

22, Rajindra Park, New Delhi-110060 Ph.: 011-32622647 E-mail: sriamarnath@hotmail.com

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of SRI AMARNATH FINANCE LIMITED will be held at 22, Rajindra Park, New Delhi-110060 on Saturday, 29th September, 2012 at 11:30 A.M. to transact the following business:

AS ORDINARY BUSINESS:

- To receive consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended 31st March, 2012 and the report of Auditors and Directors thereon.
- To appoint Director in place of MR. SUJAN MAL MEHTA who retires by rotation at this meeting and being eligible offers himself for re-appointment.
- To re-appoint M/S RDAK & ASSOCIATES, Chartered Accountants as a Statutory Auditors of the Company to hold office form the conclusion of this meeting until, the conclusion of next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD SRI AMARNATH FINANCE LIMITED

DIBECTOR

Place: New Delhi Date: 03.09.2012

NOTES:

- 1) 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.
- The Register of Members and Share Transfer Books will remain closed from 24th Day of September, 2012 to 29th Day of September, 2012 (both days inclusive).
- Members are requested to notify the change of address, if any, to the Share Department of the Company.
- 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.
- 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.
- 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.

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 31st March, 2012.

FINANCIAL RESULTS

The Business of the Company during the year under review resulted in a Profit of Rs. 12, 97,957/- (Loss of Rs.5,23,351/- in previous year).

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, 2012 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 & Kanpur Stock Exchange, Pursuant to the SEBI Guidelines the company's Equity Share has been under process to be converted in to electronic mode.

DIVIDEND

Due to Nominal profit earned by the company during the year your directors are not in a position to recommend any dividend. But the directors are hopeful better result in ensuring future.

DIRECTORS

Mr. Sujan Mal Mehta, Director, Retire by Rotation and being eligible, offer himself for reappointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) which was introduced by the Company (Amendment) Act, 2000 your Director confirms that:-

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 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 31st March, 2012 and of the Profit of the Company of the year ended 31st March, 2012.
- 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.

AUDITORS

To re-appoint M/S RDAK & ASSOCIATES Chartered Accountants as a Statutory Auditors of the Company to hold office form 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. Surendra Kumar Jain, Mrs. Priti Jain & Mr. Sujan Mal Mehta. All the members of the Committee are non-executive and independent directors. All the members of the Committee are having financial and accounting knowledge. Mr. Surendra Kumar Jain is the chairmen of the Committee and quorum of the Committee is two 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 31st March, 2012.

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 4th 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., Delhi. 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 2012 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.

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

Place: New Delhi Date: 03.09.2012

CHAIRMAN

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. 33.63 Lacs during the year with net profitability of Rs. 12.97 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 specifics initiatives that we would like to highlight which the company would be undertaking in the financial year 2012-13. 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.

CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

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, 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 four 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.

During the year Eleven Board Meetings have taken place on 19.04.2011, 10.05.2011, 30.05.2011, 04.06.2011, 11.08.2011, 05.09.2011, 22.10.2011, 15.11.2011, 30.11.2011, 14.02.2012 & 31.03.2012.

The composition and category of Board during the year as follows:

Name of the Director	Designation	Category
Mr. Surender Kumar Jain	Chairman	Promoter & Non - Executive
Mrs. Priti Jain	Director	Promoter & Non - Executive
Mr. Sujan Mal Mehta (Appointed w.e.f. 04-04-2012)	Additional Director	Promoter & Non – Executive
Mr. Mukesh Kumar (Resigned w.e.f. 06-04-2012)	Director	Non – Executive & Independent

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

Name of the Director	Designation	Category	No. of Board Meetings	Last AGM attended
Mr. Surender Kumar Jain	Chairman	Promoter & Non - Executive	11	Yes
Mrs. Priti Jain	Director	Promoter & Non - Executive	11	Yes
Mr. Sujan Mal Mehta (Appointed w.e.f. 04-04-2012)	Additional Director	Promoter & Non – Executive	0	No
Mr. Mukesh Kumar (Resigned w.e.f. 06-04-2012)	Director	Non – Executive & Independent	11	Yes

COMMITTEE OF DIRECTORS

AUDIT COMMITTEE:

COMPOSITION AND MEETINGS OF AUDIT COMMITTEE:

The Audit Committee of the Company has not been constituted as per the requirements of clause 49 of listing agreement due to non-appointment of Independent Director.

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, 2012 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

Surender Kumar Jain

GENERAL BODY MEETING

Annual General Meeting held during the previous financial year

Year	Date	Venue	Time	Business Transacted
2011	30.09.2011	22, Rajindra park, New Delhi-110060.	11:30 A.M.	Appointment of Mr. Mukesh Kumar as Director of the Company.

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.

MARKET PRICE DATA

There has been no trading in Delhi Stock Exchange, Delhi, during the year 2011-2012

SHAREHOLDERS INFORMATION

ANNUAL GENERAL MEETING

Date: 29th September 2012

Time: 11:30 A.M.

Venue: 22, Rajindra park,

New Delhi-110060.

FINANCIAL CALENDAR (tentative)

Financial Year- 1st April 2012 to 31st March 2013

Annual General Meeting for the next year ending 31st March 2013: Before 30th September 2013.

DATE OF BOOK CLOSURE:

24th September, 2012 to 29th September, 2012 (both days inclusive)

LISTING ON STOCK EXCHANGE:

Delhi Stock Exchange Limited, DSE House, 3/1 Asaf Ali Road, Delhi-110002

CORPORATE IDENTIFICATION NUMBER: L74899DL1985PLC020194

SHARE TRANSFER SYSTEMS

Share transfers are presently registered within a maximum period of 15 (fifteen) days from the date of receipt provided the documents are complete in all respects.

STATUS FOR SHAREHOLDERS' COMPLAINTS FOR THE PERIOD 01.04.2011 TO 31.03.2012

Complaint received from the shareholders of the company during the year was duly resolved upto the satisfaction of our shareholders & no complaint was pending at the end of financial year.

SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH 2012

Category	Total No. of Shares	%age
Promoter		44.020/
a) Indian	1480000	14.83%
b) Foreign	-	
Public		
a)Institutional Shareholding		- 170/
b) General Public	8500000	85.17%

DISTRIBUTION OF SHAREHOLDERS AS ON 31 ST MARCH 2012

Shareholding 110.0.		orial crio. a		narenoluling Charac hold		% of Shareholding	
(Rs.)	(Rs.)		45.40	12100	0.13		
Upto	5000	46	45.10	13100			
5001	10000	14	13.73	12800	0.13		
10001	20000	6	5.88	10300	0.10		
		3	2.94	8500	0.09		
20001	30000	NIII	NIL	NIL	NIL		
30001	40000	NIL		NIL	NIL		
40001	50000	NIL	NIL				
50001	100000	5	4.90	37000	0.37		
	ABOVE	28	27.45	9898300	99.18		
100001 TO	TAL	102	100	9980000	100		

DEMATERIALISATION OF SHARES AND LIQUIDITY

The company shares are not traded in dematerialized form and have to be delivered in the dematerialized form to the stock exchange.

ADDRESS FOR CORRESPONDENCE

Sri Amarnath Finance Limited 22, Rajindra park, New Delhi-110060.

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.

SECRETARIAL AUDIT

To reconcile the total admitted capital with NSDL & CDSL and the total issue and listed capital, a secretarial audit is carried out by a Practicing Company Secretary on quarterly basis.

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 Director. I confirm that the Company has in respect of the Financial Year ended March 31, 2012, 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.

FOR SRI AMARNATH FINANCE LIMITED

Date: 18.05.2012 Place: New Delhi SURENDER KUMAR JAIN (DIRECTOR)

DIRECTOR CERTIFICATION

I, SURENDER KUMAR JAIN, Director, of Sri Amarnath Finance Limited, to the best of my knowledge and belief hereby certify that:

- (a) I have reviewed the financial statements and the cash flow statements for the year ended 31.03.2012 and that to the best of my knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are to the best of my knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design and operations of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee:
 - (i) Significant changes in the internal control over financial reporting during the year under reference.
 - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- (e) I further declare that the board members and senior managerial personnel have affirmed compliance with the code of conduct under Clause 49 of the Listing Agreement, for the current year.

Date: 18.05.2012: Place: New Delhi

SURENDER KUMAR JAIN

(DIRECTOR)

AUDITORS CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of
Sri Amarnath Finance Limited
22, Rajindra park,
New Delhi-110060.

We have examined the compliance of the conditions of Corporate Governance by Sri Amarnath Finance Limited for the year ended 31st March 2012 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with guidance not on certification of corporate governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of the Chartered Accountants of India and 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.

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 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 RDAK & ASSOCIATES

(Chartered Accountants)

DEEPAK MODI (Partner) M.No. 502363

Dated: 18.05.2012 Place: New Delhi

RDAK & Associates

Chartered Accountants

165, Dayanand Vihar Delhi – 110092 011-43014696, 9818024242

Auditors' Report to the members of SRI AMARNATH FINANCE LIMITED

We have audited the attached Balance Sheet of **SRI AMARNATH FINANCE LIMITED** as at 31st March 2012 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these statements based on our audit.

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

As required by the Companies (Auditor's Report) Order (Amended), 2004, issued by the Central Government of India, in terms of Section 227(4A), of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the annexure referred to above, 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 accounts, as required by law, have been kept by the Company, so far as appears from our examination of such books;
- c. The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of accounts;
- d. In our opinion, the Balance Sheet and Profit and Loss Account of the Company, comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the said directors are disqualified as on 31st March 2012 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.



- f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account, read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
 - In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012 and
 - II. In the case of the Profit & Loss Account of the Profit of the Company for the year ended on that date.

For RDAK & Associates

Chartered Accountants

(Anha)

M.No. 502363

Place: Delhi

Date: 18.05.2012

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (3) of our report of even date of SRI AMARNATH FINANCE LIMITED, for the year ended 31st March 2012;

- 1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - (b) These Fixed Assets have been physically verified by the management at reasonable intervals; the same has been properly dealt with in the books of accounts.
 - (c) The Company has not disposed off any Fixed Assets during the year.
- On the basis of information and explanation provided by the management, Inventories / Investment in the form of Shares have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable.
 - (b) In our opinion, procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion, the company is maintaining proper records of inventory. We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account.
- 3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act:-
 - (a) The company has neither granted nor taken any unsecured loan from such parties.
- 4. In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and for the sales of goods and shares.
- 5. (a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of opinion that the transactions that need to be entered into a register maintained under section 301 of the Companies Act, 1956 are being so entered.
 - (b) As per the audit procedures applied by us, and according to the information and explanations given to us, with respect to the transaction as entered in the register maintained under section 301, exceeding the value of five lac rupees in respect to any party during the financial year, the prices at which these have been made are reasonable having regard to the market prices prevailing at the time of the transaction.
- 6. The company has not accepted deposits from the public as defined in section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) rules, 1975.
- 7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- 8. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the year under review.



The company is generally regular in depositing undisputed statutory dues 9. (a) including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax and any other statutory dues with the Appropriate Authorities.

According to information and explanation given to us and as per the books and records examined by us, there are no dues of income tax, custom duty, excise duty, sale tax, wealth tax and cess which have not been deposited on account of any dispute.

- 10. There are no accumulated losses in the company. The company has neither incurred cash loss in the current financial year nor in the immediately preceding financial year.
- 11. According to the information and explanations given to us and as per the books and records examined by us, the company has not defaulted in repayment of dues to the financial institutions and banks.
- 12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, during the year under audit.
- 13. In our opinion, the company is not a chit fund or nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order (Amended) 2004 are not applicable to the company.
- 14. The Company has maintained proper records of the transactions and contracts regarding dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other securities have been held by the company in its own name except to the extent of the exemption granted under section 49 of the Act.
- 15. On the basis of information and explanation provided, the company has not given any guarantee for loans taken by others from the banks during the year.
- 16. On the basis of records available and information and explanation given to us, during the year the company has not taken any terms loan.
- 17. On the basis of information and explanation given to us and an overall examination of the balance sheet, we report that no funds raised on short-term basis have been used for long-term investments.
- 18. The company has not made any preferential allotment of shares during the year.
- 19. During the period covered by our audit report, the company has not issued any debentures.
- 20. The company has not raised any money by public issues during the year.
- 21. During the course of our examination of the books of account 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 fraud on or by the company, noticed or report during the year, nor have we been informed of such case by the management.

For RDAK & Associates

Chartered Accountants

M.No. 502363

Place: Delhi

Date: 18.05.2012

BALANCE SHEET AS AT 31-03-2012

(IN RUPEES)

		(IN RUPEES)					
		NOTE	FIGURES AS AT THE END OF				
S.NO.	PARTICULARS	NO.	CURRENT REPORTING	PREVIOUS REPORTING			
			PERIOD	PERIOD			
1	EQUITY AND LIABILITIES						
	Shareholders Funds						
	(A) Share Capital	Α	99,800,000.00				
	(B) Reserves And Surplus	В	450,997,025.42				
	Total(1)		550,797,025.42	549,499,068.64			
2	Current Liabilities						
	(A) Other Current Liabilities	C	178,500.00	126,600.00			
	(B) Short Term Provisions	D	420,575.00				
	Total(2)		599,075.00				
	TOTAL(1+2)		551,396,100.42	550,727,383.64			
II	ASSETS						
1	Non-Current Assets						
	(A) Fixed Assets						
	(I) Tangible Assets	E	1,104,430.61	1,422,148.6			
	(B) Non-Current Investments	F	475,645,922.38				
	(C) Deferred Tax Assets (Net)	G	1,260.00				
	(D) Long-Term Loans And Advances	Н	62,688,585.00				
	(E) Other Non-Current Assets	1	187,200.00				
	Total(1)		539,627,397.99	356,412,208.6			
2	Current Assets						
	(A) Inventories	J		190,903,177.1			
	(B) Cash And Cash Equivalents	K	1,427,015.43				
	(C) Short-Term Loans And Advances	L	10,341,687.00				
	Total(2)		11,768,702.43				
	TOTAL(1+2)		551,396,100.42	550,727,383.6			

As Per Our Report Of Even Date Attached
For RDAK & ASSOCIATES
(Chartered Accountants)

Deepak Mødi Partner) M.NO. 502363

> Place: New Delhi Date: 18.05.2012

For SRI AMARNATH FINANCE LIMITED

Director

Vandana Batra

(Company Secretary)

Cost Jon

Director

Pankaj Kapoor (Manager Accounts)

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31-03-2012

(IN RUPEES)

			(IN KOPLLS)			
NOTE NO.	PARTICULARS		FIGURES FOR THE CURRENT REPORTING PERIOD	FIGURES FOR THE PREVIOUS REPORTING PERIOD		
	Revenue From Operations		3,363,714.00	7,107,324.00		
	Other Income	PL-1				
11	Total Revenue		3,363,714.00	7,107,024.00		
III a	Expenses: Purchase Of Stock-In-Trade			4,071,250.00		
b	Changes In Inventories Of Finished Goods	PL-2				
С	Depreciation And Amortization Expense	PL-3	411,318.00			
d	Other Expenses	PL-4	1,883,331.22			
	Total Expenses		2,294,649.22	6,423,086.97		
IV	Profit After Depreciation (ii-iii) Less: Contingent Provision For Standard Asset		1,069,064.78 (730,030.00)			
V	Profit Before Tax (iii-iv)		1,799,094.78	(202,477.97		
VI	Tax Expense		263,890.00	215,000.00		
a			215,048.00	64,807.00		
b	Earliar Years Tax		22,200.00			
VII	Deferred Tax (Reversal Of DTA) Profit (Loss) For The Period (v-vi)		1,297,956.78	(523,350.97		
VIII	Earning Per Equity Share Basic Diluted		0.13			

As Per Our Report Of Even Date Attached
For RDAK & ASSOCIATES
(Chartered Accountants)

DELHI Deepak Modi (Partner)

M. NO. 502363

Place: New Delhi Date: 18.05.2012 For SRI AMARNATH FINANCE LIMITED

Director

Director

Vandana Batra

(Company Secretary)

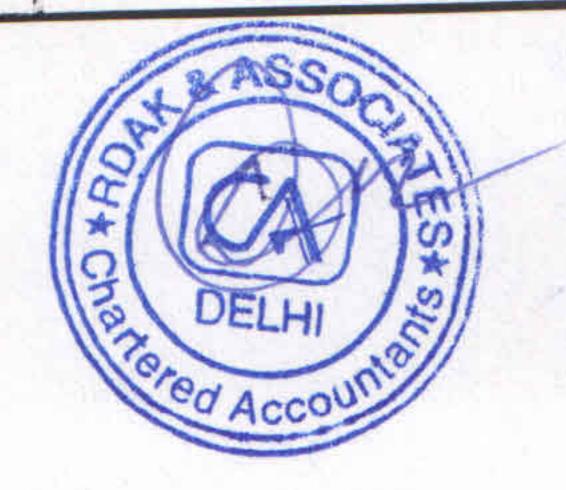
Pankan Kapoor (Manager Accounts)

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31-03-2012

		(IN RUPEES)				
NOTE NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD			
	Share Capital: (1)Authorised:	100,000,000.00	100,000,000.00			
	1,00,00,000(Last Year 1,00,00,000) Equity Shares Of Rs.10/-Each	100,000,000.00	100,000,000.00			
	(2)Issued, Subscribed& Paid Up Shares at the begining of the Accounting Period 99,80,000 (L.Y.99,80,000) Equity Shares of	99,800,000.00	99,800,000.00			
	Rs.10/- Each Additions during The Year Shares at the end of the Accounting Period 99,80,000 (L.Y.99,80,000) Equity Shares of Rs.10/- Each	99,800,000.00	99,800,000.00			
3	Reserve & Surplus: Investment Allowance reserve At The Beginning Of The Accounting Period Additions During The Year At The End Of The Accounting Period Reserve U/S 45(IC) Of The RBI Act, 1934 At The Beginning Of The Accounting Period Additions During The Year At The End Of The Accounting Period Securities Premium Account At The Beginning Of The Accounting Period Additions During The Year At The End Of The Accounting Period Additions During The Year At The End Of The Accounting Period Surplus At The Beginning Of The Accounting Period	9,280.00 9,280.00 259,591.36 259,591.36 450,000,000.0 450,000,000.0 (310,211.3 1,297,956.7	9,280.00 9,280.00 			
	Additions During The Year (Balance In Statement Of Profit & Loss A/C) Allocations And Appropriations Transfer To Reserve Maintained U/s 45(IC) At The End Of The Accounting Period Grand Total	259,591.3 728,154.0 450,997,025.4	(310,211.3			



	Current Liabilies				
C	Other Current Liabilities		F F 4 0 00		5,510.00
	Audit Fee Payable		5,510.00		111,090.00
2	Legal & Professional Charges Payable		99090.00		10,000.00
	Listing Fee Payable		10,000.00		10,000.00
4	Office Repair & Mainyenance Charges Payable		33,900.00		
5	Salary Payable		30,000.00		
			178,500.00		126,600.00
D	Short-Term Provisions				
	Provision For Taxation		263,890.00		215,000.00
	Contingent Provision For Standard Assets		156,685.00		886,715.00
			420,575.00		1,101,715.00
	a) <u>Fixed Assets</u>				
(i) <u>Tangible Assets</u>				
	Gross Block	OP. BAL.	ADD.	DEL.	TOTAL
	Assets	91,000.00			91,000.0
	1 Air Conditioner	1,902,655.00			1,902,655.0
	2 Motor Car (Endeavour)	895,524.61			895,524.6
	3 Furniture And Fixture	6,400.00			6,400.0
	4 Stabilizer	2,895,579.61			2,895,579.6
	Total Of This Year	2,895,579.61			2,895,579.6
	Grand Total Total Of The Previous Year	2,895,579.61			2,895,579.6
	Depreciation Block				
	1 Air Conditioner	15,949.00	10,440.00		26,389.0
	2 Motor Car (Endeavour)	936,036.00	250,258.00		1,186,294.0
	3 Furniture And Fixture	519,790.00	56,360.00		576,150.0
	4 Stabilizer	1,656.00	660.00	-	2,316.0
	Total Of This Year	1,473,431.00	317,718.00		1,791,149.0
	Grand Total	1,473,431.00	317,718.00		1,791,149.
	Total Of The Preivous Year	1,056,549.00	416,882.00		1,473,431.
			LASTYEAR		THIS YEAR
	Net Block		75,051.00		64,611.
	1 Air Conditioner		966,619.00		716,361.
	2 Motor Car (Endeavour)		375,734.61		319,374.
	3 Furniture And Fixture		4,744.00		4,084.
	4 Stabilizer		1,422,148.61		1,104,430.
	Total Of This Year		1,422,148.61		1,104,430.
	Grand Total Total Of The Previous Year		1,839,030.61		1,422,148.



Non Current Investment:			TIALLORAGA	AMOUNT
Quoted	N.V	QTY.	AMOUNT	AIVIOUIVI
Apoorva Leasing Finance &		4000500	189,997,500.00	
Investment Company Ltd.	10	1809500	119,914.64	
Bharat Heavy Electrical Ltd	10	50		
Larsen & Turbo Ltd.	10	50	82,951.22	
Ranbaxy Laboratory Ltd.	2	200	96,855.32	
Reliance Capital Ltd.	2	200	118,693.70	
Reliance Industries Ltd.	10	200	222,328.29	
Reliance Power Ltd.	10	4600	515,268.25	004 005 450 00
Shalini Holdings Ltd.	10	560300	284,225,150.00	284,225,150.00
Siemens Ltd.	2	100	75,016.64	
State Bank of India	10	50	104,905.49	
Tata Motors Ltd.	2	100	74,208.83	
Investment in Jewellery			13,130.00	
			475,645,922.38	284,225,150.0
Deferred Tax Assets (Net):			23,460.00	64,526.0
Opening Balance			(22,200.00)	(41,066.0
Created/(Reversed) During The Year			1,260.00	23,460.0
Closing Balance			1,200.00	
Long Term Loans And Advances:			4.045.050.00	1,151,529.0
AC Aggarwal Share Brokers Pvt. Ltd			1,245,058.00	12,623,495.0
Adlec Systems Pvt. Ltd.				
Ajay Bansal				662,000.0
ALM Infotech City Pvt. Ltd.				6,117,173.0
Ambica Engineers			500,000.00	500,000.0
Anil Gupta			2,500,000.00	
Apoorva Joshi			2,703,551.00	
Chander Pal Singh Shisodia			5,000,000.00	5,000,000.
CP & Associates Pvt. Ltd.			1,000,000.00	1,000,000.
Crew Bros Products Pvt. Ltd.			2,500,000.00	2,500,000.
Gauray Sud			1,736,250.00	1,736,250.
Jeet Kaur Gandi			2,000,000.00	
Marrico Marble & Granites Corporat	ion		943,767.00	2,008,767.
			1,000,000.00	
Meenal Puri			1,041,250.00	1,041,250.
Mukesh Goyal			3,160,609.00	2,875,186.
Navalco Commodities Pvt. Ltd.			2,502,950.00	
New Line Buildcap Pvt. Ltd.			1,031,800.00	
Paragon Hospitality Pvt. Ltd.			700,000.00	700,000
Pradeep Jain Usha Jain			10,620,000.00	9,810,000
Priti Merchantile Co. Ltd.			1,782,150.00	1,635,000
Progressive Training Career & Wel	fare Organisation		2,500,000.00	2,500,000
Sachin Sethi				1,500,000
Signet Garments Pvt. Ltd.			1,540,500.00	2,000,000
Star Infra Projects Pvt. Ltd.			4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	14,100,000
Swastik Rock Minerals			14,480,700.00	1,000,000
Unichem Alkalies & Acids			1,000,000.00	1,000,000
Veecon Media & Broadcasting Pvt.	Ltd.		1,200,000.00	70 400 050
1/8/	AF.		62,688,585.00	70,460,650

Misc . Expenditure (To The Extent Not Written Off Or Adju- Preliminary & Pre Operative Expenses Opening Balance/Addition Less: Written Off During The Year			280,800.00 93,600.00 187,200.00	374,400.00 93,600.00 280,800.00
Quoted	N.V	QTY.	AMOUNT	AMOUNT
Apoorva Leasing Finance & Investment Company Ltd. Bharat Heavy Electrical Ltd Larsen & Turbo Ltd. Ranbaxy Laboratory Ltd. Reliance Capital Ltd. Reliance Industries Ltd. Reliance Power Ltd. Siemens Ltd. State Bank of India Tata Maiors Ltd.	10 10 2 2 10 10 2 10 2	1809500 50 50 200 200 200 600 100 50 100		189,997,500.00 119,914.64 82,951.22 96,855.32 118,693.70 222,328.29 10,803.00 75,016.64 104,905.49 74,208.83 190,903,177.13
Cash & Cash Equivalents: (A) Balance With Banks (B) Cash in Hand			691,547.80 735,467.63 1,427,015.43	381,916.2 358,906.6 740,822.9
Short Term Loans & Advances: (Unsecured Considered Good Unless Otherwise Stated) (1) Recievable From Revenue Author Refund For A.Y 09-10 Refund For A.Y 10-11 TDS Deducted A.Y 10-11 Tax Deducted At Source A.Y. 2012-1 Income Tax Refundable (2) Share Application Money Paid	ities		318,315.00 23,372.00 10,000,000.00 10,341,687.00	1,600,175.0 760,735.0 310,265.0

As Per Our Report Of Even Date Attached

For RDAK & ASSOCIATES
(Chartered Accountants)

Deepak Woodi (Partiter)

M.NO. 502363

Place: New De!hi
Date: 18.05.2012

For SRI AMARNATH FINANCE LIMITED

Director

Vandana Batra

(Company Secretary)

Posti Jaio

Director

Pankaj Kapoor (Manager Accounts)

ADDITIONAL INFORMATIONS- NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31-03-2012

NOTE NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	PREVIOUS REPORTING PERIOD
	Shares In The Company Held By Each Shareholder Holding More Than 5 % Shares.(Equity Shares In Nos. Of Rs. 10) Apoorva Leasing Finance & Investment Co. Ltd. Avail Financial Services Pvt. Ltd. Euro Asia Mercantiles Pvt. Ltd. Parishudh Finance Co. Pvt. Ltd. Pitambra Securities Pvt. Ltd. Sunshine Capital Limited Worldlink Telecom Limited	1472500 1473500 1474500 665000 525000 1480000 1475000 8565500	1473500 1474500 665000 525000 1480000 1475000

As Per Our Report Of Even Date Attached

For RDAK & ASSOCIATES

(Chartered Accountants)

(Partner)

M.NO. 502363

Place: New Delhi

Date: 18.05.2012

For SRI AMARNATH FINANCE LIMITED

Director

Jandana Batra

(Company Secretary)

Pankaj Kapoor

Director

Manager Accounts)

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2012

(IN RUPEES)

		(IN RUPEES)		
		FIGURES FOR THE	FIGURES FOR THE	
	TARTICIU ADC	CURRENT REPORTING	PREVIOUS REPORTING	
NOTE NO.	PARTICULARS	PERIOD	PERIOD	
PL-1	Other Income:		0.075.000.00	
	Interest On Loan	3,186,704.00	• · · · · · · · · · · · · · · · · · · ·	
	Dividend	9,050.00	6,338.00	
	Interest On Refund	167,960.00		
			4,125,000.00	
	Sale Of Shares	3,363,714.00	7,107,324.00	
PL-2	Changes In Inventories			
	Finished Goods		190,903,177.13	
	At The Beginning Of The Accounting Period		190,903,177.13	
	At The End Of The Accounting Period		100,000,	
	Depreciation And Amortization Expense:			
PL-3		317,718.00	416,882.00	
	Depreciation One-patient Even Written Off	93,600.00	93,600.00	
	Preliminary & Pre-Operative Exp.Written Off	411,318.00	510,482.00	
PL-4	Administrative Expense	40.000.00	8,500.00	
	Account Charges	12,000.00		
	Advertisement Expenses	11,961.00	= = 40.00	
	Auditor Remuneration	5,510.00	- 4 000 00	
	Bank Charges	2,605.83		
	Business Promotion	55,682.00	00 500 00	
	Car Insurance	21,422.00		
	Car Repair & Maintenance	154,991.00		
	Conveyance	55,587.00	48,562.00	
	Demat Account Charges	3,076.39		
		14,530.00		
	Electricity Charges	25,302.00		
	Festival Expenses	3,500.0	8,000.00	
	Filling Fees	128,504.0	0	
	Legal & Professional Charges	11,029.0	10,000.00	
	Listing Fees	21,793.0	0 18,456.00	
	Misc. Expenses	183,666.0	25,489.00	
	Office Repair & Maintenece	10,197.0	0	
	Photocopy Charges	5,922.0	0 8,965.00	
	Postage Expenses	25,020.0	0 18,265.00	
	Printing & Stationary	420,000.0	100 000 0	
	Salary & Wages	33,120.0	05 405 0	
	Staff Welfare	13,045.0	0.050.0	
	Telephone Expenses	662,000.0	050 040 4	
	Bad Debts W/off	2,868.0		
	DSE Other Fees	2,000.0	11,266.4	
	Sundry Balance W/off	4.000.224.5		
		1,883,331.2		



ADDITIONAL INFORMATIONS TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2012

(IN RUPEES)

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD	FIGURES FOR THE PREVIOUS REPORTING PERIOD
	PAYMENT TO THE AUDITORS AS Auditor	5,510.00	5,510.00
	For Taxation Matters		
	For Company Law Matters For Management Services		
	For Other Services For Reimbursement Of Expenses		
	TOTAL	5,510.00	5,510.00

As Per Our Report Of Even Date Attached
For RDAK & ASSOCIATES

(Chartered Accountants)

Deepard Modi

(Partner)

M.NO. 502363

Place: New Delhi

Date: 18.05.2012

For SRI AMARNATH FINANCE LIMITED

Director

Vandana Batra

(Company Secretary)

Director

0

Pankaj Kapoor

(Manager Accounts)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2012

(IN RUPEES)

		(IN RUPEES)	
		2011-2012	2010-2011
В.	CASH FLOWS FROM OPERATION ACTIVITIES: Net Profit Before Tax And Extraordinary Items	1,069,064.78	684,237.03
	Adjustments For: Depreciation Preliminary Expenditure Written Off Operating Profit Before Working Capital Changes	317,718.00 93,600.00 1,480,382.78	416,882.00 93,600.00 1,194,719.03
	Adjustments For: Increse/Decrease In Current Assets Increase/Decrease In Current Liabilities Cash Generated From Operations	2,039,475.00 51,900.00 3,571,757.78	(298,265.00 (559,270.00 337,184.03
	Direct Tax Paid Net Cash From Operating Activities	(140,035.00) 3,431,722.78	337,184.03
	CASH FLOWS FROM INVESTING ACTIVITIES Purchase of Investment Net Cash Used In Investment Activities	(517,595.25) (517,595.25)	
	CASH FLOWS FROM FINANCING ACTIVITIES Receipt Against Loans & Advances Given Loans & Advances Given Share Application Money Paid/Received Net Cash From In Financing Activities	7,772,065.00 (10,000,000.00) (2,227,935.00)	(4,267,169.1 4,000,000.0 (267,169.1
	NET INCREASE IN CASH & CASH EQUVALENTS	686,192.53	70,014.9
	CASH & CASH EQUIVALENTS (Opening Balance) CASH & CASH EQUIVALENTS (Closing Balance)	740,822.90 1,427,015.43	670,807.9 740,822.9

NOTE: NEGATIVE FIGURES HAVE BEEN SHOWN IN BRACKETS.

As Per Our Report Of Even Date Attached

For RDAK & ASSOCIATES (Chartered Accountants)

M. No. 502363

Place: New Delhi Date 18.05.2012 FOR SRI AMARNATH FINANCE LIMITED

Vandna Batra (Company Secretary) Director

(Manager Accounts)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE PART IV OF SCHEDULE VI OF COMPANIES ACT.1956

Registration Details State Code - 55 Registration No. 020194 Balance Sheet Dated 31.03.2012 Capital raised during the year (Amount in Rs. Thousand) 11. Private Placement Bonus Issue Rights Issue Public Issue N.A. N.A. N.A. N.A. Position of Mobilization and Development of Funds (Amount in Rs. Thousand) 111. Total Assets **Total Liabilities** 5, 50,797 5, 50,797 Source of Funds IV. Unsecured Loans Reserve & Surplus Secured Loan Paid-up Capital NIL 4, 50,997 NIL 99,800 **Application of Funds** ٧. Misc. Expenditure Investments Net Fixed Assets 187 475, 646 1,104 Net Current Assets Deferred Tax Assets Accumulated Loss 73,859 Nil Performance of company (Amount in Rs. Thousand) VI. Total Expenditure Turnover 1.565 3,364 Profit/Loss After Tax Profit /Loss before Tax +1298 +1799(Please tick appropriate box + for profit, - for loss) Dividend rate % Earning Per Share in Rs. 1.3% Financing & Investments Activities Generic Names of Three Principal Products/Services of Company Dealing in Shares & Securities (as per monetary terms)

Item Code No. (ITC Code) **Product Description**

As Per Our Report Of Even Date Attached

For RDAK & ASSOCIATES Chartered Accountants)

M. NO. 502363

Place: New Delhi Date: 18.05.2012

FOR SRI AMARNATH FINANCE LIMITED

Vandna Batra (Company Secretary)

(Manager Accounts)

Director

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS

(A) GENERAL

- (a) The Financial Statements are drawn up in accordance with historical cost convention and on the going concern concept. Income and Expenses are accounted for on accrual basis except where otherwise indicated.
- (b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the company.

(B) INCOME FROM INVESTMENTS & LOANS

Income from Investments in interest bearing securities, Loans and Advances is accounted for on accrual basis. Dividend income from investments in shares is recognized accruing as income of that year in which dividend is received by the company.

(C) INVENTORY VALUATION

Stock in trade of trade investments in quoted equity shares of Joint Stock Company is transferred to Investments.

(D) INVESTMENTS

- (a) During the year company has made Investment in Jewellery costing Rs. 13,130/- and Purchase Shares of Reliance Power Ltd. Costing Rs. 5,04,465/-
- (b) Investments (Long Term) are valued a acquisition cost (Including Brokerage & Transfer Expenses). No Provision is made for diminution in the value of long term investments. As in the opinion of the management the diminution is temporary and not permanent.

(E) <u>DEFERRED TAXATION</u>

Tax Liability of the company is estimated considering the provisions of the Income Tax Act, 1961, Deferred Tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in subsequent periods.

- (i) As informed to us by the management, Sundry Creditors does not include any amount of payable to small scale industrial units.
- (ii) In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary courses of business will not be less than the amount at which these are stated in the Balance Sheet.
- (iii) The management has confirmed that adequate provision has been made for all the known and determined liabilities and the same is not in excess of the amount reasonably required. It is further confirmed that there is no liability of the company as on 31st March, 2012 in respect of retirement benefits, if any payable to its employee (s).



- (iv) Related Party Disclosure (As identified by the Management) in terms of Accounting Standard-18 Related Party Disclosure Issued by The Institute Of Chartered Accountant Of India are as follows: N.A
- (v) In the opinion of the management the company has only single business segment of investments & finance activities, therefore no segment reporting has been presented in terms of accounting standard-17 of "Segment Reporting" Issued by The Institute of Chartered Accountant.

(vi) Payment to Auditors

2011-2012 Rs.5, 510/- 2010-2011 Rs.5, 510/-

- (vii) Expenditure & Earning in foreign currency Nil.
- (viii) Payment of Directors Remuneration Nil.

Notes forms an integral part of the Balance Sheet and Profit & Loss Account.

As Per Our Report Of Even Date Attached

FOR SRI AMARNATH FINANCE LIMITED

FOR RDAK & ASSOCIATES (Chartered Accountants)

Deepak Modi (Partners) M. NO. 502363

Director

Director

Place:-New Delhi Dated: 18.05.2012 Vandna Batra (Company Secretary) Pankaj Kapoor (Manager Accounts)

RDAK & ASSOCIATES

Chartered Accountants

165, Basement, Dayanand Vihar

New Delhi - 110092 Phone No.: 011 - 43014696

Mobile No.: 9818024242, 9313224242 E-mail: kuldeep.rdak@gmail.com

AUDITOR'S CERTIFICATES

"On the basis of the Books of Accounts and other records produced before us for the year ended on 31st March 2012 by the management of **M/s Sri Amarnath Finance Ltd.** having registered office at **22**, **Rajindra Park**, **New Delhi - 110060** for certificate of Registration (COR) issued under Section 45IA of the RBI Act, 1934, we hereby certify that the company is continuing to under take the business of Non Banking Finance Institution."

"This Certificate is issued pursuant to RBI notification No-DNBS (PD) C.C No. 79/03.05.002/2011-12 for Certificate of Registration (COR) issued under Section 45IA of the RBI Act, 1934."

For RDAK & ASSOCIATES (CHARTERED ACCOUNTANTS)

DEEPAK MODI (PARTNER) M. No. 502363

Place: - New Delhi Date: - 18.05.2012:

AUDITORS' REPORT

(Under RBI Act)

To,
The Board of Directors
M/s Sri Amarnath Finance Limited
New Delhi

We have audited the Balance Sheet of M/s Sri Amarnath Finance Limited, ('the Company') as at 31st March 2012 and the profit and loss accounts for the year ended on that date, both annexed thereto.

As required by the Non Banking Financial Companies Auditors Report (Reserve Bank of India) Directions 1998 issued in term of Sub Section (1A) of Section 45MA of RBI Act, 1934, our responsibility is to report on the matter specified in paragraphs 3 and 4 of the said Direction and now we report, on the matter to the extent applicable to the company, a hereunder:

- a) The company has obtained a certificate of registration from the Reserve Bank of India vide Registration No. B 14.01224 and the company is non deposit accepting NBFC.
- b) The Board of Directors has passed a resolution for the non-acceptance of public deposits.
- c) The company has not accepted any public deposits during the relevant year.
- d) The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

For RDAK & ASSOCIATES (Chartered Accountants)

Deepak Modi (Partner) M. NO. 502363

Place: New Delhi Date: 18.05.2012