R K Overseas Private Limited</li> <li>3. Gemini Media Tech Private Limited</li> <li>4. Gangajal Apparels Private Limited</li> <li>5. BRK Infotech And Developers Private Limited</li> <li>6. B R K Fincap Private Limited</li> </ol>
Mr. Manish Kapoor	30.04.2014	Under Graduate	HR	<ol style="list-style-type: none"> <li>1 B R Kapoor And Sons Private Limited</li> <li>2 B R K Overseas Private Limited</li> <li>3 Gemini Media Tech Private Limited</li> <li>4 Gangajal Apparels Private Limited</li> <li>5 BRK Infotech And Developers Private Limited</li> <li>6. B R K Fincap Private Limited</li> </ol>

# DIRECTOR'S REPORT

To  
The Members,  
**M/s SRI AMARNATH FINANCE LIMITED**

Your Directors have pleasures in presenting the Annual Report of the Company together with the audited accounts for the year ended 31<sup>st</sup> March, 2014.

## **FINANCIAL RESULTS**

Particulars	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
Profit/(Loss) after depreciation	18,15,002.00	22,70,160.00
Less: Provision as per RBI Act		
Contingent Provision for Standard Asset	404,778.00	15,213.00
Provision for Loss Asset	(95,00,000.00)	1,20,00,000.00
Profit/(Loss) before tax	1,09,10,224.000	(97,45,053.00)
Less: Provision For Taxation		
Current Tax	5,51,160.00	7,14,420.00
Earlier Year Tax	44,173.00	95,065.00
Deferred Tax Asset	(11,903.00)	(1,43,092.00)
Profit/(Loss) after tax	1,03,26,794.00	(1,04,11,446.00)
Add: Balance brought forward from last	(96,83,292.00)	7,28,154.00
Surplus available for appropriation	5,91,358.00	(96,83,292.00)
Less: Appropriations	-	-
Dividend on Equity Shares paid	-	-
Tax on Dividend paid	-	-
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Transfer to Reserve Fund u/s 451C of RBI	20,71,813.00	2,59,591.00
Surplus carried to Balance Sheet	5,91,358.00	(96,83,292.00)

**GENERAL CORPORATE MATTERS**

The company is currently engaged in sale and purchase of shares & securities. The year under report has been difficult for the Stock Market as the market behaved with great volatility and Market Index showed movement both upward and downward frequently. Moreover, payment problems affecting Stock Market also caused considerable damage to the investor's confidence in the market. It also affected the overall turnover in the Stock Market. The Stock Market Index as on 31st March, 2014 were at low levels as a result of which there was low valuation of stock held by the company at the end of the year. The company also intends to make expansion in providing loans and advances and finance to different persons, firms and bodies corporate

**CORPORATE GOVERNANCE**

Your company has always striven to incorporate appropriate standard for good corporate governance and has been practicing these principles since inception. Corporate Governance has evolved in the company over the years, not only on account of regulatory requirements but also on account of sound management values for enhancing and meeting stockholder's expectations. The company is taking adequate steps in ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchange are complied within the time schedule laid down by Stock Exchange.

**GENERAL INFORMATION**

The shares of your company are listed on the Delhi Stock Exchange. Pursuant to the SEBI Guidelines the company's Equity Share has been under process to be converted in to electronic mode.

**DIVIDEND**

As the company kept the profits for investment in better projects it regret not to recommend any dividend. But the directors are hopeful better result in ensuring future.

**DIRECTORS**

**Mr. Sujan Mal Mehta (Holding DIN 01901945)**, Director, Retire by Rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

**Mr. Rajesh Singal, Manish Kapoor and Mr. Rakesh Kapoor** appointed as a Director of the Company w.e. f. 30.04.2014.

Due to unavoidable circumstance Mr. Suman Kumar and Mr. Vivek Kumar have been resigned from the directorship of the company, board will appreciates their valuable advice and contribution

**AUDITORS**

To appoint **M/S SINGH AND NAGAYACH** Chartered Accountants as a Statutory Auditors of the Company to hold office from the conclusion of this meeting until, the conclusion of next Annual General Meeting and to fix their remuneration.

**AUDITORS' REMARKS**

The observations made by the Auditors with reference to note on the accounts for the year under report are self explanatory and need no further comments from the Directors.

**AUDIT COMMITTEE**

Present members of the Audit Committee are **Mr. Rajesh Singal, Mr. Sujan Mal Mehta, & Mr. Anil Prakash** All the members of the Committee are having financial and accounting knowledge. **Mr. Rajesh Singal** is the chairman of the Committee and quorum of the Committee is four members. The company secretary acts as secretary to the Committee. The role Company terms of reference, the authority and power the committee are in conformity with the requirements of the Companies Act, 1956.

The Committee met four times during the year under review.

The Committee also met prior to finalization of accounts for the year ended 31<sup>st</sup> March, 2014.

**PARTICULARS OF EMPLOYEES**

There are no employees in receipt of remuneration in excess of amount specified in Section 217(2A) read with Companies (Particular of employees) rules 1975 as amended.

**SUBSIDIARY COMPANIES**

The Company does not have any subsidiary company.

**NBFC REGISTRATION**

The company has been registered with Reserve Bank of India as Non Banking Finance Company Vide Registration No. B-14.01224 dated 4<sup>th</sup> January 2003.

**NON-BANKING FINANCIAL COMPANIES AUDITORS REPORT (RESERVE BANK) DIRECTIONS, 1998**

Pursuant to the Non-Banking Financial Companies Auditors Report (Reserves Bank) Direction, 1998 a report from the Statutory Auditors to the Board of Directors' has been received by your company. This report has certified that the company has complied with all the directions and prudential norms as prescribed under the RBI Act, 1934.



**LISTING INFORMATION**

The Company shares are listed with Delhi Stock Exchange Ltd. and U.P. Stock Exchange. Your Company has paid Annual listing fees up to date and there are no arrears.

**CASH FLOW STATEMENT**

In conformity with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange, the Cash Flow Statement for the year ended 31st March 2014 is annexed hereto.

**FIXED DEPOSITS**

The Company has not accepted any deposits from the public, within the meaning of Section 58 – A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 during the year under review.

**STATUTORY INFORMATION**

The Company's (Disclosure of particulars in the report of Board of Directors) Rules 1988, requires the disclosures of particulars regarding conservation of energy in Form A and technology Absorption in Form B prescribed by the rules. The requirement of Forms A and B are not applicable, as the company is not manufacturing company. The company had no foreign Exchange out-go or inflow during the year.

**TRANSFER TO RESERVES**

During the year under review Company has not transferred any amount to the Reserves Fund as there are no profit left after making necessary provision as per RBI and Income Tax Act.

**NON ACCEPTANCE OF PUBLIC DEPOSITS**

The Company has not accepted any Public Deposits or any Fixed Deposit during the year 2013-14 and hence there are no defaults in repayments of amount of principle or interest as on the date of Balance Sheet

**NON-BANKING FINANCIAL COMPANIES AUDITORS REPORT (RBI) DIRECTIONS, 1998**

Pursuant to the Non-Banking Financial companies auditor's report (Reserves Bank) directions, 1998 a report from the Statutory Auditors to the board of directors' has been received by your company. This report has certified that the company has complied with all the directions and prudential norms as prescribed under the RBI act, 1934.

**EXPOSURE TO REAL ESTATE**

Exposure to Real Estate is NIL.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under section 217(2AA) of the Company Act, 1956 your Director confirms that:-

- a) In the preparation of the Annual Accounts for the period ended 31.03.2014, the applicable accounting standards have been followed and no material departures have been made from the same.
- b) The Director have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31<sup>st</sup> March, 2014 and the Profit of the Company for that year.
- c) The Director have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
- d) The annual accounts are prepared on a going concern basis.

**ACKNOWLEDGEMENT**

Your Director expresses their sincere appreciation for the co-operation, patronage, assistance and guidance by their business associates bankers and clients.

The Board members also place on record their appreciation of the service rendered by the dedicated employees of the company.

The Board also beholden to you all, partners in our enterprises, for your confidence, encouragement and unstinting support.

**FOR AND ON BEHALF OF THE BOARD  
SRI AMARNATH FINANCE LIMITED**

Place: New Delhi  
Date: 26.08.2014

**Priti Jain  
Chairman  
DIN: 00537234**

# CORPORATE GOVERNANCE REPORT

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations. The Corporate Governance is a key element in enhancing investor confidence, promoting competitiveness and ultimately improving economic growth.

The objective of Corporate Governance is "Enhancement of long term shareholders value and ensuring the protection of rights of the shareholders" and your company reiterates its commitment to good Corporate Governance.

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company policy on Corporate Governance rests on the pillars of transparency, accountability, integrity, and equity and environment responsibility in all facets of its operations. Good Corporate Governance therefore, embodies both enterprise (performance) and accountability (conformance).

Independent directors are appointed not merely to fulfill the listing requirement but for their diverse skills, experience and external objectivity that they bring to effectively perform their role to provide strategic direction and guidance and provide constructive support to management by asking the right questions and generating quality debates and discussions on major decisions.

## MANDATORY REQUIREMENTS

### BOARD OF DIRECTORS

The Board provides leadership and strategic guidance, objectively reviews management decisions and exercises control over the company. Your company is maintaining the independence of the board and company has the independent and Non-Executive directors. As on date of this report, the board of directors of the company consists of three members and it meets the requirement of the Clause 49 of the listing agreement.

The Board meeting is held in every quarter to review the financial results and discuss other issues. Besides the quarter, board meeting are also held whenever required. To conduct a board meeting the directors are informed by giving a notice in advance and the agenda of board meeting is also dispatched with the notice. The members of board discuss each agenda in the meeting and take decision after having a proper discussion and obtaining views of all members.

The board members are free to give their suggestions on any agenda item and can also submit their view for improving the performance of company.

The composition and category of Board during the year as follows

During the year Fourteen Board Meetings have taken place on 06.04.2012, 04.05.2013, 06.05.2013, 10.05.2013, 13.05.2013, 15.05.2013, 17.05.2013, 03.08.2014, 10.06.2013, 06.11.2013, 01.01.2014, 22.01.2014, 24.01.2014 and 25.03.2014.

**Details of attendance of each director at various meetings of the company are as follows:**

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
Mr. Surender Kumar Jain	Director	Executive – Non- Independent
Mrs. Priti Jain	Managing Director	Executive – Non- Independent
Mr. Sujan Mal Mehta	Director	Independent & Non - Executive
Mr. Anil Prakash	Director	Independent & Non - Executive
Mr. Rajesh Singal	Additional Director	Independent & Non - Executive
Mr. Manish Kapoor	Additional Director	Independent & Non - Executive
Mr. Rakesh Kapoor	Additional Director	Independent & Non - Executive

#### **AUDIT COMMITTEE:**

#### **COMPOSITION AND MEETINGS OF AUDIT COMMITTEE:**

The Audit Committee of the Company has been constituted as per the requirements of clause 49 of listing agreement.

**The Composition of audit committee is as follows:**

Name of the Director	Designation	Category
Rajesh Singal	Chairman	Independent & Non - Executive
Sujan Mal Mehta	Director	Independent & Non - Executive
Anil Prakash	Director	Independent & Non - Executive

**ROLE AND RESPONSIBILITIES**

- The role of Audit Committee includes the review of following:
- Financial Reporting Process
- Draft Financial Results (Quarterly & Annual)
- Record of related party transaction
- Reviewing the company's financial and risk management policies
- Management discussion and analysis of financial condition and results of operations
- Compliance with stock exchanges and legal requirement concerning financial statements
- Any other power which are specifically delegated by the board from time to time

The role of the Audit Committee includes recommending the appointment and removal of Statutory Auditor, discussion of Audit plan, fixation of Audit fees and also approval for payment of any other services.

**CODE OF CONDUCT**

As per Clause 49 (I) (D), the Board of the Company has laid down Code of Conduct for all the Board members of the Company and Senior Management as well. Annual Compliance Report for the year ended 31st March, 2014 has been received from all the Board members and senior management of the Company regarding the compliance of all the provisions of Code of Conduct. Declaration regarding compliance by Board members and senior management personnel with the Company's Code of Conduct is hereby attached as annexure to this report.

**COMPLIANCE REPORT**

The Board periodically reviews compliance report of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances, if any.

**MATERIAL NON-LISTED SUBSIDIARY COMPANIES**

Clause 49 defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Company does not have any such subsidiary during the accounting year under review

**COMPLIANCE OFFICER OF THE COMPANY**

Rajat Gupta, Company Secretary

**MARKET PRICE DATA**

There has been no trading in Delhi Stock Exchange, Delhi, during the year 2013-2014.

**ADDRESS FOR CORRESPONDENCE**

SRI AMARNATH FINANCE LIMITED  
22 Rajindra Park,  
New Delhi-110060

**GENERAL BODY MEETING**

Annual General Meeting held during the previous financial year

Year	Date	Venue	Time	Business Transacted
2013	10.06.2013	22, Rajindra Park, New Delhi-110060.	03.00 P.M.	Ordinary Business
2012	29.09.2012	22, Rajindra Park, New Delhi-110060.	11.30 A.M.	Ordinary Business
2011	30.09.2011	22, Rajindra Park, New Delhi-110060.	11.30 A.M.	Ordinary Business

All resolutions proposed for the above said meetings were duly passed by show of hands.

### STATUTORY DISCLOSURES

No transactions of material nature have been entered into by the company with any of the promoters, directors, their related companies, firms, subsidiaries or relatives etc. that may have a potential conflict with interest of the Company.

The company has not been penalized, nor have any strictures been passed by the Stock Exchanges, SEBI or any statutory authority, during the last three years, on any matter relating to capital market.

### MEANS OF COMMUNICATIONS

The Company communicates with the shareholders at large through its Annual reports and financial results published therein.

The quarterly results are published in the newspapers.

### DISCLOSURES

The Board of Directors receives from time to time disclosures relating to financial and commercial transactions from key managerial personnel of the company where they and /or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

### RISK MANAGEMENT

The Company has in place a Risk Management policy, which lays down a robust and dynamic process for identification and mitigation of risks. This policy has been adopted by the Audit Committee as well as the Board of Directors of the Company. The Audit Committee reviews the risk management and mitigation plan from time to time.

### MANAGEMENT DISCUSSION AND ANALYSIS

A statement of management Discussion and Analysis is appearing elsewhere in this Annual report in terms of requirement of the Code of Corporate Governance.

**SHAREHOLDERS INFORMATION****ANNUAL GENERAL MEETING**

Date : 6<sup>th</sup> September, 2014  
Time : 05:00 P.M.  
Venue : 22, Rajindra Park,  
New Delhi-110060

**FINANCIAL CALENDAR (tentative)****Financial Year- 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015**

Annual General Meeting for the next year ending 31st March 2015, Before 30th September 2015.

**DATE OF BOOK CLOSURE:**

5<sup>th</sup> September, 2014 for the purpose of the Annual General Meeting

**LISTING ON STOCK EXCHANGE:**

1. Delhi Stock Exchange Limited, DSE House, 3/1 Asaf Ali Road, Delhi-110002
2. U.P Stock Exchange Limited, Padam Towers,14/113, Civil Lines, Kanpur-208001(UP)

**CORPORATE IDENTIFICATION NUMBER:**

L74899DL1985PLC020194

**DEMATERIALISATION OF SHARES AND LIQUIDITY**

The company shares are traded in dematerialized form and have to be delivered in the dematerialized form to the stock exchange. To enable that shareholders have an easy access to the Demat system, the company has executed agreements with both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The company has appointed Bigshares Services Pvt. Ltd., Registrar for the purpose of electronic connectivity as well as for physical mode of transfer of shares.

ISIN No. INE 985Q01010

**DECLARATION**

None of the Director of the Company is a Director of more than 15 Companies and member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director.



## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **ECONOMIC OUTLOOK**

The long-term fundamentals of the Indian economy continue to be strong due to rising incomes and large investments. These growth drivers are expected to sustain over a long period of time. At the same time, there are some concerns due to uncertain global economic environment and slow recovery in developed markets.

### **OVERVIEW**

The company is engaged in trading in shares, financial services and investment activities where the outlook of the business seems to be encouraging over and above we have been diversified into different businesses ranging from third party product distributions (lowest balance sheet risk) to originating unsecured personal loans, corporate loans (highest balance sheet risk). We believe that we are well placed to leverage on the growth opportunities in the economy.

### **FINANCIAL PERFORMANCE**

The Company has achieved a turnover of Rs. 2415 Lacs during the year with net profitability of Rs. 103 Lacs. The company's income from operations primarily includes income from trading and distributions of financial products such as Interest income from Inter-Corporate Loan and Long Term Investments.

### **FUTURE OUTLOOK**

The future outlook of the Company is very prospective and it urges to diversify the various areas related to financial markets. Besides continuing aggressively in the existing growth areas, there are certain specific initiatives that we would like to highlight which the company would be undertaking in the financial year 2013-14. The Company is effectively putting together a growth strategy in the area of Debt Syndication, Private Placement, Corporate/Personal Loan, Advisory Services, Arranger, Distributions of Mutual Fund & Liaison for Financial Products.

### **SEGMENT REPORTING**

Accounting Standard 17 regarding Segment-wise Reporting does not apply to the Company since revenues are derived from only one Segment i.e. Finance Activity.

## **OPPORTUNITIES & THREATS**

### **Opportunities**

- Increase in Income levels will aid greater penetration of financial products.
- Positive regulatory reforms.
- Increase in corporate growth & risk appetite.
- Greater efficiency in debt market operations which will also help greater penetration.
- Increased securitization.
- Focus on selling new product/services.

### **Threats**

- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Increased competition in both local & overseas markets.
- Unfavorable economic development.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.

## **RISK MANAGEMENT**

Your company operates in the Financial Services Sector, which is affected by variety factors linked to economic development in India and globally which, in turn, also affected global fund flows. Any economic event across the globe can have direct or indirect impact on your company. To mitigate this, Company has diversified its revenue stream across multiple verticals. Your Company's risk management system is a comprehensive and integrated framework comprising structured reporting and stringent controls. Through its approach it strives to identify opportunities that enhance organizational values while managing or mitigating risks that can adversely impact the company's future performance. Within the organization, every decision taken is after weighing the pros and cons of such a decision making taking note of the risk attributable.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly.

The Company has effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. The board has also constituted an Audit Committee which meets periodically inter-alia to review the financial results, and the accuracy of financial records.

#### **HUMAN RESOURCES / INDUSTRIAL RELATIONS**

The company believes that the success of an organization largely depends on the quality of its workforce. Employee relations remained cordial and peaceful throughout the year.

#### **CAUTIONARY STATEMENT**

Any statement made in this report relating to company's perception of future outlook, objectives, expectations etc. may be considered as forward looking statements within the meaning of applicable securities laws and regulations which may differ from the actual results.

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:-**

To  
The Members of

**SRI AMARNATH FINANCE LIMITED**

1. We have examined the compliance of the conditions of Corporate Governance by SRI AMARNATH FINANCE LIMITED for the year ended 31st March 2014 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges in India.
2. The compliance condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the financial statements of the company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of Investor Grievances received during the year ended 31st March 2014, no investor grievance was received against the company as per the record maintained by the companies which are presented to Investor Grievance Committee.

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

**For SINGH & NAGAYACH**  
**Chartered Accountants**

Sd/-  
Ca. Ashish Kumar Nagayach  
(partner)  
M. No.: 405961

Place :New Delhi  
Dated: : 26.08.2014



**CEO CERTIFICATION**  
**CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION**

I, Priti Jain, Chairman & Managing Director of SRI AMARNATH FINANCE LIMITED to the best of my knowledge and belief, certify that:

1. We have reviewed Balance Sheet and Profit & Loss Account and all the Schedules and Notes on Accounts, as well as Cash Flow Statements and Director's Report for Financial Year ended on March 31, 2014;
2. Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and/or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct;
5. We are responsible for establishing and maintaining internal controls, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors:
7. any deficiencies in the design or operation of internal controls, that could adversely affect the company's ability to record, process, summarize and report financial data, and any material weaknesses in the internal controls over financial reporting including any corrective actions with regard to deficiencies;

8. significant changes in internal controls during the year;
9. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
10. Instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal controls system.

**For SRI AMARNATH FINANCE LIMITED**

**Place: New Delhi**

**Date: 26.08.2014**

**Priti Jain  
Managing Director  
DIN-00537234**

**Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct.**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Whole-time director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors.

I confirm that the Company has in respect of the year ended March 31, 2014, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

I further confirm that the rules of Insider Trading Regulation has been duly complied with.

For the purpose of this declaration, Senior Management Team means the employees in the Executive cadre and the Company Secretary as on March 31, 2014.

**For SRI AMARNATH FINANCE LIMITED**

**Place: New Delhi**

**Date: 26.08.2014**

**Priti Jain  
Managing Director  
DIN-00537234**

**SRI AMARNATH FINANCE LIMITED**  
**Regd. Office: - 22, Rajindra Park-, New Delhi-110060**

**PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management & Administration) Rule, 2014).

Name of the Member(s):

Registered Address:

Email ID:

Folio No. / Client Id:

I/We being the member(s) of \_\_\_\_\_ shares of the above named company hereby appoint:

- 1) Name:
- 2) Address:
- 3) Email Id:
- 4) Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 6<sup>th</sup> September, 2014 at 05:00 P.M. at 22, Rajindra Park New Delhi- 110060 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
1.	Adoption of Audited Financial Statements for the year ended March 31, 2014
2.	Appointment of a Director in place of Mr. Sujan Mal Mehta, who retires by rotation and being eligible, seeks reappointment
3.	Appointment of <b>M/S SINGH AND NAGAYACH</b> , Chartered Accountants, and fix their remuneration
4.	Appointment of Mr. Rakesh Kapoor as Independent Director
5.	Appointment of Mr. Manish Kapoor as Independent Director
6.	Appointment of Mr. Rajesh Singal as Independent Director



Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of the shareholder:

Signature of the Proxy Holder(s):

Affix Revenue Stamp not less than Re` 0.15
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Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. A person can act as a proxy on behalf of members up to and not exceeding Fifty and holding in the aggregate no more than ten percent of total share capital of the company
3. Please complete all details including details of member(s) in the above box before submission.

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**SRI AMARNATH FINANCE LIMITED**  
**Regd. Office: - 22, Rajindra Park-, New Delhi-110060**

**Attendance Slip**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER IT AT THE ENTRANCE OF THE MEETING HALL.

I \_\_\_\_\_ hereby record my presence at the Annual General Meeting 6<sup>th</sup> September, 2014 at 22, Rajindra Park-, New Delhi-110060 at 05:00 P.M.

Members /Proxy Name :  
(In Capital Letters)  
Folio no. :  
DPID No. :  
Client ID No. :  
Signed by the said \_\_\_\_\_