

**INDIA COLLECTIONS MANAGEMENT LIMITED**

**ANNUAL REPORT 2013-14**

## DIRECTORS' REPORT

### TO THE MEMBERS OF INDIA COLLECTIONS MANAGEMENT LIMITED

The Directors present their Fourth Annual Report and the Audited Statement of Accounts for the Financial Year ("FY") ended March 31, 2014.

#### 1. BACKGROUND & OPERATIONS

India Collections Management Limited ("Company" or "ICML") is a Joint Venture ("JV") between Tata Capital Limited ("TCL") and International Finance Corporation ("IFC") in the ratio of 81%:19%. The Company was incorporated with the object of carrying on the business of providing collections management and advisory services.

The Company has not commenced any business activity till date. During the year under review, the Company has recorded Income of Rs. 62.24 lakh (Previous Year: 63.40 lakh) and Profit After Tax of Rs. 48.09 lakh (Previous Year: Loss After Tax of Rs. 26.03 lakh).

#### 2. FINANCIAL RESULTS

The financial performance of the Company for FY 2013-14 is summarized below:

Particulars	(Rs. in lakh)	
	FY 2013-14	FY 2012-13
Total Income	62.24	63.40
Total Expenditure	14.15	89.43
Net Profit / (Loss) after tax	48.09	(26.03)
Balance brought forward from previous year	(129.71)	(103.68)
Amount Available for Appropriations	-	-
Appropriations	-	-
<b>Balance carried to Balance Sheet</b>	<b>(81.62)</b>	<b>(129.71)</b>

#### 3. SHARE CAPITAL

The Authorized and Paid up Share Capital of the Company, as at March 31, 2014, is Rs. 7.50 crore divided into 75,00,000 equity shares of Rs 10 each.

#### 4. FINANCE

The Company has met all its funding requirements through capital infused by TCL and IFC.

#### 5. COMPLIANCE

The Company has complied with the applicable provisions of the Companies Act, 1956, the Companies Act, 2013, and other applicable laws, rules and regulations.

## **6. DIVIDEND**

In view of the accumulated losses of the Company, the Board of Directors do not recommend any dividend for the year on the Equity Share Capital of the Company.

## **7. DEPOSITS**

The Company has not accepted any public deposits during the year under review.

## **8. ACCOUNTS AND ACCOUNTING STANDARDS**

The Company adheres to the Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI") in the preparation of its financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard issued by ICAI and the Companies (Accounting Standards) Rules, 2006, as amended from time to time.

## **9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In view of the nature of the activities which are proposed to be carried by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to Conservation of Energy and Technology Absorption, are not applicable to the Company. During the year under review, the Company did not have any earnings or outgo in foreign exchange.

## **10. DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. R Vaithianathan, Director is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

## **11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal control systems commensurate with its current size and business, to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of laws and regulation.

## **12. CORPORATE GOVERNANCE**

A summary of the Corporate Governance measures adopted by the Company, is given below:

- i. The Board comprises three Non-Executive Directors viz. Mr. Vittaldas Leeladhar (Chairman), Mr. Pradeep C Bandivadekar and Mr. R Vaithianathan.
- ii. During FY 2013-14, four Board Meetings were held on May 3, 2013, July 25, 2013, October 23, 2013 and January 27, 2014.
- iii. The Audit Committee of the Board comprises Mr. R Vaithianathan (Chairman), Mr. Vittaldas Leeladhar and Mr. Pradeep C Bandivadekar all of whom are financially literate and have relevant finance exposure. During FY 2013-14, four Meetings of the Audit Committee were held on May 3, 2013, July 25, 2013, October 23, 2013 and January 27, 2014.

- iv. None of the Non-Executive Directors drew any remuneration from the Company in the nature of salary, benefits, bonuses, pensions, etc. during FY 2013-14 and no sitting fees were paid to them.
- v. The Board has adopted the Guidelines on Composition of Board of Directors, Committees, etc.

### **13. AUDITORS**

Messrs. Deloitte Haskins & Sells (“DHS”) LLP, Chartered Accountants, (ICAI Firm Registration No. 117366W) who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting (“AGM”) and are eligible for re-appointment.

Pursuant to the provisions of the Companies Act, 2013, it is proposed to re-appoint DHS as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next AGM of the Company.

The Company has received a letter from DHS to the effect that their appointment, if made, would be in accordance with Section 139 of the Companies Act, 2013 (“Act”) and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

### **14. PARTICULARS OF EMPLOYEES**

There are no employees in the Company, particulars of whom are required to be reported under the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended from time to time).

### **15. DIRECTORS’ RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217(2AA) of the Act, the Directors, confirm that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed and there are no material departures;
- ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and have 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 at March 31, 2014 and of the profit of the Company for that year;
- iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- iv. they have prepared the annual accounts of the Company on a ‘going concern’ basis.

## **16. ACKNOWLEDGEMENTS**

The Directors would like to place on record their gratitude for the valuable guidance and support received from the shareholders and convey their appreciation to the Company's bankers and all other business associates for the continuous support given by them to the Company.

**For and on behalf of the Board of Directors**

**Sd/-**

**V Leeladhar  
Chairman**

Mumbai, May 5, 2014

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF INDIA COLLECTIONS MANGEMENT LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **INDIA COLLECTIONS MANGEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

### **Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("CARO" / "the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(FRN No. 117366W/W-100018)

Sd/-  
**Sanjiv V. Pilgaonkar**  
(Partner)  
(Membership No. 39826)

MUMBAI, May 5, 2014

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities clauses (i), (ii), (viii), (x), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of paragraph 4 of the CARO are not applicable.
- (ii) In our opinion and according to the information and explanations given to us, the Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub- clause (a) to (g) of paragraph 4(iii) of the Order are not applicable to the Company.
- (iii) In our opinion and according to the information and explanations given to us, since the Company has not yet commenced its operations, a comment on purchase of fixed assets, sale of goods and services and purchase of inventory does not arise. During the course of our audit, we have not observed any major weakness in any internal control system.
- (iv) According to the information and explanations given to us, there were no contracts or arrangements that were required to be entered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly the provisions of the paragraph 4(v)(a) and (b) of the CARO are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public during the period covered by our audit report. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any court or any other Tribunal in this regard in the case of the Company.
- (vi) Since the Company is yet to commence its business operations, the Company has not conducted the internal audit during the current year.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues relating to Income Tax and other material statutory dues applicable to it with the appropriate authorities during the period. According to the information and explanation given to us, there were no dues payable on account of Investor Education and Protection Fund, Employee's State Insurance Scheme, Provident Fund, Service Tax, Sales Tax, State Value Added Tax, Work Contract Tax, Wealth Tax, Custom Duty, Excise Duty, Profession Tax and cess.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Investors Education and Protection Fund and cess and any other material statutory dues applicable to it, as at March 31, 2011 for a period of more than six months from the date they became payable.
  - (c) There were no disputed dues as regards State Value Added Tax, Sales Tax, Income Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty and cess that have not been deposited as at the period end.



- (viii) According to the information and explanations given to us, the Company has not borrowed any sum from financial institutions or from banks or borrowed any sum by issue of debentures. Therefore, the provisions of paragraph 4(xi) of the CARO are not applicable to the Company.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(FRN No. 117366W/W-100018)

Sd/-  
**Sanjiv V. Pilgaonkar**  
(Partner)  
(Membership No. 39826)

MUMBAI, May 5, 2014

**INDIA COLLECTIONS MANAGEMENT LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2014**

		<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
	<b>Note No.</b>	<b>Amount (Rs)</b>	<b>Amount (Rs)</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders Funds</b>			
(a) Share Capital	2	75,000,000	75,000,000
(b) Reserves and Surplus	3	(8,163,128)	(12,971,499)
<b>2 Current Liabilities</b>			
(a) Trade payables	4	242,188	255,024
(b) Other Current liabilities	5	-	729,135
<b>TOTAL</b>		<b>67,079,060</b>	<b>63,012,660</b>
<b>II. ASSETS</b>			
<b>1 Non Current Assets</b>			
(a) Long-term loans and advances	6	1,476,979	1,176,961
(b) Other non-current assets	7	2,408,483	2,355,490
<b>2 Current assets</b>			
(a) Cash and Bank balances	8	62,320,026	57,665,962
(b) Short-term loans and advances	9	-	-
(c) Other current assets		873,572	1,814,247
<b>TOTAL</b>		<b>67,079,060</b>	<b>63,012,660</b>
See accompanying notes forming a part of the financial statements	1-19		

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sd/-**  
  
**Sanjiv V. Pilgaonkar**  
Partner

Mumbai  
Date: May 5, 2014

For and on behalf of Board of Directors

**Sd/-**  
**V. Leeladhar**  
(Chairman)

**Sd/-**  
**P C Bandivadekar**  
(Director)

**Sd/-**  
**R Vaithianathan**  
(Director)

**INDIA COLLECTIONS MANAGEMENT LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

	Note No.	For the year ended March 31,2014	For the year ended March 31,2013
		Amount (Rs)	Amount (Rs)
<b>I Income :</b>			
Other income	10	6,223,716	6,339,719
		<b>6,223,716</b>	<b>6,339,719</b>
<b>II Expenditure :</b>			
Other operating expenses	11	442,413	7,835,083
Miscellaneous expenses written off	12	972,932	1,107,619
		<b>1,415,345</b>	<b>8,942,702</b>
<b>III Profit/(Loss) Before Tax</b>		<b>4,808,371</b>	<b>(2,602,983)</b>
<b>IV Provision for Taxes</b>			
(a) Current tax		917,859	-
(b) MAT credit entitlement		917,859	-
<b>Total Tax Expense</b>		<b>-</b>	<b>-</b>
<b>V Profit/(Loss) for the year from Continuing Operations (III - IV)</b>		<b>4,808,371</b>	<b>(2,602,983)</b>
<b>VI Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>VII Tax expense of discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>VIII Profit /(Loss) from discontinuing operations (after tax) (VI-VII)</b>		<b>-</b>	<b>-</b>
<b>IX Profit/(Loss) for the year (V-VIII)</b>		<b>4,808,371</b>	<b>(2,602,983)</b>
<b>X Earnings per share</b>			
Basic and Diluted (in Rupees)		0.64	(0.35)
Weighted average number of shares		7,500,000	7,500,000
Face value per share (in Rupees)		10	10

See accompanying notes forming a part of the financial statements

1-19

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of Board of Directors

Sd/-  
**Sanjiv V. Pilgaonkar**  
Partner

Sd/-  
**V. Leeladhar**  
(Chairman)

Sd/-  
**P C Bandivadekar**  
(Director)

Sd/-  
**R Vaithianathan**  
(Director)

Mumbai  
Date: May 5, 2014

**INDIA COLLECTIONS MANAGEMENT LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014**

	For the year ended March 31, 2014	For the year ended March 31, 2013
	Amount (Rs)	Amount (Rs)
<b>CASH FLOW USED IN OPERATING ACTIVITIES</b>		
Profit/(Loss) after taxes	4,808,371	(2,602,983)
<b>Adjustments for :</b>		
Miscellaneous expenses written off	972,932	1,107,619
Interest Income	(5,494,581)	(6,338,370)
Sundry Creditors written back	(729,135)	(1,349)
<b>Operating Profit before working capital changes</b>	(442,413)	(7,835,083)
<b>Adjustments for working capital changes</b>		
Other current assets	(52,993)	(974,803)
Trade Payables	(12,836)	(208,747)
Other Current Liabilities		(15,051,526)
<b>Cash used in operations</b>	(508,242)	(24,070,159)
Taxes paid	(300,018)	(716,762)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(808,260)</b>	<b>(24,786,921)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Deposits matured	57,500,000	20,000,000
Investment in Fixed Deposits	(62,200,000)	(7,500,000)
Interest Income	5,462,324	6,584,247
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>762,323</b>	<b>19,084,247</b>
	-	-
<b>CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(45,936)</b>	<b>(5,702,674)</b>
<b>Cash and cash equivalents as at the beginning of the year :</b>		
Cash on hand	-	-
Current accounts with scheduled banks	165,962	5,868,636
<b>Total</b>	<b>165,962</b>	<b>5,868,636</b>
<b>Cash and cash equivalents as at the end of the year :</b>		
Cash on hand	-	-
Current accounts with scheduled banks	120,026	165,962
<b>Total</b>	<b>120,026</b>	<b>165,962</b>

**Reconciliation of cash and cash equivalents as above with cash and bank balances**

Cash and cash equivalents at the end of the period as per above	120,026	165,962
ADD: Fixed Deposits with original maturity of more than 3 months	62,200,000	57,500,000
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR [Refer Note No 8]</b>	<b>62,320,026</b>	<b>57,665,962</b>

See accompanying notes forming a part of the financial statements [1-19]

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

Sd/-  
**Sanjiv V. Pilgaonkar**  
Partner

Mumbai  
Date: May 5, 2014

For and on behalf of Board of Directors

Sd/-  
**V. Leeladhar**  
(Chairman)

Sd/-  
**P C Bandivadekar**  
(Director)

Sd/-  
**R Vaithianathan**  
(Director)

## Notes to the Financial Statements for the year ended March 31, 2014

- 1(a) The Company was incorporated on September 7, 2010 vide Registration no. U74120MH2010PTC207484 with the primary objective of carrying on the business of providing integrated debt collections management services.

### 1(b) SIGNIFICANT ACCOUNTING POLICIES:

#### (i) Basis for preparation of the financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the generally accepted accounting principles and in compliance with the relevant provisions of the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).

Current assets do not include elements which are not expected to be realised within one year and current liabilities do not include items which are due after one year.

#### (ii) Use of estimates

The preparation of the financial statements requires the Management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The Management believes that the estimates used in preparation of the financials statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. Estimates include provisions for doubtful debts and advances, employee benefit plans, provision for income taxes and provision for diminution in the value of investments.

#### (iii) Provisions, Contingent liabilities and contingent assets

A provision is recognised when the Company has a present legal obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A Contingent asset is neither recognised nor disclosed in the financial statements.

#### (iv) Revenue Recognition

Interest income is accounted on accrual basis.

#### (v) Earnings per Share

Basic Earnings per Share (before dilution) is calculated by dividing the net profit / (loss) after tax for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit / (loss) after tax for the year attributable to equity shareholders of the Company by the weighted number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

#### (vi) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### (vii) Miscellaneous Expenses

Miscellaneous expenditure comprising pre-incorporation / shares issue expenses such as stamp duty and registration fees has been amortised over a period of 36 months from the month in which the Company has incurred the expenditure.

#### (viii) Foreign Currency Translations:

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of such transaction. All monetary assets and liabilities denominated in foreign currencies are restated using the exchange rates prevailing at the date of the Balance Sheet, and the resulting net exchange difference is recognised in the Statement of Profit and Loss.

Exchange difference arising on settlement of transaction is recognised in the Statement of Profit and Loss.

**NOTES TO THE ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014**

**2. SHARE CAPITAL**

**Authorised**

7,500,000 Equity Shares of Rs.10 each (As at March 31, 2013: 7,500,000)

**Issued, Subscribed & Fully Paid up**

7,500,000 Equity Shares of Rs.10 each (As at March 31, 2013: 7,500,000)

As at March 31, 2014	As at March 31, 2013
Amount (Rs)	Amount (Rs)
75,000,000	75,000,000
75,000,000	75,000,000
75,000,000	75,000,000
75,000,000	75,000,000

**Footnotes:**

**2 (a) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING**

**Opening Share Capital**

Equity Face Value Rs. 10 fully paid up

**Additions during the year**

Equity

**Closing Share Capital as on March 31, 2014**

Equity Face Value Rs. 10 fully paid up

As at March 31, 2014	As at March 31, 2013
7,500,000	7,500,000
-	-
7,500,000	7,500,000

**2(b) RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES**

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the following Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**2 (c) LIST OF INVESTORS HOLDING SHARES OF MORE THAN 5 %**

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Capital Limited	6,075,000	81.00%	6,075,000	81.00%
International Finance Corporation	1,425,000	19.00%	1,425,000	19.00%

**3. RESERVES AND SURPLUS**

**Deficit in the Statement of Profit and Loss**

Accumulated loss as per Last Balance Sheet

Add- Profit/Loss during the period

As at March 31, 2014	As at March 31, 2013
Amount (Rs)	Amount (Rs)
(12,971,499)	(10,368,516)
4,808,371	(2,602,983)
<b>(8,163,128)</b>	<b>(12,971,499)</b>

#### 4. TRADE PAYABLES

- (a) Dues to Micro & Small Enterprises (Refer Note below)
- (b) Other Creditors

As at March 31, 2014	As at March 31, 2013
Amount (Rs)	Amount (Rs)
-	-
242,188	255,024
<b>242,188</b>	<b>255,024</b>

Note: On the basis of responses received against enquires made by the Company, the amount of principal outstanding in respect of the Micro and Small Enterprises as at Balance Sheet date is Rs. Nil (Previous Year Rs. Nil). Based on the information available with the Company, the Company has not defaulted in payment of any dues to such entities

#### 5. OTHER CURRENT LIABILITIES

##### Other Payables

- (a) Other Payables

As at March 31, 2014	As at March 31, 2013
Amount (Rs)	Amount (Rs)
-	729,135
-	<b>729,135</b>

#### 6. LONG TERM LOANS AND ADVANCES

- (a) Advance Income tax (net of provision)
- (b) MAT Credit Entitlement

As at March 31, 2014	As at March 31, 2013
Amount (Rs)	Amount (Rs)
559,120	1,176,961
917,859	-
<b>1,476,979</b>	<b>1,176,961</b>

#### 7. OTHER NON CURRENT ASSETS

Service Tax credit receivable

As at March 31, 2014	As at March 31, 2013
Amount (Rs)	Amount (Rs)
2,408,483	2,355,490
<b>2,408,483</b>	<b>2,355,490</b>

#### 8. CASH AND CASH EQUIVALENTS

- (a) Balance with schedule banks
- (b) Deposit with Scheduled Banks  
(refer note (i) and (ii) below)

As at March 31, 2014	As at March 31, 2013
Amount (Rs)	Amount (Rs)
120,026	165,962
62,200,000	57,500,000
<b>62,320,026</b>	<b>57,665,962</b>

##### Notes:

(i) Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is Rs. 120,026 (as at March 31, 2013 Rs. 165,962)

(ii) Balance with bank includes deposits amounting to Rs. Nil (as at March 31, 2013 : Nil) with remaining maturity of more than 12 months as on Balance Sheet date.

**9. OTHER CURRENT ASSETS**

- (a) Interest Accrued on Fixed Deposits  
 (b) Unamortised deferred expenditure (See footnote 9 (a) to Note no. 9

As at March 31, 2014	As at March 31, 2013
Amount (Rs)	Amount (Rs)
873,572	841,315
-	972,932
<b>873,572</b>	<b>1,814,247</b>

**Footnotes:****9(a) UNAMORTISED PRELIMINARY EXPENDITURE****(i) Unamortized Share issue expenses**

- Opening Balance  
 Add: Expenses incurred during the year  
 Less: written off during the year  
 Closing balance

As at March 31, 2014	As at March 31, 2013
Amount (Rs)	Amount (Rs)
972,932	2,080,551
-	-
972,932	1,107,619
0	972,932

**(ii) Classification****Unamortized Share issue expenses**

As at March 31, 2014		As at March 31, 2013	
Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
Non Current	Current	Non Current	Current
-	-	-	972,932

**10. OTHER INCOME**

- (a) Interest income on Fixed deposit with bank  
 (b) Excess provision written back  
 (c) Sundry Creditors written back

For the year ended March 31, 2014	For the year ended March 31, 2013
Amount (Rs)	Amount (Rs)
5,494,581	6,338,370
-	1,349
729,135	-
<b>6,223,716</b>	<b>6,339,719</b>

**11. Other Operating Expenses**

- (a) Audit fees  
 (b) Service provider's charges  
 (c) Infrastructure Expenses  
 (d) Miscellaneous Expenses  
 (e) Professional Fees  
 (f) Professional Tax

For the year ended March 31, 2014	For the year ended March 31, 2013
Amount (Rs)	Amount (Rs)
225,000	225,000
204,700	6,569,952
-	987,897
10,213	3,164
-	46,570
2,500	2,500
<b>442,413</b>	<b>7,835,083</b>



12. Contingent Liability as at March 31, 2014: Rs. Nil (as at March 31, 2013: Rs. Nil). Capital commitment as at March 31, 2014: Rs. Nil (as at March 31, 2013: Rs. Nil).

### 13. Employee Benefit Obligations

The Company does not have any employee on its payroll. In view of the above, the disclosures required to be made in accordance with Accounting Standard (AS) 15 on “Employee Benefits” have not been made.

14. Since the company has not yet commenced operations, the deferred tax asset has not been recognised due to lack of virtual certainty.

### 15. Segment Reporting

The Company is engaged in a single business segment viz. in collection management. Also it operates in a single geographic segment. In absence of separate reportable business or geographic segments the disclosure required under Accounting Standard (AS) 17 on “Segment Reporting” have not been made.

### 16. Related Party Disclosures

Disclosure as required by Accounting Standard (AS) – 18 on “Related Party Disclosures” are detailed below:

#### Names of the related parties and description of relationship as at March 31, 2014:

<u>Related Party</u>	<u>Relationship</u>
Tata Capital Limited	Holding company
Tata Capital Financial Services Ltd.(TCFSL)	Fellow Subsidiary
Tata Capital Forex Limited	Fellow Subsidiary

The Company’s related party balances and transactions are summarised as follows:

Sr. No.	Party Name		Nature of transaction	Amount Rs.	
				For the year ended March 31, 2014	For the year ended March 31, 2013
1	Tata Capital Financial Services Ltd.	a)	Reimbursement of salaries, infrastructure expenses and other general & administrative expenses	-	74,09,054
		b)	Balance Payable	-	-
2	Tata Capital Forex Limited	a)	Reimbursement of salaries, infrastructure expenses and other general & administrative expenses	-	75,842
		b)	Balance Payable	-	-

**17. Earnings per Share (EPS):**

<b>Particulars</b>	<b>Amounts Rs.</b>	
	<b>2013-14</b>	<b>2012-13</b>
Profit / (Loss) after Tax	48,16,894	(26,02,983)
Weighted Average Number of Equity Shares	75,00,000	7,500,000
Nominal Value per share	10.00	10.00
Basic / Diluted Earnings per share	0.64	(0.35)

**18. Auditors' Remuneration (including Service Tax):**

<b>Particulars</b>	<b>Amounts Rs.</b>	
	<b>2013-14</b>	<b>2012-13</b>
Audit Fees	197,662	197,662
Tax Audit Fees	55,150	55,150

19. Previous year's have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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**For and behalf of the Board of Directors**

**Sd/-  
V Leeladhar  
Chairman**

**Sd/-  
P C Bandivadekar  
Director**

**Sd/-  
R Vaithianathan  
Director**

Mumbai  
Date: May 5, 2014