



Au FINANCIERS (INDIA) LIMITED Registered Office: 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan

Corporate Office: D-313, 3rd Floor, Kanakia Zillion Junction of CST Road and L.B.S. Marg, Kurla (West) Mumbai - 400070, Maharashtra

Website: www.aufin.in | Email: info@aufin.in CIN: U36911RJ1996PLC011381



Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be ealised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks of uncertainties materialise, or should underlying assumptions prown naccurate, actual results could vary materially from those anticipated estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking tatements, whether as a result of new information, future events of otherwise.

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The Indian economy grew 7.3% in 2014-15.

The Indian retail financing sector grew by 8.4%.

Au FINANCIERS grew its revenues by 19% and its profit after tax by 52%.

What was a challenging year for most was the best year for us.

Au FINANCIERS.

One of the fastest-growing NBFCs in India.

Aiming to become a highquality, customer-centric and service-driven financing company.

Addressing the financial needs of people at the bottom of the country's economic pyramid.

Bringing an unreached, unserved and unbanked customer segment to the country's financial ecosystem.

Who we are

Au FINANCIERS (INDIA) LIMITED (Au FINANCIERS), promoted by a first-generation entrepreneur, Mr. Sanjay Agarwal and incorporated in 1996, is a non-deposit taking NBFC. The Company is categorised as an asset finance company and registered with the Reserve Bank of India.

The Company offers Vehicle Finance, MSME, SME & Structured Finance as well as housing loans to customers through its wholly-owned subsidiary, Au HOUSING FINANCE LIMITED, and insurance broking services through its associate concern Au INSURANCE BROKING SERVICES PRIVATE LIMITED; another associate concern M POWER MICRO FINANCE PRIVATE LIMITED, a Gujarat-based NBFC, is engaged in offering micro-finance loans to the customers at the base of the pyramid.

Where we are

Au FINANCIERS is headquartered in Jaipur (Rajasthan) and caters to customers through 231 branches across Rajasthan, Maharashtra, Gujarat, Punjab, Madhya Pradesh, Goa, Chhattisgarh, Delhi-NCR, Haryana and Himachal Pradesh. During the financial year under review, the Company expanded its existing branch network in Madhya Pradesh, Chhattisgarh, Gujarat and Delhi NCR – Haryana, increasing its branch network from 220 branches in 2013-14 to 231 branches.

What we offer

Au FINANCIERS is a premier vehicle and MSME financing player in Northern, Western and Central India. The Company offers a number of products and services including various kinds of vehicles (multi-utility, small, light and heavy), cars, construction equipments, tractors, MSMEs, SMEs and housing loans (through its wholly-owned subsidiary, Au HOUSING FINANCE LIMITED).

Our principles

Au FINANCIERS follows four principles, which reflect the way it works and realises goals.

Fair: We are fair and transparent in our dealings, thoughts and policies. We understand the requirement of our customers and offer only those products that suffice their needs, making it a win-win situation for everyone.

Flexible: We are flexible in our approach and try sincerely to live up to the expectations of our clients. We are open and transparent regarding our products and schemes. We understand our clients and their concerns and offer the highest levels of flexibility possible.

Fast: We are fast; the client's priorities are our priorities. We are quick in our decision-making. Our robust operations and disbursement processes ensure a best-in-class turnaround time.

Friends: In Au FINANCIERS, you have a friend for life. We have nurtured friendly and congenial relationships with our dealers and customers. This unique aspect helps us make new friends and create lasting relationships across generations.

Core values

Our aim is to strike the right balance between meeting the needs of stakeholders and the management, which is achieved by pursuing some enduring values.

- Entrepreneurial: We stand by the entrepreneurial aspirations of the average Indian. We inspire individuals, firms, and companies to achieve their dreams.
- Personalised: Through our behaviour, we endeavour to build relationships which transform people's lives by valuing, understanding and articulating individual needs. We simultaneously respect and value people and uphold human dignity.
- Just: We are just and honest in our thoughts and feelings, and we treat everyone with fairness and equality.
- Reliable: We honour the spirit and intent of

- our commitments and promises, demonstrating consistency of our actions with our words. We stand by our clients in their hour of need to create a formidable bond of trust.
- Nurturing: We pursue challenging and rewarding opportunities that nurture personal and professional initiatives in an individual.
- Empowering: We empower individuals to dream, create and attain success through teamwork.
- Open-minded: We constantly encourage individuals to provide open feedback about our processes, products and services to inculcate best practices within the organisation.

Vision

To be the most preferred financial institution with a nationwide presence and provide customised and speedy financial solutions to rural and emerging India, thereby guaranteeing trust, confidence, and customer delight

Mission

At Au FINANCIERS, we strive to lead in providing the best and most trustworthy financial solutions to cater to the entrepreneurial aspirations of the unreached and un-banked masses of India and be empathetic to their needs. We endeavour to create strong, consistent value for the stakeholders and live up to the trust and confidence reposed in us.





1996

The Company was incorporated as a private limited company in Rajasthan with a limited capital of ₹1 lac by raising funds from high net worth individuals (HNWIs) and providing the gamut of financial assistance services in Rajasthan.



1999

The Company adopted a fee-based model by acting as an origination partner for private sector banks, diversifying business and helping banks extend their geographical reach in the vehicular, personal, and home loan segments.



2003

The Company became one of the leading business partners of HDFC Bank, originating and servicing vehicle loans through a risk-sharing model. This was an inflection point for the Company, enabling it to scale operations sustainably in Rajasthan.

Inception to present...



Pune).

2008

■ The Company attracted the first round of private equity worth ₹20 crore from IBEF and IBEF-I (funds advised by MOPE Investment Advisors Private Limited).

■ The Company originated loans under its own book, adopting broadly similar procedures as those followed by the Company when originating loans for HDFC Bank.



The Company started operations in Gujarat, the third state the Company entered.



2010

- The Company mobilised the second round of private equity funding worth ₹35 crore and ₹20 crore infused by International Finance Corporation (IFC) and Motilal Oswal Private Equity via IBEF and IBEF-I, respectively. The promoters also infused ₹5 crore as growth capital.
- The Company attained the status of 'Systemically Important Non-Deposit Taking Asset Finance Company'.
- The Company diversified by providing loans to micro, small and medium enterprises.

2013 \$

than 50.

worth ₹220 crore.

stake in the Company.

■ The Company achieved a

milestone by fortifying fund raising

relationships with banks, financial

institutions and foreign institutional

investors –from one in 2007 to more

■ The Company received a five-year

commitment for unsecured NCDs

from FMO. CDC and Guarant Co.

■ ChrysCapital, a leading private

equity fund, acquired a 10.01%



2011

- The Company raised Tier-II capital worth ₹55 crore from large private sector banks including HDFC Bank and ICICI Bank.
- The Company set up a whollyowned subsidiary housing finance company i.e. Au HOUSING FINANCE LIMITED to provide housing finance services.



2014

- The Company forged tie-ups with three major OEMs – Bajaj Auto Limited, Daimler India Commercial Vehicle Private Limited and Atul Auto Limited.
- The Company strategically invested in M POWER MICRO FINANCE PRIVATE LIMITED, acquiring 38.53% stake in the Gujarat-based NBFC engaged in micro-finance.
- Au FINANCIERS was featured in Forbes India placing it in the elite company of Indian corporates who have done well during difficult times.
- The Company raised its fourth round of capital equivalent to ₹124.55 crore via a preferential offering of shares to existing shareholders, i.e. promoters, employees and global private equity investors.
- The Au Group crossed the ₹100 crore net profit in FY 2013-14.
- Ourea Holdings Limited and Kedaara Capital Alternate Investment acquired 9.98% stake in the Company through secondary sale transaction from existing investors.
- Commenced business in the states of Haryana and Himachal Pradesh.



2012

- The Company raised the third round of private equity worth ₹150 and ₹33 crore from Warburg Pincus and IFC respectively, who reasserted their confidence in future prospects of the Company.
- The Company commenced direct insurance broking services through an associate company Au INSURANCE BROKING SERVICES PVT. LTD
- The Company's credit rating was upgraded by two notches from 'CRISIL BBB+/Positive Outlook' to 'CRISIL A/ Stable Outlook' in June 2012 based on consistent income, robust asset quality and timely capital infusion; CARE upgraded the Company's rating from CARE 'A-' to CARE 'A' in August 2012.



2015

- Au FINANCIERS was assigned a long-term rating of IND A+ / STABLE by India Ratings and its long-term credit rating was upgraded by CARE (CARE A+ from CARE A in 2013-14), outlook was revised by CRISIL (CRISIL A/Positive from CRISIL A/Stable in 2013-14). Further, India Ratings assigned a short-term rating of IND A1+ and CRISIL too upgraded its short-term rating to CRISIL A1+ from CRISIL A1, the highest short-term rating.
- The Company was selected among the five entries in the 'Financial Services' category at the VC Circle Awards. 2015.
- Mr. Sanjay Agarwal, Managing Director, was one of the finalists chosen for the 16th Ernst & Young Entrepreneur of the Year Award, 2014.

Au FINANCIERS OFFERS PRODUCTS LIKE HICLE FINANCING. MICRO, SMALL, MEDIUM ENTERPRISE LOANS.





Contiguous state-led operations strategy in Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Punjab, Chhattisgarh, Delhi NCR, Harvana, Himachal Pradesh and Goa covering over 1 lakh villages

of branches located in rural and semi-urban areas and over

in un-banked districts

Over 85% of loan book classified as priority sector lending (PSL)





Asset under Management of ₹5,567.71 crore

Strategic investment by institutional investors. vindicating business

Credit rating of A+ for its long term borrowings



50+ lenders' support and confidence



When you are rowing into the current, you need to stretch every fibre and every muscle every inch of the way.

We financed more customers (a 24% increase).

We increased assets under management (a 25% increase).

We maintained disbursement yields at retrospective levels despite a demanding business environment.

We increased disbursements (a 26% increase).

We widened our spread (net interest margin) by close to 100 bps.

We strengthened our collection efficiency to 98.24%.

We maintained our capital adequacy ratio at 18.54%, higher than statutory requirements.

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In a challenging year, merely trying to sell more to the same customers doesn't make sense.

One needs to find more customers instead.





Diverse products and regions

Disbursements by product

Disbursements by products	2013-14 (%)	2014-15 (%)
Multi-utility vehicles	22	19
Small commercial vehicles	16	13
Heavy commercial vehicles	3	2
Light commercial vehicles	4	3
Three-wheelers	5	4
Cars	13	11
MSMEs	19	22
SME & Structured Finance (SSF)	18	26
Total	100	100

AUM by region

State	2013-14 (in ₹ crore)	2014-15 (in ₹ crore)
Rajasthan	2,414.58	3,288.31
Maharashtra	893.16	796.73
Gujarat	661.24	743.15
Madhya Pradesh	203.56	313.60
Delhi-NCR and Haryana	78.59	193.54
Punjab	142.93	176.62
Chhattisgarh	33.50	41.66
Goa	21.45	14.10
Total	4,449.01	5,567.71

Disbursements by region

State	2013-14 (in ₹ crore)	2014-15 (in ₹ crore)
Rajasthan	1,653.83	2,175.85
Gujarat	352.55	381.09
Maharashtra	347.21	335.64
Madhya Pradesh	143.31	204.15
Delhi-NCR and Haryana	78.68	153.04
Punjab	81.52	97.69
Chhattisgarh	21.31	27.02
Goa	6.63	3.02
Total	2,685.04	3,377.50

AUM by product

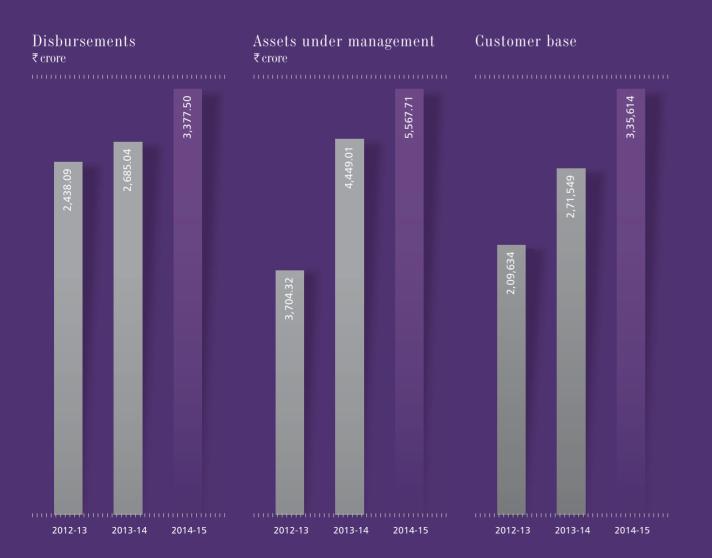
Asset under management by products	2013-14 (in ₹ crore)	2014-15 (in ₹ crore)
Multi-utility vehicles	1,023.10	1,123.46
Small commercial vehicles	739.85	793.55
Heavy commercial vehicles	288.96	172.41
Light commercial vehicles	213.53	184.68
Three-wheelers	225.51	214.20
Cars	624.34	657.99
Vehicle loans	3,115.29	3,146.29
MSMEs	899.58	1,375.58
SME & and Structured Finance (SSF)	434.14	1,045.84
Total	4,449.01	5,567.71

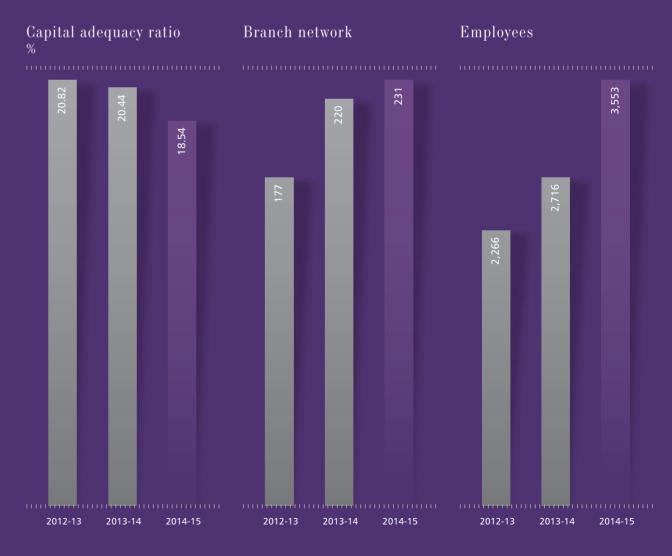


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Our growth story in Market 1988 (1988) Our growth story i









When the chips are down, it is no use looking anywhere and everywhere for answers.

It is the time to look within.



With 231 branches across 10 states, we reach more than 335,614 customers.

This is what we aspire to become

The most preferred NBFC addressing the unique financial needs of the people at the bottom of the pyramid.

This is how we intend to do it

Providing the best and trustworthy financial services to cater to the under-served and unreached population to help them achieve their entrepreneurial goals.

This is what we promise our stakeholders

The Company's effort is always in creating value for its shareholders and ensuring that the services it provides to the needs of all the customers.

These are the avenues of our growth Relationships

Build trusted relationships with customers and thereby contribute to the Company's growth and future

Growth

Help propel growth in the under-served rural and semi-urban segments by promoting consumer credit, agriculture lending and corporate lending to small and micro enterprises

Support

With over ₹5,567.71 crore of assets under management, we lend small and medium enterprises, finance commercial vehicles and offer home loans through our wholly owned subsidiary.

Network

With 231 branches across 10 states, we reach more than 335.614 customers.

These are the ethics that define us

Being courageous

We take measured risks and stand up for what is right.

Being responsive

We disburse the loan speedily and respond to customer queries.

Being creative

We innovate and adapt, continuously improving the way we work.

Being trustworthy

We are reliable, open and honest.

These are who we are committed to

Colleagues

A great place to work, enabling individuals to grow and teams to win.

Society

A force for good, promoting sustainable economic and social development.

Investors

A distinctive investment, delivering consistently superior performance via disciplined growth.

Regulators

A responsible partner with exemplary governance and ethics.





When faced with a challenge, there is something more productive than measuring revenues.

Measuring per person productivity instead.

Conventionally, entrepreneurs invested financial resources in their financing businesses. At Au FINANCIERS, we made a decisive break – we selected to invest in people instead.

Au FINANCIERS did more than increase the number of employees from 2,716 to 3,553 in 2014-15; the Company enriched its intellectual capital.

The Company invested in people on the basis of terrain understanding, industry experience and functional competence through the following priorities:

- Recruited senior professionals at key positions
- Mapped employee performance with the objective to enhance productivity
- Recruited experienced personnel to support the core team
- Recruited from the areas of its presence, deepening its terrain familiarity
- Encouraged executives to periodically engage with customers, identify needs and offer customised solutions

The result: disbursements strengthened from ₹2,685.04 crore in 2013-14 to ₹3,377.50 crore in 2014-15 and grew the customer base by 24%.





When prospects appear bleak, it makes sense to seek new markets.

We achieved better results by exploring existing markets deeper instead.

Conventionally, in a country marked by under-penetration, it would have been typical to extend wider to achieve higher sales. At Au FINANCIERS, we set out to achieve the desired results doing the exact opposite – generating higher revenues from the same terrain.

Au FINANCIERS selected to grow its presence in Rajasthan, Gujarat, Madhya Pradesh, Maharashtra and Punjab, marked by extensive underconsumption and under-financing.

The prudent selection of these markets was validated during the economic slowdown of 2014-15. The Company penetrated deeper without extending into new ones; in addition to financing the needs of the banked, the Company addressed the needs of the credible unbanked (without adequate documentation to validate their credibility).

Au FINANCIERS funded a large number of these individuals around the conviction that given an opportunity, these industrious individuals would

service creditors. The Company leveraged its rich grassroot understanding, which widened its customer coverage without compromising credit quality.

This strategy helped the Company strengthen its return per brand and infrastructure on the one hand, while strengthening the inclusiveness of its business model on the other.

The result was that even as the first half of FY 14-15 was sluggish, the Company reported a 52% improvement in the second half (over the same period during of the previous year), outperforming the sector's performance and the country's economic growth.





When some of the sectoral Balance Sheets weaken, so do credit ratings.

We countered this reality by achieving something unheard of - a higher rating.

Conventionally, a higher credit rating is associated with robust economic periods and vice versa. At Au FINANCIERS, we achieved the unusual in 2014-15 when we graduated to a higher rating in a decelerated marketplace.

Au FINANCIERS was assigned a long-term rating of IND A+ / STABLE by India Ratings and its long-term credit rating was upgraded by CARE (CARE A+ from CARE A in 2013-14), outlook was revised by CRISIL (CRISIL A/Positive from CRISIL A/Stable in 2013-14). Further, India Ratings assigned a short-term rating of IND A1+ and CRISIL too upgraded its short-term rating to CRISIL A1+ from CRISIL A1, the highest short-term rating.

This unanimous upward revision validated the integrity of the Company's Balance Sheet as well as its earning capability.

In turn, the enhanced credit rating strengthened low-cost fund mobilisation. The Company widened its sourcing mix comprising commercial paper, working capital demand loan, bonds and NCDs to address emerging requirements.

The Company reinforced this competitiveness

through a capital adequacy ratio 18.54% higher than the RBI requirement of 15%. The Company's portfolio quality – over 85% comprising priority sector lending – translated into attractive securitisation possibilities that could moderate borrowing costs.

Through these initiatives, the Company moderated its overall cost of funds, strengthening viability.

The Company attracted marquee private equity investors Kedaara Capital and Ourea Holdings Limited (fund advised by Kedaara), who acquired a 9.98% stake in the Company through a secondary sale transaction joining existing global investors like IBEF and IBEF-I Funds advised by MOPE Investment Advisors Pvt. Limited, International Finance Corporation (Member - World Bank Group), Warburg Pincus, ChrysCapital and by Motilal Oswal Securities Limited.





Conventionally, majority advised us on business consolidation during uncertain times.

On the grounds that this helps rationalise people and overheads.

At Au FINANCIERS, we countered orthodox wisdom by slicing our businesses instead – more businesses and more modules within each of those businesses – to enhance competitiveness.

As the Company created smaller business modules with specific responsibilities, we enhanced a sense of 'ownership'.

The result is that our business modules explored markets deeper, took decisions faster, serviced customers better.

The result is that these business modules did not merely address market share capture; they created new markets as well (and captured a large share of it). The result is that the Company added 24% more customers during the year under review. Average loan ticket per customer climbed 21% over the previous year. Overall disbursements outperformed the sectoral growth of 26%.

The result is that the Company strengthened its ability to resist economic and sectoral slowdowns, reporting a 52% increase in profit after tax to ₹140.23 crore, one of the best performances within the country's NBFC sector during FY 2014-15.

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During uncertain times, it is usual for NPAs to rise.

We protected the quality of our book across a larger business outlay instead.

Any NBFC providing retail loans to the under-banked or unbanked generally carries a vulnerable book. Au FINANCIERS is one of the few companies in its sector to demonstrate that the reverse can also be true.

Au's simplified sanction procedures and operational flexibility has helped provide credit to the under-served and unbanked – where and when they need it. Besides, the Company addresses the growing requirements of micro, small and medium enterprises.

Over the years, the Company addressed the inherent paradox – lending to the unorganised or small commercial segments without compromising book quality – through checks and balances that mitigated default possibilities.

The strength of the Company's systemic robustness was showcased during a challenging 2014-15. Even as the Indian economy grew by 7.3% and the NBFC sector reported a 14.3% growth, Au FINANCIERS continued to protect the integrity of its Balance Sheet. The Company strengthened its collection efficiency with an increase of 2%

The result was that Au FINANCIERS reported a net NPA of 0.44%, well below the industry average.



Mr. Sanjay Agarwal

Reviews the Company's performance during 2014-15

I sincerely thank our stakeholders for their unwavering support and we hope to continue honouring your trust and faith in our enterprise.

Dear shareholders,

While the year 2013-14 was one of the most challenging periods for our business, 2014-15 proved to be one of the best years in Au's history. I am pleased to state that all the major initiatives and decisions which we took during the last two years produced results and validated our long-term approach.

During the year under review, Group-level disbursements grew 32% from ₹2,964 crore to ₹3,899 crore where as our assets under management registered a 32% growth from ₹4,863 crore to ₹6,413 crore. Our net profit increased from ₹101 crore to ₹163 crore in 2014-15, registering a growth of 61% with the overall yield and

net NPA standing at 17.29% and 0.44%, respectively. Amid anxiety and uncertainty, the new Government assumed office in May 2014 and has so far ensured the passage of certain decisive bills in the realms of insurance, coal block allocations and mining. These are all critical to the revival of the economy, even though two more

critical ones – GST and land acquisition – are being debated in the Parliament at the time of writing this report. The emphasis on ushering infrastructural development is essential to the growth of our businesses. From this vantage point, growth in the new fiscal is expected to be stronger than in FY15.

The Au Group has a robust presence across four verticals - vehicle finance, MSME, SSF and housing finance. We were able to rope in talented personnel to head all these verticals and this has enabled us to build a sustainable business model revolving around a seamless risk management framework. For realising this goal, our senior leadership has led from the front to accept the challenge and adapt with the change and the rest of the organisation has rallied around this cause with admirable enthusiasm. Going ahead, the Company expects to further moderate its loan turnaround time, penetrate wider and deeper, strengthen channel engagement and improve client retention so as to allow customers to excel in all their endeavours by taking care of their financial requirements.

The nuts and bolts of our strategy

Vehicle finance

Vehicle finance continued to be our key source of sustenance during this year as well. The outlook and environment has not changed much during the year but our philosophy to promote small-ticket loans, assess risks comprehensively, refrain from financing medium and heavy commercial vehicles and focused product diversification served us in good stead. The vehicle finance vertical generated ₹1,726 crore in disbursements (₹1,677 crore in 2013-14) with strong yields. The vertical accounted for 52% of the overall disbursements during the year under review (62% in 2013-14). This has vindicated our strategic approach and has given us the confidence to drive the vehicle vertical to the next level of growth in the years to come.

We hope to witness a turnaround in the commercial vehicles space particularly with the mushrooming of E-platforms like Uber and Ola, among others. This is expected to intensify the demand for small ticket loans and that too at a rate faster than other segments. We are also

lending a keen emphasis on the used vehicle segment and estimate that it will account for 50% of the total business in the coming years. We have also tied-up with several online service providers for lead generation and towards improving our operational efficiency to remain opportunity-ready.

MSME finance

It would be limiting to consider the financial year 2014-15 as our best year ever just because the numbers say so. This was our best year also because it has been a validation of our timetested principle of serving innumerable unserved, unreached and under-served MSMEs, traders, service providers and manufacturers in an empathetic and timely manner. With around 38% contribution to the nation's GDP and being one of the largest employment providers in India after agriculture, access to credit through organised financial systems still remains a difficulty for the MSME sector due to reach, financial illiteracy, language barriers and lack of credible documents supporting income. In this context, Au serves the credit needs of small businesses in a transparent manner. This segment

We were able to rope in talented personnel to head all these verticals and this has enabled us to build a sustainable business model revolving around a seamless risk management framework.



has never ceased to surprise us in terms of opportunity, size, growth and sustainability. We have pinned our hopes upon this segment and we intend to grow the MSME segment as much and as quickly as possible. This was our best year ever because our asset quality has been one of the best in terms risk-reward parameters. We remain bullish about our prospects and continue to improve our TAT and reach even more customers.

Besides, we are honing our credit and risk assessment skills and standardising our processes to serve our clients swifter and more efficiently. This was our best year ever because our relentless focus translated into accelerated disbursement growth for this segment from ₹517 crore to ₹744 crore, registering an increase of 44% in 2014-15 over the previous financial year. The vertical accounted for 22% of our disbursements during the year under review (19.26% in 2013-14).

SME and structured finance

This is the segment where we leverage longstanding relationships built around a robust risk management framework. We continue to pursue this path with the expectation that sticking to the basics will have an enduring impact on the Company's growth. During 2014-15, we disbursed ₹907 crore, systematically screened each customer and generated attractive returns. The vertical accounted for 26% of the Company's disbursements during the year under review (18.28% in 2013-14).

Housing finance

The housing finance vertical is overseen by our wholly-owned subsidiary, Au

HOUSING, which has, at its helm, a professional and seasoned senior management team which is focused on providing affordable housing assets to the unserved rural populace. During the fiscal gone by, the housing finance segment registered over 100% topline growth for the third consecutive year, doubling its assets under management from ₹406 crore to ₹843 crore.

The performance has been phenomenal across all aspects of the business - disbursements, asset quality, yields, NPA and profitability. The Central Government's aim of providing 'Housing for All by 2022' by building four crore houses in the rural areas would catalyse the demand for credit in the housing sector. It is estimated that 80% of the housing shortage and demand will come from the LIG segment and 80% of our housing loan portfolio already belongs to this segment. This would translate into superlative growth in the coming years for our housing finance business.

Insurance

It is a matter for pride to note that Au INSURANCE BROKING SERVICES PVT. LTD. (associate company) achieved beyond what was envisaged under the able leadership of the management, reaching out to more than one lac customers and serving the nation's social security needs comprehensively.

Micro finance

M POWER MICRO FINANCE PRIVATE LIMITED, an associate company, is engaged in micro finance and addresses the unique financial needs of the 'bottom-of-the pyramid' (who either don't have access to credit or resort to money lenders for their credit needs). Furthermore, our credit disbursements in an affordable and transparent manner has resulted in the company reaching out to more than 48,000 customers, out of which 62% are women, reflecting financial inclusion in its true sense.

Other developments

A keen emphasis was laid on enhancing our HR capabilities, keeping in mind our future needs. As such, we increased our manpower base by 30% during the year. We also reassessed the efficacy of our risk management framework across products, verticals and departments to build a seamless and reliable system. This was achieved by integrating all departments —operations, collection, accounts, infra and admin into a unique cohesive force.

Consistent performance, asset quality maintenance, adequate capitalisation and effective cost management has resulted in us being bestowed with a long-term rating of IND A+/stable from India Ratings. Moreover, CRISIL Ratings revised its outlook on rating from CRISIL A/stable to CRISIL A/positive and CARE Ratings upgraded our rating from CARE A to CARE A+. This has strengthened our existing relationships with over 50 lenders including the International Finance Corporation, FMO, CDC and GuarantCo and has enabled us to reduce our cost of borrowing by 60 bps in 2014-15.

Outlook

In 2015, the RBI issued guidelines pertaining to the establishment of a 'Small Finance Bank' in the private sector and I am happy to inform that we have applied for it as well. We currently comply with 90% of the requirements to convert into a small finance bank and are anxiously waiting for the RBI's decision in this regard.

The Union Budget 2015 has brought well-regulated NBFCs with asset bases in excess of ₹500 crore under the purview of the SARFAESI Act, 2002. This would accelerate the growth of the financial sector and create a more progressive, secure and sustainable business environment. We are pleased to inform that Au FINANCIERS has filed an application to the Ministry of Finance and has intimated the RBI regarding the same.

We have been persistently upgrading the organisational technology platform and have established a new department christened 'Innovation and Automation'. This was implemented keeping in mind such key parameters as customer convenience, operational efficiency, risk management and scalability and the establishment will enable us to adapt and transform proactively with the evolving marketplace. We are also working on fine-tuning our distribution and branding strategies. Subsequently, we established a new department to gain insights into emerging market places (online/offline), leverage cross-selling opportunities, generate leads, raise awareness and enhance customer convenience. These initiatives should take us to the next level by augmenting customer-centricity and consequently increase our market share and deepen our reach in the geographies in which we are present.

A keen emphasis was laid on enhancing our HR capabilities, keeping in mind our future needs.

Acknowledgements

I thank each and every employee for their dedication, commitment and perseverance. I thank every financial institution for reposing their faith in us and all regulatory agencies for their constant support. I would also like to thank all our Directors for their invaluable guidance and encouragement.

I welcome Ms. Jyoti Narang, presently serving at Tata Sons as Board Member, to Au FINANCIERS, being the first woman Independent Director on our Board and bringing in a vast experience of 36 years, enhancing our Board diversity. I also welcome our new investors Kedaara Capital for associating with Au in its next phase of growth; I express a warm welcome to Mr. Nishant Sharma for joining our Board on behalf of Kedaara Capital.

I sincerely thank our stakeholders for their unwavering support and we hope to continue honouring your trust and faith in our enterprise.

The best is yet to come!

Sincerely, Sanjay Agarwal

our credit and risk assessment skills and standardising our processes to serve our clients swifter and more efficiently.

Besides, we are honing

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Promoting financial inclusion in India

A case study

IFC, a member of the World Bank Group, has supported Au FINANCIERS (INDIA) LIMITED (Au) since 2010 to help the Company expand much-needed transport finance in under-served parts of India. Micro, small and medium enterprises in rural and semi-urban parts of India have traditionally had limited access to finance to grow and thrive. Having started its operations in Rajasthan, Au has, over the last decade, expanded to under-served markets in ten other states, maintaining a emphasis on low-income population bases in Rajasthan, Madhya Pradesh and Chhattisgarh. Through this expansion, Au has helped address the growing financing gap amongst commercial vehicle operators and also

managed to offer new services such as MSME finance (for business expansion and working capital) and housing finance for low-income customers.

IFC aims to help people escape poverty and boost shared prosperity by promoting private sector-led growth. In India, IFC has sharpened its strategic focus to undertake transformative, high impact interventions to expand access to basic services; build sustainable infrastructure, promote financial inclusion and establish crossborder regional linkages. Through these interventions, IFC helps to create jobs, support efficient resource allocation, spur economic growth and play a critical role in private sector development.

A combination of advisory and investment services by IFC has helped Au strengthen its corporate governance standards, asset liability and risk management systems, and improve scoping of MSME and affordable housing finance.

Widely acknowledged as a critical contributor to the GDP of any economy, the MSME sector in India feeds crucial industrial value chains and provides broad-based employment to the country's working age population including its semi-skilled and unskilled workers. Over the years, Au has been a significant contributor to promoting financial inclusion for the under-served segments in low-income states of India.

According to a recent *IFC-Government* of *Japan study on MSME financing in India*, financial institutions meet only one-fourth of the financing demand of micro, small and medium enterprises in India, while a sizeable part of this unfulfilled opportunity is viable. The study estimates the overall finance shortfall for micro, small and medium

enterprises to be over US\$400 billion. Formal sources are able to channel only USD 140 billion. Banks can address the sector's debt and equity financing requirement of over USD 70 billion. (Source: IFC. 2012. Micro, Small, and Medium Enterprise Finance in India, A Research Study on Needs, Gaps and Way Forward)

IFC conducted another study in January 2015 to assess Au's contribution towards financial inclusion in India, job creation and the financial performance of its beneficiaries over financial years 2012-14. This study was authored by Dan Goldblum, Mahima Khanna (IFC's Financial Institutions Group's Strategy and M&E Unit) and Melina Mirmulstein Moses (IFC's Development Impact Department).

The study triangulated data from secondary sources along with primary data from loan file reviews (108 MSME and 20 commercial vehicle (CV loan files) and field interviews with employees of Au, their MSME and commercial vehicle beneficiaries, using simple statistical techniques, including regressions. In particular, this study examined SME and CV borrowers. explored how financing is being utilised, how many jobs are being created or supported, how real income is changing, and how many borrowers were included in the formal financial system by Au.

Through this study, IFC concluded that despite challenging macro-economic downturns in 2011-12, there were positive effects on jobs, asset, income and sales amongst the beneficiaries of Au. Qualitative discussions with some of these beneficiaries suggested that many of them used the additional income to expand operations, were included in the formal sector and also channelled larger portions of their income towards the education of their

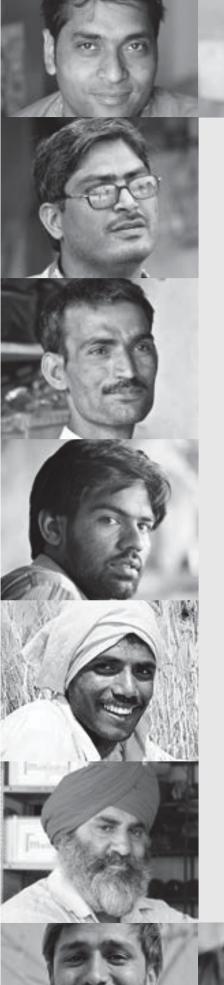
Despite challenging macro-economic downturns in 2011-12, there were positive effects on jobs, asset, income and sales amongst the MSME customers of Au.

children and towards improving their lifestyle.

Interviews with Au beneficiaries have confirmed that working with Au has had a positive impact on their lives including substantial increases in income and assets. They have been able to generate new employment opportunities in their growing businesses, as well as invest disposable income into the education of their children. In addition, many borrowers who previously could not channel formal financing options, have now opened bank accounts, and are able to obtain financing from other financial institutions due to the documentation and credit history they have developed by borrowing from Au. To conclude, the services rendered by Au to MSMEs in under-served markets have resulted in significant financial inclusion, increase in revenues and job creation.

The IFC team wishes to congratulate Au and its team led by Mr. Sanjay Agarwal and hopes that it will continue expanding its operations in contiguous states, reach out to more MSMEs, small and marginal farmers; micro and small industries in rural, suburban, unbanked and underbanked areas of Central and Western India.

Mr. Anup Kumar Agarwal, Senior Investment Officer on behalf of the International Finance Corporation



Our stakeholders speak



FMO continue to have strong liking for companies like Au FINANCIERS (INDIA) LIMITED having a deep reach in the semi-urban/rural hinterlands and serving small farmers/small businesses, furthering financial inclusion and development. Au's success in maintaining growth momentum while ensuring strong asset quality and profit metrics demonstrates the robustness of the business model and superior management. We are keenly following the Company's growth and look forward to associate ourselves at every possible opportunity.

Matthijs Egelie, Senior Investment Officer Financial Institutions Asia FMO



CDC is proud to partner with Au FINANCIERS (INDIA) LIMITED. Its target market matches the borrowers that are important to CDC – entrepreneurs and small business owners that can't access finance from traditional banks. At the same time, the business has demonstrated strong growth over the past year, giving out ₹337.8 million worth of loans with 335,614 small business owners as its customer base, an increase from ₹268 million the previous year. With its prudent style of management and clarity of vision, CDC is excited to be a part of Au FINANCIERS (INDIA) LIMITED's growth story.

Holger Rothenbusch, Managing Director, Debt and Financial Institutions CDC

Our customers speak



Vehicle loans

Mr. Lal is a longstanding Au FINANCIERS client. He obtained his first vehicle loan in 1997. Previously,

Mr. Lal made a living by washing cars, earning around ₹1,000 a month. Now, he owns 14 vehicles which he uses to carpool schoolchildren and earns ₹50,000 a month. All of these cars were purchased with loans from Au, his sole source of financing. He originally approached Au for

funding because he was acquainted with the local relationship officer. He has since kept a perfect repayment record which, in turn, has enabled him to grow his fleet. He now employs several drivers as well as his brother. Beyond the tremendous increase in his income, he has been able to renovate his house (which he received as an inheritance), purchase two plots of land, and spend a sizeable amount towards educating his three teenage children, as well as the two children of his brother.



MSME loan-Equipment finance

The borrower, Mr. Sharma, works for a promoter who manufactures cars

bearings in Jaipur. The promoter supplies machine operators with the raw materials and pays the employees as well. One of the four machines was purchased by the borrower using the loan proceeds from Au (cost of machine: ₹1.5 million; loan amount of ₹1.25 million). Besides working in the facility himself, Mr. Sharma also employs a machine operator. Further, the facility as a whole employs (at least) two women employees to for quality control and packaging. The borrower owns a house, which he used as collateral to receive the equipment loan from Au.

Before purchasing the machine, Mr. Sharma used to manufacture the bearings manually. According to the borrower, his volumes have increased tenfold since he started working with the purchased machine. The quality of the product has also increased significantly, and he is now able to obtain from the promoter a price of ₹3 per piece, compared to a price of 10 paise previously. Due to the increase in productivity and quality (despite an increase in electricity consumption), the borrower's net income has increased tenfold. Since taking the loan, Mr. Sharma has purchased two additional machines with loans from conventional banks. These subsidised loans were available to him now because he now had the adequate documentation to substantiate his income.



Group performance



in 2014-15

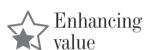
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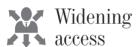
Number of employees

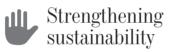




Enhancing value. Widening access. Strengthening sustainability.







Au's return on equity (%) against 19% in 2013-14

₹796 crore crore in 2013-14

Au's earnings per share

Au's presence across the country against 220 in 2013-14

The Company opted to penetrate deeper into unserved areas. As a result, the Company has more than 50% of its branches in un-banked districts.

₹5,567.71 crore

Au's assets under management against ₹4,449.01 crore in 2013-14

18.54%

Au's capital adequacy ratio (statutory requirement 15%)

The Company is a preferred financing partner for leading automotive OEMs like Maruti Suzuki, Hyundai Motors, Tata Motors, Ashok Leyland and Piaggio, among others, resulting in better business for them and assured asset quality for the Company.



Pervasive presence

The Company's network of 231 branches across 10 states and 3,35,614 customers makes it possible to address the growing financing needs of the country's unbanked and under-banked customers in remote locations.



Entrenched experience

The Au Group (possessing an experience of nearly two decades) is focused on providing seamless solutions in India's rural and semi-urban markets. This knowledge enables the Company to offer products and services, which address the specific needs of its customers. The Company has grown its business and entered the MSME, SME & Structured Finance, housing finance and insurance broking verticals for which it created dedicated and efficient teams.



Trust-based associations

Investments by esteemed financial investors like IBEF and IBEF-I Funds advised by MOPE Investment Advisors Pvt. Limited, International Finance Corporation (IFC, Member - World Bank Group), Warburg Pincus, Chrys Capital and Motilal Oswal Securities Limited enhanced our credibility. During 2014-15, the Company received an investment from a private equity firm, Kedaara Capital, under secondary sale transaction from existing investors, IBEF & IBEF-I and IFC, enhancing credibility.





Collection competence

intended funding deployment.

Adequate liquidity

Appraisal efficiency

The Company finances with speed without

viability assessment and estimated returns).

Transparent processes

The Company's four-layered credit filtration and

portfolio verification evaluates the synergy and

feasibility between product, customer profile and

compromising credit appraisal integrity

The Company's robust financial health is reflected in

a positive asset-liability maturity mismatch based on

year-long cumulative outflows (as on March 31, 2015)

to address short-term debt repayment. The repayment

transactions was replicated in the repayment schedule

schedule for pay-outs on assignment/securitisation

of the underlying loans, eliminating ALM mismatch

possibilities for assigned/securitised loan portfolios.

(documentation and background checks to business

The Company's collection team approach is marked by flexibility and empathy, comprising periodic tele-calling, timely customer visits and legal action whenever needed.

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When competition increases, success is not derived by chance.

It is derived from a combination of what you are and what you do.



Leveraging a robust business model, Au FINANCIERS has transformed from a local financier to a pan-regional corporate within just a decade.



Customer-centric approach

■ The Company finances the growing needs of customers who are creditworthy but denied loans by bigger financial institutions due to a documentation dearth that could have validated their repayment capability. ■ The Company is convinced that if these first-generation entrepreneurs (possessing more ambition than capital) are supported, they would justify creditor faith. ■ The Company finances thousands of customers unaddressed by the country's organised financing system. ■ The Company believes in being where customers are, translating into an Au branch every 50 kilometres in Rajasthan, the Company's principal market.

■ The Company's loan terms are customised around customer requirements, enhancing the timeliness of repayment. Result: The Company demonstrated that financing un-banked first generation rural and semi-urban entrepreneurs made immense business sense, reflected in a net NPA of only 0.44%, well below the industry average



• Robust governance

The Company invested in robust governance, extending beyond statutory requirements and in line with the disclosure standards applicable to listed companies. The Company believes that systemic robustness represents the foundation of corporate sustainability, minimising manual errors and catalysing informed decision-making.

Result: The Company achieved operational consistency across functions and locations, strengthening its brand.



Investor confidence

- The Company inspired credible financial partners to infuse capital, providing adequate resources to generate sustainable growth. ■ The presence of PE investors strengthened the Company's business through stable long-term 'intelligent' funding.
- The Company attracted unsecured debt from international multilateral financial institutions, a creditable achievement for a first generation-promoter corporate.

Result: In 2014-15, The Company attracted investment from a private equity firm, Kedaara Capital, under secondary sale transaction, enhancing credibility.



Execution competence

The Company's financing revolves around the financing of productive assets, transforming hesitant individuals into entrepreneurs. The Company recognises that customers will need to diversify from the purchase of productive incomegenerating assets to housing loans (provided through wholly-owned subsidiary, Au HOUSING FINANCE LIMITED), insurance broking services (provided by associate company, Au INSURANCE BROKING SERVICE PRIVATE LIMITED) and micro-finance services (provided by associate company M POWER MICRO FINANCE PRIVATE LIMITED). The Company invested in stateof-the-art processes and controls to improve customer experience. The Company's core team comprises experienced professionals and employees from the industry who understand the business requirements along with the customer profile who are catered to. The Company's IT platform is a critical element driving business efficiency. The Company has invested in IT infrastructure in line with the business needs, supporting business growth.

Result: The Company has successfully diversified its product portfolio and built verticals within.

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Most people appraise success by the profits one generates in a year.

We would rather appraise our success by how well we perform across the most challenging markets.

Our business and sustainability At Au FINANCIERS, we have built our business model around sustainability.

The need for sustainability influences everything we do – from the services we provide to the selection of customers and the way we provide services - leading to lives we have been able to transform for the better.

As an NBFC, we finance economic and social development. We finance the needs of customers without access to financial services due to a dearth of adequate documentation. Despite catering exclusively to an 'unreliable' market, our core markets reported attractive growth. This demonstrates that inclusion represents good prospects.

Contributing to sustainable economic growth

Through the business of financing, we catalyse economic activity and job creation. The financial services we provide help businesses set up scale and expand businesses. By extending finance responsibly, we contribute to sustainable economic growth.

Being a responsible corporate

Our commitment to sustainability is not just about the economic activity we finance, but also about how we run our business. Our focus is effective corporate governance, marked by transparent processes and ethical values. Our vision helps people act with conviction, nurture relationships with clients and uphold the highest integrity standards.

Governance

Strong governance is the foundation for establishing trust and promoting engagement between a company and stakeholders. The right culture, values and behaviour must be adopted by the Company and be actively promoted by the Board and managers.

Customers
Customers prefer to work for corporates that can be trusted. Over the years, we have enhanced a sense of trust through focused employee training across verticals and textbook procedural efficiency without compromising regulatory compliance. We enhanced customer familiarity through the recruitment of hinterland employees and educating customers in financial discipline.

Values

The Company fosters a culture of responsibility and accountability. We possess a deep commitment to do the right thing. Our performance reviews appraise the extent to which our employees demonstrate values through their everyday actions.

Society
The Company set up an Environmental and Social Risk Management Framework with IFC to carry out due diligence of the end use of money lent to its customers. The Company also looks into specific areas like student mid-day meals and education for all to improve underprivileged lives.

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The next leap

Graduating into a small finance bank (if permitted) represents the next logical step in Au FINANCIERS' journey.

Financial inclusion

As a means to this end, the Company will continue to strengthen its business through low costs, technologies and risk prevention.

We believe that a small finance bank platform will make it possible for Au FINANCIERS to service the growing needs of under-banked customers in under-serviced geographies, strengthening its credentials in the area of financial inclusion.



Our risk management

Au FINANCIERS leverages its rich experience across rural, semi-urban and urban (low-income) segments. The Company assesses and addresses client needs effectively. Despite the relative difficulty of underwriting these segments, Au FINANCIERS evaluates their creditworthiness through industry knowledge and terrain experience.

Our growth

Au FINANCIERS is built around long-term sustainability. The Company extended from established businesses to new ones Vehicle Financing to MSME, Housing and SME & Structured Finance – increasing choice, convenience and profitability.



A large segment of India's rural and semi-urban population remains outside the purview of formal financial institutions. Of some 170 million rural households in India, just over 45 million have access to formal credit; a third borrows from informal sources at exuberant interest rates. The Company serves under-served Indians denied financing access.



Our governance

Au FINANCIERS expects to report responsible and sustainable growth through prudent governance. This governance is reflected through a comprehensive value framework, influencing responsibility and accountability



Our compliance

As a responsible corporate, the Company's operations remain within the ambit of a defined regulatory and legal

framework free from non-compliance. The Company conforms to local, regional and

national regulations, professional codes and industrybest practices. The Company was accorded an impressive credit rating of A+ by top credit rating agencies like India Ratings (India Ratings Group).

Au FINANCIERS is a fast-growing systematically important non-deposit taking asset financing (ND-SI-AFC) NBFC, with marquee equity investors comprising IBEF and IBEF-I (Funds advised by MOPE Investment Advisors Pvt. Ltd), International Finance Corporation (IFC, Member, World Bank Group), Warburg Pincus, ChrysCapital and Kedaara Capital. These investors bring to Au FINANCIERS rich sectoral experiences and best-in-class governance practices.

The Company's partnership, with more than 50 financial institutions (banks, non-banks, foreign institutional investors), is a testimony to its governance practices, which are at par with fullblown banks.



Our policies

Au FINANCIERS has set stricter controls on itself than warranted by applicable laws or conduct. These restrictions are binding, irrespective of profitability or associations. The Company has invested in ongoing audits, transaction monitoring and other safeguards.

Au FINANCIERS believes it can leverage its deep customer understanding to address all their financial needs. Multiple government-led initiatives to foster agricultural and industrial development, tourism, infrastructure and transportation systems will create the need for a strong financial backbone, especially in Rajasthan, Gujarat, Maharashtra, Madhya Pradesh and Punjab. These are the very states where Au FINANCIERS already enjoys a strong presence.

Our sustainability

As a financial services company, it is important to be socially and ethically responsible. Au FINANCIERS consciously selected to finance India's under-reached segment comprising ~300,000 customers with more than ₹11,000 crore financed over two decades.

The Company's processes have been designed to be empathetic to distress; our systems are scalable to address the needs of the future. The result is that because the Company addresses the diverse funding needs of customers across varied sectors, it has relatively insulated itself from risks arising from one or few segments.



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Vehicle financing

₹1,726
Crore
Disbursements in 2014-15

₹3.14 lac
Average loan size in 2014-15

₹1,677 Crore Disbursements in 2013-14 $\begin{picture}(20,0) \put(0,0){ξ} \put(0,0$

51%Proportion of total disbursements in 2014-15

Overview

The Company's core operations comprise vehicle financing and used vehicle financing refinancing. The Company entered this business of lending money to customers buying three-wheelers in Rajasthan, thereafter entering the business of commercial vehicle financing (including refinance to customers for purchasing used vehicles). The Company focuses on first-

time buyers and small rural transport operators. The Company finances multiutility vehicles (MUV), small and light commercial vehicles, three-wheelers, cars, M&HCV, construction equipments and tractors.

The Company helps entrepreneurs realise dreams of financed vehicle ownership. The Company guides customers through the financing of the following vehicle types: light

commercial vehicles (LCVs), multi-utility vehicles (MUVs), small commercial vehicles, three-wheelers (loading and passenger vehicles), cars and tractors. The Company finances vehicles manufactured by reputed automobile brands (Mahindra & Mahindra, Tata Motors, Maruti, Chevrolet, Piaggio and Toyota, among others), generating steady returns for the buyer and financiers.

Highlights, 2014-15

- After two years of decelerated growth, the domestic commercial vehicle industry showed signs of recovery.

 The pace at which domestic CV sales were declining settled at a lower rate compared to a contraction of 20.2% witnessed during 2013-14.
- The vehicle business grew 3% even though industry growth remained flat.

The Company continued to moderate its exposure to heavy and medium commercial vehicles (down to 2% of its overall exposure in this business from 11% two years ago).

- The Company's disbursements increased 3% from ₹1,677 crore in 2013-14 to ₹1,726 crore in 2014-15; average loan ticket size was ₹3.14 lac in 2014-15; average loan tenure declined, reducing ALM risk.
- The Company focused on used vehicles, established new channels through referrals and formed tie-ups with used car dealers. Nearly 29% of vehicle loans disbursements comprised used vehicles compared to 26% in the previous year, insulating the Company from possible slowdown. The Company chose to not fund too many premium vehicles as it was already serving

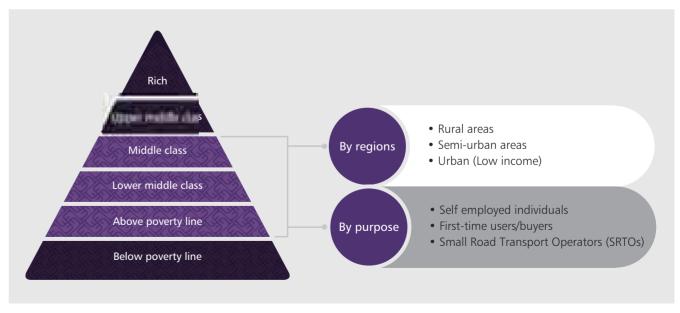
customers with reliable profiles.

- The Company strengthened dealer engagements by offering more lucrative incentives and initiating several engagement programmes. The Company tied up with OEMs like Ashok Leyland, Toyota, General Motors, Hyundai and Renault.
- The Company opened 11 branches, increasing the number of branches from 220 in 2013-14 to 231.

Outlook

The Company intends to grow the vehicle financing segment by 15%, strengthening its used vehicle verticals while adding construction equipment financing to the portfolio in order to maintain good yield and asset quality.

Vehicle finance segment



Micro, small and medium enterprise (MSME) loans

₹744 crore
Disbursements in 2014-15

₹8.60 lac
Average loan size in 2014-15

₹517 crore

Disbursements in 2013-14

₹5.41 lac

44% y-o-y growth in 2014-15

Overview

The Company entered this segment with the objective to disburse loans to MSMEs in the manufacturing sectors, services sectors and to small farmers engaged in agriculture cum allied activities. The Company's loans helped customers sustain and/or expand their small businesses, make equipment purchase, engage in business expansion, promote start-ups, upgrade technology and finance working capital requirements, among others.

The Company, in a bid to gather knowledge regarding the local market, identified clusters which helped them get an understanding of the businessmen who suffer from restricted access to organised funding because of inadequate documentation. The Company focused on under-served customers in small urban centres and towns. It offered loans to MSME units dismissed as 'difficult to assess'. It hired employees with a thorough understanding of geographies,

customers and culture. The Company invested in an efficient team comprising lawyers, technical agencies and valuators considering future growth needs. The Company has developed separate legal and collection teams, which has translated into delinquencies lower than the industry average.

Highlights, 2014-15

■ The Company increased number of branches serving with MSME loans from 95 in 2013-14 to 130.

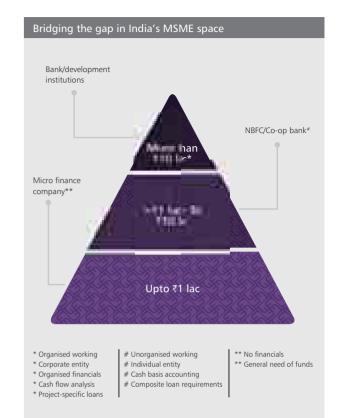
- The Company introduced products catering to diverse needs.
- Despite market competitiveness, the segment reported disbursements of ₹744 crore, 44% higher than in the previous year.
- The average loan size increased from ₹5.41 lac in 2013-14 to ₹8.6 lac.
- The Company doubled manpower to 750 members; it appointed more credit officers, reducing the service turnaround tenure and improving branch profitability.
- The Company deployed employees to distribute pamphlets, engage in doorto-door calling and customer

calls, generating repeat customer engagements and referrals.

■ The Company focused on direct sourcing and repetitive customers to provide flexibility to borrowers.

Outlook

Distribution of MSME loans offer a great opportunity to grow; our strength lies in financing secured immovable and movable assets backed by positive cash flows. For the next fiscal, the Company plans to penetrate new geographies where the vehicle business already exists with its portfolio of MSME products and services.



MSME finance segment



SME and Structured finance (SSF)

₹907 crore

26% Contribution to total Disbursements in 2014-15 disbursements in 2014-15

Contribution to total disbursements in 2013-14

Au FINANCIERS created subverticals with separate credit and sales teams to enhance efficiency

Overview

The Company entered this segment in FY14 for funding SME loans with a ticket size of more than ₹25 lac. The Company evaluated that every business is distinctive in size, nature and financing requirements. Therefore, Au FINANCIERS decided to fund businesses, run by professionals, that periodically require regular expansion. Moreover, these businesses are expected to be well-securitised, cash flow-positive and guarantee reasonable return.

The Company created sub-verticals with separate credit and sales teams to enhance efficiency. The SME vertical provided secured lending against collateral in the form of term loans and working capital loans to manufacturers, educational institutes, service enterprises, industrial units, medical centres and traders among others.

The Company expanded its presence from Jaipur to centres like Udaipur, Bhilwara and Kota in Rajasthan as well as in Surat, Ahmedabad and Rajkot in Gujarat as well as Delhi-NCR.

The construction finance vertical was subdivided into retail construction finance and strategic construction finance segments. It provided loans to everyone from small builders to large housing projects. The vertical also provided loans to financing companies, housing finance companies and NBFCs in specific regions.

Highlights, 2014-15

■ The Company expanded its

presence through a superior terrain understanding; it extended its portfolio of products and services. The Company hired competent professionals to strengthen its SME & Structured Finance vertical.

- The SSF vertical disbursed loans worth ₹907 crore, accounting for 26% of total disbursements.
- The Company strengthened its credit team by training professionals and identifying risk parameters for a superior assessment of individual cases.

- The Company created a framework for assessing the Balance Sheets of clients to enhance transparency and accelerate loan disbursement.
- The Company hired senior and experienced professionals to develop this vertical.

Outlook

The Company plans to expand its presence in Gujarat and Maharashtra, hiring more competent professionals going ahead.



The SSF vertical disbursed loans worth ₹907 crore, accounting for 26% of total disbursements.

SME segment

SME	SME, Traders, Wholesalers, Distributors, Retailers and Self Employed Professionals
	Education and Healthcare
Construction Finance	G+2/row houses builders with good track records in proven markets such as Jaipur and other Tier-II markets based on in-depth research
	CAT A developers in Tier II & Tier III cities and CAT B developers Tier-I cities in the affordable housing segment
NBFC/HFC	Registered NBFC engaged in asset financing (auto, mortgages)
	Registered HFCs offering semi-urban/urban funding

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Credit and Risk Management



Overview

The lending business, by its very nature, is a business of risk. Success of a finance business is centred on the ability of the organisation to take appropriate measures which enables them to balance risk and reward. Au Group has built robust risk management policies and procedures which enable its people to make these balanced decisions day in and day out. Our sales and credit teams deliver solutions to customers in our target market, through welldefined policies and a robust collection mechanism. Policies are tailor-made to location-specific requirements and updated in real time to keep pace with changing market realities which enables us to help our customers to win every day in the market place.

The Company has set up robust risk management framework in view of diversification of products and it establishes systems and puts processes in motion to streamline the areas where improvements are requires this has resulted in commendable performance and strong governance practices being showcased by the Company.

The Credit and Risk management Committee reports to the Board and it provides regular updates on progress made in implementing a risk management system and reviews periodically the Risk Management Policy and strategy followed by the Company.

There are separate credit teams for all business segments including Vehicle, MSME and SSF business verticals. Credit management assumes paramount significance as a majority of loanees hail from the unorganised segment or are first-timers whose Balance Sheets do not reflect the true picture of their businesses; credit management provides a reasonable assurance of asset quality and profitability.

Depending upon nature, size of business of the customer, the credit appraisal team analyses business needs, identifies expansion plans and appraises the ability of the loanee to repay. The Company follows a three-layered assessment protocol comprising visits by a credit officer, relationship officers and business officers to undertake a detailed analysis of the customer's business and collateral quality.

The Company introduced stringent policies for assessing loan eligibility, enhancing process transparency. The Company checked customer CIBIL scores, guarantors and co-borrower details.

In case of MSME, SSF loans, the Company's legal team across branches and the centralised legal team commence enquiries as soon as the credit log is completed, reducing the turnaround time in loan disbursal. The credit manager has an authority to appraise and approve loans of small ticket size, reducing turnaround time and enhancing customer confidence.

Highlights, 2014-15

- The Company decentralised the credit team at the branch and hub levels by authorising the disbursal of lower ticket size loans, reducing turnaround time.
- The Company introduced stringent policies for assessing loan eligibility, enhancing process transparency. The Company checked customer CIBIL scores, guarantors and co-borrower details.
- The Company hired competent professionals (CAs, CS and MBAs) with incisive business and market understanding.
- The Company imparted periodic training to its sales and credit teams,

ensuring better loan assessment, and standardised credit filters for assessing applications.

Au FINANCIERS strengthened its defined credit policy for each product with clear guidelines on customer selection, documentation requirements, approval process, exposure limits as well as approval and deviation authorities. Its lending software was used as an enterprise-wide loan processing platform for lead generation, underwriting, approval, disbursement, collections and customer service. It also ensured that all credit processes were quick and customer-friendly.

Since the customers did not have sufficient knowledge regarding the various products offered by different corporates and were exposed to risks, Au FINANCIERS advised customers on the suitability of the vehicle being purchased.

Relationship officers, upon sourcing a lead, personally visited customer residences, offices and properties to understand businesses, assess cash flows, recognise credit needs and appraise repayment capabilities. Also, an independent third party valuation and legal validation was conducted. On the basis of these verification checks, the disbursement officer finalised and disbursed the loan.

The Company imparted periodic training to its sales and credit teams, ensuring better loan assessment and standardised credit filters for assessing applications.

Business drivers

Operations



 $\begin{array}{c} 178 \\ \text{Team size as on} \\ \text{March 31, 2015} \end{array}$

Overview

The Company's operations function focuses on managing whole operation cycle of a loan from sourcing, disbursement to post-services issues including closure of loan (at branch and central level).

The Company invested the best-inclass processes and controls with the objective to enhance decision-making consistency. These operations were subject to periodic audits to assess if transactions were being conducted within specified parameters.

Key highlights, 2014-15

■ Implemented cutting-edge software across branches, moving all activities to the central-level from the branch-level which enhanced productivity

and reduced file processing time. The software captured the entire cycle from the time of loan origination to the time of file closure. This helped reduce the turnaround time, as the physical file transfer time was reduced. Customer queries too were addressed instantly as documents were easily accessible.

- Started issuing customer receipts online. This was done manually previously and the customer had to carry the same to cross check while depositing the cash or cheque. This allowed the statement of accounts to be obtained in real-time as the receipts could be generated online.
- Introduced the concept of CRM, which allows the Company to capture all customer-centric data. Through CRM, a branch can initiate a request to track the turnaround time of a particular case, which earlier had to be done through e-mails. CRM also allowed executives to send a message to the customer whenever any query was generated and send a confirmation message after the query had been addressed.

- Implemented a sophisticated software to generate MIS reports and empower employees to check related data on the web, eliminating labour duplication.
- Introduced an SMS-based service that enhanced customer experience. The Company sent text messages to customers after collecting cash and addressing any query.

Outlook, 2015-16

The Company plans to roll out the CRM system to all its pan-India branches by the end of 2015-16. It plans to decentralise disbursement, loan booking and document storage leading to decisions being taken with speed at the customer location, strengthening the customer experience.

The Company also plans to merge the operations team of the commercial vehicle and MSME businesses for better productivity, minimising the idle time.

Treasury and Finance



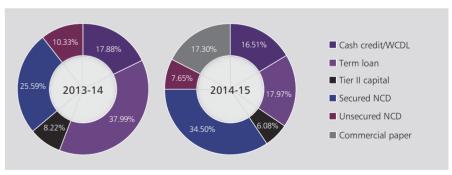
18.54
Capital adequacy ratio as on March 31, 2015

Overview

Treasury performs a vital function in providing liquidity to various business segments, managing the Balance Sheet while mitigating risk and optimising returns. It enhances capital efficiency as well as liabilities while maintaining a liquidity cushion. The role of treasury is to expand growth and increase profitability.

At Au FINANCIERS, the treasury department sourced low-cost funds through short-term and long-term financial instruments. This was sourced from banks, financial institutions and capital markets, comprising term loans, cash credit, commercial papers, bonds, NCDs and securitisation.

Diversified borrowing mix (as a percentage of total)



Details of loan portfolio – assigned/securitised	(₹ın crore)
Direct assignment (A)	901.20
Vehicle	611.87
MSME and SSF	289.33
Securitisation (B)	454.86
Vehicle	411.57
MSME and SSF	43.29
Total (A+B)	1356.06

Business drivers

Au's ratings journey has seen rapid upgrades to its long-term rating

Credit rating agency	2008	2009	2010	2011	2012	2013	2014
INDIA Ratings	-	-	-	-	-	-	IND A +
CRISIL Ratings	CRISIL BBB-/ Stable	CRISIL BBB/ Stable	CRISIL BBB+/ Stable	-	CRISIL A/ Stable	-	CRISIL A/ Positive
CARE	-	-	CARE A-	-	CARE A	-	CARE A +
ICRA	-	-	-	-	ICRA A/ Stable		ICRA A/ Stable

The five core functions of the treasury department revolved around the following areas:

- Liquidity planning and control
- Management of interest risks
- Funds planning and asset liability management
- Diversify fund raising sources and products.
- Relationships with banks, Fls, Flls, mutual funds, insurance companies and rating agencies

The treasury and finance team reports to the Assets and Liability Management Committee and submits its reports and ALM position to the committee, which, in turn, forwarded the same to the Board.

Key highlights, 2014-15

- The Company sustained a capital adequacy ratio of 18.54%, which was above the statutory requirement (15% stipulated by the Reserve Bank of India), enhancing comfort for bankers and financial institutions.
- The Company improved securitisation and assignment of the loan asset portfolio, strengthening capital management and mitigating risks arising from asset-liability mismatches.

- The Company mobilised ₹497.50 crore through the issue of secured, rated bonds.
- With diversified resource profile and debt instruments, the borrowing cost was reduced by 60 bps, adding to profitability of the Company.

Credit rating

Au FINANCIERS was assigned a long-term rating of IND A+ / STABLE by India Ratings and its long-term credit rating was upgraded by CARE (CARE A+ from CARE A in 2013-14); outlook was revised by CRISIL (CRISIL A/Positive from CRISIL A/Stable in 2013-14). Further, India Ratings assigned a short-term rating of IND A1+ and CRISIL too upgraded short-term rating to CRISIL A1+ from CRISIL A1, the highest short-term rating, reflecting an adequate degree of safety and was result of consistent performance.

Outlook. 2015-16

Going ahead, the Company expects to leverage its credit rating and reduce borrowing costs, engage in credit rerating and diversify funding sources. The Company also expects to capitalise on a market revival for commercial papers and retail issue of non-convertible debentures, widening its fund sourcing.

Collections management



Overview

Collection efficiency makes it possible to collect funds accruing to the Company with speed and adequacy, lubricating working capital flows and eliminating asset-liability mismatches.

The Company recruited competently, delegated responsibilities and monitored this function. It invested in a web-based voice calling system and SMS system to proactively intimate customers on repayment schedules.

The Company enunciates targets for each collection officer, assessing the account-to-collector ratio for a real-time insight into collection efficiency. The Company's collection competence was supported by the legal team, which intervened if necessary.

Key highlights, 2014-15

- The Company enhanced collections efficiency over the previous year, a creditable achievement in the midst of a slowdown.
- The Company separated the collections team on a geographic basis, enhancing collections efficiency.
- The Company recruited the services of an agency for tele-calling in major cities,

moderating delinquencies and accountto-collector ratio.

- The Company equipped its Jaipur team members with mobile phones and tablets to record collections and issue receipts in real-time, enhancing customer experience.
- Au FINANCIERS has reported asset quality above the industry average. This is vindicated by the fact that as per the figures reported with RBI by NBFC-ND-SI, the net NPA was 1.2% against Au FINANCIERS' 0.44%.

The Company's collection philosophy recognised the need to balance the collection strategy to ensure timely payments with challenges faced by its customers for whom the vehicle financed was the sole means of earning a livelihood.

Collections follow-up was done through tele-calling from the centralised call centre, and field visits by sales executive, in-house collections executives (and external agencies, if required), followed by legal action. The business team worked with customers to understand the factors driving repayment delays.

The collections processes was designed to factor genuine challenges faced in

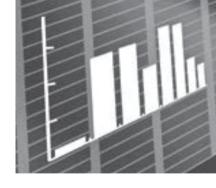
repayments. Recourse to collateral was considered as the last option and not used as a means of collection.

The Company implemented mobile based application for its collection employees to increase speed of access to information for customers benefit.

The Company developed a software application, which ensured receipt issuance, text message confirmation, online payments updation, customer feedback and contact details. The Company appointed collection agencies to enhance ease of resolution coupled with an in-house tele-calling team. The Company has developed software for instant MIS generation for its collection.

Outlook

The Company intends to enhance collections efficiency, stabilise the portfolio and associate with more service-providing agencies. The Company plans to focus on bucketwise collections so that responsibilities can be appropriately identified and delegated based on expertise. The Company intends to strengthen its mobile platform to seamlessly track data.



₹497.50
Mobilised through the issue of secured, rated bonds.

Intellectual capital

3,553

Number of employees as on March 31, 2015





31%

Increase in manpower base over the previous year

Overview

To achieve success, the Company relied on its greatest assets - its people. The human resource function was assigned the responsibility of guaranteeing employee growth and development. Au FINANCIERS believed that its human capital is its biggest differentiator and consequently invests in initiatives like

- (1) Training and development
- (2) Entertainment and bonding
- (3) Objective-based performance management
- (4) Fast-track programme for top performers.

Au FINANCIERS put in place a competent HR department.

Recruitment

■ During the year under review, the

Company strengthened its core team by hiring seasoned personnel. This measure helped strengthen processes and allowed the acquisition of talent irrespective of state and business verticals.

■ The Company enriched its recruitment through employee references, job portals, media advertisements and campus and institute placements (Institute of Chartered Accountants of India, Institute of Company Secretaries of India and B-schools) among others.

Training and development

- The Company imparted 20,000 person-hours of training through functional and motivational experts.
- The Company conducted an extensive induction training for recruits, briefing

With over 100 Chartered Accountants, 10 Company Secretarial professionals, over 400 plus management, master degree holders and law graduates, Au FINANCIERS has a high concentration of educated young talent to enable future growth.

them about the Company's business and strategy.

Employee motivation and recognition

The Company implemented a reward and recognition system for employees. It organised quarterly contests at regional and branch locations. The Company identified 500 leading performers and sent them on foreign tours.

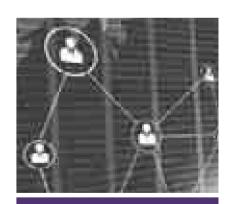
- The Company organised Au Fiesta, the annual award ceremony for felicitating employees. The Company framed ESOPs scheme for employees.
- The Company strengthened its performance improvement plan by making it more systems-driven (which was done manually before) on the basis of reports generated by the MIS.
- The Company engaged with a management consultancy and human capital provider, for advising the Company on job evaluation,

compensation benchmarks, salary structures, ESOPs and a long-term incentive plan and hiring tool across levels. This engagement will help the Company validate job descriptions, key requirement areas and key performance indicators of the job role, optimising employee performance.

Outlook

Going ahead, the Company plans to implement the system in collaboration with a reputed management consultancy firm. The Company also plans to introduce improved induction training processes, which would result in higher employee motivation. The Company also expects to initiate a monthly performance review to enhance employee growth.

Au FINANCIERS had over 500 professionals out of a total pool of about 3,553 employees. Au promoted diversity in its workforce by providing equal opportunities to both men and women.



20,000 person-hours of training imparted, 2014-15





Overview

Over the years, the Company invested in an end-to-end IT infrastructure aligned with the evolving nature of its business to support business growth. Technology is one of Au FINANCIERS' key focus areas with the core objective to deliver a superior customer experience. The Company proactively invested in building strong technology architecture; it continued to scale the existing setup while adding advanced capabilities.

Highlights, 2014-15

New data centre commissioning

The Company commissioned a new data centre comprising IBM Blade servers and VMware virtualisation platform. This data centre is equipped with cutting-edge facilities to preserve critical data and facilitate easy access. Some of the key features of the data centre are as follows:

Future-proofing the IT investment

The Company's infrastructure (technology and scale) will address growing business needs for five years.

The data centre has been seamlessly integrated with VMware virtualisation software, maximising efficiency at the lowest cost. Top-of-the-line blade servers were procured to ensure scalability (capacity and performance). The infrastructure management was integrated with the VMware environment, simplifying day-to-day operations

Server upgradation at DR site at separate location

The Company's data recovery site was equipped with advance hardware infrastructure, which supported online data replication in the event of unforeseen disaster. With the objective to minimise downtime and enhance data accessibility, the disaster recovery site has been equipped with an online replication facility, firewall and network backup connectivity, online power backup and UPS facility as well as regular mock drills.

Upgradation of the data storage and backup facility

To debottleneck the process of data backup and recovery, the Company

invested in the following: interfacebased IBM tape library facilitating a daily backup, restoration facility to store data weekly and monthly, monthly data restoration process through internal audit teams

E-mail server

The Company implemented the Xgen Plus enterprise e-mail server, a powerful communication solution providing fast, secure and reliable unified communication via e-mails, text messages and fax.

Environmental sustainability

Technology

- Provided online UPS system with recyclable battery and BEEE rated UPS system to users
- Comprised LCD monitors at branches and corporate offices

Power

■ Promoted the use of green PC/laptops and printers

Saved power by keeping computers on standby mode and/or hibernate mode

Paper

Used recycled paper, duplex paper and refurbished toner cartridges

Awareness

■ Fostered IT security awareness via e-mails, mailers, personal branch visit, among others

Eco-friendly attitude

- Procured eco-friendly IT equipment from IBM, HP, Lenovo, Emerson and APC and other reputed brands
- Used thin and net computing for backend purposes
- Ensured server virtualisation with VMware technology
- Used recycled paper for branch printers
- Refurbished and repairs equipment more than four years old

Infrastructure

- Established an in-house IT help desk call centre
- Set up branch internet connectivity with data card backup facility
- Put in place an IT steering committee for superior IT governance
- Implemented end-point security tools for protecting data across branches and the corporate office
- Managed and monitored network bandwidth across branches

Outlook

The Company intends to implement an eco-friendly IT policy, consolidate servers through virtualisation to save power, manage e-waste better, procure eco-friendly IT tools, install handheld terminals in the consumer finance division and enhance the use of mobile devices in operations.

Efficient processes

In a bid to provide fast and efficient services, the Company implemented a technology platform that is amenable to changes taking place across business verticals. Operating in multiple businesses across diverse locations and working from multiple branches, IT does not remain just another support service but a critical element determining overall business efficiency. As a result, the Company:

- Installed a customer operations software which ensured seamless management of volume growth in line with the growth envisaged over the next 5 years;
- Implemented a state-of-the-art system that enabled customisation, flexibility, scalability in a cost-effective manner
- Provided a safe, seamless and uniform experience to customers by

connecting all the branches together.

- Provided end-to-end functionality, while ensuring control over access to information.
- Operationalised a sophisticated software to ensure easy migration and integration of data and meet future upgradation requirements across business verticals.

The Company proactively invested in building strong technology architecture; it continued to scale the existing set-up while adding advanced capabilities.

Innovation and automation



Overview

Innovation and automation department was set-up with a vision to fuel growth that can take Au FINANCIERS to the next orbit by implementing world class technology solutions to drive customer experience and optimal workforce efficiency.

The Company's innovation and automation department is working with the objective to guarantee seamless data availability, provide employees with handheld devices to provide data on in real time, implemented visual analytics to enhance business intelligence, integrate manual MIS reports with the automated lending software platform, implement CRM for tracking customer enquiries with specified turnaround times and provide a 360-degree customer view at any point. It also installed a state-of-the-art auto dialer (to call customers at regular intervals).

Besides, the Company implemented latest software, a document

management system where all scanned documents could be stored on a hard drive and selectively accessed.

It automated a credit approval system by developing a scorecard for customers. It strengthened its customer evaluation on the basis of specific parameters (home quality, living standard, among others). It developed tools to assess employee and enhance performance.

It applied for e-KYC license from UIDAI for reliable online customer validation leading to quicker loan disbursal. It initiated a digital marketing strategy to enhance visibility and empower customers to create accounts on the website

The key aspects of the Company's innovation and automation function comprised:

1 MIS automation

■ Software for web-based MIS

2 Workflow automation

■ Service request and management

- Call centre automation
- DMS implementation

3 Mobility strategy

- Platform-based mobility solutions
- Mobile application for collections, sales, among others

4 New initiatives

- e-learning module for employees
- Application scorecard
- Digital marketing strategy
- Loyalty programme

Outlook

The Company intends to implement initiatives undertaken. It will focus on analytics and real time customer data availability. It will create a portal linking the customer seamlessly with the Company.



The Company evoked a brand recall for customer proximity and sensitive service.

This segment has been established with the objective to gain insights into emerging marketplaces (online/offline), leverage cross-selling opportunities generate leads, raise awareness and enhance customer convenience and engagement.

The strength of the Company's brand translates into quicker customer and employee accretion within existing and new businesses. The Company evokes a brand recall for being customer proximity and sensitive service. The Company strengthened its brand through the following initiatives:

- Advertised in the media (radio, newspapers and hoardings)
- Created a team for focused digital marketing
- Advertised on social networking sites
- Optimised its internet presence; engaged with e-retailers
- Introduced loyalty programme for existing customers "Dost banaye Dost offer" including loyalty cards to existing customers of the Company with the objective to continuing relationship prospering businesses in mind.
- Organising events like Green Initiative, protecting environment

Corporate social responsibility

Overview

The Company aims to emerge as a good corporate citizen not only in terms of complying with all relevant laws and regulations but also by actively improving life quality in the communities in which it operates and making them self-reliant.

The Company encouraged reviewing these initiatives periodically in accordance with national and regional priorities. The Company not only treated these activities as optional but also made every effort to incorporate them as integral to its business plan.

Highlights, 2014-15

The Company initiated and supported community initiatives in the field of preventive healthcare and sanitation, drinking water, education and literacy.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, read with its applicable rules, prescribed classes of companies have to mandatorily spend at least 2% of their average net profits of immediately three preceding financial years, in pursuance with the CSR policy, recommended by the CSR Committee.

The Company spent ₹59.90 lac towards CSR activities in FY14-15.

Promoting education and awareness

Akshaya Patra Foundation

The Akshaya Patra Foundation is a notfor-profit organisation headquartered in Bengaluru. The organisation strives to fight issues like hunger and malnutrition in India. By implementing the mid-day meal scheme in government-run and government-aided schools, Akshaya Patra aims to fight hunger and draw children to school.

Au FINANCIERS supported this cause in the state of Rajasthan, ensuring that individuals were provided with an empowered future.

Pratham Shiksha Charitable Trust

The organisation believes that lack of education is the root of several social problems. The organisation directed its efforts towards sustainable improvements instead of temporary relief. It aimed to empower people to improve their lives and conditions.

Pratham Shiksha and Au FINANCIERS aimed to make a positive educational difference by providing:

- A good and transparent working culture in schools
- An enriched quality of education on a dependable basis

■ Basic facilities to children like education, food and clothing

Friends of Tribal Society

Friends of Tribals Society, a nongovernment voluntary organisation, is committed to the upliftment of tribal Indians, by providing basic education and healthcare.

The motto of FTS is not only to improve tribal socioeconomic conditions but free them from deprivation. Au FINANCIERS collaborated with the organisation to achieve this end.

Promoting preventive healthcare and sanitation

Contribution to Sawai Man Singh (SMS) Hospital

Disposal of medical waste is an environmental concern, as many medical wastes are classified as infectious or bio-hazardous and could potentially lead to the spread of infectious diseases.

Au FINANCIERS, with an urge to serve the public at large, put its best foot forward by donating garbage bins to the Sawai Man Singh Hospital in Jaipur. The Company donated garbage bins to the hospital, easing the segregate disposal and treatment of toxic medical waste



Providing safe drinking water to the public at large

Installation of water coolers and purifiers

Safe water is a critical environmental and public health issue.

Cognizant of this realty, Au FINANCIERS initiated a programme for installing water coolers and purifiers across Jaipur and proximate areas. The Company installed 22 water coolers and purifiers across the state of Rajasthan.

Contribution to various organisations

Disha Education Society

Disha, a non-profit voluntary organisation, engaged in providing opportunities for children with special needs by providing a common platform for support activities starting from education to training and rehabilitation.

Through its inclusive approach, Disha facilitated specific action and practices to integrate and mainstream people with disabilities. Disha's motto to be a part and not apart is self-explanatory, reflecting the broader canvas of its interventions.

Au FINANCIERS provided supportive aid and opportunities to children with multiple disabilities, brightening their future

Rajasthan Netraheen Kalyan Sangh

Rajasthan Netraheen Kalyan Sangh, a non-profitable organisation registered under the Rajasthan Registration of Societies Act, 1958, worked for and with the visually-impaired since 1990.

Au FINANCIERS helped the organisation

Au FINANCIERS supported this cause, ensuring that individuals were provided with an empowered future.

build hygienic infrastructure at school and promote education by distributing computers to bright students.

Sahaj Marg Spirituality Foundation

The Sahaj Marg Spirituality Foundation is a non-profit charitable trust dedicated to fulfilling civic and social responsibilities. The Foundation offers medical aid to the ones in need by providing 24X7 ambulance facility. Au FINANCIERS contributed an ambulance to the Foundation.

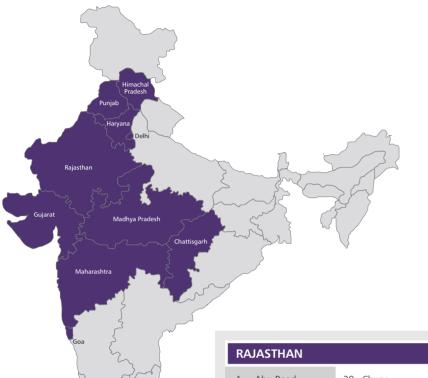
Blood donation drives Au FINANCIERS organised blood donation campaigns across Jaipur.

Partnering premier organisations

International Finance Corporation

Au FINANCIERS, in partnership with International Finance Corporation, one of its global investors, devised a framework called Social and Environmental Management Standard for regulating and evaluating customers served by the Company in terms of risks associated with the businesses of the borrowers. It also ensured that Au FINANCIERS creates awareness about Social and Environment laws of the country among its customers.

Business presence



Total branches, 2014-15

10 States and union territories covered

Penetration of branches

40% Rural and semi-urban Unbanked districts

- 1 2 3 4 5 6 7 8 9
- Rajasthan, Madhya Pradesh and Chhattishgarh currently score low on the CRISIL Inclusive Index and will need robust banking and financial services to ensure inclusive growth.
 More than 45% branches are underbanked districts.
- underbanked districts.
- Hub & spoke model to make our reach easier in Rural area with lean decentralised efficient branch architecture and design
- 29 Churu 2 Ajmer 30 Danta Ramgarh 31 Dausa Alwar 4 Anupgarh 32 Degana Apna Auto 33 Deoli 34 Didwana Asind Balotra 35 Dudu 8 Bandikui 36 Dungarpur 9 Bansur 37 Fatehnagar 38 Fatehpur 10 Banswara 11 Baran 39 Ghatwari 12 Barmer 40 Gotan 13 Bassi 41 Hanumangarh 14 Beawar 42 Jaisalmer 15 Behror 43 Jaitaran 16 Bhilwara 44 Jalor 45 Jalsu 17 Bhinmal 18 Bhiwadi 46 Jamwa Ramgarh 19 Bijay Nagar 47 Jhalawar 20 Bijolia 48 Jhunjhunu 21 Bikaner 49 Jobner 22 Bikaner-II 50 Jodhpur 23 Bundi 51 Kekri 24 Chaksu 52 Khatushyam Ji 25 Chhabra 53 Khejroli 26 Chirawa 54 Khetri 27 Chittorgarh 55 Kishangarh 28 Chomu 56 Kishangarh-Bass
- 57 Kota 82 Rawatsar 58 Kotputli 83 Renwal 59 Kuchaman City 84 Reodar 60 Lakheri 85 Ringas 61 Lunkaransar 86 Sagwara 62 Maharaia 87 Sardar Shahar Apartment -88 Sawai Madhopur 89 Shahpura Jaipur 63 Merta 90 Shri Ganganagar 64 Nagaur 91 Sikar 65 Nasirabad 92 Sirohi 66 Nawa 93 Sri Dungargarh 67 Nawalgarh 94 Sri Madhopur 68 Neem-Ka-Thana 95 Sujangarh 69 Nohar 96 Sumerpur 70 Nokha 97 Sunny Paradise 71 Pali Jaipur 72 Paota 98 Suratgarh 73 Parbatsar 99 Thoi 74 Phagi 100 Tonk 75 Phalodi 101 Transport Nagar 76 Pokhran - Jaipur 77 Pratap Nagar -102 Udaipur Jaipur 103 Udaipurwati 78 Pratapgarh 104 Vishwakarma 79 Rajsamand Industrial Area 80 Ramgani Mandi (VKI) - Jaipur 81 Ratangarh

Ahmedabad	7 Bharuch	14 Deodar	21 Jamnagar	28 Modasa	35 Patan
Satellite	8 Bhavnagar	15 Dhanera	22 Jetpur	29 Morvi	36 Rajkot
2 Ahmedabad SG	9 Bhuj	16 Gandhidham	23 Junagadh	30 Nadiad	37 Surat
3 Anand	10 Bodeli	17 Gandhinagar	24 Kalol	31 Naroda	38 Surat-2
1 Baroda	11 Borsad	18 Godhra	25 Kathlal	32 Narol	39 Surendra nagar
5 Bavla	12 Dahod	19 Himmat Nagar	26 Lunawada	33 Navsari	40 Tharad
5 Bayad	13 Deesa	20 Idar	27 Mehasana	34 Palanpur	41 Vapi

MA	AHARASHTRA										
1	Ahmednagar	7	Boisar	13	Jalgaon	19	Nanded	25	Ratnagiri	31	Thane
2	Akola	8	Borivali	14	Jalna	20	Narayangaon	26	Sangamner	32	Wadkhal
3	Amravati	9	Chandrapur	15	Kankavli	21	Nasik	27	Sangli	33	Wani
4	Aurangabad	1	0 Chiplun	16	Kolhapur	22	Pandharpur	28	Satara	34	Wardha
5	Baramati	1	1 Dhule	17	Latur	23	Pimpri	29	Shrirampur	35	Yavatmal
6	Belapur	1	2 Gondia	18	Nagpur	24	Pune	30	Solapur		

PUNJAB				
1 Abohar2 Bathinda3 Chandigarh	4 Ferozpur 5 Hoshiarpur 6 Jalandhar	7 Khanna 8 Ludhiana 9 Mansa	10 Moga 11 Mohali 12 Muktsar	13 Patiala 14 Sangrur

MADHYA PRADESH											
1	Barwani	5	Biaora	9	Hoshangabad	13	8 Khandwa	17	Pithampur	21	Ujjain
2	Bareilly	6	Chhatarpur	10	Indore	14	Khargone	18	Ratlam	22	Vidisha
3	Betul	7	Chhindwara	11	Jabalpur	15	Mandsaur	19	Satna		
4	Bhopal	8	DEWAS	12	Katni	16	Neemuch	20	Shamgarh		

DELHI - NCR					
1 Delhi NSP	2 Faridabad	3 Gurgaon	4 Laxmi Nagar	5 Pataudi	6 Rajendra Place

HARYANA		GOA	GOA	
1 Narnaul	2 Sirsa	1. Margao		
CHHATTISGARH		HIMACHAL	PRADESH	

1. Baddi

5 Raipur

3 Dhamtari

4 Korba

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1 Bhilai

2 Bilaspur

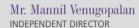
Directors' Profile

Au FINANCIERS (INDIA) LIMITED is led by Mr. Sanjay Agarwal, Promoter & Managing Director, guided by a distinguished Board of Directors and a talented management team. Every Director of Au FINANCIERS feels a high degree of ownership for his role in the Company, which is responsible to a great extent for Au's success.



Mr. Sanjay Agarwal PROMOTER AND MANAGING DIRECTOR

Mr. Sanjay Agarwal is a merit-holder Chartered Accountant and a first-generation entrepreneur. With over 20 years of experience in the realm of Financial and credit-risk management and strategic planning, he is responsible for the overall management of the Company. He personally supervises and manages most functions and departments: finance and treasury, collections, legal, compliances, and human resources, risk management, among others. Under his leadership and guidance, the Company has made great strides in terms of disbursements, profitability and performance. His dynamic vision, strategic focus, and entrepreneurial skills continue to guide the growth of the Company's businesses across demanding markets and competitive scenarios. He is also Vice President of the Rajasthan Finance Companies Association.



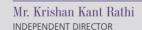
Mr. Mannil Venugopalan is a commerce graduate, a gold medallist from Kerala University and a CAIIB with over 45 years of experience of Finance and Banking Industry. He has been associated with the Company as an Independent Director since August 2011. He is the former CEO & Managing Director of Federal Bank, Chairman & Managing Director of Bank of India and Executive Director of Union Bank of India. He has a track record of driving positive change in three commercial banks, bringing in transformational changes which resulted in those banks being adjudge as leading bank in efficiency and adaptability.





Mr. Uttam Tibrewal EXECUTIVE DIRECTOR

Mr. Uttam Tibrewal is a commerce graduate from Delhi University and is associated with Au FINANCIERS (INDIA) LIMITED since 2003. He has extensive experience of over 19 years in the retail sector and vast experience in the Finance industry. Designated as the Whole-time Executive Director of Company, he handles the marketing and business development functions of the Company. He is also responsible for developing strategic business relationships for transport Finance, MSME business verticals. His focus areas comprise business development, strategic market analysis, delivery and service quality assurance, and mentoring and motivating teams.



Mr. Krishan Kant Rathi holds a Bachelor's degree in commerce and is a qualified Chartered Accountant (CA) and Company Secretary (CS) with more than 27 years of professional experience in Finance and accounting functions. He has been a Director with the Company since 2008. He is also the Chairman (elected) of the Audit Committee as well as the Corporate Governance, Nomination and Remuneration Committee of the Company. He has previously held top positions with companies where he was responsible for strategic planning, mergers and acquisitions, treasury management and corporate governance. Previously, He was the CFO of Future Group. He had also worked with the RPG Group and Rajan Raheja Group at senior positions.

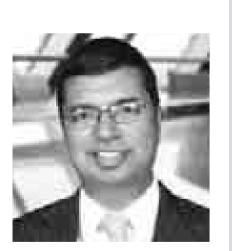




Ms. Jyoti Narang INDEPENDENT DIRECTOR

Ms. Jyoti Narang is an MBA in finance and a BA in economics from Lady Shriram College, University of Delhi. She joined the Board as an Independent Director in March, 2015. She has 36 years of experience in the business and service industry. Her expertise lies in understanding consumer lifestyles, managing human capital and assessing the impact of technology on distribution and operations.

She has held the post of Chief Operating Officer of Taj Hotels, Resorts & Palaces and has previously held top positions at various companies like Northern India Hotels Limited, PIEM Hotels, Taj Leisure Hotels, among others.



 $Mr.\ Vishal\ Mahadevia$ investor nominee director (on behalf of redwood investment LTD)

Mr. Vishal Mahadevia represents Redwood Investment Ltd. (advised by Warburg Pincus LLC) on the Board as the Investor Nominee Director. He joined the Board subsequent to the investment made by Redwood Investment Ltd. (advised by Warburg Pincus LLC) in the Company in March 2012. He received a B.S. degree in Economics with a specialisation in Finance and a B.S. degree in Electrical Engineering from the University of Pennsylvania. Mr. Mahadevia is a Managing Director and Co-Head of India Operations at Warburg Pincus LLC and focuses on its investment activities in India. Previously, he was a principal at Greenbriar Equity Group, a fund focused on private equity investments in the transportation sector. Prior to that, Mr. Mahadevia worked at Three Cities Research, a New York-based private equity fund, and as a consultant with McKinsey & Company.



Mr. Ravindra Bahl is an Investor Nominee Director representing Labh Investments Limited on the Board of Au FINANCIERS (INDIA) LIMITED. He holds an MBA degree from the Indian Institute of Management, Calcutta and a BA in English literature from Calcutta University. He joined Chrys Capital Advisors in August 2001 and oversees their financial services sector. He has 37 years of experience in the financial services sector and has spent most of his career working with Citi Bank as the country head for Indonesia and the head of consumer banking in India. Mr. Bahl was also a member of the global corporate property group that constituted the top-250 Citi Bank leaders around the globe. After leaving Citi Bank in 1997,he built and managed the Indian operations for eFunds, a leading US transaction processing company.



Mr. Nishant Sharma
INVESTOR NOMINEE DIRECTOR (ON BEHALF OF OUREA HOLDINGS LIMITED)

Mr. Nishant Sharma is a Managing Director and Co-Founder of Kedaara Capital Advisers LLP, a private equity fund focused on India. Kedaara partners entrepreneurs and management teams to build enduring value in growth-oriented businesses and support them to achieve their potential. Kedaara provides solution-oriented capital combining deep strategic & operational expertise in focused sectors, consultative approach and global connectivity to deliver superior returns. Previously Mr. Sharma was at General Atlantic and one of the core members of the India investment team. Mr. Sharma is based in Mumbai and has extensive investing experience across healthcare, financial services and business services and technology. Mr. Sharma brings over 9 years of experience, encompassing the full life cycle of private equity in India. Previously, he worked at McKinsey and Company from 2001 to 2003 in their India office. In addition, he worked at the Bill & Melinda Gates Foundation as a Program Associate in setting up the largest HIV/AIDS prevention program in India. Mr. Sharma received an M.B.A. from Harvard Business School, and a B.Tech./M. Tech in Biochemical Engineering and Biotechnology from Indian Institute of Technology, Delhi.



Note: Mr. Vishal Kumar Gupta, Investor Nominee Director on behalf of IBEF & IBEF - I funds advised by MOPE Investment Advisors Pvt. Ltd. ceased to be Director on Board of Au FINANCIERS (INDIA) LIMITED with effect from 22nd December, 2014.

Senior Management



Mr. Deepak Jain
CHIEF FINANCIAL OFFICER

A Chartered Accountant by qualification, he possesses an experience spanning more than 17 years. Associated with Au since 1999, he is responsible for overall control of financial, operations and accounting functions, IT, audit, compliance and oversees SME & Structured Finance business vertical of the Company.



Mr. Manoj Tibrewal Chief Operating Officer

A Company Secretary by qualification and has a rich experience over 19 years in corporate law and secretarial practices, retail finance, team building, and human resource management. He has been associated with the Company since 2009.

He directs, administers, and coordinates the internal operational activities of the Company in accordance with the established policies, goals, and objectives. He further oversees activities of human resource management, administration and infrastructure.



Mr. Rishi Dhariwal

An MBA from IIM Ahmedabad with 23 years of experience in the areas of relationship management, strategy, credit and risk management. Earlier associated with organisations such as Citi Bank, the Institute for Financial Management and Research and GE Capital Transportation Financial Services Limited. He has been associated with the Company since 2013. He is responsible for the overall risk management framework and its systematic implementation.

Leading Change

MR. SANJAY AGARWAL WAS SELECTED AS A FINALIST FOR 16TH ERNST & YOUNG (EY) ENTREPRENEUR OF THE YEAR AWARD (2014, INDIA)

Over the past few years the economic and industrial growth has stagnated in the country due to withdrawal of foreign investments by Foreign Institutional Investors (FIIs) and slower movement in the finance industry.

During this time, when most players were struggling to sustain, Au FINANCIERS demonstrated its capabilities by reporting a significant increase in numbers and consistent growth, despite the difficult times.

What kept the Company ahead of the curve is its strong adaptability of the operating model, thought process of the senior management and the empowerment given to team members and an in-depth understanding of the market in which the company operates.

Ernst & Young Entrepreneur of the Year Award is one of such award which recognises young and talented entrepreneurs who contribute significantly in their market segment.

Innovative game changers are a rare pedigree of exceptional entrepreneurs who combine their vision with tenacity and skill to realise their dream while building a better world for people, communities and nations. Proving the above line true, Mr. Sanjay Agarwal, Managing Director of the Company, was one of the finalists for the 16th Ernst & Young (EY) Entrepreneur of the Year Award, 2014 (India).



Mr. Sanjay Agarwal, Managing Director (Au FINANCIERS (INDIA) LTD.), Mr. Suresh Prabhu (Railway Minister, Government of India), Mr. Mark Otty (Area Managing Partner, Europe, Middle East, India and Africa (EMEIA) Area), Mr. Rajiv Memani (CEO, Ernst & Young India Region).



Glimpses of Reaching a land Mark in 16th Ernst & Young Entrepreneur Of The Year Award



Au FINANCIERS made a strategic investment and acquired 38.53% stake in December, 2013 M POWER MICRO FINANCE PRIVATE LIMITED, a Gujarat-based NBFC carrying out micro finance. M POWER addresses the unique financial needs of 'bottom-of-the-pyramid' individuals – an unreached, unserved and unbanked customer segment.

Overview

M POWER is registered as a Non Deposit Accepting NBFC with RBI and is categorised as (NBFC-ND-MFI). It is engaged in the business of micro-credit and related activities. The Company forms its micro credit and related programmes on the Grameen model and follows the JLG model for risk mitigation. The Company's business is targeted at underprivileged women, divided into groups of five each. The Company currently offers two products targeted at new businesses, business expansion and rural loans. The brief about the same is as under:

- Samruddhi Business Loan: For women who are already engaged in some form of economic activity and nurture a desire to grow further. Such households constitute a segment which has been exposed to some organised credit and thereby is a safer one.
- Hariyali Cattle Loan: For women

M POWER is channelising credit to more than 30,000 women for development and well being of next generation.

entrepreneurs who are engaged in dairy/ animal husbandry. The dairy and animal husbandry segment forms a major part of the agrarian segment of a rural economy. While the credit needs of larger dairy farmers are taken care of by banks, the credit needs of small and marginal dairy farmers poses an opportunity. Currently, the product Hariyali is targeted towards purchase of cattle, with plans of expansion to other agro-based products.

M POWER, through its business model, is taking care of women empowerment through Samruddhi Business Loan and Hariyali Cattle Loan to women belonging to minority and other marginalised classes. 62.48% of the total lending is to women in this segment.

Snapshot

•	
Live customers as on March 31, 2015	48,524
Customers added by Company in FY 14-15	41,157
State in which Company has its business presence	Gujarat (10 branches), Maharashtra (8 branches), Rajasthan (3 branches)
Updated credit rating	MFI 3+

Empowering rural India

Microfinance has proven to be an effective solution to meet the needs of the unbanked sections. Au FINANCIERS recognised the validity of this solution and invested in M POWER MICRO FINANCE PRIVATE LIMITED to take a step towards empowering rural India.

Corporate information

Board of Directors

Mr. Sanjay Agarwal Ms. Jyoti Narang

Managing Director Independent Director (Non-Executive)

Mr. Uttam Tibrewal Mr. Vishal Kashyap Mahadevia

Executive - Whole Time Director Investor Nominee Director (Non-Executive)

Mr. Krishan Kant Rathi Mr. Ravindra Bahl

Independent Director (Non-Executive)

Investor Nominee Director (Non-Executive)

Mr. Mannil Venugopalan Mr. Nishant Sharma

Independent Director (Non-Executive) Investor Nominee Director (Non-Executive)

Chief Financial Officer

Mr. Deepak Jain

Company Secretary and Compliance Officer

Mr. Manmohan Parnami

Registered Office

19 – A, Dhuleshwar Garden, Ajmer Road, Jaipur – 302 001, Rajasthan Website: www.aufin.in

Corporate Office

D-313, 3rd Floor, Kanakia Zillion, Junction of CST Road and L.B.S Marg, Kurla (West), Mumbai - 400070, Maharashtra CIN: U36911RJ1996PLC011381

Statutory Auditors

M/s. S. R. Batliboi & Co. LLP (formerly M/s. S. R. Batliboi & Co.) Chartered Accountants, The Ruby, 12th Floor, 29 Senapati Bapat Marg, Dadar (W), Mumbai - 400 028, Maharashtra

List of Bankers and Financial Institutions

S. No.	Name of Banks
1	HDFC Bank Limited
2	ICICI Bank Limited
3	State Bank of India
4	State Bank of Bikaner and Jaipur
5	Bank of India
6	IDBI Bank
7	Allahabad Bank
8	Andhra Bank
9	Axis Bank Limited
10	Bank of Baroda
11	Bank of Maharashtra
12	Canara Bank
13	Central Bank of India
14	Corporation Bank
15	Dena Bank
16	Development Credit Bank Limited
17	Dhanlaxmi Bank Ltd.
18	Indian Bank
19	Indian Overseas Bank
20	IndusInd Bank Limited
21	Jammu & Kashmir Bank Ltd.
22	Karnataka Bank Limited
23	Kotak Mahindra Bank Limited
24	Oriental Bank of Commerce
25	Punjab National Bank
26	State Bank of Hyderabad

S. No.	Name of Banks
27	State Bank of Mysore
28	State Bank of Patiala
29	State Bank of Travancore
30	The Karur Vysya Bank Limited
31	The Ratnakar Bank Limited
32	UCO Bank
33	Union Bank of India
34	United Bank of India
35	Vijaya Bank
36	Yes Bank

S. No.	Financial Institution
37	HDFC Limited
38	Aditya Birla Finance Ltd.
39	IFMR Capital
40	Indo Star Capital Finance Private Limited
41	Small Industries Development Bank of India
42	Tata Capital Financial Services Limited

Foreign Financial Institution
International Finance Corporation, Member- World Bank Group
CDC (UK)
FMO
GuarantCo
responsAbility

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Statutory Section



Directors' Report

To, The Shareholders

Your Directors are pleased to present the Twentieth Annual Report on the business and operations of your Company together with the Audited Financial Statement of the Company Accounts for the financial year ended 31st March, 2015.

Business Overview and Outlook

The Company delivered financial performance beyond which was envisaged in the Financial Year (FY) 2014-15 with a net profit of ₹140.23 Crores, with an increase of 52% over FY 2013-14. The Company posted robust growth in its topline while gradually increasing volumes and size of its business verticals and expanding in more corners of the country.

The company's distribution network comprises of 231 Branches as on 31st Mar-2015 with focus to penetrate further in rural & semi urban areas in Rajasthan and other states of its operations.

Given the overall optimism and the fact that the Indian economy is all set to revive with massive inflows of FDIs and other favourable policy decisions taken by the new Government, your company is geared up to capitalize on this momentum with a renewed vigour and enthusiasm and establish itself as one of the 'Preferred Financiers' in the country.

Your Company is having customer base of over 3 lacs and invested significantly in strengthening its existing IT Platform. We believe that the future of providing excellent service, will consist of a fine blend of offline and online channels employing innovation and technology combined with the effectiveness of human touch points as a means of customer service excellence.

State of Affairs & Overview of performance

■ FY15 was another year of transformation with increase in depth & breath of its operations, products, hiring of senior professionals. The Company's disbursements increased by

26% ₹ to 3377.50 Crores in FY15 from ₹2685.04 Crores in FY 14 and the Assets Under Management (AUM) increased to ₹5567.71 Crores as on 31st March, 2015 from ₹4449.01 Crores as on 31st March 2014, registering a growth of 25% in AUM.

- Your Company has over the years maintained its focus on expanding operations in rural and semi-urban areas with over 85% of loan portfolio being classified under priority sector lending. Au FINANCIERS expanded gradually from Rajasthan to Maharashtra & Gujarat and thereafter in Madhya Pradesh, Chhattisgarh, Punjab and other contiguous states.
- In December 2014, Kedaara Capital Alternate Investment Fund, a SEBI Registered Entity & Ourea Holdings Limited put together picked up 9.98% stake from International Finance Corporation (IFC), India Business Excellence Fund (IBEF) & India Business Excellence Fund I (IBEF-I) put together (Funds advised by MOPE Investment Advisors Pvt. Ltd.), in the company. This is Kedaara's maiden investment in the financial services sector in India, which has significant potential for robust, secular growth. This proves to be a symbol of company's outstanding performance even when the economic indicators were not favorable with counterparts struggling to break the jinx.
- India's apex bank body, RBI taking further taking initiatives to recognise the significant role played by Systemically Important NBFCs in financial system announced Revised Regulatory framework for NBFCs. These revised RBI regulations for NBFCs were formulated to strengthen the financial system, align norms with banks, reduce the risk they posed to the financial system and improve NBFC capacity to endure asset quality shocks.

- We are pleased to inform that your Company has filed application for obtaining approval of "Small Finance Bank" (SFB) under the RBI guidelines released by RBI last year for Small Finance Bank in Private Sector. If Au FINANCIERS is permitted by the RBI to operate as SFB then Au FINANCIERS would be able to act change agent by deepening its reach into unbanked and underbanked areas in state of Rajasthan and other states where it operates by offering small savings & credit facilities to largely under-served including microbusinesses, small businesses.
- The Union Budget 2015-16 allowed NBFCs registered with the RBI, and those of ₹500 crore size or more, to be brought under the ambit of the SARFAESI ACT 2002. This initiative will help create a level playing field for NBFCs, make loan recovery smoother and benefit most industry players and housing finance companies. Your Company is pleased to inform that it has filed application with Ministry of Finance under intimation to RBI for permission to be covered under the ambit of SARFAESI.
- The Company laid heavy emphasis on technology and innovation for ensuring high quality of service to its customers. The whole idea of innovation in the Company

- is about knowing customers in better way, understanding their business, credit worthiness, getting them connected with other customers of the Company, creating capability to serve them with a difference.
- Company has diversified its asset class with increased focus on MSME and Structured Finance registering a growth of 44% in disbursement of MSME Loans. The company started to focus on getting green by providing economized tech savvy solutions to its customers, thereby ensuring reduced paperwork and high use of technological innovations.
- The company has been able to write new loans at competitive pricing on one side and on other side, the cost of borrowing reduced through better negotiations, raising of funds optimum mix of short term and long terms credit lines with diversified instruments.

There is no change in the nature of business of the company for the year under review.

Further information on the Business overview and outlook and State of the affairs of the company is covered in detail in the Management Discussion & Analysis report forming part of the annual report.

Financial Performance

The summarized financial performance of the Company for the year ended as at 31st March, 2015 is presented below:

		(₹ In Crores)
Particulars	2014-2015	2013-2014
Total Income	737.46	618.66
Total Expenditure	529.09	480.26
Profit Before Depreciation & Tax	214.89	141.69
Depreciation	6.52	3.29
Prior Period Adjustments	0	0
Current Tax	75.66	49.40
Deferred Tax {Increase/(Decrease)}	(5.48)	(4.69)
Adjustment of tax relating to earlier periods {Increase/(Decrease)}	(2.04)	1.30
Profit after Tax	140.23	92.39
Transfer to Statutory Reserve	28.05	18.48
Profit brought forward	228.40	154.49
Balance carried over to Balance Sheet	340.43	228.40
EPS:-		
Basic	32.03	22.15
Diluted	32.03	22.15
Networth	796.19	632.19

The Company's Total Income surged by 19% to ₹737 Crores in FY15 from ₹619 Crores in FY14. Net Profit for the year was ₹140.23 Crores, an increase of 52% over the previous year.

Transfer To Reserves

Your Company has transferred ₹28.05 crores i.e. 20% of the net profits amounting to Statutory Reserve as required under the provisions of Section 45 IC of The Reserve Bank of India Act,1934.

Dividend

Due to commercial expediency and owing to the development and expansion plans of the Company, your Directors have not proposed any dividend for the year ended 31st March, 2015. Your Board believes that it will be prudent for the Company to conserve resources and there is need of ploughing back in the Company of the generated profits during the year to augment the future growth of the company. Hence, your directors are not recommending any dividend for the year under review.

With firm commitment and sustained efforts, your company expects to maintain sustained growth in years to come.

Employees Stock Option Scheme

Your Company provides its employees a platform for participating in important decision making and instilling long term commitment towards future growth of the Company by way of rewarding them through Stock Options. The Employee Stock Option Plans are administered by the Corporate Governance, Nomination & Remuneration Committee of the Board and Committee reports to Board.

Resource Mobilization

During the year under report and as per business requirement, your Company raised funds at lower cost, mainly by way of rupee Term Loans from Banks and private placement of Debentures, undrawn cash credit lines, New Loans sanction in hand, during the year with enhanced ratings the Company further focused on bringing reduction in its cost of borrowings by raising funds through short term instruments like Commercial Papers, WCDL etc. & further reduction in rate of interest on existing lines of credit from Banks

a. Loans From Banks

In view of RBI guidelines on securitization issued on 7th May, 2012 and as a part of its asset liability management, your Company endeavored to diversify its resource base in order to achieve an appropriate maturity structure

and to minimize the weighted average cost of borrowed funds. During the year under review, fresh Term Loans of ₹105 crores were raised from the banks and financial institutions, taking the total term loan outstanding to ₹518.17 crores As on March 31, 2015, the Company had outstanding borrowing of ₹2878.31 crore with banks & financial institutions

b. Non-Convertible Debentures (NCD)

Secured debentures: During the year, the Company issued Secured Redeemable Non-Convertible Debt Instruments aggregating to ₹497.50 crores. Such instruments were issued on private placement basis and are in the nature of Debentures.

c. Commercial Paper

During the year your Company issued CPs from Banks, Mutual Funds, thereby diversifying its investor's class as well as bringing down borrowing cost through this instrument at competitive rates in line with industry and prevailing market rates.

d. Securitisation / Assignment of Loan Portfolio
During the year, your Company Securitised / Assigned
loans (POS) to the extent of ₹1356.06 Crore. Securitised /
Assigned assets have been de-recognized in the books of
the Company. All assignment & securitisation transactions
were carried out in line with RBI guidelines on securitisation
of standard assets.

Credit Rating

Continuing earlier taste of success, the company this year also managed to bag higher credit ratings, indicating strong credibility of its deliverables.

In 2014-15, Au FINANCIERS was assigned long term rating of IND A+ / STABLE by India Ratings and long term credit rating was upgraded by CARE (CARE A+ from CARE A in 2013-14), outlook was revised by CRISIL (CRISIL A/Positive from CRISIL A/ Stable in 2013-14) and Further, India Ratings assigned short term rating of IND A1+ and CRISIL too upgraded short term rating to CRISIL A1+ from CRISIL A1, the highest short term rating.

The Credit Ratings enjoyed by the Company as on March 31, 2015, is as follows:

S.no	Credit Rating Agency	Instruments	Previous Ratings	Upgraded Ratings
1	CRISIL	Long-Term Rating	CRISIL A/Stable	CRISIL A/Positive
		Short-Term Debt (Including Commercial Paper)	CRISIL A1	CRISIL A1+
2	CARE	Long-Term Rating	CARE A	CARE A+
3	INDIA RATINGS &	Long-Term Rating*	-	IND A+
	RESEARCH*	Short-Term Debt* (Including Commercial Paper)	-	IND A1+
4	ICRA	Long Term Rating	ICRA A	ICRA A

^{*} INDIA RATINGS & RESEARCH has assigned ratings for the first time during the year 2014-15.

Share capital

During the year allotment of 826,357 fully paid equity shares to IFC in the month of April, 2014 under Preferential offer of shares was made and Kedaara Capital Alternate Investment Fund – KEDAARA CAPITAL AIF I & Ourea Holdings Limited (Fund Advised by Kedaara Capital Managers Ltd.) acquired 1,77,073 Equity Shares & 42,22,927 Equity Shares respectively of the Company representing 0.40% & 9.58%, respectively of the issued and paid up equity share capital of the company from India Business Excellence Fund ("IBEF"), and India Business Excellence Fund - I ("IBEF-I"), funds advised by MOPE Investment Advisors Pvt. Ltd. and International Finance Corporation. In this Transaction, IBEF & IBEF I transferred 9,00,000 & 13,00,000 fully paid equity shares and IFC transferred 22,00,000 fully paid equity shares of the Company.

Subsidiary Companies

As at 31st March, 2015, your Company has following two subsidiaries:

Au HOUSING FINANCE LIMITED

Au HOUSING FINANCE LIMITED is a wholly owned subsidiary of Au FINANCIERS (INDIA) LIMITED which was incorporated with an objective of serving housing needs of people living in rural and semi urban areas by providing affordable housing loans and to explore the huge un-reached housing finance market by leveraging wide network of branches and strong customer connect.

The number of branches of the company increased this year from 35 locations to 42 locations in the state of Rajasthan (21 Locations), Gujarat (07 Locations), Maharashtra (08 Locations), and Madhya Pradesh (04 Locations) and one each in Haryana and Delhi states, for its housing business with plans to scale up

its operations to newer geographies in Financial Year 2015-16.

- In FY15, your company invested ₹30 Crores in its wholly owned subsidiary; Au HOUSING FINANCE LIMITED for further expansion of latter's business.
- Recently in April 2015, India Ratings assigned Long Term credit rating of "IND A+ / Stable" to its wholly owned subsidiary, Au HOUSING FINANCE LIMITED. Further CRISIL revised outlook from "CRISIL A / Stable" to "CRISIL A/ Positive" and reaffirmed short term rating.
- Au HOUSING FINANCE LIMITED reported 165% growth in profit after tax amounting to ₹19.08 crores in FY-14-15 against ₹7.19 Crores in FY13-14.

INDEX MONEY LIMITED

INDEX MONEY LIMITED, (IML) a public limited company and a subsidiary of Company is engaged in business of financial consultancy. Considering the increasing demand of funds by the corporate, small business entities, IML continues to provide debt syndication services to small business entities.

It reported 563% growth in profit after tax amounting to ₹106.27 lacs in FY-14-15 against ₹16.02 lacs in FY13-14.

In view of section 2(6) of Companies Act, 2013, following two Companies fall within the definition of "Associate Company".

Associate Company - Au INSURANCE BROKING SERVICES PRIVATE LIMITED

Au INSURANCE BROKING SERVICES PRIVATE LIMITED, an Associate Company of Au FINANCIERS (INDIA) LIMITED has added 2 more branches this year. The company aims to achieve expansion in the FY 15-16, through leveraging various opportunities and digitizing the whole operations for better customer service.

It reported 632% growth in profit after tax amounting to ₹1.96 crore in FY-14-15 against ₹26.82 lacs in FY13-14 with increase in size of professional team and its base.

Associate Company - M POWER MICRO FINANCE PVT, LTD.

Microfinance has occupied centre stage as a promising conduit for extending financial services to unbanked sections of population with over 48,000 customers. It increased its authorised capital during the year and appointed Ms. Vanaja Shankar as Women- Independent Director of the M POWER MICRO FINANCE PVT. LTD.

It reported 588% growth in profit after tax amounting to ₹1.17 crores in FY-14-15 against ₹17 lacs in FY13-14 resulting from expansion of branch network and its customer base.

Names of Companies Which Have Become or Ceased To Be Its Subsidiaries, Joint Ventures or Associate Companies During The Year;

During the year under review, no company have become or ceased to become subsidiary, joint venture or associate company of your company.

Directors

In accordance with the provisions of sub section (6) of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company; Mr. Sanjay Agarwal, Managing Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.

The Board recommends his re-appointment for consideration of the Shareholders approval.

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board/Committee meetings to be held in the forthcoming quarters is being circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, certain business decisions are taken by the Board through circulation from time to time.

The Board met six (6) times during the FY 2014-15 viz. on April 29, 2014, May 23, 2014, August 07, 2014, October 31, 2014, January 28, 2015 and February 16, 2015. Detailed information on the meetings of the Board & Committees is included in the report on Corporate Governance, which forms part of this Annual Report.

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164 of the Companies Act, 2013, read with its applicable rules.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL/DIRECTORS WHO WERE APPOINTED OR HAVE RESIGNED DURING THE FY 14-15

Sr. No.	Name	Designation	DIN	Remarks
1	Mr. Vishal Kumar Gupta	Investor Nominee Director	02368313	Resignation (ceased w.e.f. 22nd December, 2014)
2.	Mr. Nishant Sharma	Investor Nominee Director	03117012	Appointment (appointed w.e.f. 22nd
				December,2014)
3.	Ms. Jyoti Narang	Woman Independent	00351187	Appointment (appointed w.e.f. 30th March, 2015)
		Director		

Statement on Declaration Given by All Its Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. Every Independent

Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in the financial year, given a declaration that he meets the criteria of independence as provided under law.

As per Section 149(6) of the Companies Act, 2013, all the Independent directors, Ms. Jyoti Narang, Mr. Mannil Venugopalan and Mr. Krishan Kant Rathi, have given the declaration of meeting the criteria of independence under this

Section and they fulfill eligibility criteria as laid down under RBI Guidelines.

Company's Policy on Directors' Appointment and Remuneration.

The company has put in place nomination and remuneration policy duly approved by the Corporate Governance, Nomination & Remuneration Committee and by the Board. The policy lay down criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178.

The company ensures the following:-

The company undertake process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other factors such as fitness criteria.

The Corporate Governance, Nomination & Remuneration Committee scrutinize the information received from its Directors and based on information provided, the Board takes decision to appoint or otherwise.

Other factors such as industry standards and remuneration levels are also being considered by the company.

Performance Evaluation of The Board

The Nomination and Remuneration Committee at its meeting held on January 28, 2015 and the Board of Directors at its meeting held on January 28, 2015, respectively, had laid down criteria for performance evaluation of Executive and non-Executive directors and Nomination and Remuneration Policy was also approved for the same. Well-defined and structured questionnaires were prepared for assessing the performance of Directors after taking into consideration the inputs received from the Directors, covering various aspects of the Board's & committees functioning such as adequacy of the composition of the Board and its Committees, frequency of board & committee meetings, areas of responsibilities, compliance, governance, quality, quantity and timeliness of flow of information between the company management and the Board.

The evaluation process included review of performance of all Board Members. A member of the Board whose assessment was carried out did not participate in the discussion of his/her evaluation.

A separate Meeting of Independent Directors was convened

on 28th January, 2015 where assessment of other Board members was carried out. It covered several parameters such as level of engagement, contribution, input on future growth, strategic insights, involvement and independence of judgment safeguarding the interest of the Company and its shareholders. In this meeting, no non-Independent director was present.

The Directors have expressed their satisfaction with the evaluation process.

Corporate Governance

Your Company believes that sound Corporate Governance is essential for enhancing long-term shareholder value and retaining investor trust. Governance is moulded in the culture of your Company that is built upon core values, beliefs and ethics. Your Company has an active, experienced and well informed Board, necessary to ensure the highest principles of corporate conduct.

Since the Equity Shares of your Company are not listed on any Stock Exchange(s), the code of Corporate Governance as provided under Clause 49 of the Listing Agreement would not apply to the company.

However, your company reaffirms its commitment to the good corporate governance practices and transparency.

A Corporate Governance Report including details of Directors and committees is annexed to Directors' Report and is made part of Annual Report.

Composition of Audit Committee

As on 31st March, 2015, the Audit Committee comprises of five members, viz., Mr. Krishan Kant Rathi, Independent Director, Mr. Mannil Venugopalan (Independent Director) and Mr. Vishal Mahadevia (Non-Executive Director), Ms. Jyoti Narang (Woman Independent Director) and Mr. Nishant Sharma (Non-Executive Director) Mr. Krishan Kant Rathi being (Independent Director) on Board of the Company was elected as the Chairman of the Audit Committee) on the Board of the Company serves as Chairman (Elected) of the Committee.

The accounts and financial position perused and reviewed by the Audit Committee were thereafter placed before board for their consideration. The committee is authorised to give advice on the appointment/reappointment of the External (Statutory) auditors, internal auditors and to monitor their performance and effectiveness, the audit fee, implementation of audit-based recommendations and any questions of resignation or dismissal of the external auditors. It reviews adequacy of internal control systems. Thus, it plays a role of mediator between External Auditors and Board of Directors.

The Audit Committee met four times during the year under review on 23rd May, 2014, 7th August, 2014, 31st October, 2014 and 28th January, 2015.

The terms of reference of Audit Committee were revised on 27th May-15 in view of requirements laid down under Companies Act, 2013.

Corporate Social Responsibility (CSR)

Your company has always endeavored to address social concerns and work to the benefit of the local communities with the objective of CSR initiatives resulting in long term impact on society. The Company has been undertaking various socioeconomic, educational and health initiatives which focus on the welfare of the economically and deprived sections of society. As a socially responsible corporate, your Company facilitates programs and gives direct assistance to individuals, societies and other charitable organizations.

Detailed report forming part of annual report on initiatives taken by the company during the year on CSR activities is attached separately in an Annexure herewith.

Management Discussion and Analysis-Business Overview

A detailed Industry and business review on the operations of the Company is appended in the Management Discussion and Analysis Section of report.

Vigil Mechanism, Whistle Blower Policy and Anti Bribery and Corruption Policy

As per Section 177 of the Companies Act, 2013, a Vigil Mechanism has been established, in order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior. The Vigil Mechanism & whistle blower policy has been uploaded on the website of the Company i.e. www.aufin.in

Company has established a vigil mechanism for Directors and employees to report concerns and unethical behavior, actual or suspected fraud or violation of code of conduct and ethics. It also provides for adequate safeguards against the victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in

exceptional cases.

The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time.

Anti Bribery Policy mechanism is in place to ensure that no bribe and corrupt practices are carried out by the Company, its employees and associates and report on the same being submitted to Board.

Obligation of Company Under The Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up a Committee to look into complaints relating to sexual harassment at work place of any women employee. Company has set up committee for Compliance and reporting of events if any and for taking suitable actions. Your Directors further state that during the year under review, there were no cases reported and no complaints were received pursuant to the Sexual Harassment of Women.

Compliances of RBI Guidelines

The company continues to comply with the applicable regulations and guidelines of the Reserve Bank of India as applicable to a Non Banking Non Deposit Taking Systemically Important Asset Finance Company ('NBFC-ND-SI-AFC'). As a prudent practice, your Company makes accelerated provisioning for Non-Performing Assets (NPAs) than that required by RBI for NBFCs. The company has submitted returns with RBI on timely basis.

Capital Adequacy

Your Company maintained a Capital to Risk-Weighted Assets Ratio (CRAR) of 18.54% as on 31st March, 2015 against a minimum 15% as per regulatory requirements specified by the Reserve Bank of India which we believe provides an adequate cushion to withstand business risks. Your company was in comfortable position with tier I capital of 17.07%.

Deposits

The Company has not accepted any deposits under section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 during the year ended 31st March, 2015.

DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT:-

	Particulars	Status
а	Accepted during the year	Not Applicable as no deposits were
		accepted by the Company.
b	Remained unpaid or unclaimed as at the end of the year	Not Applicable
С	Whether there has been any default in repayment of deposits or payment of	Not Applicable
	interest thereon during the year and if so, number of such cases and the total	
	amount involved-	
	(i) At the beginning of the year	
	(ii) Maximum during the year	
	(iii) At the end of the year	
d	The details of deposits which are not in compliance with the requirements of	Not Applicable because no deposits were
	Chapter V of the Act	accepted by the Company.

Employees

Your Company believes in providing a conducive and challenging work environment for nurturing potential, encouraging performance and retaining talents at all levels. At the end of March 2015 the company had 3553 employees as against 2716 as at March 2014, indicating 31% increase in manpower by 837 employees at various locations and levels.

This year the Company hired people at senior positions having relevant industry experience and qualification to strengthen vehicle finance business & to build and grow MSMEs, SME & Structured Finance verticals. The Company recruited manpower from prestigious institutes like ICAI, ICSI, ICWAI, IIT, IIM besides recruiting from other reputed Business Schools. The Company recruited staff from the geographies of our presence ensuring that we were able to gauge local customer aspirations in a better manner. As a part of our long-term vision, we consistently invested in employee training, helping grow the team's learning curve

Your Directors place on record the appreciation of effort and dedication of the employees in achieving good results during the year under review.

Internal Financial Control Systems and Their Adequacy

Your company had laid down set of standards, processes and

structure which enables to implement internal financial control across the organisation and ensure that the same are adequate and operating effectively.

The processes and internal control systems play a critical role for the growth and sustainability of the Company. The Company's well defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and other applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. The internal control system is supplemented by extensive internal and branch audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data of the company. The Audit Committee of the Board reviews internal and branch audit reports given along with management comments.

Auditors

A. Statutory Auditors

M/s. S.R. BATLIBOI & Co. LLP,(Firm Registration Number 301003E) (formerly M/s S. R. Batliboi & Co.) Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They

have confirmed that their appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013, and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act. The necessary eligibility certificate prescribed under the said Section has been received from them. Your Directors recommend their appointment as the Statutory Auditors of the Company. The proposal for their reappointment is included in the notice for Annual General Meeting sent herewith.

B. Secretarial Auditors

Pursuant to Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s V. M. & Associates, Practicing Company Secretaries, Jaipur as its Secretarial Auditors to conduct the secretarial audit of the Company for the FY 2014-15. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY 2014-15 is annexed to this report. Your Directors approved their appointment as the Secretarial Auditors of the Company for FY15-16.

Comments on Qualifications/Comments Made by The Auditors

There are no Audit Qualifications in the Statutory Auditors Report and in the Secretarial Audit Report as forming part of Annual Report.

There are observations In terms of para (vii)(a) of the annexure to the Report on Legal and other Regulatory Matters forming part of Auditors' Report, the Board of Directors of the company wish to submit that the slight delay in depositing undisputed statutory dues as referred to in the said annexure, took place inadvertently with no deliberate intention on the part of the company to delay the payment. However as an abundant precaution, the company shall take due care in future by strengthening its internal controls and meticulously adhering to timelines, thereby ensuring compliance.

Material Changes and Commitments, If Any, Affecting The Financial Position of The Company Which Have Occurred Between The End of The Financial Year of The Company To Which The Financial Statements Relate And The Date of The Report

No material changes occurred between the end of the financial

year of the company to which the financial statements relate and the date of the report.

Other Dislcosures As Per Companies Act, 2013, Read With Its Applicable Rules

Extract of The Annual Return

Extract of Annual Return as on the financial year ended on March 31, 2015, forming part of this report is attached as Annexure.

Conservation of Energy And Technology Absorption The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8)(3) of the Companies (Accounts)Rules, 2014 by your Company are explained as under:

Conservation of Energy

Your Company has adopted social environment management system and installed LCD monitors wherever possible at branches to conserve energy and with low cost, highly technology lean operations model, Company has installed control over system of branches to keep control of usage of power.

Technology Absorption

Your Company has implemented social media, cutting edge technologies like virtualization and committed to continue to invest in the best in class IT systems with the objective to make IT systems as business enabler and tool for improving efficiency and speed its operations.

Foreign Exchange Earnings and Outgo

Further during the year under review, the Company has not earned but has incurred ₹104.11 lacs as foreign exchange during FY 2014-15.

The particulars regarding expenditure in foreign exchange have been covered in notes to the accounts & significant policies for FY 2014-15.

Risk Management Policy

The Company has constituted its Risk Management Committee and it has established Risk Management framework approved as mandated by the regulator, RBI Credit and Risk Management. The role of the committee is primarily identification of inherent risks in view of Business model and other risks and It takes due steps to mitigate the same. Decisions are being taken by the Committee and wherever required approved by the Board. The Company's robust risk management framework enabled it to

streamline the areas where improvements required resulting in commendable performance and strong governance practices being showcased by the Company.

Further, Company is focusing on Technology & Innovation to leverage its huge customer base and it look forward to strengthen the Risk Management Framework of the Company with increasing Complexities in view of diversification of product and external factors affecting the business of the Company.

Particulars of contracts or arrangements with related parties:

All the related party transactions that were entered during the financial year are done on arm's length basis. Relevant Form (AOC-2) for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is given as Annexure to this Report.

Particulars of Loans, Guarantees or Investments Under Section 186 of The Companies Act, 2013.

Pursuant to Section 186(11) of the Companies Act, 2013, Company being NBFC is engaged in business of Financing Enterprises, companies, institutions and thus lending business is an activity covered under ordinary course of Business. Au FINANCIERS has granted loans to Au HOUSING FINANCE LIMITED, its wholly owned subsidiary and also given guarantees with respect to financial assistance taken by it from various banks and institutions and carried out further equity investments and granted loans to M POWER MICRO FINANCE PVT. LTD. being associate Company under ordinary course of business. Details have been covered under notes to accounts of Audited Financial Statements for FY14-15.

Consolidated Financial Statements

Pursuant to Section 129 of the Companies Act, 2013, Your Company has prepared a Consolidated Financial Statement, and it shall be laid before the ensuing Annual General Meeting of the Company along with the laying of the Audited Financial Statements under sub-section (2) of Section 129 i.e. Standalone Financial Statements of the Company. A Statement containing salient features of the Financial statement of Subsidiaries / associate companies/ joint ventures is attached in form AOC - 1 as annexure to this Report.

Change In Nature of Business, If Any

There was no change in nature of business during the FY15, Company has continued to carry on its lending operations.

Details of Significant And Material Orders Passed By The Regulators or Courts or Tribunals Impacting The Going Concern Status And Company's Operations In Future.

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Particulars of Employees:

Details & Disclosure of the employees of the Company as required pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows:

S.	Name of	Remuneration	Designation	Nature of	Qualifications and	Date of	The age	The last	The percentage	Whether
No	Employee	(Amount ₹ In Lacs)	Designation .	employment (Contractual/ Otherwise)	experience of the employee;	commencement of employment	of such employee	employment held by such employee before joining the company	of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Sanjay Agarwal	89.84	Managing Director	Confirmed	FCA, B. Com, 20 Years	Appointed as Managing Director since 14th February, 2008 and was reappointed for a further period of 5 years by the Shareholders of the company w.e.f 14th February, 2013.	44	NA	14.98%	NO
2	Mr. Uttam Tibrewal	117.78	Whole time Director	Confirmed	B. Com, 19 Years	Appointed as Whole Time Director since 14th February, 2008 and was re-appointed for a further period of 5 years by the Shareholders of the company w.e.f 14th February, 2013	44	NA	0.67%	NO
3	Mr. Deepak Jain	86.63	Chief Financial Officer	Confirmed	FCA, 17 Years	17th May, 2010	41	NA	0.37%	NO
4	Mr. Manoj Tibrewal	82.59	Chief Operating Officer	Confirmed	CS, 19 Years	1st February, 2009	45	NA	0.57%	NO
5	Mr. Rishi Dhariwal	62.16	Chief Risk Officer	Confirmed	BE(Mechanical), MBA (IIM,Ahmedabad), 23 years	15th November, 2013	45	Citibank	NIL	NO
6.	Mr. Arvind Halli	65.84	CEO - MSME & SSF	Resigned & Relieved on 2nd Jan-2015	BE & MBA 18 Years	2nd June, 2014	43	Capryglobal	NIL	NO

Director's Responsibility Statement:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:-

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) We 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 at 31st March, 2015 and of the profit and loss of the company for that period;
- c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) We have prepared the annual accounts on a going concern basis;
- We have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

The Board acknowledges with gratitude the co-operation, assistance, guidance and support provided to your Company by its bankers, financial institutions, shareholders, regulatory bodies and other business constituents. The results of an organization are greatly reflective of the efforts put in by the people who work for the company. The Directors take this as an opportunity to place on record its appreciation to the contribution made by the employees, executives, officers, staff and the Senior Management of the company for successful operations during the year. Their enthusiasm and unstinting efforts enabled the Company to emerge as one of the leading company in Financial Services space.

For and on behalf of the Board of Directors Au FINANCIERS (INDIA) LIMITED

Sd/- Sd/Sanjay Agarwal Uttam Tibrewal
Managing Director Whole Time Director
DIN: 00009526 DIN: 01024940

Date: May 27, 2015 Place: Jaipur

CIN: U36911RJ1996PLC011381

ANNEXURE - I TO DIRECTORS' REPORT FORMING PART OF ANNUAL REPORT

FORM AOC- 1

(Pursuant to first proviso to Sub-Section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the Financial statement of Subsidiaries / associate companies/ joint ventures

Part "A": Subsidiaries

(₹ in Lacs)

Particulars	Name 1	Name 2
Name of the Subsidiary	Au HOUSING	INDEX
	FINANCE	MONEY
	LIMITED	LIMITED
Reporting Period for the Subsidiary concerned, if different from the holding company's reporting period.	NA	NA
Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries.	NA	NA
Share Capital	3,291.67	172.45
Reserves & Surplus	6,852.44	237.02
Total Assets	85,765.73	435.97
Total Liabilities	85,765.73	435.97
Investments	-	391.08
Turnover/Income	10,640.26	359.75
Profit before taxation	2,895.50	354.71
Provision for taxation	987.42	74.48
Profit after Taxation	1,908.08	280.23
Proposed Dividend	-	-
% of Shareholding	100%	100%
Notes: The following information shall be furnished at the end of the statement:		
1. Name of Subsidiaries which are yet to commence operations		
There are no subsidiaries of the Company which are yet to commence their business.		
2. Names of Subsidiaries which have been liquidated or sold during the year.		
There are no subsidiaries of the Company which have been liquidated or sold during the year.		

Part B: ASSOCIATES AND JOINT VENTURES

(Statement pursuant to Section 129 (3) of the Companies Act , 2013 related to Associate Companies and Joint Ventures)

Particulars	Name 1	Name 2	
Name of Associates/ Joint ventures	Au INSURANCE BROKING SERVICES PRIVATE LIMITED	M POWER MICRO FINANCE PRIVATE LIMITED	
1. Latest audited Balance sheet Date	31.03.2015	31.03.2015	
2. Shares of Associate held by the company on the year end			
i. No. of Equity shares held	1,95,000	45,00,000	
ii. Amount of investment in Associates in ₹	19,50,000	45,00,00,00	
iii. Extend of Holding %	26.00%	38.53%	

Particulars	Name 1	Name 2
Name of Associates/ Joint ventures	Au INSURANCE BROKING SERVICES PRIVATE LIMITED	M POWER MICRO FINANCE PRIVATE LIMITED
3. Description of how there is significant influence	This is an associate company within the definition under section 2 (6) of Companies Act, 2013 of Au FINANCIERS (INDIA) LIMITED.	This is an associate company within the definition under section 2 (6) of Companies Act, 2013 of Au FINANCIERS (INDIA) LIMITED. Au FINANCIERS (INDIA) LIMITED is a strategic investor in M POWER MICRO FINANCE PRIVATE LIMITED.
4. Reason why the associate/ joint venture is not consolidated	NA	NA
 Net worth attributable to shareholding as per latest audited Balance Sheet {(Net Worth= Share Capital + Reserve & Surplus - DTA/ (DTL))* % of Holding} 	79.26	428.58
6. Profit / Loss for the year		
i. Considered in consolidation	51.05	44.94
ii. Not Considered in Consolidation	145.29	71.83
1. Names of associates or joint ventures which are yet to commence operations (NOT APPLICABLE)		
2. Names of associates or joint ventures which have been liquidated or sold during the year (NOT APPLICABLE)		

As per our report of even date

For S.R. Batliboi & Co. LLP

ICAI Firm's Registration No.: 301003E

Chartered Accountants

Shrawan Jalan

For and on behalf of the Board of Directors
Au FINANCIERS (INDIA) LIMITED

Sanjay Agarwal (Managing Director) Uttam Tibrewal (Executive Director)

Partner Membership No. 102102

Date: 27th May 2015

Place: Mumbai Chief Financial

Deepak JainManmohan Parnami(Chief Financial Officer)(Company Secretary)

Place: Jaipur

Date: 27th May 2015

Note: i) The financial statements have been audited by a firm of Chartered Accountants other than S.R. BATLIBOI & Co. LLP.

ANNEXURE - II

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN FORM AOC-2

S.	Name(s) of the related party and nature of relationship	. ,	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any (₹ in Crores)
1	Au HOUSING FINANCE LIMITED (Wholly Owned Subsidiary of Au FINANCIERS (I) LTD.)	Infrastructure Sharing Agreement	Duration of agreement will be for a one year, term can be extended with the mutual consent of parties	 a) The office spaces of the branch network of the Holding Company in the state of Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, and Haryana i.e. the Branch Offices shall be used for the purpose of the carrying on respective business activities by each party. b) The Wholly owned Subsidiary shall be entitled to use the utilities in the Branch Offices including furniture's, fixtures, air conditioner, computers, telephone, fax, office equipments etc. along with the Holding Company. c) Both the Holding and Subsidiary company will retain their own individual finance activities during the terms hereof and also to do all compliance activities as required to be done as per RBI and NHB respectively. d) Towards contribution in expenses of office spaces of Branch Offices and Facilities, the Subsidiary Company shall pay the Holding Company the amount equal to 5% to 10% (varying for each branch depending upon the scale of operations of the Subsidiary Company and proportion of sharing of resources utilized by the Subsidiary Company.) e) That the Subsidiary shall make payment to the Holding Company of the amounts due under this Agreement on Monthly basis. f) That both the Parties shall endeavour to identify and incur their own specified capital and revenue expenditure to the extent possible. g) This Agreement may be terminated by either party at any time, upon provision of thirty (30) days' notice in writing to the other party. 	1st April, 2012	NIL outstanding
2	M POWER MICRO FINANCE PRIVATE LIMITED (Associate Company)	Lending in ordinary course of Business	Ongoing till the requirement subsists	The Company granted loans to M POWER MICRO FINANCE PRIVATE LIMITED for their business requirements and for fulfilment of its working capital needs. The loan so granted in the FY 14-15 falls within the ambit of sub section 11 of section 186 of Companies Act, 2013, read with its applicable rules.	NA	10.00 outstanding as on 31st Mar-15 (Loans granted under ordinary course of business)
3	Mr. Sanjay Agarwal – Managing Director	Rent Agreement	Ongoing	Rent agreement with Mr. Sanjay Agarwal to take on lease property situated at 301/302, Atharwa Plaza, 3rd floor, Opp. Shankar Maharaj Nath Mandir, Pune Satara Road, Dhankawadi, Pune-411043, belonging to Mr. Sanjay Agarwal, Managing Director of the Company. Rent is payable as per terms of rent agreement.	23rd May, 2014	Nil

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any (₹ in Crores)
4	Mr. Subhash Tibrewal	Employment Agreement	It was ongoing and he ceased to be in employment during the F Y14-15	Mr. Subhash Tibrewal (appointed as Vice President - Branding And Infrastructure) being brother of Mr. Uttam Tibrewal (Whole time Director), who is also considered as relative within the meaning of sub section 76 of section 2 of the Companies Act, 2013. Mr. Subhash Tibrewal ceased to be an employee of the company 2nd Jan-15 and ₹20.66 lacs was paid as remuneration during the year.		Nil
5	Mr. Sanjay Agarwal	Employment Agreement - (Remuneration to KMP- Managing director)	Ongoing	 The Director shall be responsible for the day to day management and affairs of the Company and shall have the powers and authorizations set forth in schedule I of the Employment agreement. The Director shall perform and discharge his duties as set out in Schedule II to the Agreement. The Director is entitled to delegate his powers and duties. The Director shall be entitled to remuneration as set out in Schedule III to this Agreement and shall comply with all other applicable clauses. The Director shall be bound to comply with any policies implemented by the company from time to time. The Director is expected to work atleast 48 hours every week and Director shall work for such additional hours as may be required for the performance of his duties efficiently. The company shall not be required to pay any overtime wages to the Director for employment services performed outside working hours or on public holidays. The employment of the Director under the Agreement and the terms of the Agreement shall cease after expiry of 5 years from the effective date unless he is reappointed again by the Company. 	Agarwal reappointment was approved in Board Meeting held on 30th May, 2013.	Nil
6	Mr. Uttam Tibrewal	Employment Agreement – (Remuneration to KMP- Whole time Director)	Ongoing	Mr. Uttam Tibrewal is designated as Whole Time Director responsible for the operations of the Company and detailed Terms of employment are covered under employment agreement executed with Mr. Uttam Tibrewal is available for inspection at registered office of the Company.	Tibrewal re- appointment was approved in	Nil

For and on behalf of the Board of Directors Au FINANCIERS (INDIA) LIMITED

Sd/-Sanjay Agarwal Managing Director Sd/-Uttam Tibrewal Whole Time Director

Date: May 27, 2015

Place: Jaipur

CIN: U36911RJ1996PLC011381

ANNEXURE - III

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	, , , , ,			
1.	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.				
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year.	Mr. Sanjay Agarwal, MD* Mr. Uttam Tibrewal, WTD Mr. Deepak Jain, CFO Mr. Manmohan Parnami, CS *The figures for FY13-14 have beer for the previous year and Mr. San paid any bonus during FY14-15, res for him and for other KMP's bonus while calculating percentage increase	jay Agarwal, MD was not sulting in above calculation figures have been included		
3.	The percentage increase in the median remuneration of employees in the financial year.	* · · · · · ·			
4.	The number of permanent employees on the rolls of company as on 31st March, 2015.	There were 3,553 employees as on	March 31, 2015		
5.	The explanation on the relationship between average increase in remuneration and Company performance	Factors considered while recommend remuneration were: (a) Financial performance of the Color (b) Peer Analysis (c) Industry Benchmarking and consol (d) Variable compensation is decided performance, rating and other performance, rating and other performance.	mpany sideration towards inflation ed on an individual		
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	For the FY 2014-15, KMPs were paid the year and Company reported exce with 52% growth in Profits in FY which has been result of strong dis implementation of strategies.	d 2.3% of the net profit for ellent financial performance /14-15 over previous year		

Sr. No.	Requirements	Disclosure	e		
7.	variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Not applicable as Company shares a	are not listed.		
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	FY13-14 for employees other than in managerial capacity. For, managerial personnel, There were decrease of 18%* in remuneration of managerial personnel on overall basis in			
9.	Comparison of each remuneration of Key Managerial personnel against the performance of the Company:	Comparison of each remuneration o against the performance of the Con	f Key Managerial personnel		
		Mr. Sanjay Agarwal, MD Mr. Uttam Tibrewal, WTD Mr. Deepak Jain, CFO Mr. Manmohan Parnami, CS	% of Net Profit for FY14-15 0.64% 0.84% 0.62% 0.21%		
10.	The key parameters for any variable component of remuneration availed by the directors.	The overall performance of Con performance, profitability, asset qua management and other relevant par deciding the variable remuneration	ality, growth of Asset under rameters are considered for		
11.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	There was no employee in the Compremuneration in excess of highest pa			
12.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed.			

General Note:

Salary figures for Employees other than KMP's have been arrived on the basis of remuneration reported in form 16 and for KMP's it has been arrived as recorded in Audited financial statements of the Company. Calculations above have been made on comparable and annualised basis wherever applicable.

ANNEXURE - IV

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015 {Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014}

I. Registration and Other Details

CIN	U36911RJ1996PLC011381			
Registration Date	10th January, 1996			
Name of the Company	Au FINANCIERS (INDIA) LIMITED			
Category	Public Company, Company limited by shares			
Sub-Category of the Company NBFC-ND-SI-AFC, Registered with RBI				
Address of the Registered office and contact Details	19-A, Dhuleshwar Garden, Ajmer Road, Jaipur-302001, Rajasthan			
	Phone no. 0141-4110060			
	Website: www.aufin.in			
Whether listed company	YES			
	(Privately Placed Debentures are listed at WDM segment of National			
	Stock Exchange & Bombay Stock Exchange)			
Name, Address and Contact details of Registrar and	Link Intime India Pvt. Ltd.			
Transfer Agent	Head Office Address: C-13 Pannalal Silk Mills Compound LBS Marg			
	Bhandup (W)			
	Mumbai: 400078			
	Maharashtra, India .			
	Link Intime India Phone Number: 022-25963838			
	Link Intime India Website: www.intimespectrum.com			

II. Principal Business Activities of The Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated -

Sr.No.	Name and description of main products/services	NIC Code	% to total turnover
		of the Product/service	of the company
1.	Financial Services	64920	100%

III. Particulars of Holding, Subsidiary and Associate Company:

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Au HOUSING FINANCE LIMITED	U65922RJ2011PLC034297	Subsidiary	100%	Section 2(87) of Companies Act, 2013
2	INDEX MONEY LIMITED	U67190MH2008PLC180893	Subsidiary	100%	Section 2(87) of Companies Act, 2013
3	Au Insurance Broking Services Private Limited	U67200RJ2010PTC030778	Associate	26%	Section 2(6) of Companies Act, 2013
4	M POWER MICRO FINANCE PRIVATE LIMITED	U65999MH2009PTC197149	Associate	38.53%	Section 2(6) of Companies Act, 2013

IV. Share Holding Pattern (Equity Share Capital Breakup As Percentage of Total Equity)

(i) Category wise shareholding

Category of	No. of Shares held at the beginning of the year*				No. of Shares held at the end of the year*				% of Change
Share holders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	During in FY14-15
A. Promoters									
(1) Indian									
a) Individual/HUF	1,05,30,276	20,00,000	1,25,30,276	28.97%	1,05,30,276	20,00,000	1,25,30,276	28.43%	-0.54%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	5,60,895	5,60,895	1.30%	-	-	-	0	-1.30%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	1,05,30,276	25,60,895	1,30,91,171	30.27%	1,05,30,276	20,00,000	1,25,30,276	28.43%	-1.84%
(2) Foreign									
a) NRIs – Individuals	-	-	-	0	-	-	-	0	0
b)Other – Individuals	_	-	-	0	_	-	-	0	0
c)Bodies Corp.	_	-	_	0	_	-	_	0	0
d) Banks / Fl	_	-	_	0	_	-	_	0	0
e) Any Other	_	-	_	0	_	-	_	0	0
Sub-total A.(A) (2):-	_	-	_	0	_	-	_	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1,05,30,276	25,60,895	1,30,91,171	30.27%	1,05,30,276	20,00,000	1,25,30,276	28.43%	-1.84%
B. Public Shareholding									
1.Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	17,01,542	100	17,01,642	3.93%	8,01,542	100	8,01,642	1.82%	-2.12%
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	74,21,518	-	74,21,518	17.16%	60,47,875	-	60,47,875	13.72%	-3.44%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Trust	10,907	-	10,907	0.03%	2,01,814	-	2,01,814	0.46%	0.43%
Sub-total(B)(1):-		100	91,34,067	21.12%	70,51,231	100	70,51,331	16.00%	-5.12%

Category of	No. of Shar	es held at the	e beginning o	f the year*	No. of Shares held at the end of the year*				% of Change
Share holders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	During in FY14-15
2. Non Institutions									
a)Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	5,46,966	-	5,46,966	1.26%	11,23,710	-	11,23,710	2.55%	1.28%
ii) Overseas	1,96,45,533		1,96,45,533	45.42%	2,25,68,460	-	2,25,68,460	51.20%	5.78%
b) Individual	-	-	-		-	-	-	-	-
i) Individual shareholders holding nominal share capital	1,26,620		1,26,620	0.29%	96,937		96,937	0.22%	-0.07%
upto ₹1 Lakh (ESOP and other shares)									
ii) Individual shareholders holding nominal share capital in excess of ₹1 Lakh (ESOP and other shares)	7,10,038		7,10,038	1.64%	7,10,038		7,10,038	1.61%	-0.03%
c) Other (specify)	-	-	-		-		-		-
Sub-total (B) (2):-	2,10,29,157	-	2,10,29,157	48.62%	2,44,99,145	-	2,44,99,145	55.58%	6.96%
Total Public Shareholding (B)=(B)(1)+ (B) (2)	3,01,63,124	100	3,01,63,224	69.73%	3,15,50,376	100	3,15,50,476	71.57%	1.84%
c. Shares held by Custodian for GDRs & ADRs	-	-	-		-	-	-		-
Grand Total (A+B+C)	4,06,93,400	25,60,995	4,32,54,395	100.00%	4,20,80,652	20,00,100	4,40,80,752	100.00%	0.00%

Note: All Above shares having face value of ₹10 each

(ii) Shareholding of Promoters

S.	Shareholder's Name	Shareholding at the beginning of the year			Sharehold	% Change		
No.		No. of Shares	% of total	% of shares	No. of Shares	% of total	% of shares	in the
			shares of the	pledged/		shares of the	pledged/	shareholding
			company	encumbered		company	encumbered	during the
				to total shares			to total shares	year
1	Sanjay Agarwal	66,01,789	15.26%	4.62%	66,01,789	14.98%	4.54%	0.29%
2	Jyoti Agarwal	23,63,712	5.46%	-	23,63,712	5.36%	-	0.10%
3	Shakuntala Agarwal	22,74,326	5.26%	-	22,74,326	5.16%	-	0.10%
4	Chiranji Lal Agarwal	12,90,449	2.98%	-	12,90,449	2.93%	-	0.06%
5	MYs Holdings Pvt. Ltd.*	5,60,895	1.30%	-	-	-	-	0.00%
	Total	13,09,171	30.27%	4.62%	1,25,30,276	28.43%	4.54%	1.84%

^{*}Shareholding held by MYS Holdings Pvt. Ltd. was not forming part of promoter's holding as on 31st Mar-15.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr.	Particulars	Shareholding at the		Cumulative Shareholding	
No		beginning	of the year	during t	the year
		No. of Shares	% of total	No. of Shares	% of total
			shares of the		shares of the
			company		company
1	Promoters' Shareholding at the beginning of the year	13,091,171	30.27%	13,091,171	30.27%
2	Add:	-	-	-	-
3	Less: Shares held by MYs Holdings Pvt. Ltd.	560,895	-1.30%	12,530,276	28.97%
4	Less: Reduction in promoter's shareholding pursuant		-0.54%	-	28.43%
	to allotment of 826,357 equity shares to IFC on 3rd				
	April, 2014 under Preferential Offer				
5	Promoter's Shareholding At the End of the year	-	-	12,530,276	28.43%

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For Each of the Top 10 Shareholders	beginning of the year		during t	Shareholding the year
	List of Shareholders	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	REDWOOD INVESTMENT LTD (at the beginning of the year and end of the year)	11,934,699	27.59%	11,934,699	27.07%
2	INTERNATIONAL FINANCE CORPORATION (IFC) (at the beginning of the year)	7,421,518	17.16%	-	-
	Add: Allotment of 8,26,357 equity shares on 3rd April, 2014 to IFC	826,357	+1.55%	8,247,875	18.71%
	Less: Transfer of 22,00,000 equity shares to OUREA HOLDINGS LIMITED on 22nd Dec, 2014	-2,200,000	-4.99%	6,047,875	13.72%
	INTERNATIONAL FINANCE CORPORATION (IFC) (at the end of the year)	-	-	6,047,875	13.72%
3	LABH INVESTMENTS LIMITED (at the beginning of the year and end of the year)	4,500,169	10.40%	4,500,169	10.21%
4	OUREA HOLDINGS LIMITED (at the beginning of the year)	-	-	-	-
	Add: Transfer of 42,22,927 equity shares on 22nd Dec, 2014	4,222,927	9.58%	4,222,927	9.58%
	OUREA HOLDINGS LIMITED (at the end of the year)	-	-	4,222,927	9.58%
5	INDIA BUSINESS EXCELLENCE FUND - I (at the beginning of the year)	3,210,665	7.42%	3,210,665	7.28%
	Less: Transfer of 1,300,000 equity shares to OUREA HOLDINGS LIMITED on 22nd Dec, 2014	-1,300,000	-3.09%	1,910,665	4.33%
	INDIA BUSINESS EXCELLENCE FUND - I (at the end of the year)	-	-	1,910,665	4.33%
6	IL&FS TRUST COMPANY LIMITED (at the beginning of the year)	1,701,642	3.93%	-	-
	Less: Transfer of 900,000 equity shares to OUREA HOLDINGS LIMITED on 22nd Dec, 2014	-900,000	-2.12%	801,642	1.82%
	IL&FS TRUST COMPANY LIMITED (at the end of the year)	-	-	801,642	1.82%

Sr. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Shareholding She year
	List of Shareholders	No. of Shares	% of total shares of the	No. of Shares	% of total shares of the
			company		company
7	MYs HOLDINGS PRIVATE LIMITED	560,895	1.30%	-	-
	(at the beginning of the year)				
	Add: Transfer of 15,849 equity shares during	15,849	0.01%	576,744	1.31%
	FY 14-15				
	MYs HOLDINGS PRIVATE LIMITED	-	-	576,744	1.31%
	(at the end of the year)				
8	MOTILAL OSWAL SECURITIES LIMITED	546,966	1.26%	546,966	1.24%
	(at the beginning of the year and end of the year)				
9	MANOJ TIBREWAL	250,000	0.58%	250,000	0.57%
	(at the beginning of the year and end of the year)				
10	KEDAARA CAPITAL ALTERNATIVE	-	-	-	-
	INVESTMENT FUND – KEDAARA CAPITAL AIF 1				
	(at the beginning of the year)				
	Add: Transfer of 1,77,073 equity shares on 22nd	177,073	0.40%	177,073	0.40%
	Dec, 2014				
	KEDAARA CAPITAL ALTERNATIVE INVESTMENT FUND	-	-	177,073	0.40%
	- KEDAARA CAPITAL AIF1				
	(at the end of the year)				

Note: The Impact of increase/(decrease) of shareholding is calculated taking into consideration 8,26,357 equity shares alloted to IFC during the year.

(v) Shareholding of Directors and Key Managerial Personnel:

SI. No.	For Each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Particulars	No. of Shares	% of total shares	No. of Shares	% of total shares
			of the company		of the company
1	Sanjay Agarwal (Managing Director)	6,601,789	15.26%	6,601,789	15.26%
	Increase / (Decrease) during the year	-	(0.28)%	-	(0.28)%
	at the end of the year	-	-	6,601,789	14.98%
2	Uttam Tibrewal (Whole time Director)	294,965	0.68%	294,965	0.68%
	Increase / (Decrease) during the year	-	(0.01)%	-	(0.01)%
	at the end of the year	-	-	294,965	0.67%
3	Deepak Jain (Chief Financial Officer)	165,073	0.38%	165,073	0.38%
	Increase / (Decrease)during the year	-	(0.01)%	-	(0.01)%
	at the end of the year	-	-	165,073	0.37%
4	Manmohan Parnami (Company Secretary)	4,814	0.01%	4,814	0.01%
	Increase / (Decrease) during the year	-	-	-	-
	at the end of the year	-	-	4,814	0.01%

Note: The Impact of increase/(decrease) of shareholding is calculated taking into consideration 8,26,357 equity shares alloted to IFC during the year.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lacs)

Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2014-15				
i) Principal Amount	170,128.22	42,876.54	0.00	213,004.76
ii) Interest due but not paid	597.05	0.00	0.00	597.05
iii) Interest accrued but not due	2,016.64	741.77	0.00	2,758.41
Total (i+ii+iii)	172,741.91	43,618.31	0.00	216,360.22
Changes in Indebtedness during the financial year				
Addition	218,810.82	234,266.32	0.00	453,077.14
Repayment	190,374.37	187,876.54	0.00	378,250.91
Net Change	28,436.45	46,389.78	0.00	74,826.23
Indebtedness at the end of the financial year 2014-15				
i) Principal Amount	198,564.67	89,266.32	0.00	287,830.99
ii) Interest due but not paid	222.04	0.00	0.00	222.04
iii) Interest accrued but not due	4,996.14	717.54	0.00	5,713.68
Total (i+ii+iii)	203,782.85	89,983.86	0.00	293,766.71

VI) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SI. No	Particulars of Remuneration	Name of MD	Total Amount (₹ in lacs)	
1.	Gross salary	Mr. Sanjay	Mr. Uttam	
		Agarwal	Tibrewal	
		MD	WTD	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	89.84*	117.78*	207.62
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit			
	others specify			
5	Others please specify	-	-	-
	Total (A)	89.84	117.78	207.62
	Ceiling as per the Act:			
	(being 10% of the net profits of the Company calculated as per Section 198			
	of the Companies Act, 2013)			

^{*}As recorded in Audited Financial Statements of the Company.

B. Remuneration to other directors:

(₹ in Lacs)

SI.	Particulars of Remuneration*	N	ame of Directo	rs	Total Amount
No		Krishan Kant	Mannil	Jyoti Narang	
		Rathi	Venugopalan		
1.	Independent Directors			Payable from	
	 For attending board committee meetings 	2.40	1.60	FY15-16	
	Commission	7.60	8.40	onwards	
	Others, Please specify				
	Total (1)	10.00	10.00	0.00	0.00
		Name of Directors			
		Ravindra Bahl	Nishant	Vishal	
			Sharma	Mahadevia	
2.	Other Non-Executive Directors	0.00	0.00	0.00	0.00
	 For attending board committee meetings 				
	Commission				
	Others, Please specify				
	Total (2)	0.00	0.00	0.00	0.00
	Total (B)= $(1)+(2)$				
	Total managerial remuneration				
	Overall ceiling as per the Act:				
	(being 1% of the net profits of the Company as per Section				
	198 of the Companies Act, 2013)				

^{*} The company paid an amount of ₹16.28 lacs, including service tax, towards sitting fees and commission to Mr. Krishan Kant Rathi and Mr. Mannil Venugopalan, during the year.

Ms. Jyoti Narang was appoined as Woman - Independent Director on 30th March 2015 and fee for attending Board & committee meetings and commission as a percent of profit is payable from FY 15-16.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(₹ in Lacs)

Sr.	Particulars of Remuneration	Key N	lanagerial Personnel	!	
No.		Deepak Jain (CFO)	Manmohan Parnami	Total	
			(Company Secretary)		
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the	86.63	29.60	116.23	
	income tax act,1961				
	(b) Value of perquisites u/s 17(2) Income tax act,1961				
	(c) Profits in lieu of salary u/s 17(3) Income tax Act,1961				
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission	-	-	-	
	-as a % of profit				
	-others, specify				
5.	Others, please specify	-	-	-	
	Total	86.63	29.60	116.23	

Note: As recorded in Audited Financial Statements of the Company.

VII) Penalties/Punishment/Compounding of Offences:

There were neither any Penalties levied on the Company nor any punishment was granted and no compounding of offences was carried out during the year under Companies Act, 2013 and by RBI.

Туре	Section of the Companies Act	Brief description	Details of penalty /punishment / compounding fees imposed	Authority {RD/ NCLT/COURT}	Appeal made, if any
Company			. 3 .		,
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Other officers in defaul	t				
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE - V

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

OVERVIEW:

Corporate Social Responsibility (CSR) is embedded in the work ethics of the Company. For Au, business priorities co-exist with social commitments to drive holistic development of people and communities.

The Company's CSR initiatives help elevate the quality of life of large sections of society, particularly the disadvantaged sections of the society. It seeks to transform people's lives by promoting healthcare, education and employment opportunities.

The company aims to continue its efforts to build on its tradition of social responsibility to empower people and deepen its social engagements.

As required under the provisions of Companies Act, 2013 ("Act"), the Company is pleased to announce its Corporate Social Responsibility Policy ("CSR Policy" or "Policy"). Our goal shall be to focus on CSR activities strictly in compliance with applicable laws from time to time in force, including the Act and the rules there under. Towards this purpose, the Policy has been designed to achieve the Company's social goals, while satisfying the required statutory obligations.

The Company focuses its CSR activities on promoting education and awareness for a bright and better future of the countrymen, promoting preventive healthcare and sanitation, eradicating hunger, providing safe drinking water to the public at large, blood donation drives and contribution to various other organizations.

Au FINANCIERS CSR Policy

Your company, since inception has believed in creating sustained value for its stakeholders through social, economic and environmental interventions. The company, through its Responsible, Ethical and Fair business practices aims to enhance value creation and is committed towards playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives. With a vision of becoming one of the preferred financiers' for inclusivity and sustainability, company formulated a Corporate Social Responsibility (CSR) policy to deliver internal and external positive socio-environmental impact while ensuring focused contribution towards CSR.

CSR Policy of the Company is available on Company's website.

COMMITTEE STRUCTURE:

The Company has constituted CSR Committee in terms of

section 135 of the Companies Act, 2013, composition of which is as follows:-

Sr.No.	Name	Designation
1	Mr. Krishan Kant Rathi	Chairman (Elected)
2	Mr. Sanjay Agarwal	Member
3	Mr. Vishal Mahadevia	Member

The Committee functions under the overall supervision of the Board of Directors. The Committee approves and recommends to Board, the areas on which expenses on CSR activities are to be incurred and also ensures that the activities are undertaken in line with the provisions of company's CSR Policy. The Committee met three times during the financial year 2014-15, details of which have already been covered in the Corporate Governance Report, forming part of Board's report.

AVERAGE NET PROFIT:

The expenditure to be incurred on CSR activities in pursuance of section 135 of companies Act, 2013 and rules made there under lays down that the Company to spend in every financial year at least 2 % of the average net profit made during 3 immediate preceding financial years.

The average net profits for the Company for the last three financial years are as follows:-

Particulars	Amount (In Crs.)
Net Profit before tax	138.4
as per books of FY 2013-14	
Net Profit before tax	114.23
as per books of FY 2012-13	
Net Profit before tax	73.99
as per books of FY 2011-12	
Total (A)	326.62
Average of annual net profit of the	108.87
preceding three financial years B (A/3)	

PRESCRIBED CSR EXPENDITURE:

The CSR expenditure for the financial year 2014-15 proposed to be incurred was 2% of the amount of the average of annual net profit of the preceding three financial year's i.e. ₹2.18 Crore

TOTAL AMOUNT SPENT & UNSPENT AMOUNT:

- (a) Total amount to be spent for the financial year ₹2.18 Cr.
- (b) Amount unspent for the financial year ₹1.58 Cr.

(c) Manner in which the amount spent during the financial year in view of respective clauses of amended Schedule VII is detailed below.

(₹ in Lacs)

S. No.	CSR project or activity identified	Sector in which the project is covered Promoting education,	Projects or programs 1) Local area or other 2) Specify the state district where projects or programs undertaken Local Area	Amount outlay (budget) projects or program wise	Amount spent on the projects or programs Sub heads: 1) Direct expenditure on projects or programs 2) Overheads 20.19	expenditure up to the reporting period	Amount spent: direct or through implementing Agency
	Assistance for Promoting Education	including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects - Covered under Clause 2	- Jaipur (Rajasthan)				Contribution to Institutions
2	Eradicating Hunger	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water - Covered under Clause 1	Local Area - Jaipur (Rajasthan)	25.06	25.06	25.06	Direct Contribution to Institutions
3.	Preventive Health Care	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water - Covered under clause 1	Local Area - Jaipur (Rajasthan) and Chennai (Tamil Nadu)	6.84	6.84	6.84	Direct Contribution to Institutions
4.	Providing Safe Drinking Water AL ₹ in Lacs	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water - Covered Under Clause 1	Local Area - Jaipur & Nearby Regions (Rajasthan)	7.81	7.81	7.81	Direct Contribution

Reasons For Not Spending The Requisite Amount Mentioned Above:-

The Corporate Social Responsibility (CSR) is a concept aiming at reciprocating the society in which an organization thrives and survives. The concept has gained popularity world-wide, resulting in upliftment of the society through various measures.

The company with a view to spend the desired amount put its whole hearted efforts with some portion remaining unspent on account of the following reasons:

- The Company analysed the permissible activities on which the amount could be spent. Subsequently the company made preparations and wherever possible, spent the amount in line with its CSR Policy, duly approved by the CSR Committee and by the Board and it is pertinent to note that Company being good Corporate Citizen had been contributing voluntarily over the years for CSR Activities.
- With a view to ensure wide coverage of large section of society in which the company is operating and to create meaningful impact in areas where Company operates We prioritized the areas and accordingly, the amount was spent.
- 3. Company shares it's appreciation for bringing about the regulations to spend 2% of average profit of last 3 years for CSR Activities by the Company and Since Company needed time for understanding local priorities, Employing right manpower, building of infrastructure for implementing the projects, Therefore, Budgeted expenditure could not be incurred completely. Management is committed to incur the requisite amount for ensuring the Compliance of law in spirit.

Few glimpses of CSR Activities undertaken are as follows

Promoting education and awareness for bright and better future.

Akshaya Patra Foundation – Category Promoting Education

The Akshaya Patra Foundation is a non-profit organisation headquartered at Bangalore, India. The organisation strives to resolve issues like hunger and malnutrition in India through implementing the Mid-Day Meal Scheme in the Government schools and Government aided schools.

When the basic needs of an individual remain unserved, the urge for education shifts to the bottom line. With a view to overcome the trend, Akshaya Patra is continually leveraging technology to cater to millions of children with state-of-the-art kitchens becoming a subject of study, attracting curious visitors from around the world.

Au strategically contributed to the foundation aiming to support the cause by providing the basics which many in the country strive for by providing a hunger-free, educated and nurtured future. The fund contributed by Au was used towards the payment of commodities/items required in cooking and serving of Mid-Day meals to children in Government school of Jaipur and Rajasthan where Company has its major presence, thereby contributing in areas as envisaged under CSR guidelines.

2. Pratham Sikhsha Charitable Trust - Promoting Education

The organisation believes that lack of education is the root of several problems afflicting Indian society. It is a serious impediment to development and improvement in quality of life. The organisation directs its efforts towards meaningful and sustainable improvements instead of temporary relief. It aims to enable and empower people to improve their lives and conditions. Therefore projects and activities supported by Pratham Shiksha are focused on planned human and social development instead of random charity.

Pratham Shiksha together with Au aims to make a positive difference in the area of promoting education by providing:

- a good and transparent working culture in schools,
- enriched quality of education on dependable basis,
- a complete provider of basic facilities to children like education, food and clothing.

3. Disha Education Society - Promoting Education Specially abled Children

A Resource Centre for Multiple Disabilities, Disha is a nonprofit voluntary organization, which was started in 1995 with a vision of society with equal opportunities for all and understanding of the need for providing opportunities for children with multiple disabilities. It engages itself in providing opportunities for children with special needs by providing a common platform for support activities starting from education to training and rehabilitation.

With its "inclusive approach "it tries to facilitate specific action and practices that integrate and include people with disabilities in all areas of life. Disha's motto "to be a part and not apart"; is self-explanatory and reflects the broader canvas of Disha's interventions. To turn this philosophy into practice, apart from working towards inclusion of

students in mainstream schools a variety of actions are being undertaken to sensitize different segments of society that influence the environment in which the special child grows.

Au contributed to the organisation by providing a supportive aid and opportunities to the children with multiple disabilities by making them learn and fight for a better future.

4. Rajasthan Netraheen Kalyan Sangh (RNKS) – Promoting Education for Blind Students

With an inclination towards reviving the light of knowledge, Jaipur, even after being the capital of Rajasthan State, did not have any organization for blind and visually impaired people before early 90s.

Rajasthan Netraheen Kalyan Sangh is a leading non-government and non-profitable organization in Jaipur (Rajasthan) registered under Rajasthan Registration of Societies Act, 1958 which is working for and with visually impaired persons since the year 1990.

In the long history of more than 44 flourishing years, proudly served a large number of blind and visually impaired people of Rajasthan & India.

Au took a step forward to help the organisation in terms of building a hygienic infrastructure and also hand in hand promoted education by distributing computers to some of the bright students of the organisation and many more similar activities.

5. Contribution to Sahaj Marg Spirituality Foundation by contributing an Ambulance

The Sahaj Marg Spirituality Foundation, or SMSF, is a non-profit charitable trust dedicated to fulfilling civic and social responsibilities. The Foundation is responsible for conducting programmes in the fields of spiritual training, education and research. The Foundation offers medical aid to the ones in need by providing a 24*7 ambulance facility on demand basis. To support the cause, Au contributed to the foundation with an Ambulance.

6. Friends of Tribal Society – Promoting Education

Friends of Tribals Society (FTS), a non-government voluntary organization, committed to the upliftment of tribals and other deprived in rural India, by providing basic education to their children and giving the villagers health care education, development education and empowerment education. It believes that literacy is the key to progress.

The motto of FTS is not only to improve the socio-economic condition of the tribal society but also to free them from

the clutches of deprivation that have for so long hindered the progress of the entire community. Au collaborated with the organisation to serve its motto at a larger scale along with a steady pace.

Promoting preventive healthcare and sanitation

 Provision for safe drinking water to the public at large Installation of water coolers & purifiers across the city of Jaipur and other places

Majority of the population around the world doesn't enjoy the privilege to have clean and safe drinking water. Safe water is a critical environmental and public health issue, as well as a means to lift people out of poverty and ensure human security.

Providing safe water is an essential step for human health and development. Au after understanding the country's basic need, initiated a Programme of Installation of Water Coolers and Purifiers across the city of Jaipur and nearby area. The company has successfully installed 22 water coolers and purifiers in the state.

 Contribution to Sawai Man Singh Hospital (SMS), Jaipur by providing garbage bins - Promoting preventive healthcare and sanitation

Proper waste management is matter of serious concern in our country which if not managed properly can severely affect the public in large. Recently the Modi Led Government has heavily emphasized on Swacch Bharat Abhiyan, a project dedicated for clean India, which has been acclaimed country wide.

Au, with urge of serving the public at large, has put a step forward by donating garbage bins to Sawai Man Singh Hospital, one of the critical healthcare centres in the State of Rajasthan. The company donated three different color garbage bins to the hospital signifying the separate disposal & treatment of such medical waste.

RESPONSIBILITY STATEMENT:

We the undersigned hereby confirm that the implementation and monitoring of CSR Policy is in line with CSR objectives and Policy of the Company.

5d/- Sd/-

Sanjay Agarwal Krishan Kant Rathi

Managing Director Chairman (Elected), CSR Committee

ANNEXURE - VI

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015

To,
The Members,
Au FINANCIERS (INDIA) LIMITED
CIN: U36911RJ1996PLC011381
19-A Dhuleshwar Garden, Ajmer Road
JAIPUR - 302 001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Au FINANCIERS (INDIA) LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder:

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Not applicable);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and as amended from time to time;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable).

We have also examined compliance with the applicable clauses of The Listing Agreement entered into by the Company with the Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views; if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has issued equity shares, pursuant to preferential issue carried out by the company and has also issued Redeemable Non Convertible Debentures pursuant to applicable provisions of Act.

The company has duly passed the resolutions under section 180 of the Companies Act, 2013, read with its applicable rules, as amended.

However, no event relating to redemption/ buy back of securities, merger/amalgamation/reconstruction, foreign technical collaborations were carried out by the company.

Place: Jaipur Date: 27th May, 2015 For V.M. & Associates Company Secretaries CS Manoj Maheshwari FCS No.:3355 C P No.: 1971

Report on Corporate Governance

Company's Philosophy on Code of Governance

The company is committed to set the highest standards of Corporate Governance right from its inception benchmarked with the best class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. Transparency and accountability are the fundamental principles to sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for 'creating and sharing value'.

The company believes that there is a need to view Corporate Governance as more than just regulatory requirements as there exists a fundamental link with the organization of business, corporate responsibility and shareholder's wealth maximization.

We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. It is well-recognized that an effective Board is a pre-requisite for a strong and effective Corporate Governance.

The Board of Directors ('the Board') of our company are at the core of our Corporate Governance practices and oversees how the Management serves and protects the long-term interests of our stakeholders. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Company's Corporate Governance Philosophy

The Company's corporate governance philosophy is based on the following principles:

- Trusteeship
- Transparency & professionalism
- Ethical Corporate citizenship
- Empowerment
- Periodic review and Control
- Communication

Ethics/Governance Policies

At Au FINANCIERS, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. To ensure good corporate governance, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Social Environment & Management System
- Vigil Mechanism and Whistle Blower Policy
- Corporate Social Responsibility Policy
- Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- Other Policies

Corporate Governance Practices:

Company maintains the highest standards of Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate Governance practices and governance norms include the following:

The Company's Internal Audit is also conducted by independent auditors.

The Company also undergoes secretarial audit conducted by an independent company secretary who is in whole-time practice. The quarterly Internal Audit reports are placed before the Board and the annual secretarial audit report placed before the Board.

Audits and Internal Checks and Balances:

M/s G. M. Kapadia & Co., Chartered Accountants, one of India's leading audit firms are Internal Auditors of the Company. Internal audit is carried out as per scope of services and it is annually reviewed in line with changes in operations and risk of the Company. The scope of work is broadened to ensure that the Internal Audit scope commensurate with changes in businesses, growth and size of the Company and external factors affecting the business.

Company's Audit plan has several audits covering. i.e. Internal Audit, Statutory Audit, Secretarial Audit, Branch Audit and Concurrent Audit to ensure controls, checks are in place in carrying out business operations of the Company.

Role of the Company Secretary in governance process:

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and to provide support to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

Governance at Board of Directors

The Board of Directors and their Committees are vested with extensive rights and responsibilities to guide the Company's management in the right direction to meet the performance expected by its stakeholders. The Board of Directors along with its Committees provides leadership and guidance to the Company's management for credit, risk, asset and liability management and other business areas.

With an intention to ensure governance at the Board level, company started following Evaluation framework of Directors on the Board by the Independent Directors and vice-versa.

Board of Directors

Your company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013, and in accordance with best practices in Corporate Governance. The Board functions either as a full Board or through various Committees constituted to oversee specific areas. Policy formulation, setting up of goals, evaluation of performance and control functions vest with the Board. The Committees have oversight of operational issues assigned to them by the Board. We firmly believe that Board's independence is essential to bring objectivity and transparency in the Management and in the dealings of the company.

Composition of Board

As at 31st March, 2015, the Board consists of eight (8) Directors with optimum mix of Executive, Non-Executive and Independent Directors. The Chairman of the Board is an Independent Non-Executive Director.

During the year ended March 31st 2015, Mr. Vishal Kumar Gupta, Investor Nominee Director, resigned with effect from 22nd December, 2014. Mr. Nishant Sharma was appointed as Non- Executive Nominee Director on behalf of Ourea Holdings Limited and Kedaara Capital with effect from 22nd December, 2014

Further in compliance to the provisions of the Companies Act, 2013, Ms. Jyoti Narang was appointed as Woman Independent Director on the Board, w.e.f. 30th March, 2015.

Company is having its Debentures listed in WDM (Wholesale Debt Segment) of NSE and BSE and we ensured to comply with the requirement of having the Woman – Independent Director in compliance of provisions of Sections 149 and 152 of the Companies Act, 2013, read with its applicable rules and Schedule IV to the Act, and other applicable provisions, if any, the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modifications or re-enactment(s) thereof for the time being in force), and in pursuance of MCA General Circular No.14/2014 dated 09th June, 2014.

Board composition and category of Directors:

Company consistently focussed on improving on corporate governance practices had optimum combination of Executive and Non-Executive Directors during the year. The composition of the Board and category of Directors are as follows:

Category of Director	Name and Designation of Director		
Executive Directors	Mr. Sanjay Agarwal - Managing Director		
	Mr. Uttam Tibrewal - Whole Time Director		
Independent Directors	Mr. Mannil Venugopalan (Non- Executive Director)		
	Mr. Krishan Kant Rathi (Non- Executive Director)		
	Ms. Jyoti Narang (appointed w.e.f. 30th March, 2015) (Woman – Non- Executive Director)		
Investor Nominee Directors	Mr. Vishal Kumar Gupta (ceased w.e.f. 22nd December, 2014) (Non- Executive Director)		
	Mr. Vishal Mahadevia (Non- Executive Director)		
	Mr. Ravindra Bahl (Non- Executive Director)		
	Mr. Nishant Sharma (appointed w.e.f. 22nd December, 2014) (Non- Executive Director)		

All the Directors make the necessary annual disclosures regarding their directorships and committee positions and intimate the changes to the Company as and when they take place and the same is being put upto to Board.

Board Meeting

The Board meets at least once in a quarter to consider among other businesses, quarterly performance of the Company and financial results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board including circulation of agenda and notes thereof as well as presentations on financials and other critical areas of operations of the company. The Board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director, Whole Time Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.

The Board met Six (6) times during the financial year 2014-2015 on 29th April 2014, 23rd May 2014, 7th August 2014, 31st October 2014, 28th January 2015 and 16th February 2015. The names and categories of the Directors, their attendance at Board meetings as also directorships held by them in other public companies as on 31st March 2015 are given below:-

Name of Director	Category of Director	Board Meetings held During the tenure of Director in the Year	Board Meetings Attended	Attendance at AGM	Number of Other Directorship held (in other public companies) as on 31st March, 2015
Mr. Sanjay Agarwal	Managing Director (Executive Director)	6	6	Yes	02
Mr. Uttam Tibrewal	Whole Time Director (Executive Director)	6	4	Yes	02
Mr. Vishal Kumar Gupta (ceased w.e.f. 22nd December, 2014)	Investor Nominee Director (Non- Executive Director)	4	4	No	NA
Mr. Mannil Venugopalan	Director (Independent Non- Executive Director)	6	4	No	10
Mr. Krishan Kant Rathi	Director (Independent Non- Executive Director)	6	5	Yes	06
Ms. Jyoti Narang (appointed w.e.f. 30th March, 2015)	Director (Independent Non- Executive Director)	0	0	No	01
Mr. Vishal Mahadevia	Investor Nominee Director (Non- Executive Director)	6	6	No	04
Mr. Ravindra Bahl	Investor Nominee Director (Non- Executive Director)	6	4	No	NIL
Mr. Nishant Sharma (appointed w.e.f. 22nd December,2014)	Investor Nominee Director (Non- Executive Director)	2	2	No	NIL

Committees of Board & Management

The Company and its Board has constituted a set of independent, qualified and focused committees of the Board constituting Directors of the Company and expert senior management personnel to support the board in discharging its responsibilities. These Board Committees have specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters. The Committees operate as empowered agents of the Board as per their charter/terms of reference.

The matters pertaining to financial results and auditors report are taken care of by the Audit Committee and those pertaining to remuneration of Key Executives and Directors are within the realms of, Corporate Governance, Nominations and remuneration Committee. Besides the Board also has an Asset Liability Management (ALCO) Committee dealing with liquidity position, Asset Liability mismatch and investments of the company, The Corporate Social Responsibility (CSR) Committee, focuses on compliance of CSR policy and framework by the Company and monitors the expenditure to be incurred by the Company.

The company also has a separate Committee to look after Credit & Risk Management functions.



The aforesaid Committees have been constituted under the mandatory legal requirements and considering significance of business operation requiring detailed monitoring by the Committee of Board.

Audit Committee

As on 31st March, 2015, the Audit Committee comprises of five members, viz. Mr. Krishan Kant Rathi, Mr. Mannil Venugopalan (Independent Non-Executive Directors), Mr. Vishal Mahadevia (Non- Executive Director), Mr. Nishant Sharma (Non- Executive Director) and Ms. Jyoti Narang (Woman Independent Non-Executive Director). Mr. Krishan Kant Rathi being Independent Director on Board of the Company is appointed as the Chairman (Elected) of the Audit Committee.

Terms of reference of the committee are as follows:-

- To advise the Board of Directors of the company on the appointment of the external auditors, the audit fee, the provision of any non-audit services by the external auditors and any questions of resignation or dismissal of the external auditors.
- To discuss with the external auditors, before the audit begins, the nature and scope of the audit.
- To discuss with the external auditors problems and reservations arising from the interim and final audits, including a review of the management letter incorporating management responses, and any other matters the external auditors may wish to discuss (in the absence of management where necessary).

- To consider and advise the Board of Directors of the company on the appointment and terms of engagement of the internal audit service (and the head of internal audit, if applicable), the audit fee, the provision of any non-audit services by the internal auditors and any questions of resignation or dismissal of the internal auditors.
- To review the internal auditors' audit risk assessment and strategy; to consider major findings of internal audit reviews and management's response; and to promote co-ordination between the internal and external auditors. The Committee will ensure that the resources made available for internal audit are sufficient to meet the institution's needs (or make a recommendation to the Board of Directors of the company as appropriate).
- To keep under review the effectiveness of the risk management, control and governance arrangements, and in particular to review the external auditors' management letter, the internal auditors' Quarterly, Semi-annual and annual report, and management responses.
- To monitor the implementation of agreed audit-based recommendations, from whatever source.
- To oversee the institution's policy on fraud and irregularity, if any, formulated form time to time, including being notified of any significant action taken under that policy.
- To receive reports from internal audit, external audit and any other sources in connection with the management and quality assurance of data submitted to investors, funding bodies and other external parties.

- To monitor annually the performance and effectiveness of external and internal auditors, including any matters affecting their objectivity, and to make recommendations to the Board of Directors of the company concerning their reappointment, where appropriate.
- The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditors' report thereon.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.

To consider elements of the annual financial statements in the presence of the external auditors, including the auditors' formal opinion, the statement of members' responsibilities and the statement of internal control, in accordance with Company's Accounts.

The Audit Committee met four times during the year under review on 23rd May, 2014, 7th August, 2014, 31st October, 2014 and 28th January, 2015.

The composition and attendance record of the members of the Audit committee meetings are as follows:-

Name of Member	Category	Audit Committee Meetings held during the tenure of member	Audit Committee Meetings Attended
Mr. Krishan Kant Rathi	Chairman (Elected)	4	4
Mr. Mannil Venugopalan	Member	4	3
Mr. Vishal Kumar Gupta (ceased w.e.f. 22nd December, 2014)	Member	3	3
Mr. Sanjay Agarwal (ceased w.e.f. 31st October, 2014)	Member	3	3
Mr. Vishal Mahadevia	Member	4	4
Mr. Nishant Sharma (Appointed w.e.f. 28th January, 2015)	Member	1	1
Ms. Jyoti Narang (Appointed w.e.f. 31st March, 2015)	Member	NIL	NIL

Asset Liability Management Committee (ALCO)

The Company has an ALCO Committee of the senior management executives of the Company. Mr. Sanjay Agarwal - Managing Director, Mr. Deepak Jain - Chief Financial Officer, Mr. Vimal Jain - DVP - Risk and Mr. Hemant Sethia-Sr. Manager (Finance and Treasury) are the members of the ALCO Committee. Mr.

Kapish Jain – Chief Treasury Officer, ceased to be a member of the Committee with effect from 28th January, 2015. Mr. Sanjay Agarwal is Chairman (Elected) of this Committee. The Committee is responsible for keeping a watch on the asset liability gaps, if any. The Committee also evaluates the credit, liquidity, business and other risks and strategies actions to mitigate the risk associated and report its findings to the Board.

- The scope of functions of ALCO Committee are as follows:
- Liquidity risk management
- Management of market risks
- Funding and capital planning
- Forecasting and analysing 'What if scenario' and preparation of contingency plans
- To keep under review the effectiveness of the Asset Liability Management, control and governance arrangements, and in particular to review the management responses.
- To ensure that all significant mismatches have been properly investigated and that the appropriate Officer, have been informed.
- The ALCO shall annually review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company.
- The ALCO shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The ALCO Committee met four times during the year on 22ndMay 2014, 7thAugust, 2014, 31st Oct, 2014 and 24th January 2015.

The composition and attendance record of the members of the committee meetings are as follows:-

Name of Member	Category	ALCO Committee Meetings Held During the tenure of member	ALCO Committee Meetings Attended
Mr. Sanjay Agarwal	Chairman (Elected)	4	4
Mr. Deepak Jain	Member	4	4
Mr. Vimal Jain	Member	4	4
Mr. Kapish Jain (ceased to be member w.e.f.28th January, 2015)	Member	4	2

Corporate Governance, Nominations & Remuneration Committee

The Corporate Governance, Nominations and Remuneration Committee comprise of 6 members namely Mr. Sanjay Agarwal -Managing Director, Mr. Krishan Kant Rathi - Independent Director, Mr. Mannil Venugopalan – Independent Director, Ms Jyoti Narang – Independent Director and Mr. Ravindra Bahl - Non-Executive Director and Mr. Vishal Mahadevia -Non Executive Director of the Company.

Mr. Vishal Kumar Gupta, ceased to be member of the Committee during the year. Mr. Krishan Kant Rathi is Chairman (Elected) of the Committee.

The Committee frame policy on Corporate Governance and review the performance on it. The Committee identifies, screen and review candidates for executive director, non-executive director and independent director positions, consistent with qualifications and criteria approved by the Board. The Committee determines and decided the broad policy and framework for remuneration of top managerial personnel within the terms of the agreed policy.

Terms of reference of the Committee are as follows:-

- To set up the scope and provide the guidelines/policy on Corporate Governance to the Board of Directors.
- To provide the suggestions on Governance to the Board of Directors.
- To review the performance on good Corporate Governance in the reference to the guidelines of leading companies based on structure, duties and responsibilities and consider and suggest subject to change related to rules and regulations of the Board of Directors and sub-committees to amend continuously.
- Within the terms of the agreed policy, recommend the total individual remuneration package of each executive director including, where appropriate, bonuses, incentive payments and share options.

During the year under review, the Corporate Governance, Nominations and Remuneration Committee met four times on 23rdMay 2014, 7thAugust, 2014, 31st October, 2014 and 28th January 2015.

Name of Member	Category	Meetings held during the tenure of member	Meetings Attended
Mr. Krishan Kant Rathi	Chairman (Elected)	4	4
Mr. Sanjay Agarwal	Member	4	4
Mr. Vishal Mahadevia	Member	4	4
Mr. Ravindra Bahl	Member	4	4
Mr. Mannil Venugopalan (appointed w.e.f. 31st March, 2015)	Member	NIL	NIL
Ms. Jyoti Narang (Appointed as member w.e.f. 31st March, 2015)	Member	NIL	NIL

Note: Mr. Vishal Kumar Gupta, Member of Committee ceased to be member with the effect of 31st Oct., 2014 and he attended 3 meetings out of 3 meetings held during the tenure of his directorship.

Corporate Social Responsibility Committee

The Board constituted its CSR Committee in line with the requirements of the Section 135 of the Companies Act, 2013, read with its applicable rules. The Committee was constituted to approve and recommend to Board about the areas on which the company can spend, towards CSR activities as required under the said Act.

The Committee has approved company's CSR Policy, covering various procedural and other aspects of CSR Activities, to be undertaken by the company. During the year under review, the committee met three times on 7th August, 2014, 31st October, 2014 and 28th January, 2015.

The terms of reference of the Committee are as follows:-

- Recommend the amount of expenditure to be incurred on such activities.
- Monitor the CSR Policy of the company from time to time.
- Based on the recommendations of the CSR Committee, the Board to approve the CSR Policy for the company and ensure that the activities as included in CSR Policy are undertaken by the company.

Composition

As on 31st March, 2015 the CSR Committee comprises of three members, viz. Mr. Krishan Kant Rathi (Independent Non-Executive Director), Mr. Sanjay Agarwal (Managing Director) and Mr. Vishal Mahadevia (Non-Executive Director).

The composition and attendance record of the members of the committee meetings are as follows:

Name of Member	Category	Meetings Held during the tenure of the member	Meetings Attended
Mr. Krishan Kant Rathi	Chairman (Elected)	3	3
Mr. Sanjay Agarwal	Member	3	3
Mr. Vishal Mahadevia	Member	3	3

Credit and Risk Management Committee

The committee was formed to supervise, guide, review and Identify current and emerging risks; developing risk assessment and measurement systems, establishing policies, practices and other control mechanisms to manage risks, developing risk tolerance limits for Senior Management and board approval, monitoring positions against approved risk tolerance limits, reporting results of risk monitoring to senior management and to the Board. Credit and Risk Management Committee comprises of six members, viz. Mr. Sanjay Agarwal (Managing Director), Mr. Uttam Tibrewal (Whole Time Director), Mr. Rishi Dhariwal (Chief Risk Officer), Mr. Deepak Jain – Chief Financial Officer, Mr. Vimal Jain – Dy. Vice President-Risk Management,

Mr. Vijendra Shekhawat –Chief Accounts and Operations Officer.

The terms of reference of the Committee are as follows:-

- The Credit and Risk Management Committee shall annually review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company.
- The Credit and Risk Management Committee shall ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- The Credit and Risk Management Committee shall evaluate significant risk exposures of the Company and assess Management's actions to mitigate the exposures in a timely manner. This includes one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning and testing.
- The Credit and Risk Management Committee will coordinate its activities with the audit committee in instances where there is any overlap with audit activities. For example, internal or external audit issue relating to risk management policy or practice.
- Credit & Risk Management policy should also address exposure to credit risk, interest rate risk, liquidity risk, price risk, transaction risk, compliance risk, strategic risk, reputation risk and asset management risk that conforms to regulatory requirements and risk management best practices;
- Review and discuss risk tolerance levels and metrics taking into consideration the strength of the Company's capital, adequacy of retained earnings, and overall quality of risk management, measurement and reporting systems;
- Oversee the Company's risk framework and controls, and monitor the activities of the enterprise risk categories;
- Review the Loan portfolio stress tests and Risk Assessments;
- Inform the Board of the status of risk exposures and risk management processes in the Company;

- Review reports that monitor compliance with the risk parameters established by regulation or Company policy.
 Measure the adequacy of risk monitoring, testing and governance;
- Review on an annual basis a risk assessment that identifies and evaluates all material risks;
- Provide oversight to ensure that the risk management monitoring and reporting functions in the Company are independent of business line or risk-taking processes;
- Discuss and evaluate the Company's risk exposures in light of current market conditions, established risk limits, operating performance, regulatory climate, and other relevant factors;
- Monitor and coordinate the compliance with the provisions of all agreements with the regulatory bodies/third parties.

The Committee met four times during the year under review on 22nd May, 2014, 18th July, 2014, 27th October, 2014 and 24th January, 2015.

The composition and attendance record of the members of the committee meetings are as follows:-

Name of Member	Category	Meetings Held during the tenure of the member	Meetings Attended
Mr. Sanjay Agarwal	Member	4	1
Mr. Uttam Tibrewal	Member	4	1
Mr. Rishi Dhariwal	Member	4	3
Mr. Deepak Jain	Member	4	4
Mr. Vijendra Shekhawat	Member	4	4
Mr. Vimal Jain	Member	4	4

Financial Year - April 1 to March 31

General Shareholder Information:

Date: July, 13, 2015 Day: Monday

Venue: Regd. Office: 19-A, Dhuleshwar Garden, Ajmer Road,

Jaipur - 302001

Annual General Meeting

(Day, Date, Time and Venue) Monday, July 13, 2015 at 3.00 pm Venue: Regd. Office - 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur 302001

Compliance Officer

Mr. Manmohan Parnami, Company Secretary for complying with requirements of Listing Agreements with Stock Exchanges.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. There were no Complaints received during the financial year 2014-15

Executive Committee

The Executive Committee functions according to the Borrowing framework defining the role and the powers of the committee, including borrowing limits depending on the cost of funds and quantum of liabilities to be raised by the Company. The Committee is constituted to take best advantage of borrowing options made available to the company from time to time and enable quick decision making at the operating level. Mr. Sanjay Agarwal – Managing Director, Mr. Deepak Jain – Chief Financial Officer and Mr. Yogesh Jain – Sr. Manager (Finance & Treasury), Mr. Hemant Sethia are members of Committee and Mr. Hemant Sethia was appointed as member of the Committee w.e.f. 28th January, 2015 and Mr. Kapish Jain – Chief Treasury Officer of the Company ceased to be a member of the Committee during the year.

- To keep under review the reasonableness of use of powers conferred to it, and to review the management responses.
- To oversee the institution's policy for raising of funds.

- To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.
- To decide on operational issues.

The Executive Committee met twenty eight times during the year under review on 23rd April 2014, 2nd May 2014, 29th May 2014, 7th June 2014, 13th June 2014, 25th June 2014, 26th June 2014, 18th July 2014, 8th August 2014, 19th August 2014, 28th August 2014, 2nd September 2014, 18th September 2014, 19th September 2014, 22nd September 2014, 13th October 2014, 7th November 2014, 21st November 2014, 25th November 2014, 23rd December 2014, 7th January 2015, 21st January 2015, 30th January 2015, 17th February 2015, 7th March 2015, 18th March 2015, 25th March 2015 and 31st March 2015. The composition and attendance record of the members of the Executive committee meetings are as follows:-

The composition and attendance record of the members of the committee meetings are as follows:

Name of Member	Category	Meetings Held during the tenure of the member	Meetings Attended
Mr. Sanjay Agarwal	Chairman (Elected)	28	28
Mr. Deepak Jain	Member	28	28
Mr. Yogesh Jain	Member	28	28
Mr. Kapish Jain (Appointed as member w.e.f. 18th July, 2014 and ceased to be a member w.e.f. 28th January, 2015)	Member	14	7
Mr. Hemant Sethia (Appointed as member w.e.f. 28th January, 2015)	Member	6	6

Debenture Trustees:

IDBI Trusteeship Services Ltd. Regd. Office: Asian Building, Ground Floor, 17. R Kamani Marg, Ballard Estate, Mumbai 400001

Registrar and Share Transfer Agent:

The Equity Shares of our Company have been admitted with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Company has appointed M/s LINK INTIME INDIA PRIVATE LIMITED as the connectivity agent to provide electronic connectivity interface with NSDL/CDSL for securities of the company. With this, shares of the company are available for Dematerialization.

Shareholder having a Demat A/c opened with a Depository Participant can dematerialize the shares by forwarding the physical share certificates along-with the Demat Request Form (DRF) through Depository Participant. If any of shareholders has not opened a Demat account as yet, please do so with any Depository Participant connected to NSDL (National Securities Depository Services Limited) or Central Depository Services (India) Limited (CDSL) and thereafter, submit the physical share certificates along with the DRF through your Depository Participant.

As on 31st March, 2015, 95.46% of the company's shares are held in dematerialized form.

The ISIN that have been activated in NSDL/CDSL are appended hereunder:

ISIN for Equity Share: INE949L01017

Following is the Position of Dematerialization of Share capital of the Company:

Dematerialisation of Shares

Mode of Holding	Percentage
NSDL	95.45
CDSL	0.01
Physical	4.54
TOTAL	100.00

Details of Registrar and Transfer Agent:

LINK INTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai - 400 078

Listing

At present, Equity Shares of the Company are not listed on any Stock Exchange(s). However, the Non-Convertible Debentures (Secured/Unsecured) issued by the Company from time to time are listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) ('Stock Exchanges') in terms of the issue conditions as applicable and the Company has paid the requisite listing fees to the said Exchanges.

General Body Meetings

Details relating to last three Annual General Meetings of the Company are as follows:-

For the financial year	Date & Time	Venue	Special Resolutions Passed
2011-12	26th September, 2012 11:30 A.M.	Registered Office: 19–A, Dhuleshwar Garden, Ajmer Road, Jaipur	NIL
2012-13	26th August, 2013 12:00 P.M.	Registered Office: 19 – A, Dhuleshwar Garden, Ajmer Road, Jaipur	Payment of commission to the Non-Executive Directors of the Company for a period of Five Years;
2013-14	6th August, 2014 11.30 A.M.	Registered Office: 19 – A, Dhuleshwar Garden, Ajmer Road, Jaipur	 To borrow money in excess of paid up capital and free reserves of the company u/s Section 180(1)(c) and to sell, lease or otherwise dispose of the assets of the Company for such borrowings u/s Section 180(1)(a) of the Companies Act, 2013; To take on lease property situated at 301/302, Atharwa Plaza, 3rd Floor, Opp. Shankar Maharaj Nath Mandir, Pune, Satara Road, Dhanakwadi, Pune-411043, belonging to Mr. Sanjay Agarwal, Managing Director of the Company; To approve continuation of appointment of Mr. Subhash Tibrewal, Vice President (Branding and Infrastructure) and brother of Mr. Uttam Tibrewal, Whole Time Director of the Company.

Financial Statements of Subsidiary Companies

As per section 129(3) of the Companies Act, 2013, the company has included in its Director's Report, a separate statement containing the salient features of the financial statement of the subsidiaries and associate companies.

Address for Correspondence

The Company Secretary,

Au FINANCIERS (INDIA) LIMITED

Registered Office: 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur – 302 001

Tel: +91-141-4110060 | Fax: +91-141-4110090

Email: manmohan.parnami@aufin.in

For and on behalf of the Board of Directors

Date: 27th May, 2015 Place: Jaipur Sanjay Agarwal Managing Director

Uttam Tibrewal
Whole-time Director

Management discussion and analysis

Economic scenario

During the fiscal gone by India reported a decline in inflation, an increase in domestic demand, growing investments, a stabilising rupee and a declining oil bill. This was in contrast to the earlier years which were marked by rampant inflation, high fiscal deficit, dwindling domestic demand, external account imbalance and an oscillating rupee.

The decline in inflation during the initial months of the year was faster than anticipated. Weakening crude prices and tradeable commodities helped moderate headline inflation. A tight monetary policy helped contain demand pressures, create a buffer against external shocks and moderate rupee volatility vis-à-vis other currencies.

The latest estimates of national income indicate that growth revival, which had commenced in 2013-14, gained vigour in 2014-15. From a macroeconomic perspective, it is then increasingly evident that the worst is over.

India's GDP grew by 7.3% during the year ended on 31st March, 2015, having surpassed the \$2.1-trillion mark on the back of a better performance from the manufacturing sector and rising public expenditure. The prevailing economic scenario could catapult India towards double-digit growth across the medium-term (Source: Economic Survey 2015).

Infrastructural push

Infrastructure plays a crucial role in promoting economic growth and thereby contributes to the reduction of economic disparity, poverty and deprivation. Greater access to educational and health services, water and sanitation, road network and electricity is needed to ensure equitable development and social empowerment. According to the United Nations 'Human Development Report', there is a precise link between infrastructure and development with incremental infrastructural investment catalysing economic development. The newly-instated Central Government has set itself the ambitious target

of completing around 1 lac kilometres of road construction. Other initiatives, such as focus on "Make In India" will provide requisite impetus to manufacturing initiatives in India and thus would result into growth of transportation sector, enhance demand for new and used vehicles and create new jobs.

Governmental initiatives towards establishing MUDRA (Micro Units Development Refinance Agency) Bank, with a corpus of ₹20,000 crore and a credit guarantee corpus of ₹3,000 crore will be a shot in the arm for the MSME sector and channelising credit via NBFCs would ease and speed of access of credit to the credit starved MSME sector.

An allocation of ₹22,407 crore towards the construction of six crore housing units in rural and urban India Housing for All by 2022 will increase the demand for housing finance and help close down the huge demand-supply gap in housing sector.

With the growth envisaged on paper in the transport, housing, MSME, industrial and service sectors actually transpiring, NBFCs can expect a reversal fortunes in terms of financing – right from microcredit to medium-scale enterprisal loans.

Economic overview

The Indian economy started FY 2014-15 on a positive note with significant improvement in market and business sentiment, following the General Elections in May 2014. Thereafter, a supportive global commodity environment along with a gradual improvement in governance resulted in a moderate increase in economic output. As per the revamped parameters for assessment (with FY 2011- 12 as the base year), GDP growth for FY 2014-15 was pegged at 7.3%, up from 6.9% in FY 2013-14. Barring agriculture, mining, and trade, transport and communication services, all other sectors are expected to show further improvement in coming time.

India's external sectoral vulnerability, which came to the forefront in the first half of FY 2013-14 was compounded further after the significant compression in the second half of

FY 2013-14. The improvement in the current account deficit started materialising to materialise on the back of a slide in global commodity prices since June 2014.

On the forex front, India is at a comfortable position with forex reserves standing at US\$ 341.6 billion as of 31st March 2015 improving from US\$ 304.2 billion as of 31st March 2014. CPI inflation (new series - combined) declined to 5.2% in March 2015 and the WPI inflation for all commodities averaged 2%, as compared to 6.0% in 2013-14 indicating that economy is well and moving in the right direction.

On the monetary policy front, after increasing the repo rate by 25 basis points to 8.00% in January 2014, the RBI maintained status quo till December 2014. With CPI inflation trajectory turning out to be lower than RBI's estimates, the repo rate was lowered by 25 basis points to 7.75% in January 2015. This was followed by another 25 basis points cut to 7.50% in March 2015. Gradually, Indian banks started reducing their base rates which will lead to a further easing of cost of borrowings for NBFCs during FY16.

The reforms pertaining to monetary and macroeconomic policies over the last few years have heavily influenced the Indian economy. One crucial step towards the opening up of the markets was the nullification of the regulations restricting the growth of the financial sector. To maintain such a growth over the long-term the inflation needs to reduce further.

Industry overview

The financial sector in India clocked an overall growth of 15%. This suggested that the sector had stabilised over the last few years although several other markets across Asia stayed in a state of turmoil. The RBI played a decisive role in the growth of the financial sector of India. The opening up of the financial markets, introduction of a variety of products and services provided the much-needed stimulus to the sector.

Due to subdued economic growth, the last two years, have been challenging for the NBFCs with moderate asset growth, rising delinquencies resulting in higher provisioning which in turn adversely impacted profitability. However, comfortable capitalisation levels and conservative liquidity management, continues to provide comfort to the credit profile of NBFCs despite the aforementioned impact on profitability during FY14-15. The NBFC sector has been gaining systemic importance in the recent years and the share of NBFCs has steadily grown from 10.7% of banking assets in 2009 to 14.3% of banking assets in 2014. NBFCs typically have several advantages due to their focus on a niche segment, proven expertise in specific

asset classes and an ability to penetrate deeper in the unbanked markets.

The mounting asset size of the NBFC sector has increased the need for risk management due to the growing interconnectedness of NBFCs with other financial intermediaries. The RBI has in the recent past tried to strengthen the risk management framework in the sector, simplify regulations and plug regulatory gaps so as to prevent arbitrage between banks and NBFCs. The RBI also released the Revised Regulatory Framework for NBFCs on November 10, 2014 which broadly focused on strengthening the structural profile of the NBFC sector, with a keen emphasis on regulating those NBFCs which have increased their asset-size substantially over time and gained systemic importance.

Way forward

The cyclical stress on asset quality and profitability of NBFCs is covered by strong capital adequacy, secured lending and lower ALM risk. RBI regulations are in line with its desire to strengthen the financial system and reduce regulatory arbitrage between banks and NBFCs. The recent RBI guidelines (gradual transition towards 90-day NPA recognition, minimum 10% Tier-I capital. 0.40% standard assets reserve and greater transparency through better disclosures) have reduced regulatory uncertainty for NBFCs. These guidelines are a step towards the convergence of regulations between banks and large NBFCs. Accordingly, the new regulatory framework will lead to the strengthening of the balance sheets of NBFCs, and an increase in loss-absorbing Tier-I capital requirement for systemically important NBFCs and restricting leverage for smaller NBFCs in line with higher Tier-I requirement for banks operating under the aegis of the Basel-III quidelines.

The increase in disclosure requirements and corporate governance norms will improve transparency, increase the accountability of managements and improve overall investor awareness. The regulations will make the NBFC sector structurally stronger and improve their ability to withstand asset quality shocks in the long run.

As per the latest Union Budget NBFCs having an asset size of ₹500 crore and above have been brought under the ambit of SARFAESI Act, 2002. This is a welcome step as NBFCs over the years with the advent of technology and deeper niche penetration have grown in size. Bringing well-regulated and bigger NBFCs under ambit of the SARFAESI Act would enable the financial sector to grow in a progressive, secured and sustainable manner. It will not only propel growth in the finance sector but also help in removing the systemic risk by creating

a level playing field for NBFCs and other financial institutions. It will also provide faster and increased access to credit in rural markets.

Product innovation and superior delivery

NBFCs continue to focus on customised product offerings and gain an edge over mainstream banks. A classic example of product innovation has been the building an organised market in used vehicle financing, a segment largely avoided by banks. Similarly, NBFCs have built a scaleable business model around gold financing, despite bank's enjoying a longstanding monopoly in this segment. An example of customised service would be the structuring of monthly instalments while keeping in mind the seasonality of cash flows in certain specific cases like construction equipment loans.

The Indian economy reported a recovery and is poised to grow by 8% in 2016, according to OECD forecasts. The advent of technology, sharing of credit information, credit application scorecards, limitation of regulatory arbitrage have unleashed a plethora of opportunities for NBFCs to scale their operation in retail lending and beyond.

A pickup in commercial vehicle sales, an expected improvement in the investment climate and industrial production will enhance credit offtake. According to ICRA estimate, retail NBFC credit growth is expected to improve by 14-17% in FY16 from 11-13% in FY14.

Automobile industry

The Indian automotive industry posted a growth of 7.22% in 2014-15, marking an improved performance over the previous fiscal (growth of 3.53%) on the back of a commendable performance by the two-wheeler sector, an improved market sentiment, excise duty cuts continuing through to December 2014 and the gradual reopening of the mining and infrastructure sectors.

The passenger car sector posted an increase of 3.89% in sales to 26.01 lac units in 2014-15 compared to 25.03 lac units in 2013-14, paving the way for sectoral growth. The light commercial vehicle gradually moved into positive territory, marked by sales being maintained at 6.15 lac units in 2014-15. The sector had witnessed a huge downturn during the last few years. However, with the improvement in economic conditions, growth has picked up and sentiments improved.

A strong demand growth is expected due to rising incomes, a growing middle-class, and a younger population is likely to cement India's position among the world's top-five auto manufacturers with quality improvements. Automobile export volumes also increased by 15% from 31 lac units in 2013-14 to 36 lac units in 2014-15.

India's commercial vehicle segment

After two years of downtrend, the domestic commercial vehicle industry has started showing signs of recovery. Within the commercial vehicle space, the medium and heavy commercial vehicle truck segment posted a growth of 4.2% during the first six months of FY 2015; the HCV segment, which accounts for almost half the total M&HCV sales, reported a strong demand growth on the back of capacity additions by organised fleet operators and increased replacement demand.

While the M&HCV truck segment appeared to have bottomed out, the LCV truck segment experienced demand contraction as significant capacity additions over the past few years and increase in demand.

A better operating environment for commercial transport owners is expected for the following reasons:

- Freight rates are mirroring diesel prices
- Higher load availability from key freight generating sectors
- Stabilising diesel prices

Rationale for optimism

Over the next 20 years, India is expected to figure among the three largest global automotive companies for the following reasons:

- An increase in population and growing need for easy transportation has enhanced the demand for passenger vehicles, projected to grow at a CAGR of 16% between 2015 and 2020.
- Increasing rural incomes has strengthened demand for passenger, utility and commercial vehicles.
- Two-wheeler production grew from 8.5 million units a year to 15.9 million units in seven years with significant rural opportunities.
- The emergence of large automotive clusters (Delhi-Gurgaon-Faridabad in the North, Mumbai-Pune-Nashik-Aurangabad in the West, Chennai-Bengaluru-Hosur in the South and Jamshedpur-Kolkata in the East).
- Ramping up of investments by global car majors, leveraging

India's global competitive advantage.

- Strong governmental support in setting up NATRIP centres to strengthen the country's R&D; Hyundai, Suzuki and GM are keen to commission their R&D bases in India.
- Tractor sales are expected to grow at a CAGR of 8-9% over the next five years.
- The electric car segment is expected to gain traction for short-distance urban commutes (50-100 kilometres per trip).
- With a 15% annual growth envisaged over the next five years in automobile sector, NBFCs and other financial institutions shall register a higher credit growth over the next five years.

(Source: http://makeinindia.com/sector/automobiles)

MSME sector in India

The MSME sector has been playing an important role in the socioeconomic development of the country. The MSME sector contributes around 8% of the GDP and accounts for around 40% of the total exports and around 45% of the manufacturing output. As per the Fourth All India Census of the MSMEs, there were a total of 361.76 lac MSMEs providing employment to 805.24 lac people.

It is easy to comprehend the magnitude of their role towards socioeconomic growth. Besides, the sector is engaged in the manufacture of more than 6,000 products (traditional to hightech).

The MSME sector ensures equitable distribution of national income, facilitates effective resource mobilisation (which might otherwise remain unutilised) and stimulates industrial entrepreneurship. The Indian MSME sector is heterogeneous in terms of the size of enterprises, variety of products and services and technologies leveraged.

The government has taken various measures for strengthening the existing framework of MSMEs, which includes e-governance initiatives, an online portal for filing applications, a public grievance management system, among others. This will go long a way to help new entrepreneurs in establishing MSMEs and ensure the development of small-scale industries and give boost the quality of products manufactured by these.

Budgetary initiatives, 2015-16

- The government announced several initiatives to strengthen the infrastructure sector, whose benefits are likely to trickle down to MSMEs. Most infrastructure projects in power, road and railways segments are sub-contracted to MSMEs which have emerged as major labour employers (skilled and unskilled).
- Credit flow and the availability of timely and cost-effective funding options are critical to the growth of MSMEs. A large majority (62%) of small business owners belong to SC/ST and OBC backgrounds. The decision to set up a MUDRA Bank, a refinance agency to be launched with a corpus of ₹20,000 crore, and a credit guarantee fund of ₹3,000 crore with directed lending to MSMEs, will address the working capital and funding shortfalls faced by these businesses.
- A quarter of the overall MSME turnover is stuck in receivables, affecting their ability to fund operations. A cohesive trade receivables platform to finance receivables from corporates and other buyers through financial institutions is being discussed. This could strengthen the liquidity of MSMEs, reducing working capital outlay.
- The Make in India initiative was strengthened through a reduction in customs duty on certain inputs to address duty inversion and raw material cost-efficiency.

Challenges

- Skill development: A key issue that makes India's manufacturing sector uncompetitive is the non-availability of skilled labour. The allocation of ₹1,500 crore for National Skill Mission is a step in the right direction.
- Ease of business: The latest Union Budget has proposed the setting up of an expert committee for examining the possibility of developing a pre-existing regulatory mechanism to replace multiple prior permissions format.
- The micro enterprise segment accounts for the largest share (80%) of the viable and addressable debt gap to the sector, with a gap-to-demand ratio of 51%. Analyses suggest that the gap in the segment is due to both unserved and under-served enterprises approximately 1 million addressable micro enterprises remain unserved. For the micro enterprises that are served, the formal finance provided meets only 40-50% of their requirements.

Customers in the MSME are mass and unbanked segments who do not avail formal banking products and services. Only 6% of customers in the mass segment use formal bank credit despite 60% of them having a bank account. Customers of the MSME sector resort to lending to moneylenders due to reasons mentioned below:

- Lack of identification documents
- Language barrier
- Lack of trust
- Financial illiteracy
- Easy access to local moneylenders
- Prior rejection
- Stigma related to small savings

Way forward

The credit gap is pegged at 56% in the MSME finance sector (demand is estimated at ₹2,803,628 crore while the supply stands at ₹1,038,948 crore) as per a study conducted by the US-based Entrepreneurial Finance Lab.

The government plans to undertake the following initiatives to ensure steady growth of the sector:

- Formulation of progressive policies which ensure a congenial atmosphere for its growth particularly amending the MSME Development Act.
- Streamlining the regulatory procedure for establishing a uniform online window system.
- Organising skill development programmes in line with the employment generation programmes.
- Guaranteeing better access to finance

The above roadmap outlines an indication that the MSME sector has been restored to the growth track with the recessionary clouds that had been hovering faded away. The Central Government has taken series of steps, for the development and growth of the MSMEs, contributing a major portion towards growth of the small-scale products manufactured in India and providing employment to millions of people in the country. Since the access to have finance has been made simpler, the same will help the Company in exploring better financing options and also help increase its income.

The creation of a vibrant entrepreneurial ecosystem could help increase the contribution of the MSME sector to India's GDP

from the current 8% to 15 % by 2020, and increase the sector's share of employment from the current 28% to over 50% of total employment across the agricultural, manufacturing and services sectors, according to study.

Au FINANCIERS' has increased its MSME loan book by 53% and disbursements by 44% over the previous year. This has been a result of a consistent execution of set guidelines at the grassroots. Au FINANCIERS' is poised to capitalise on the emerging opportunities by providing financial access to the credit-starved MSME sector.

SSF (SME and Structured Finance)

SMEs in India have seen exponential growth over the last decade. According to the latest reports by the SMB Chamber of Commerce and the Ministry of Micro, Small and Medium Enterprises, India currently has more than 48 million SMEs. These SMEs contribute more than 45% of India's industrial output, 40% of the country's total exports and create 1.3 million jobs every year.

Au FINANCIERS categorised and focused on meeting financial requirements of customers requiring more than ₹25 lac. The success of this segment stems from the procedural stringency simplified by Au − from the assessment of the customers to the disbursement of the loan − leading to reduced turnaround times, greater customer satisfaction and in turn incremental revenues from repeat clients.

Challenges

Indian SME enterprises have shown an inherent potential for growth and with the GDP likely to clock double digit growth prospects look right. However, a lack of knowledge, difficulty in accessing modern technology, lack of skilled manpower and infrastructure facilities, absence of exclusive marketing platforms and distribution networks and access to credit have hampered its growth over the years.

Prospects

- Only a fourth of the demand emanating from the MSME sector is presently addressed by the organised sector. This indicates that there are a host of business opportunities for NBFCs to tap and Au is geared to make the most of this in the geographies of its presence.
- An expected increase in the number of small and medium enterprises will open up opportunities for NBFCs and Au stands in good stead to cash in on this incipient opportunity.

Way ahead

The emergence of digital trade and E-commerce have revolutionised the way people used to transact. It has also opened a number of opportunities for NBFCs like Au FINANCIERS where the use of sophisticated technology, emergence of credit bureaus and sharing of information's among lenders have made it easier to make credit decisions swifter. Au FINANCIERS have deployed specialised credit and legal teams and has consequently registered a growth of 85% in disbursements over the previous year.

Diversified Asset Mix

NBFCs that are engaged in financing diversified asset classes, like vehicle financing, loans against property, SME financing, among others are relatively insulated against economic shocks as compared to the ones that are engaged in financing an isolated asset category.

Regulatory changes

The RBI's reformulation of guidelines for NBFCs is a step towards converging of regulations for banks and large NBFCs. This will increase transparency through stringent disclosure mechanisms.

Additionally, India's apex bank has tightened rules, minimised capital requirements and restricted deposits. However, the revised RBI regulations for NBFCs were formulated to strengthen the financial system, align norms with banks, reduce the risk

they posed to the financial system and improve the capacity of NBFCs to endure asset quality downsides.

Going forward, the sectoral outlook appears relatively better on account of economic growth and projected increase in credit demand. A pick-up in industrial growth and corporate capex investments is expected to benefit most commercial assets financed by NBFCs and expected to ease the pressure on the cash flows of their borrowers through enhanced asset utilisation.

Au FINANCIERS has always believed on acting differently, irrespective of the prevailing economic conditions. Its strategy to tap the market from the ground up coupled with the ability to finance diversified asset classes, has placed it on the driver's seat. Thus, Au FINANCIERS is well-geared for the next phase of its journey towards growth. With a vision to become the preferred financier in the country, Au FINANCIERS aims to penetrate deeper and address India's unserved and underserved segments better.

Au FINANCIERS having diversified its assets classes in a timely manner – evolving from a mere vehicle financing company to a MSME financing company – has managed to rake in incremental revenues time and again. Au FINANCIERS will continue leveraging the tried and tested business model, reaching deeper in unbanked, under-banked and providing credit so as to achieve financial inclusion in the truest sense of the words.

Standalone Financial Section

Independent Auditor's Report

The Members of Au FINANCIERS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Au FINANCIERS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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 of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account:
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act:
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 37 to the financial statements:
 - ii. The Company did not have any outstanding long-term contracts including derivative contracts as at March 31, 2015 for which there were any material foreseeable losses: and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R.BATLIBOI & CO. LLP ICAJ Firm Registration No.: 301003E Chartered Accountants

Partner

per Shrawan Jalan Mumbai May 27, 2015 Membership No. 102102

Annexure to Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date Re: Au FINANCIERS (INDIA) LIMITED

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed
 - (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company and hence not commented
- (iii) (a) The Company has granted loan to a company covered in the register maintained under section 189 of the Act. In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
 - (b) There is no overdue amount of loans granted to company listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty,

excise duty, value added tax and cess on account of any dispute, are as follows:

Name of Statue	Nature of dues	Amount (₹)	Period to which it relates	Forum Where Dispute is Pending
Rajasthan Value Added Tax, 2003	Value Added Tax	1,389,000	Financial years 2009-10 to 2012-13	Pending Appeal
Finance Act, 1994	Service Tax	120,962,101	April 2008 – September 2013	Central Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	6,458,040	Financial years 2008-09 to 2011-12	Commissioner of income tax (Appeals)

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xi) Based on the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid assets payable on demand.
- (xii) We have been informed that during the year two instances of misrepresentation by customers were reported whereby loans were obtained on the basis of fictitious documentation aggregating \$1,050,000. As informed, the Company has initiated legal action against the customers. The outstanding balance of ₹1,042,198 has been fully provided.

For S.R.BATLIBOI & CO. LLP ICAI Firm Registration No.: 301003E Chartered Accountants

per Shrawan Jalan Mumbai Partner May 27, 2015 Membership No. 102102

Au FINANCIERS (INDIA) LIMITED | 133 Annual Report 2014-15 132

Balance Sheet as at March 31, 2015

			(₹ in Lacs)
Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	4,408.08	4,296.41
Reserves & surplus	4	76,667.55	59,831.09
		81,075.63	64,127.50
Non-current liabilities			
Long-term borrowings	5	1,57,956.65	1,27,345.89
Other long-term liabilities	6	4,291.12	1,497.63
Long-term provisions	7	3,869.62	2,619.26
		1,66,117.39	1,31,462.78
Current liabilities			
Short-term borrowings	8	97,263.58	46,846.75
Trade payables	9	1,192.56	1,177.56
Other current liabilities	10	56,754.87	56,487.78
Short-term provisions	7	2,337.39	1,190.71
* Proceeding the Control of the Cont		1,57,548.40	1,05,702.80
TOTAL		4,04,741.42	3,01,293.08
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	1,722.59	1,605.17
Intangible assets	12	128.79	80.81
Capital work-in-progress		123.30	
Non-current investments	13	11,265.25	8,736.07
Deferred tax assets (net)	15	1,456.37	908.51
Receivable under financing activity	16	2,24,816.32	1,49,141.26
Long-term loans and advances	17	1,175.35	1,622.45
Other non-current assets	18	543.51	453.15
		2,41,231.48	1,62,547.42
Current assets			10.75
Current investments	14	2,718.70	2,619.74
Trade receivables	19	9.56	18.02
Cash and bank balances	20	20,292.29	20,336.38
Receivable under financing activity	16	1,36,464.78	1,09,670.38
Short-term loans and advances	21	1,309.81	3,307.29
Other current assets	22	2,714.80	2,793.85
A CONTRACT OF STREET		1,63,509.94	1,38,745.66
TOTAL		4,04,741.42	3,01,293.08
Summary of significant accounting policies	2.1	45.41.133.75	142.10

The accompanying notes are an integral part of the financial statements.

As per our Report of even date For S.R. Batliboi & Co. LLP

ICAI Firm's Registration no.: 301003E Chartered Accountants

Shrawan Jalan Partner

Membership no. 102102

Place: Mumbai Date: May 27, 2015 For and on behalf of the Board of Directors Au FINANCIERS (INDIA) LIMITED

Sanjay Agarwal (Managing Director) **Uttam Tibrewal** (Executive Director)

Manmohan Parnami

Deepak Jain (Chief Financial Officer) Place: Jaipur

(Company Secretary) Date: May 27, 2015

Statement of Profit and Loss for the year ended March 31, 2015

(₹ In Lacs)

			TV 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Particulars	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
INCOME			
Revenue from operations	23	72,519.91	61,067.81
Other income	24	1,226.17	798.17
Total income (I)		73,746.08	61,865.98
EXPENSES			
Employee benefit expenses	25	9,451.58	6,967.74
Finance costs	26	28,197.27	28,893.63
Depreciation and amortization expense		651.51	329.58
Other expenses	27	5,433.99	4,183.41
Provisions and write offs	28	9,174.23	7,652.09
Total expenses (II)		52,908.58	48,026.45
Profit before tax [(III)=(I)-(II)]		20,837.50	13,839.53
Tax expenses:			
Current tax	29	7,565.80	4,939.33
Deferred tax	29	(547.86)	(468.92)
Tax relating to earlier periods		(203.90)	129.87
Total tax expenses (IV)		6,814.04	4,600.28
Profit after tax (III)-(IV)		14,023.46	9,239.25
Earnings per equity share	30		
Basic (₹)		32.03	22.15
Diluted (₹)		32.03	22.15
Face value per share (₹)		10.00	10.00
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date For S.R. Batliboi & Co. LLP ICAI Firm's Registration no.: 301003E

Chartered Accountants

Shrawan Jalan Partner Membership no. 102102 Place: Mumbai Date: May 27, 2015

For and on behalf of the Board of Directors Au FINANCIERS (INDIA) LIMITED

Sanjay Agarwal (Managing Director) **Uttam Tibrewal** (Executive Director)

Deepak Jain (Chief Financial Officer) Manmohan Parnami (Company Secretary)

Place: Jaipur Date: May 27, 2015

Cash Flow statement for the year ended March 31, 2015

(₹ In Lacs)

Particulars		As at March 31, 2015		As at March 31, 2014	
1	CASH FLOW FROM OPERATING ACTIVITIES		NEW PROPERTY.		
	Net profit before tax as per statement of profit and loss		20,837.50		13,839.53
	Add/(Less):				
	Depreciation		651.51		329.58
	Loss/(Profit) on sale of Fixed Assets		(0.96)		6.11
	Profit on sale of investments		(25.44)		(365.34)
	Contingent provision against standard assets		253.01		173.66
	Provision for non-performing assets		1,021.81		1,178.03
	Provision on assigned Loans		(97.85)		(259.47)
	Provision for employee benefits		71.86		74.80
	Interest on Income Tax		1061		13.87
	Tax relating to earlier periods		203.90		(129.87)
	Operating profit before working capital changes		22,915.34		14,860.90
	Movement in Working Capital				
	Decrease / (increase) in Trade receivables	8.46		426.97	
	Decrease / (increase) in Receivable under financing activity	(1,02,469.48)		(70,364.74)	
	Decrease / (increase) in Short term loans and advances	1,997.48		(316.17)	
	Decrease / (increase) in Long-term loans and advances	486.38		(397.48)	
	Decrease / (increase) in Other non-current assets	(90.35)		3,855.73	
	Decrease / (increase) in Other current assets	79.05		47.93	
	(Decrease) / increase in Other long-term liabilities	2,793.48		278.74	
	(Decrease) / increase in Other current liabilities	467.13		7,504.66	
	(Decrease) / increase in Trade payables	14.99		292.21	
	Cash Generating from/(used in) Operation		(73,797.52)		(43,811.25)
	Direct taxes paid	(6,655.28)		(4,484.66)	
	Wealth tax paid	(1.58)	(6,656.86)	(1.58)	(4,486.24)
	Net cash flow from/ (used in) operating activities (A)		(80,454.38)		(48,297.49)
2	CASH FLOWS FROM INVESTING ACTIVITIES				
	Purchase of Intangible assets		(90.26)		(27.48)
	Purchase of fixed assets		(874.92)		(327.86)
	Sale of fixed assets		9.73	il il	10.07
	Investments in subsidiaries		(3,000.00)		(2,000.00)
	Decrease / (increase) in – Deposits with original maturity of more than 3 months but less than 12 months		1,287.40		(5,254.33)
	Investments in Associates		(-)		(450.00)
	Purchase of Investment (others)		(38,279.59)		(1,09,992.08)
	Sale of Investment (others)		38,651.43		1,74,959.41
	Profit on sale of investments		25.44		360.99
	Net cash flow from/ (used in) investing activities (B)		(2,270.77)		57,278.72

Cash Flow statement for the year ended March 31, 2015

(₹ In Lacs)

Particulars		As at March 31, 2015	As at March 31, 2014	
3	CASH FLOWS FROM FINANCING ACTIVITIES			
	Net proceeds from borrowings	81,027.58	(39,836.26)	
	Issue of Equity Shares	3,852.48	8,602.46	
	Shares/debenture issue expenses	(911.60)	(267.37)	
	Net cash flow from/ (used in) in financing activities (C)	83,968.46	(31,501.17)	
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,243.32	(22,519.94)	
	Cash and cash Equivalents as at the beginning of the year	2,445.78	24,965.72	
	Cash and cash equivalents at the end of the year	3,689.09	2,445.78	
	Components of cash and cash equivalents			
	Cash on hand	2,188.86	2,291.53	
	Balance with franking machine *	33.03	26.82	
	Balance with banks			
	In current accounts	1,159.20	124.06	
	In deposit account	308.00	3.37	
	Total cash and cash equivalents (Refer note no. 20)	3,689.09	2,445.78	

^{*} The Company can utilize the balance only towards stamping of loan agreements executed with their borrowers.

As per our Report of even date For S.R. Batliboi & Co. LLP ICAI Firm's Registration no.: 301003E

Chartered Accountants

Shrawan Jalan Partner Membership no. 102102

Place: Mumbai Date: May 27, 2015

For and on behalf of the Board of Directors Au FINANCIERS (INDIA) LIMITED

Sanjay Agarwal (Managing Director) **Uttam Tibrewal** (Executive Director)

Deepak Jain (Chief Financial Officer) Manmohan Parnami (Company Secretary)

Place: Jaipur Date: May 27, 2015

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Notes to financial statements for the year ended March 31, 2015

1 CORPORATE INFORMATION

Au FINANCIERS (INDIA) LIMITED (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Company is engaged in lending activities. The Company had obtained its license from Reserve Bank of India to operate as a Non Banking Financial Company (NBFC) on November 7, 2000 vide certificate of registration no. B-10-00139.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the RBI as applicable to a Systemically Important Non-Banking Financial Company ('NBFC-ND-SI'). The financial statements have been prepared on an accrual basis and under the historical cost convention except interest on loans which have been classified as non-performing assets and are accounted for on realisation basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company has ascertained its operating cycle as 12 months for the above purpose.

2.1 Summary of significant accounting policies

(a) Use of estimates:-

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Change of Estimates

In accordance with the requirements to schedule II to the Companies Act, 2013, the Company has reassessed the useful lives of

- (i) An amount of ₹16.21 Lacs has been charged to the opening balance of the retained earnings in respect of the assets whose remaining useful life is Nil as at April 01, 2014.
- (ii) An amount of ₹209.75 Lacs for the year ended March 31, 2015 representing the additional depreciation on the carrying value of the assets as at April 01, 2014 due to change in the useful life of the assets.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably.

(i) Income from financing activities

- (a) Interest Income is recognised on a time proportion accrual basis taking into account the amount outstanding and the interest rate implicit in the underlying agreements. Income or any other charges on non-performing asset is recognised only when realised and any such income recognised before the asset became non-performing and remaining unrealised is reversed.
- (b) Loan originate income i.e. processing fee and other charges collected upfront are recognised at the inception of the loan.
- (c) All other charges such as cheque return charges, legal charges, seizing charges, etc. are recognised on realisation basis.

(ii) Income from assignment/securitization

(a) For assignment transactions done prior to RBI circular no. DNBS.PD.No. 301/3.10.01/2012-13 dated August 21, 2012

In case of assignment of loan assets and related receivables "at premium", the difference between the consideration received representing the net present value of future receivable assigned and the principal loan amount outstanding as per books is recognised upfront as gain or loss on assignment in the year of assignment.

In case of assignment of loan assets and related receivables "at par", income is accounted for by applying the interest rate implicit in such assigned contracts as reduced by Internal Rate of Return (IRR) committed to the purchaser of loan assets.

(b) For transactions done after issuance of RBI circular no. DNBS.PD.No. 301/3.10.01/2012-13 dated August 21, 2012 Gains arising on securitisation of assets is recognised over the tenure of securities issued by SPV as per guideline on securitisation of standard assets issued by RBI. Income from excess interest spread is accounted for net of losses.

Notes to financial statements for the year ended March 31, 2015

Expenditure in respect of securitisation (except bank guarantee fees for credit enhancement) is recognised upfront. Bank guarantee fees for credit enhancement are amortised over the tenure of the agreements. Income arising on direct assignment is recognised over the tenure of agreement on accrual basis.

(iii) Income from deposits:

Interest income on deposits with banks and other financial institutions is recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.

(iv) Income from investment:

- (i) Dividend is recognised as income when right to receive dividend is established by the date of balance sheet.
- (ii) Interest income on investment is recognised on accrual basis.

(d) Tangible/Intangible Fixed Assets, Depreciation/Amortisation and Impairment

(i) Tangible assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(i a) Depreciation on tangible fixed assets :-

Depreciation on fixed assets is provided on written down value method at the rates and manner prescribed under the Schedule II to the Companies Act, 2013.

All fixed assets individually costing \$5,000/- or less are fully depreciated in the year of installation/purchase.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss from/upto the date of acquisition/sale.

(i b) Leasehold land :-

Leasehold land is amortized in equal instalments over the balance lease period.

(ii) Intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed four years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds four years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(iii) Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(e) Retirement and other employee benefits : -

(i) Defined Contribution Plans

The Provident Fund and Employees State Insurance are defined contribution plans and the contribution to the same are charged to the statement of profit and loss during the year in which the services are rendered.

(ii) Defined Benefit Plans

Gratuity is a defined benefit obligation and is provided for at the year end on the basis of an actuarial valuation using the

Notes to financial statements for the year ended March 31, 2015

Projected Unit Credit method. Actuarial gains and losses are recognised in the statement of profit and loss as and when incurred.

(iii) Compensated absences

Compensated absences are considered as a long-term employee benefit and is provided for based on an actuarial valuation using Projected Unit Credit method. Actuarial gains and losses are recognised in the statement of profit and loss as and when incurred.

(f) Taxes on Income:-

Tax expenses comprises of current income tax and deferred tax.

Income ta:

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in statement of Profit and Loss.

Deferred taxes

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(g) Investments:-

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(h) Borrowing cost:-

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(i) Share/ Debenture issue expenses incurred are expensed in the year of issue and redemption premium payable on debentures is expensed over the term of debentures. These are adjusted to the securities premium account in accordance with Section 52 of the Act to the extent of balance available in such premium account.

(j) Operating Leases:-

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Notes to financial statements for the year ended March 31, 2015

(k) Provisioning / write off of assets:-

- (i) Secured / Unsecured loans and receivables are provided for/written off as per Company's policy, as given in sub-para (ii) below, subject to the minimum provision required as per Non Banking Finance (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Notification No. DNBR. 009/ CGM (CDS) -2015 dated March 27, 2015 ("the NBFC-ND-SI Prudential Norms")
- (ii) As per company's policy, loans with principal or interest overdue for more than 6 months are considered as non performing loans and provided at following rates:

Customers with 6 month to less than 12 months overdue : provision @ 50% of outstanding amount

Customers with 12 months and above overdue : written off @100%

- (iii) Provision on standard assets is made @ 0.25% pursuant to Notification No. DNBS.223/ CGM(US)-2011 dated January 17, 2011.
- (iv) Provision for delinquencies and servicing costs on assets securitised/assigned before introduction of RBI guideline on Direct Assignment dated August 21, 2012 is made at following rates, which are based on management estimates developed using the historical data:

On premium structure: @ 0.75% of the principal outstanding
On at par structure: @ 0.25% of the principal outstanding

(I) Provisions, contingent liabilities:-

A provision is recognised when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(m) Earning Per Share (EPS):-

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(n) Cash and cash equivalents :-

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, and stamping/franking balance.

(o) Foreign currency transactions:-

- (i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Foreign currency monetary items are retranslated using the exchange rate prevailing on the close of the financial year.
- (iii) Exchange differences arises on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.
- (iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability.

The premium or discount arising at the inception of the forward exchange contract is amortized and recognised as an income/ expense in the statement of profit and loss over the life of the contract. Exchange difference on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change.

3. SHARE CAPITAL (₹ In Lacs)

		11.47 (75.50)
Particulars	As at March 31, 2015	As at March 31, 2014
Authorized shares		
7,81,50,000 Equity Shares of ₹10/- each (P.Y. 7,81,50,000 Shares)	7,815.00	7,815.00
18,85,000 Compulsorily Convertible Preference Shares of ₹100/- each (P.Y. 18,85,000 Shares)	1,885.00	1,885.00
	9,700.00	9,700.00
Issued Capital		
4,40,93,813 (P.Y. 4,40,93,813) Equity Shares of ₹10/- each	4,409.38	4,409.38
Total Issued Share Capital	4,409.38	4,409.38
Subscribed Capital		
4,40,80,752 (P.Y. 4,32,54,395) Equity Shares of ₹10/- each	4,408.08	4,325.44
Total Subscribed Capital	4,408.08	4,325.44
Issued, subscribed and paid-up shares		
Paid-up Capital		
Fully Paid-Up:		
4,40,80,752 (P.Y. 4,26,73,789) Equity Shares of ₹10/- each	4,408.08	4,267.38
Partly Paid-Up:		
Nil (P.Y. 5,80,606) Equity Shares of ₹10/- each, ₹5/- paid up		29.03
Total issued, subscribed and fully paid-up share capital	4,408.08	4,296.41

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year Equity shares

Particulars	As a March 31,	As at March 31, 2014		
	No. of Shares	₹ In lacs	No. of Shares	₹ In lacs
At the beginning of the year	4,32,54,395	4,325.44	4,04,70,625	4,047.06
Add: Shares issued during the year	8,26,357	82.64	27,83,770	278.38
Outstanding at the end of the year	4,40,80,752	4,408.08	4,32,54,395	4,325.44

Partly paid up shares have been considered at their face value for the purpose of above reconciliation.

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

Equity shares

Name of the shareholder	As a March 31	As at March 31, 2014		
	No. of Shares	% Holding	No. of Shares	% Holding
Redwood Investment Ltd	1,19,34,699	27.07	1,19,34,699	27.59
Sanjay Agarwal	66,01,789	14.98	66,01,789	15.26
International Finance Corporation	60,47,875	13.72	74,21,518	17.16
Labh Investments Limited	45,00,169	10.21	45,00,169	10.40
Ourea Holdings Limited	42,22,927	9.58		1.0000
Jyoti Agarwal	23,63,712	5.36	23,63,712	5.46
Shakuntala Agarwal	22,74,326	5.16	22,74,326	5.26
India Business Excellence Fund - I	19,10,665	4.33	32,10,665	7.42

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to financial statements for the year ended March 31, 2015

4. RESERVES & SURPLUS		(₹ In Lacs
Particulars	As at March 31, 2015	As at March 31, 2014
Statutory Reserve u/s 45- IC of RBI Act, 1934		
Balance as per last Balance Sheet	5,712.27	3,864.42
Add: Transfer during the year *	2,804.69	1,847.85
Closing Balance	8,516.96	5,712.27
Securities premium account		
Balance as per last financial statements	31,278.35	23,192.61
Add: Addition on allotment of equity shares	3,740.81	8,353.11
AD THE TO HAVE DO DO TO THE THE TOTAL OF THE TOTAL DO THE STORM OF THE STORM OF THE TOTAL OF THE STORM OF THE	35,019.16	31,545.72
Less: Amount (net of tax) applied during the year		
Debenture issue expenses	188.17	179.75
Premium payable on Redemption of Debenture	723.43	87.62
Closing Balance	34,107.56	31,278.35
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	22,840.47	15,449.07
Less: Depreciation adjustments as per schedule II of the Companies Act 2013	(16.21)	
Profit for the year	14,023.46	9,239.25
	36,847.72	24,688.32
Less: Transferred to Statutory Reserve u/s 45-IC of RBI Act 1934	2,804.69	1,847.85
Closing Balance	34,043.03	22,840.47
Total reserves and surplus	76,667.55	59,831.09

^{*} Represents transfer of twenty percent of net profit after tax in accordance with the provision of Section 45-IC of Reserve Bank of India Act, 1934

Particulars	As a March 31,	TAXABLE PARTY.	As at March 31, 2014		
	Non-current	Current	Non-current	Current	
Secured					
Debentures held by:					
(i) Banks					
The Ratnakar Bank Limited	1,750.00	750.00	2,500.00		
250 nos. (P.Y. 250) face value ₹10 lacs each					
	1,750.00	750.00	2,500.00		
(ii) Multilateral financial institutions					
UTI International Wealth Creator 4	4,500.00	<u>:</u>	4,500.00		
45 nos. (P.Y. 45) face value ₹100 lacs each					
	4,500.00	(4)	4,500.00		
(iii) Mutual funds					
Templeton India Short-Term Income Plan	15,000.00	5,000.00	5,000.00		
50 nos. (P.Y. 50) face value ₹100 lacs each					
350 nos. (P.Y. Nil) face value ₹10 lacs each					
1150 nos. (P.Y. Nil) face value ₹10 lacs each					
Templeton India Income Opportunities Fund (Tiiof)	•	2,500.00	2,500.00		
25 nos. (P.Y. 25) face value ₹100 lacs each					
Templeton India Corporate Bond Opportunities Fund (Ticbo)	22,500.00		22,500.00		
125 nos. (P.Y. 125) face value ₹100 lacs each					
1000 nos. (P.Y. 1000) face value ₹10 lacs each					

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5. LONG-TERM BORROWINGS (contd.)	As at		As at	(₹ In Lacs	
Particulars	March 31,	Marine Children	March 31, 2014		
	Non-current	Current	Non-current	Current	
(iii) Mutual funds			(400)		
Reliance Regular Savings Fund - Debt Option	15,000.00		5,000.00	5,000.00	
500 nos. (P.Y. 1000) face value ₹10 lacs each					
1000 nos. (P.Y. Nil) face value ₹10 lacs each					
HDFC Mutual Funds	15,000.00		5,000.00	2	
500 nos. (P.Y. 500) face value ₹10 lacs each	200 T. W. 100 CO.		195.		
1000 nos. (P.Y. Nil) face value ₹10 lacs each					
The Discourse of the Control of the	67,500.00	7,500.00	40,000.00	5,000.00	
(iv) Foreign Financial Institution					
International Finance Corporation	14,750.00	-	-	-	
1475 nos. (P.Y. Nil) face value ₹10 lacs each					
***************************************	14,750.00	=	2	2	
(v) Insurance Company					
HDFC Standard Life Insurance Company Ltd	2,500.00		2,500.00	-	
250 nos. (P.Y. 250) face value ₹10 lacs each					
	2,500.00	:	2,500.00	13	
Total secured debentures	91,000.00	8,250.00	49,500.00	5,000.00	
Term loans					
(i) Term loan from banks					
Aliahabad Bank	_	9	2	439.69	
Andhra Bank		1,047.62	1,047.62	1,690.48	
Axis Bank Limited		416.67	416.67	1,666.67	
Bank of Baroda	400.00	720.00	1,120.00	720.00	
Bank of India		368.00	368.00	624.00	
Bank of Maharashtra	937.50	1,250.00	2,187.50	1,250.00	
Central Bank of India	1,111.11	1,333.33	2,444.44	1,333.33	
Development Bank of Singapore		-	166.67	333.33	
Development Credit Bank	4	19.97	16.39	146.40	
ICICI Bank Limited		833.33	833.33	833.33	
IDBI Bank Limited		1,333.00	1,333.00	3,852.00	
Indian Bank	1,190.48	1,428.57	2,619.05	1,428.57	
Indian Overseas Bank	384.72	471.43	899.11	514.28	
Karnataka Bank	88.27	352.90		294.12	
Oriental Bank of Commerce	-	808.98	800.68	1,440.00	
State Bank of Bikaner & Jaipur	575.77	1,094.73	1,670.49	1,248.00	
State Bank of Hyderabad	238.06	750.01	988.07	1,237.99	
State Bank of India	3,340.00	2,256.00	2,184.00	1,112.98	
State Bank of Patiala	1,874.94	2,880.91	4,755.84	4,428.58	
State Bank of Travancore	510.17	625.00	1,135.17	625.00	
Syndicate Bank Limited	5355310	######################################	White Section	55.58	
The Jammu And Kashmir Bank Limited	265.61	625.00	1,008.93	2,053.57	
The South Indian Bank Limited		3			
Union Bank of India	961.67	1,440.00	2,481.67	1,440.00	
United Bank of India	476.15	714.29	1,190.44	714.29	
	12,354.45	20,769.74	29,667.07	29,482.19	

Notes to financial statements for the year ended March 31, 2015

LONG-TERM BORROWINGS (contd.) Particulars		As a	Total Control of the	(₹ In Lace As at March 31, 2014		
Par	ticulars	March 31, Non-current		Non-current	2014 Current	
/iii	Term loan from financial institutions	Non-current	Current	Non-current	Current	
(iii)	Small Industries Development Bank of India	5,520.20	2,599.20	8,119.40	2,599.20	
	Small industries bevelopment bank of india	5,520.20	2,599.20	8,119.40	2,599.20	
/::::\	Torm loss from see banking financial companies	5,520.20	2,399.20	6,119.40	2,599.20	
(III)	Term loan from non-banking financial companies	PG.	79.17	158.33	1 201 00	
	Aditya Birla Finance Limited HDFC Limited	10,000.00	79.17	150.33	1,201.98	
	Tata Capital Financial Services Limited	10,000.00	375.00	375.00	500.00	
	Tata Capital Financial Services Limited	10,000.00	454.17	533.33	1,701.98	
r. A	Auto loss from banks	10,000.00	434.17	233,33	1,701.96	
(IV)	Auto loan from banks				2.40	
	Dhanlaxmi Bank Limited	74 77	-	* **	2.10	
_	HDFC Bank Limited	71.72	27.63	5.76	17.71	
		71.72	27.63	5.76	19.81	
(v)	Auto loan from Non Banking Finance Companies	12:25	72.23	22.23	2010	
	Daimler Financial Services India Private Limited	10.28	10.05	20.33	8.97	
	Charles Salar Filler West Fills.	10.28	10.05	20.33	8.97	
	Total term loans	27,956.65	23,860.79	38,345.89	33,812.15	
	Total secured borrowings	1,18,956.65	32,110.79	87,845.89	38,812.15	
	secured					
Deb	pentures held by					
(i)	Banks (Sub-ordinated debts)					
	Bank of India	1,000.00	3	1,000.00		
	100 nos. (P.Y. 100) face value ₹10 lacs each			NAME AND DESCRIPTION OF THE PARTY OF THE PAR		
	Bank of Maharashtra	1,000.00		1,000.00	-	
	100 nos. (P.Y. 100) face value ₹10 lacs each					
	Central Bank of India	1,000.00	-	1,000.00	-	
	100 nos. (P.Y. 100) face value ₹10 lacs each					
	Dhanlaxmi Bank Limited	2,500.00	:•	4,500.00	3	
	250 nos. (P. Y. 450 nos.) face value ₹10 lacs each					
	HDFC Bank Limited	3,000.00		3,000.00	3-	
	300 nos. (P.Y. 300) face value ₹10 lacs each					
	Indian Overseas Bank	500.00	i.e.	500.00		
	50 nos. (P. Y. 50) face value ₹10 lacs each					
	The Jammu & Kashmir Bank Limited	500.00	(*	1,000.00	9	
	50 nos. (P.Y. 100) face value ₹10 lacs each					
	The Ratnakar Bank Limited	2,500.00	4	2,500.00		
	250 nos. (P.Y. 250) face value ₹10 lacs each			- TENEDERS		
		12,000.00	(*	14,500.00		
(ii)	Multilateral financial institutions					
•	Nederlandse Finan-Maatschappij Voor Ontwikkelingsl FMO	22,000.00		22,000.00		
	2200 nos. (P.Y. 2200) face value ₹10 lacs each			17.000.5328.73		
	Samena India Credit (Singapore) Private Limited	500.00				
	50 nos. (P.Y. Nil) face value ₹10 lacs each					
	UTI - Income Opportunities Fund	2,000.00		4		
	200 nos. (P.Y. Nil) face value ₹10 lacs each	-,000.00				
	and the state of t	24,500.00	Ę.	22,000.00	á	
_	Total debentures	36,500.00		36,500.00		

LONG-TERM BORROWINGS (contd.)				(₹ In Lacs)
Particulars	As a March 31	News College	As a March 31,	**************************************
	Non-current	Current	Non-current	Current
Term loans				
(i) Banks (Sub-ordinated debts)				
ICICI Bank Limited	2,500.00	500.00	3,000.00	+
Total term loans	2,500.00	500.00	3,000.00	ž.
Total unsecured borrowings	39,000.00	500.00	39,500.00	
Amount disclosed under the head "other current	-	(32,610.79)		(38,812.15)

Secured borrowings are secured by hypothecation of loans under financing activity. Personal guarantees by directors and shareholders of the Company have been given for borrowing amount of ₹44,697.75 lacs at March 31, 2015 (P.Y 76,369.33 lacs). Borrowings to the extent of ₹27,428.93 lacs at March 31, 2015 (PY 17,997.53 lacs) are secured by pledge of the Company's shares held by the directors and pledge of property of Company and its directors, and margin money deposits. Auto loans from banks are secured by hypothecation of Company's vehicles.

1,57,956.65

1,27,345.89

5.1 Terms of principal repayment of long term borrowings as at March 31, 2015

liabilities" (note no. 10)

J.1 1011113	or principal r	epayment	or long te	III DONOV	villigs as at	Widich 31	, 2013					(₹ In Lacs
Original	Interest rate	Due with	in 1 year	Due 1 to	3 Years	Due 3 to	5 Years	Due 5 to	7 Years	Due 7 to 9	Years .	Total
maturity of loan	f (Range)	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	10(8)
Monthly Rep	ayment schedule											
Upto 3 years	10% to 12%	62	1,414.71	22	100.18	+				2.4		1,514.89
upto 3 years	12% > to 14%	13	1,780.17	_		-				85		1,780.17
3 to 5 years	10% to 12%	268	7,311.42	406	7,122.89	87	915.00	-				15,349.31
3 to 5 years	12% > to 14%	105	9,854.68	92	30,616.94	-	-		÷	13		40,471.62
5 to 7 Years	12% > to 14%	- 4	14	3	500.00	3	1,000.00	-	-	14	- 1	1,500.00
Quarterly rep	ayment schedule											
Up to 3 Years	12% > to 14%	7	1,208.33	-		7/2		- 2		(1)	-	1,208.33
3 to 5 years	10% to 12%	-		4	2,994.42	8	7,005.58	-	-			10,000.00
	12% > to 14%	9	2,291.67	5	1,203.11		-	9				3,494.78
Half Yrly Rep	ayment schedule											
Upto 3 yrs	10% to 12%	-	3			No.	-			9.5		2
Annual repay	ment schedule											
3 to 5 years	12% > to 14%	1	750.00	2	1,750.00							2,500.00
5 to 7 Years	14% > to 18%	1	500.00	2	1,000.00	1/2			1	0.5		1,500.00
Bullet repaym	nent schedule											
Upto 3 yrs	10% to 12%	+	- 3	6	47,250.00	1.						47,250.00
Opto 3 yis	12% > to 14%	+			٠)) e			1)-	1 6		9
3 to 5 years	10% to 12%	-	9.7	8	10,000.00	1	15,000.00		N.			25,000.00
3 to 3 years	12% > to 14%	3	7,500.00	5	12,500.00	2.6		-	1.4	1/4		20,000.00
5 to 7 Years	12% > to 14%	*		1	2,500.00	7	7,000.00	1	1,000.00	2.5		10,500.00
	14% > to 18%	21	14	2	4,000.00	116		5	112	79	2	4,000.00
7 to 9 Years	12% > to 14%					28		1	4,500.00			4,500.00
Total		469	32,610.98	558	1,21,537.54	106	30,920.58	2	5,500.00	174	- 1	1,90,569.10

Notes to financial statements for the year ended March 31, 2015

5. LONG-TERM BORROWINGS (contd.)

Original	100 D 10	Due with	in 1 year	Due 1 to	3 Years	Due 3 to	5 Years	Due 5 to	7 Years	Due 7 to !	9 Years	1200
maturity of loan	interest rate (Range)	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Monthly Rep	ayment schedule											
Upto 3 years	10% to 12%	136	322.91	54	26.08					-		348.99
upto 3 years	12% > to 14%	63	7,424.04	29	2,906.95			- 4		+	13	10,330.99
3 to 5 years	10% to 12%	115	9,609.84	106	8,402.51	1	31,10			-	g g	18,043.45
3 to 3 years	12% > to 14%	179	11,247.05	271	40,990.56	43	3,072.00	24	-		- 4	55,309.61
5 to 7 Years	12% > to 14%	125			17	3	500.00	3	1,000.00			1,500.00
Quarterly rep	ayment schedule											
Up to 3 Years	12% > to 14%	8	1,333.33	7	1,208.33		-			+		2,541.66
3 to 5 years	12% > to 14%	12	3,541.67	14	3,541.67							7,083.34
Half Yrly Repo	syment schedule											
Upto 3 yrs	10% to 12%	2	333.33	1	166.67			2.5				500.00
Annual repay	ment schedule											
3 to 5 years	12% > to 14%			2	1,500.00	1	1,000.00	3.5				2,500.00
5 to 7 Years	14% > to 18%	:	-	2	1,000.00	1	500.00	্ৰ			:4	1,500.00
Bullet repaym	ent schedule											
Upto 3 yrs	10% to 12%			2	7,500.00	1	5,000.00					12,500.00
	12% > to 14%	1	5,000.00		3.4		-					5,000.00
3 to 5 years	10% to 12%	į.		6	7,500.00	2	2,500.00					10,000.00
	12% > to 14%		-	8	20,000.00		-	3		-	74	20,000.00
5 to 7 Years	12% > to 14%	:				5	8,000.00	3	2,500.00	-		10,500.00
	14% > to 18%	•		1	2,000.00	1	2,000.00				-	4,000.00
7 to 9 Years	12% > to 14%		-	· 2-				3.5		1	4,500.00	4,500.00
Total		516	38,812.17	503	96,742.77	58	22,603.10	6	3,500.00	1	4,500.00	1,66,158.04

6. OTHER LONG-TERM LIABILITIES				(₹ In Lacs)	
Particulars	As a March 31,		As at March 31, 2014		
	Non-current	Current	Non-current	Current	
Security deposits from borrowers	1,558.80	517.01	1,352.82	265.52	
Security deposits under assignment transactions & dealers		39.43	144.81	1,093.85	
Interest Accrued but not due on borrowings (include premium on debenture)	2,732.32	2,981.36		2,758.42	
Amount disclosed under the head "other current liabilities" (note no. 10)		(3,537.80)		(4,117.79)	
	4,291.12	12	1,497.63	14	

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7. PROVISIONS				(₹ In Lacs)
Particulars	As a March 31	Share and the same of the same	As a March 31	The second of
	Non-current	Current	Non-current	Current
Provision for employees benefits				
Leave availment	73.86	17.31	95.64	23.61
Gratuitu	270.25	3.04	190 17	2.07

raiticulais	The state of the s	march 51, 2017		
	Non-current	Current	Non-current	Current
Provision for employees benefits				
Leave availment	73.86	17.31	95.64	23.61
Gratuity	279.25	3.94	180.17	3.07
Bonus	-	600.00	2	400.00
	353.11	621.25	275.81	426.68
Other provisions				
Estimated loss on old assignments	5.67	25.48	39.48	89.52
Contingent provisions against standard assets	548.21	346.47	363.15	278.52
Provision on non- performing assets	2,962.63	-	1,940.82	
Income tax (net of advance tax)	-	1,342.51	2	394.41
Wealth tax	-	1.68	¥	1.58
	3,516.51	1,716.14	2,343.45	764.03
	3,869.62	2,337.39	2,619.26	1,190.71

8.	SHORT-TERM BORROWINGS	(₹ in Lacs)

Pa	rticulars	As at March 31, 2015	As at March 31, 2014
Se	cured		
(i)	Working capital facilities from banks repayable on demands		
	Allahabad Bank	44.57	678.35
	Andhra Bank	1,516.34	2,487.79
	Bank of India		519.77
	Central Bank of India	3,379.29	2.13
	Corporation Bank	14.01	\\\
	HDFC Bank Limited	13,708.10	9,679.06
	ICICI Bank Limited	390.60	1,460.30
	IDBI Bank Limited	3,595.55	2,413.18
	Indian Bank	2,302.02	4.78
	Indusind Bank Limited	4,182.58	0.64
	ING Vysya Bank	99.40	
	Kotak Mahindra Bank	1,137.80	3,002.55
	Punjab National Bank	4,900.75	5,366.11
	State Bank of Bikaner & Jaipur	4,521.58	4,901.51
	State Bank of Hyderabad	1,735.46	959.78
	State Bank of India	80.23	1,718.01
	State Bank of Mysore	3,500.00	3,461.93
	State Bank of Patiala	888.97	11.70
	State Bank of Travancore	1,500.00	1,409.25
		47,497.25	38,076.84
(ii)	Term loan from Banks		
	Kotak Mahindra Bank		1,000.00
	State Bank of India	2	4,393.37
	Company And Angel And Company		5,393.37
		47,497.25	43,470.21

Notes to financial statements for the year ended March 31, 2015

8. SHORT-TERM BORROWINGS (contd.)		(₹ In Lacs
Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured		
(i) Commercial paper from banks		
HDFC Bank Limited	9,874.81	
	9,874.81	-
(ii) Commercial paper from Mutual Funds		
HDFC Liquid Fund	14,334.49	
Religare Mutual Fund	4,936.03	-
UTI Mutual Fund	4,902.39	
Deutsche Mutual Fund	4,895.00	
Reliance Mutual Fund	981.58	
Kotak Mutual Fund	9,842.03	
	39,891.52	
(iii) Term loan from banks		
HDFC Bank Limited		3,376.54
		3,376.54
	49,766.33	3,376.54
	97,263.58	46,846.75

All working capital facilities from banks are repayable on demand and are secured by hypothecation of loans under financing activity. Personal guarantees by directors and shareholders of the Company have been given for borrowing amount of ₹46,314.88 lacs at March 31, 2015. Borrowings to the extent of ₹19,685.89 lacs are secured by pledge of the Company's shares held by the directors and pledge of property of Company and its directors, and margin money deposits.

9. TRADE PAYABLES		(₹ In Lacs)
Particulars	As at	As at

Particulars	AS at March 31, 2015	March 31, 2014
Payable to micro, small and medium enterprises		-
	1,192.56	1,177.56
	1,192.56	1,177.56

Dues to micro, small and medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

For the year ended March 31, 2015, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

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10. OTHER CURRENT LIABILITIES		(† In Lacs
Particulars	As at March 31, 2015	As at March 31, 2014
a. Current maturities of long-term borrowings		
Secured		
Term loan from banks (note 5)	20,769.74	29,482.19
Term loan from financial institutions (note 5)	2,599.20	2,599.20
Term loan from non-banking financial companies (note 5)	454.17	1,701.98
Debentures from mutual funds (note 5)	8,250.00	5,000.00
Auto loan from banks (note 5)	27.63	19.81
Auto loan from non-banking financial companies (note 5)	10.05	8.97
Unsecured term loan	500.00	
	32,610.79	38,812.15
b. Interest accrued but not due on borrowings (include premium on debenture) (Note 6)	2,981.36	2,758.42
	2,981.36	2,758.42
c. Interest accrued and due on borrowings	222.04	597.05
	222.04	597.05
d. Other payables		
Margin money refundable/adjustable against disbursement	3,416.72	1,953.18
Payable to dealers/manufacturers	144.83	13.50
Due to assignees towards collections from assigned/securitized assets	13,210.03	9,917.84
Security deposit from borrowers (note 6)	517.01	265.52
Security deposits under assignment transactions & dealers (note 6)	39.43	1,093.85
Book overdrafts	2,164.64	2.92
Statutory liabilities	187.14	76.41
Other current liabilities	1,260.88	996.94
	20,940.68	14,320.16
	56,754.87	56,487.78

Particulars	Leasehold Land	Freehold Land	Buildings	Furniture and fixtures	Office equipment	Vehicles	Total
Cost or valuation	~	ESTABLIST THE					
At 1 April 2013	303.46	243.54	235.70	496.45	599.58	336.96	2,215.69
Additions			22.73	112.08	152.50	54.16	341.47
Deductions				(16.23)	(5.91)	(11.60)	(33.74)
Other adjustments						-	
As at 31 March 2014	303.46	243.54	258.43	592.30	746.17	379.52	2,523.42
Additions				209.04	404.26	138.59	751.89
Deductions	14			(0.61)	(0.43)	(24.22)	(25.26)
Other adjustments	19		-	•		-	•
As at 31 March 2015	303.46	243.54	258.43	800.73	1,150.00	493.89	3,250.05
Depreciation							
At 1 April 2013	6.96		37.29	171.34	268.36	150.34	634.29
Charge for the year	3.48		10.80	95.22	140.03	51.99	301.52
Other adjustments				9.5		-	
Deductions				(6.38)	(2.68)	(8.50)	(17.56)
As at 31 March 2014	10.44	-	48.09	260.18	405.71	193.83	918.25
Charge for the year	3.48	-	10.23	169.52	339.93	86.33	609.49
Other adjustments		14	-1	0.15	16.06	+	16.21
Deductions				(0.51)	(0.09)	(15.89)	(16.49)
As at 31 March 2015	13.92	3	58.32	429.34	761.61	264.27	1,527.46
Net Block							
As at 31 March 2014	293.02	243.54	210.34	332.12	340.46	185.69	1,605.17
As at 31 March 2015	289.54	243.54	200.11	371.39	388.39	229.62	1,722.59

Notes to financial statements for the year ended March 31, 2015

12. INTANGIBLE ASSETS :	(₹ In Lacs)
Particulars	Software
Cost or valuation	
At 1 April 2013	117.16
Additions	27.48
Deductions	-
Other adjustments	-
As at 31 March 2014	144.64
Additions	90.00
Deductions	
Other adjustments	
As at 31 March 2015	234.64
Depreciation	
At 1 April 2013	35.77
Charge for the year	28.06
Other adjustments	
Deductions	
As at 31 March 2014	63.83
Charge for the year	42.02
Other adjustments	
Deductions	-
As at 31 March 2015	105.85
Net Block	
As At 31 March 2014	80.81
As At 31 March 2015	128.79

13. NON-CURRENT INVESTMENTS			(₹ In Lacs
Particulars	Face value (In ₹)	As at March 31, 2015	As at March 31, 2014
Non-trade investments (valued at cost unless stated otherwise)			
Unquoted equity instruments			
Investment in subsidiaries			
Au Housing Finance Limited			
3,29,16,667 Equity shares (P.Y.: 2,99,16,667) fully paid up	10	7,725.00	4,725.00
Index Money Limited			74777777777
17,24,490 Equity shares (P.Y.: 17,24,490) fully paid up	10	309.50	309.50
		8,034.50	5,034.50
Investment in associates			
Au Insurance Broking Services Private Limited			
1,95,000 Equity shares (P.Y.: 1,95,000) fully paid up	10	19.50	19.50
M Power Micro Finance Private Limited	- 11-		
45,00,000 Equity shares (P.Y.: 45,00,000) fully paid up	10	450.00	450.00
		469.50	469.50
Investment in pass through certificates (PTCs)		2,761.25	3,232.07
		11,265.25	8,736.07
Aggregate Value of Unquoted Investments			
Cost		11,265.25	8,736.07

14. CURRENT INVESTMENTS	(₹ In Lacs)

Particulars Particulars	As at March 31, 2015	As at March 31, 2014
Unquoted Non-trade investments (valued at cost unless stated otherwise)		
Investment in securities portfolio managed by HDFC Asset Management Company Limited	8.84	19.86
Investment in pass through certificates (PTCs)	2,709.86	2,599.88
	2,718.70	2,619.74
Aggregate Value of Unquoted Investments		1.1
Cost	2,718.70	2,619.74

14.1 Investment Detail

(₹ in Lacs)

14.1 investment betain		15 III Lacs
Particulars	As at March 31, 2015	As at March 31, 2014
Value of Investment		
Gross Value of Investment	13,983.95	11,355.80
In India	13,983.95	11,355.80
Outside India,	-	
Provision for Depreciation	7	
In India		11.5
Outside India,	-	172
Net Value of Investment	13,983.95	11,355.80
In India	13,983.95	11,355.80
Outside India,	-	1,4
Movement of Provisions held towards depreciation on Investment		
Opening Balance	-	
Add: Provisions made during the year		1.4
Less: Write Off/Write Back Excess provision during the year	-	-
Closing Balance		l =

15. DEFERRED TAX ASSETS (NET)

(₹ In Lacs)

As at March 31, 2015	As at March 31, 2014
(91.15)	(3.07)
143.33	226.28
52.18	223.21
129.56	102.82
33.27	107.27
1,345.72	921.63
1,508.55	1,131.72
1,456.37	908.51
	(91.15) 143.33 52.18 129.56 33.27 1,345.72 1,508.55

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Notes to financial statements for the year ended March 31, 2015

16. RECEIVABLE UNDER FINANCING ACTIVITY

(₹ In Lacs)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Non-current	Current	Non-current	Current
Secured				
Loans under financing activity				
-Considered good	2,12,498.46	1,24,427.16	1,41,149.11	99,054.72
-Considered doubtful	4,850.81	8	2,970.70	-
Loans placed as minimum retention requirement towards direct assignment transactions				
-Considered good	6,740.61	4,661.55	4,110.51	1,965.55
	2,24,089.88	1,29,088.71	1,48,230.32	1,01,020.27
Unsecured				2000
Instalments due from borrowers				
-Considered good		1,085.47		3,602.99
-Considered doubtful	726.44		910.94	-
Trade advances to dealers - Considered good		6,290.60		5,047.12
	726.44	7,376.07	910.94	8,650.11
	2,24,816.32	1,36,464.78	1,49,141.26	1,09,670.38

16.1 Concentration of Advances, Exposures and NPAs

(₹ In Lacs)

Total contention of riarances, exposures and mire	1.111
Particulars	As at March 31, 2015
Concentration of Advances	
Total advances to twenty largest borrowers	40,785.46
(%) of advances to twenty largest borrowers to total advances	11.22%
Concentration of Exposures	
Total exposure to twenty largest borrowers/customers	47,880.38
(%) of exposure to twenty largest borrowers/customers to total exposure	12.89%
Concentration of NPAs	
Total exposure to top four NPA accounts	82.69

7	1.	Lon	G-1	ERM	LOANS	AND	adva	NCES

(₹ In Lacs)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Non-current	Current	Non-current	Current
Unsecured and considered good				
Security deposits (Note 21)	193.59	48.05	77.42	87.27
Indirect taxes - deposited	75.00		75.00	
Prepaid expenses (Note 21)	308.70	245.46	414.25	298.83
Advance tax (net of Provision) of Previous Years	589.06	(+	549.78	
Security deposits with NBFCs/Financial institutions (note no. 21)	9.00	14	506.00	1,800.34
Amount disclosed under the head "short-term loans and advances" (note no. 21)	3	(293.51)	•	(2,186.44)
	1,175,35		1,622,45	

18. OTHER NON-CURRENT ASSETS

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Deposits with banks (Note 20)	543.51	453.15
(Deposits with original maturity for more than 12 months)		
	543.51	453.15

19. TRADE RECEIVABLES		(† In Lacs)
Particulars	As at March 31, 2015	As at March 31, 2014
Trade receivables		
Unsecured, considered goods	9.56	18.02
Unsecured, considered doubtful		0.50
	9.56	18.02
Provision for doubtful receivables		
	9.56	18.02

20. CASH AND BANK BALANCES				(₹ In Lacs)
Particulars		As at March 31, 2015		at 1, 2014
	Current	Non-current	Current	Non-current
Cash and cash equivalents				
Balances with banks:				
- On current accounts	1,159.20		124.06	-
- Deposits with original maturity of less than three months (note 20.1)	308.00	5	3.37	5
Stamps/franking balance	33.03	=	26.82	-
Cash on hand	2,188.86	5	2,291.53	
	3,689.09		2,445.78	-
Other bank balances				
- Deposits with original maturity for more than 12 months (note 20.1)	12,009.45	543.51	16,578.68	453.15
Deposits with original maturity for more than 3 months but less than 12 months (20.1)	4,593.75	5	1,311.92	=
Amount disclosed under the head "other non-current assets" (note no. 18)	-	(543.51)	<u> </u>	(453.15)
	20,292.29		20,336.38	2

^{20.1} Deposits include ₹14,299.31 lacs as cash collateral for assignment/securitization, ₹2,154.76 lacs as cash collateral for bank guarantees under assignment/securitization transactions, ₹18.90 lacs as cash collateral for other bank guarantees, ₹694.02 lacs as cash collateral for working capital facilities from banks repayable on demand and ₹269.50 lacs as cash collateral for channel financing business.

21. SHORT-TERM LOANS AND ADVANCES

(₹ In Lacs)

21. SHORT-TERIVI COMPS AND ADVANCES		(/ III racs
Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured and considered good		110000000000000000000000000000000000000
Prepaid expenses (note 17)	245.46	298.83
Advances to suppliers/service providers	169.17	27.66
Advances to staff	218.16	251.36
Inter corporate deposit to subsidiary	2	645.00
Security deposits (note 17)	48.05	87.27
Recoverable in cash or in kind or for value to be received	628.97	196.83
Interest bearing time deposits placed with NBFC's/Financial institutions (Refer note no. 17)		1,800.34
	1,309.81	3,307.29

Notes to financial statements for the year ended March 31, 2015

22. OTHER CURRENT ASSETS		(₹ In Lacs
Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued but not due on loans to borrowers	2,123.47	1,736.76
Charges recoverable from borrowers	440.62	871.05
Interest accrued but not due on deposit with banks and others	150.71	186.04
	2,714.80	2,793.85

23. REVENUE FROM OPERATIONS		(₹ In Lacs
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest income on :		
Loan portfolio and related charges	64,313.61	51,944.89
Securitisation and direct assignment	6,592.39	6,555.44
Income from channel finance business	12.72	159.83
Interest from bank deposits	1,601.19	2,407.65
	72,519.91	61,067.81

23.1 Interest from loans includes "overdue interest" on loans (other than NPA) charged in case of defaults by borrowers, which has been recorded on an accrual basis.

23.2 Information of assignment/securitisation activity as an originator during the year ended March 31, 2015 and March 31, 2014:

Particulars		At PA	R
		2014-15	2013-14
Total number of Loan assets assigned / securitized	Nos.	48,560	33,826
Total book value of the Loan assets assigned/securitized #	₹ (Lacs)	1,26,594	1,08,890
Additional consideration realized in respect of accounts transferred in earlier years	₹ (Lacs)		
Sales consideration received for the assigned/securitized assets	₹ (Lacs)	1,26,594	1,08,890
Income recognised in the statement of profit and loss	₹ (Lacs)	12,576	8,001

Includes direct assignment of loan portfolio of ₹90,119.89 lacs (Previous year 53,617.73 lacs) under guidelines issued by Reserve Bank of India dated August 21, 2012 without any credit enhancement as prescribed in the guidelines.

Additional information with respect to outstanding Guarantees and Cash collaterals in respect to securitisation activities as at March 31, 2015 (₹ In Lacs)

Particulars	Ast PAR		As PREMIUM	
	2014-15	2013-14	2014-15	2013-14
Outstanding credit enhancement in the form of corporate guarantees	500.00	742.00	2,329.97	4,734.64
Outstanding credit enhancement in the form of bank guarantees	12,861.95	13,633.10	*	F
Outstanding cash collaterals in the form of fixed deposit receipts	13,234.06	13,965.24	840.65	2,357.56
Pledge of bank term deposits against bank guarantees under assignment activity (Note no. 20)	2,154.76	2,649.18	*	

23. REVENUE FROM OPERATIONS (contd.)

Disclosure as per RBI guidelines for securitisation transactions

Pai	ticu	ilars		2014-15	2013-14
No	. of	SPVs Sponsored by the NBFC for securitisation transactions	Nos.	17	12
		mount of securitised assets as per books of the SPVs sponsored by the NBFC as date of the balance sheet	₹ (Lacs)	92,351	99,512
		mount of exposures retained by the NBFC to comply with minimum retention ment (MRR) as on the date of balance sheet			
a)	Off	f balance sheet exposures			
	Firs	at Loss	₹ (Lacs)	-	2
	*0	thers	₹ (Lacs)	5	7
b)	Оп	balance sheet exposures			
	Firs	at Loss	₹ (Lacs)	×	-
	*0	thers	₹ (Lacs)	5,471	5,832
		nt of exposures to securitisation transaction other than MRR			
a)	Off	balance sheet exposures			
	I)	Exposure to own securitisations			
		First Loss	₹ (Lacs)	<u></u>	23
		*Others	₹ (Lacs)	6,684	5,112
	II)	Exposure to Third party securitisations			
		*First Loss	₹ (Lacs)	¥	2
		*Others	₹ (Lacs)	2	25
b)	On	balance sheet exposures			
	1)	Exposure to own securitisations			
		First Loss	₹ (Lacs)	7,440	5,550
		*Others	₹ (Lacs)	-	
	II)	Exposure to Third party securitisations			
		First Loss	₹ (Lacs)	*	
		*Others	₹ (Lacs)	*	2

23.3 Income from channel finance business and service charges from borrowers is inclusive of service tax.

24. OTHER INCOME

(₹ In Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Income received on investments	25.44	365.34
Bad debts recovery	987.30	216.99
Sundry's write back	71.42	141.71
Securities forfeited	140.93	68.32
Miscellaneous income	1.08	5.81
	1,226.17	798.17

25. EMPLOYEE BENEFIT EXPENSES

(₹ In Lacs)

25. EMPLOYEE BENEFIT EXPENSES		(₹ In Lacs
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries and other benefit	8,779.12	6,283.04
Directors remuneration	207.62	323.45
Contribution to provident and other funds	311.27	236.01
Staff welfare expenses	153.57	125.24
	9,451.58	6,967.74

Notes to financial statements for the year ended March 31, 2015

25. EMPLOYEE BENEFIT EXPENSES (contd.)

25.1 Details of employees benefits

a) Defined contribution plan

Provident fund

The Company makes Provident Fund contributions to a defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to the Provident Fund Commissioner to fund the benefits.

The Company recognized ₹224.01 Lacs (P.Y. ₹155.27 Lacs) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plans

Gratuity

The company operates defined gratuity plans, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The Company has not created any fund for payment of gratuity.

The following table sets out the disclosures as required by revised Accounting Standard 15 for Gratuity

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

(₹ In Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	96.52	64.23
Interest cost on benefit obligation	16.51	10.05
Expected return on plan assets	0.00	
Net actuarial (gain)/loss recognized in the year	(7.32)	(12.84)
Net benefit expense	105.71	61.44

Balance sheet

Benefit asset/liability

(₹ In Lacs)

	Year ended	Year ended
Particulars	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	283.19	183.25
Fair value of plan assets		
Plan asset / (liability)	283.19	183.25

Changes in the present value of the defined benefit obligation are as follows:

(₹ In Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Opening defined benefit obligation	183.45	121.81
Current service cost	96.52	64.23
Interest cost	16.51	10.05
Benefit Paid During the Year	(5.97)	-
Actuarial (gain)/loss on obligation	(7.32)	(12.84)
Closing defined benefit obligation	283.19	183.25

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

Particulars	Year ended	Year ended
raiduais	March 31, 2015	March 31, 2014
Discount rate	8.00%	9.00%
Salary escalation rate	7.00%	7.00%
Withdrawal rate	1.00%	1.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

25. EMPLOYEE BENEFIT EXPENSES (contd.)

Amounts for the current and previous four periods are as follows: (₹ In Lacs) Particulars March 31, 2015 March 31, 2014 March 31, 2013 March 31, 2012 Defined benefit obligation 283.19 183.25 121.81 64.97 Plan assets Surplus / (deficit) 183.25 64.97 283.19 121.81 Experience adjustments on plan liabilities (7.32)(12.84)(0.04)(0.56)Experience adjustments on plan assets

c) Other Benefits

The Company has provided for compensatory leaves which can be availed and not encashed as per policy of the company as present value obligation of the benefit at related current service cost measured using the Projected Unit Credit Method on the basis of an actuarial valuation. The company has accordingly reversed ₹28.07 Lacs (provided for P.Y. ₹13.36 Lacs) in the books of accounts for the year.

26. FINANCE COST (₹ In Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest expense (Note 26.1)	27,086.41	27,593.02
Other borrowing costs (Note 26.2)	1,110.86	1,300.61
	28,197.27	28,893.63
26.1 Interest expense includes interest on:		
Subordinated debentures	2,397.86	2,169.87
Term loans/cash credit facilities/CP	12,952.30	14,893.16
Direct/Indirect taxes	86.21	21.08
Non-convertible debentures	11,442.48	9,086.62
Others	207.56	1,422.29
	27,086.41	27,593.02
26.2 Other borrowing costs includes		1.1
Resource mobilisation expenses	920.07	1,082.11
Bank charges & commission	190.79	218.50
	1,110.86	1,300.61

Notes to financial statements for the year ended March 31, 2015

27. OTHER EXPENSES	(₹ In Lacs)

Particulars .	Year ended March 31, 2015	Year ended March 31, 2014
Advertisement, publicity & recruitment	95.46	28.15
Business promotion	121.32	131.24
Commission and brokerage	1,004.80	847.86
Communication	202.57	179.16
Director sitting fee	16.28	12.61
Donations	59.91	23.19
Electricity and water	140.26	112.24
Fee & subscription	35.94	4.35
Field investigation & credit control	24.35	28.37
Insurance	30.72	48.69
Legal & professional fee	763.19	316.37
Loss on sale of repossessed assets	616.88	347.35
Office expenses	133.14	187.08
Postage & courier	73.77	76.38
Printing & stationery	68.08	97.14
Profit/Loss On Sale Of Fixed Assets		6.11
Rates and taxes	6.02	72.77
Rent (note no. 27.1)	488.39	498.08
Repair and maintenance - others	136.23	113.09
Repossession expenses	310.48	110.08
Traveling and conveyance	1,017.53	853.68
Valuation & RTO	31.21	31.78
Vat Expenses	17.62	28.14
Auditor's remuneration		
-Audit fees	35.34	25.00
-Tax audit fees	4.50	4.50
	5,433.99	4,183.41

^{27.1} The Company's significant leasing arrangements in terms of Accounting Standard 19 on Leases are in respect of operating leases for premises. These leasing arrangements, which are cancellable generally, range between 11 months and 36 months and are usually renewable by mutual consent on mutually agreeable terms.

28. PROVISIONS AND WRITE OFF

(* In Lacs)

	Year ended	Year ended
Particulars	March 31, 2015	March 31, 2014
A. Provisions as at March 31, 2015		
Provision on assigned cases	31.15	129.00
Provision on non performing assets	2,962.63	1,940.82
Provision on overdue debtors		10
Contingent provision against standard assets	894.68	641.67
To and form the significant devices of the month of ordered makes at the property of a 1884 A.	3,888.46	2,711.49
B. Provisions as at March 31, 2014		
Provision on assigned cases	129.00	388.47
Provision on non performing assets	1,940.82	762.79
Provision on overdue debtors	-	9.01
Contingent provision against standard assets	641.67	468.00
	2,711.49	1,628.27
Net Provision made during the year (i)	1,176.97	1,083.22
C. Write off during the year		
Loan assets write off	4,665.22	4,106.28
Loss on settlement with borrowers	3,332.04	2,462.59
Write off during the year (ii)	7,997.26	6,568.87
The second secon	9,174.23	7,652.09

28.1 Provisions and Contingencies

(* In Lacs)

Break up of Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account	Year ended March 31, 2015
Provisions for depreciation on Investment	-
Provision towards NPA	1,021.81
Provision for income tax	6,812.36
Provision for Standard Assets	253.01
Other Provision and Contingencies (with details)	575.70
i) Provision for Estimated Loss for Assignments	(97.85)
ii) Provision for Leave availment	(28.08)
iii) Provision for Gratuity	99.95
iv) Provision for bonus (provision for FY 2014-15)	600.00
v) Provision on overdue debtors	
vi) Provision for Wealth tax	1.68

28.2 Movement of NPA

(₹ In Lacs)

20.2 MOVEMENT OF NEA	(in cacs)
Particulars	As at March 31, 2015
Net NPAs to Net Advances (%)	0.71%
Movement of NPAs (Gross)	
(a) Opening balance	3,881.65
(b) Additions during the year	5,336.30
(c) Reductions during the year (incl. loans written off)	3,687.11
(d) Closing balance	5,530.84

Notes to financial statements for the year ended March 31, 2015

28. PROVISIONS AND WRITE OFF (contd.)

28.2 Movement of NPA	(< in Lacs,
Particulars	Year ended March 31, 2015
Movement of Net NPAs	
(a) Opening balance	1,940.83
(b) Additions during the year	2,516.51
(c) Reductions during the year	1,889.13
(d) Closing balance	2,568.21
Movement of provisions for NPAs	
(a) Opening balance	1,940.82
(b) Provisions made during the year	2,819.79
(c) Write-off / write-back of excess provisions	1,797.98
(d) Closing balance	2,962.63

Excludes loans identified as "NPA and written off subsequently" in the current year

28.3 Sector Wise NPA's

	% of NPAs to total Advances in that sector
Sector	Year ended March 31, 2015
Agriculture & allied activities	1.53%
MSME	0.27%
Corporate borrowers	0.00%
Services	0.00%
Unsecured personal loans	0.00%
Auto loans	1.70%
Other personal loans	0.00%

Excludes loans identified as "NPA and written off subsequently" in the current year

29. TAX EXPENSES (₹ In Lacs

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	
Current tax	7,565.80	4,939.33	
Deferred tax	(547.86)	(468.92)	
Total tax expenses	7,017.94	4,470.41	

30 FARNING PER SHARE	€ in ta	1000
3U FARNING PER SHARE	(c)n (a	40.51

_ 31.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0		
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Profit/ (loss) after tax (₹ In lacs)	14,023.46	9,239.25
Less: Debentures redemption premium (₹ In lacs)		(87.62)
Less: Shares/Debenture issue expenses (₹ In lacs)		(179.75)
Net profit for calculation of basic EPS (て In lacs)	14,023.46	8,971.88
Net profit as above (₹ In lacs)	14,023.46	8,971.88
Net profit/ (loss) for calculation of diluted EPS (₹ In lacs)	14,023.46	8,971.88
Weighted average number of equity shares in calculating basic EPS (In nos.)	4,37,86,861	4,04,97,951
Effect of dilution:		
Weighted average number of equity shares in calculating diluted EPS (In nos.)	4,37,86,861	4,04,97,951
Earning per share	X- X- X-	110-300-110
Basic (In ₹)	32.03	22.15
Diluted (In ₹)	32.03	22.15
Nominal value per share (In ₹)	10.00	10.00

31. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists

Related parties where control exists	
Subsidiaries	Au HOUSING FINANCE LIMITED
	INDEX MONEY LIMITED
Related parties with whom transactions have taken place	during the year
Associates	Au INSURANCE BROKING SERVICES PRIVATE LIMITED
	M POWER MICRO FINANCE PRIVATE LIMITED
	Mr. Sanjay Agarwal, Managing Director
Key management personnel	Mr. Uttam Tibrewal, Executive Director
key management personner	Mr. Deepak Jain, Chief Financial Officer
	Mr. Manmohan Parnami, Company Secretary
Relatives of key management personnel	Mr. Subhash Tibrewal brother of Mr. Uttam Tibrewal

a. Loans given and repayment there of

(* In Lacs)

Particulars	Year ended	Loans given	Repayment	Interest due	Interest received	Amount owed by related parties
Subsidiaries						
A., HOUSING FINANCE LIMITED	31-Mar-15	33,814.46	34,459.46	103.72	103.72	*
Au HOUSING FINANCE LIMITED	31-Mar-14	24,289.72	23,644.72	166.00	166.00	645.00
INDEX MONEY LIMITED	31-Mar-15	12.00	12.00			
	31-Mar-14	1.0	2	- 4	14	-
Associates						
Au INSURANCE BROKING SERVICES PRIVATE	31-Mar-15	-	-	*		-
LIMITED	31-Mar-14	112	-		14	2
	31-Mar-15	2250.00	1250.00	18.43	11.82	1006.61
M POWER MICRO FINANCE PRIVATE LIMITED	31-Mar-14	200.00	200.00	1.40	1.40	2

Loans given to related parties are repayable on demand. These loans carry interest @ of 12% to 17% p.a.

Notes to financial statements for the year ended March 31, 2015

31. RELATED PARTY DISCLOSURES (contd.)

b. Remuneration to key managerial personnel		(₹ In Lacs)
Particulars	March 31, 2015	March 31, 2014
Mr. Sanjay Agarwal, Managing Director	89.84	189.04
Mr. Uttam Tibrewal, Executive Director	117.78	134.42
Mr. Deepak Jain, Chief Financial Officer	86.63	87.90
Mr. Manmohan Parnami, Company Secretary	29.10	28.46
Total	323.35	439.82

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

c. Other transactions

c. Other transactions								(₹ In Lacs)
Name of related party	Nature of related	Nature of	31-Mar-15			31-Mar-14		
party	party	transactions	Amount received	Amount paid	Outstanding balance	Amount received	Amount paid	Outstanding balance
Au Housing Finance Limited	Subsidiary company	Equity shares	-	3,000.00			2,000.00	i
Au Housing Finance Limited	Subsidiary company	Reimbursement of expenses	129.57	27	٠	52.08	e o	2.44
Au Housing Finance Limited	Subsidiary company	Reimbursement of expenses	3	40.33			10.30	· ·
Au HOUSING FINANCE LIMITED	Subsidiary company	Reimbursement of Statutory payments	103.58		F	70.19	H	
INDEX MONEY LIMITED	Subsidiary company	Reimbursement of expenses	0.02	,	4	0.16	-	
INDEX MONEY LIMITED	Subsidiary company	Reimbursement of Statutory payments	4.02	-		34.56	-	1 17
INDEX MONEY LIMITED	Subsidiary company	Advisory fee collected		4.04			6.07	(*
ALI INSURANCE BROKING SERVICES PRIVATE LIMITED	Associate company	Reimbursement of expenses	23.50	-	2	16.23	a	0.35
Au Insurance Broking Services Private Limited	Associate company	Reimbursement of Statutory payments	37.13	×	÷	32.67		
Mr. Sanjay Agarwal	Managing Director	Rent		7.14	-	.2	6.44	
Mr. Subhash Tibrewal	Relative of KMP's	Salary & Bonus		20.66	2	-	25.34	

Name of related party Nature of related party Nature of transactions 31-Mar-15 31-Mar-14 Au HOUSING FINANCE LIMITED Subsidiary company Corporate guarantee 33,132.68 31,862.08 Mr. Sanjay Agarwal Managing Director Personnel guarantee 60,164.39 70,866.98 Mr. Sanjay Agarwal & Mr. Uttam Tibrewal Managing Director & Executive Director Personnel guarantee 10,683.36 14,944.49 Mr. Sanjay Agarwal & Mrs. Jyoti Agarwal Personnel guarantee 17,164.88 24,953.81

Managing Director & Shareholder Managing Director Mr. Sanjay Agarwal Equity shares pledged 9,196.10 380.88 Mr. Sanjay Agarwal Managing Director Property pledged 4,928.55 7,598.18

32. CAPITAL AND OTHER COMMITMENTS:

(₹ In Lacs)

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital accounts not provided for :		
Tangible assets	16.83	-
Intangible assets	0.39	
	17.22	

33. CONTINGENT LIABILITY NOT PROVIDED FOR:

(* In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Credit enhancements provided by the Company towards asset assignment / securitisation (including cash collaterals, principal and interest subordination)	24,023.00	38,081.72
Corporate Guarantees/Corporate Undertakings in case of Channel business activity	597.35	2,577.94
Corporate Guarantees on borrowings taken by it's subsidiary company (Au HOUSING FINANCE LIMITED)	33,132.68	31,862.08
Claims against the company not acknowledged as debts *	225.96	93.91
Value added tax	13.89	13.89
Income tax demand #	65.58	45.93
Service tax demand \$	1,209.61	1,209.61

The claims against the company comprise of :

Income tax demand of ₹9.07 Lacs, ₹9.50 Lacs, ₹27.35 & ₹18.65 Lacs from the Indian tax authorities for payment of additional tax of financial year 2008-09, 2009-10, 2010-11& 2011-12 respectively upon completion of their tax review. The tax demands are mainly on account of disallowance of expenses which are being contested in appeal before the commissioner of income tax (Appeals) and is pending for disposal. The company has deposited the demand but has not recognised the provision pending disposal of appeal.

\$ Service tax demand of ₹1209.61 lacs from the Indian tax authorities for payment of additional tax up to September 2013. Company has appealed to commissioner – Service Tax in this matter and Commissioner has given the decision in favor of department. Now company has applied to Custom Excise & Service Tax Appellate Tribunal (CESTAT) at Delhi on 22nd May 2015. Company has deposited ₹92 lacs against appeal to CESTAT. The tax demand is mainly on account of collection agency Service valuation amount on portfolio assigned/securitized to banks/financial institution/non banking financial institutions.

34. The Company is primarily engaged in lending activities. Further the Company does not have any separate geographic segment other than India. As such there are no separate reportable segment as per AS-17 " Segment Reporting".

35. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(₹ In Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Travelling	*	1.
Appraisal/Processing fee	104.11	17.13

36. DISCLOSURE AS PER RBI GUIDELINES:-

A. Capital adequacy ratio

Particulars	As at March 31, 2015	As at March 31, 2014
CRAR (%)	18.54%	20.44%
CRAR - Tier I capital (%)	17.07%	17.45%
CRAR - Tier II capital (%)	1.47%	2.99%
Amount of subordinated debt raised as Tier-II Capital	17,500	17,500
Amount raised by issue of Perpetual Debt Instruments	0.00	0.00

Notes to financial statements for the year ended March 31, 2015

36. DISCLOSURE AS PER RBI GUIDELINES: (contd.)

O. Consequences de Bool Catata Cantag

B. Exposures to Real Estate Sector		(₹ In Lacs
Category	As at March 31, 2015	As at March 31, 2014
(A) Direct Exposure-		
Residential Mortgages-		
Lending fully secured by mortgages on residential property that is or will be of the borrower or that is rented;	occupied by Nil	Nil
Commercial Real Estate-		
Lending secured by mortgages on commercial real estates (office buildings, multipurpose commercial premises, multi-family residential buildings, m commercial premises, industrial or warehouse space, hotels, land acquisition, and construction, etc.). Exposure would also include non-fund based (NFB) li	ulti-tenanted development	17,584.64
Investments in Mortgage Backed Securities (MBS) and other securitized e	exposures-	
(a) Residential	Nil	Nil
(b) Commercial Real Estate.	Nil	Nil
(B) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Finance Companies (HFC's).	Housing 9,563.78	5,863.28

[&]quot;Of the loans given against the mortgage of any real estate, only those loans have been classified as an exposure to commercial real estate, the prospects for repayment in respect of which depend primarily on the cash flows generated by such mortgaged asset (including the recovery in the event of default)."

(C) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(₹ In Lacs)

morarid barrent of certain		aria naci							1
Particulars	1 Day to 31 Days / One Month	Over 1 Month to 2 Month	Over 2 Month to 3 Month	Over 3 Month to 6 Month	Over 6 Month to 1 year	Over 1 year to 3 Years	Over 3 year to 5 Years	Over 5 Years	Total
Advances**	19,420.51	15,497.30	16,574.29	27,604.79	57,367.89	1,33,257.35	50,423.71	38,172.63	3,58,318.47
Investments	240.15	249.33	244.42	699.69	1,285.12	2,469.19	269.10	8,526.96	13,983.95
Borrowings From Banks*	2,837.20	22,525.40	22,872.47	6,148.10	75,713.25	1,21,874.97	30,581.70	5,500.00	2,88,053.08
Foreign Currency Assets		-							
Foreign Currency Liabilities									-

^{*}includes financial institutions and other parties.

(D) Instances of fraud for the year ended March 31, 2015

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount written-off
Cash embezzlement			72	3
Loans given against fictitious documents	2	10.50		10.42
Fraud by external party				

Instances of fraud for the year ended March 31, 2014

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount written-off
Cash embezzlement			0.4	-
Loans given against fictitious documents		3		
Fraud by external party		-	6.	

^{*} Claims by borrowers consequent to actions against them by the company in case of defaults and/or repossession of secured assets totalling ₹225.96 lacs (P.Y. ₹93.91 lacs). The company has been advised by its legal division that liability is possible, but not probable and according no provision for such liability has been recognised in the financial statements.

^{**}including accrued interest and trade advance. Net of Provision on NPA.

36. DISCLOSURE AS PER RBI GUIDELINES: (contd.)

(E) Customer Complaints	(₹ In Lacs)
Particulars	No. of cases
No. of complaints pending at the beginning of the year	-
No. of complaints received during the year	56
No. of complaints redressed during the year	55
No. of complaints pending at the end of the year	.1

(F) Derivatives

- 1 The Company has no transactions / exposure in derivatives in the current and previous year.
- 2 The Company has no unhedged foreign currency exposure as on March 31, 2015 (March 31, 2014: Nil).

(G) Details of financial assets sold to securitisation / reconstruction company for asset reconstruction:

The Company has not sold financial assets to Securitisation / Reconstruction companies for asset reconstruction in the current and previous year.

(H) Details of non-performing financial assets purchased / sold

The Company has not purchased / sold non-performing financial assets in the current and previous year.

(I) Exposure to Capital Market

The Company has no exposure to capital market directly or indirectly in the current and previous year.

(J) Details of financing of parent company products

This disclosure is not applicable as the Company is the holding company.

(K) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded

During the year ended March 31, 2015 and March 31, 2014, the Company has complied with the Reserve Bank of India guidelines on single borrower and borrower group limit. During the year ended March 31, 2015 and March 31, 2014, the Company has not exceeded single borrower or group borrower exposure limit.

(L) Unsecured Advances - Refer note 16

(M) Registration obtained from other financial sector regulators:

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

- Financial Intelligence Unit (FIU), MOF, Delhi, India
- 2 Registration obtained under Foreign Assets Tax Compliance Act

(N) Disclosure of penalties imposed by RBI and other regulators:

No Penalties were imposed by RBI and other regulators during current and previous year.

(O) Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2015 (previous year: Nil) other than those disclosed under Note 4.

Notes to financial statements for the year ended March 31, 2015

36. DISCLOSURE AS PER RBI GUIDELINES: (contd.)

(P) Ratings assigned by credit rating agencies and migration of ratings during the year:

(* In Lacs)

Deposits Instrument	Name of the rating agency	Date of rating assigned / reviewed	Rating assigned	Valid up to	Rating Amount
	CRISIL Ratings (Long term rating)	101114	CRISIL A / Stable*	No.	Validad
Bank Loan Rating (Long term facilities)	CRISIL Ratings (Short term rating)	10-Jul-14	CRISIL A1	Note-1	1,97,000
	CARE Ratings	17-Dec-14	CARE A+**	Note-1	1,10,000
Long-term Debt (Non Convertible	CRISIL Ratings (Long term rating)		CRISIL A / Stable*	Note-1	1,13,000
	CRISIL Ratings (Long term rating, Short Term Rating)	10-Jul-14	CRISIL A / Stable*, CRISIL A1*	Note-1	10,000
Debenture)	CARE Ratings	17-Dec-14	CARE A+**	Note-1	4,500
	India Ratings and Research Pvt. Ltd.	04-Nov-14	IND A+ / Stable	Note-1	25,000
	CRISIL Ratings	10-Jul-14	CRISIL A / Stable*	Note-1	19,000
Long-term Debt (Subdebt)	CARE Ratings	17-Dec-14	CARE A**	Note-1	2,000
(Subuebly	ICRA Ratings	17-Oct-14	ICRA A / Stable	Note-1	5,000
Short-term Debt	CRISIL Ratings (for Commercial Paper)	10-Jul-14	CRISIL A1*	Note-1	50,000
(Commercial Paper /Non Convertible Debenture)	India Ratings and Research Pvt. Ltd. (for Commercial Paper)	04-Nov-14	IND A1+	Note-1	1,00,000
	CRISIL Ratings	16-Oct-14	CRISIL A (SO)	Note-2	14,491
Securitisation	India Ratings and Research Pvt. Ltd.	07-Feb-15	IND A (SO)	Note-2	8,412
	India Ratings and Research Pvt. Ltd.	31-Mar-15	IND A (SO)	Note-2	8,572
	India Ratings and Research Pvt. Ltd.	26-Dec-14	IND AA (SO)	Note-2	8,058
	India Ratings and Research Pvt. Ltd.	26-Mar-15	IND AA (SO)	Note-2	5,953

^{*}CRISIL Ratings upgraded the outlook for long term rating (for Bank loan/ Non Convertible Debenture/ subdebt) from CRISIL A / Stable to CRISIL A+, short term rating (Non Convertible Debenture) from CRISIL A1 to CRISIL A1+ and upgraded the short term rating (Commercial Paper) to CRISIL A1+ from CRISIL A1 in April 2015.

^{**}CARE has upgraded the rating by one notch in its review dated December 17, 2014 from CARE A to CARE A+ for Bank Loan and for Non Convertible Debenture and from CARE A- to CARE A for Subdebt.

Note-1: The Rating is subject to annual surveillance till final repayment / redemption of rated facilities.

Note-2: The same is considered to be valid up to the date of maturity of such instruments and will be under surveillance of rating agencies.

37. LITIGATION

The company has certain litigations pending with the income tax authorities, service tax authorities and other litigations which have arisen in the ordinary course of business. The company has reviewed all such pending litigations having an impact on the financial position, and has adequately provided for where provision are required and disclosed the contingent liabilities where applicable, in its financial statements. Refer note 33 for items disclosed as contingent liabilities.

38. SUPPLEMENTARY STATUTORY INFORMATION PURSUANT TO CLAUSE 29 OF THE DEBT LISTING AGREEMENT:

a. Loans and advances in the nature of loans to subsidiaries/associates:

(₹ In Lacs)

Name of related party	As at Marc	h 31, 2015	As at March 31, 2014	
Subsidiary/Controlled Subsidiary/Associates	Amount of Loans and advances at the year end	Maximum amount outstanding during the year	Amount of Loans and advances at the year end	Maximum amount outstanding during the year
INDEX MONEY LIMITED	Nil	7	Nil	-
Au Insurance Broking Services Private Limited	Nil	1+	Nil	-
Au HOUSING FINANCE PRIVATE LIMITED	Nil	3,525.00	645.00	4,110.51
M POWER MICRO FINANCE PRIVATE LIMITED	1000.00	1,000.00	Nil	201.40
None of the above loans are / were carrying any repayment schedule.				

^{39.} FIGURES ARE ROUNDED OFF TO THE NEAREST RUPEES IN LACS.

40. PREVIOUS YEAR FIGURES :

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

The accompanying notes are an integral part of the financial statements.

As per our Report of even date For S.R. Batliboi & Co. LLP ICAI Firm's Registration no.: 301003E

Chartered Accountants

Place: Mumbai

Date: May 27, 2015

For and on behalf of the Board of Directors Au FINANCIERS (INDIA) LIMITED

Sanjay Agarwal (Managing Director) **Uttam Tibrewal** (Executive Director)

Manmohan Parnami

(Company Secretary)

Shrawan Jalan Partner Deepak Jain Membership no. 102102

> Place: Jaipur Date: May 27, 2015

(Chief Financial Officer)

Annexure 1

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Depositing Accepting of Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

	Particulars		(₹ in Lac
	Liabilities side:	As on 31-03	-2015
	Loans and advances availed by the non banking financial company inclusive of interest	Amount	Amount
	accrued but not paid	Out-standing	overdue
	(a) Debentures : Secured	1,04,103.89	
T	: Unsecured	37,216.29	
	(Other then falling within the meaning of public deposits*)		
	(b) Deferred Credits		
П	(c) Term Loans	55,152.42	
1	(d) Inter-corporate loans and borrowing	1112-111111-11111	
T	(e) Commercial Paper	49,766.33	
	(f) Other Loans (specify nature) : -	7.70	
1	Cash Credit Limit	47,527.81	
7	Working Capital Terms Loans	A A A CONTRACTOR	
1	*Please see Note 1 below		
1	Assets Side :	Amount Outs	tanding
	Break-up of Loans and Advances including bills receivables (other then those		
	included in (4) below)		
_	(a) Secured		3,53,178.5
	(b) Unsecured		8,102.5
-4	Break- up of leased Assets and stock on hire and other assets counting towards AFC		941023
	activities		
	(i) Lease assets including lease rentals under sundry debtors :		
Ť	(a) Financial lease		
H	(b) Operating lease		
+	(ii) Stock on hire including hire charges under sundry debtors:		
+	(a) assets on hire		
+	(b) Repossessed Assets		
+	(iii) Other loans counting towards AFC activities		
H	(a) Loans where assets have been repossessed		56.3
	(b) Loans other then (a) above		50
	Break-up of investments :		
\rightarrow	Current Investments :		
	1.Quoted		
H	(i) Shares : (a) Equity		
	(b) Preference		
1	(ii) Debentures and bonds		
+	(ii) Units of mutual funds		
-			
-	(iv) Government Securities		
+	(v) Other (Certificate of deposits)		
	2. Unquoted		
-	(i) Shares : (a) Equity		
-	(b) Preference		
-	(ii) Debentures and bonds		
-	(iii) Units of mutual funds		8.8
	(iv) Government Securities (v) Other (investment under securitisation)		2,709.8

Au FINANCIERS (INDIA) LIMITED 169

	Particulars			(₹ in Lacs)	
	Long-Term investments				
	1. Quoted				
	(i) Shares : (a) Equity			- 12	
	(b) Preference				
	(ii) Debentures and bonds				
-				· ·	
	(iii) Units of mutual funds				
	(iv) Government Securities			19	
	(v) Other (please specify)			- 4	
	2. Unquoted				
	(i) Shares : (a) Equity			8,504.00	
	(b) Preference				
	(ii) Debentures and bonds			-	
	(iii) Units of mutual funds				
	(iv) Government Securities			127242020	
-	(v) Other (investment under securitisation)			2,761.25	
5	Borrower group-wise classification of assets financed as in (2) and (3 Above)				
	Please see Note 2 below				
	Category	Amount net of provision			
		Secured	Unsecured	Total	
	1. Related Parties * *			-	
	(a) Subsidiaries				
	(b) Companies in the same group	4 000 00			
	(c) Other related parties	1,000.00		1,000.00	
-	2. Other than related parties Total	3,52,178.59		3,60,281.10	
6	Investor group-wise classification of all investments (current and long	3,53,178.59	8,102.51	3,61,281.10	
0	[[
	term) in shares and securities (both quoted and unquoted):				
	Please see note 3 below	Manhat calca/Da	eak up of fair value	Book value (Net	
	Category		Marie Commence and the second second		
	1. Related Parties * *	OT	NAV	of Provisions)	
				0.034.50	
	(a) Subsidiaries (b) Companies in the same group/associates			8,034.50 469.50	
	(c) Other related parties			409.30	
	2. Other then related parties		5,479.95	5,479.95	
	Total	-	5,479.95	13,983.95	
	** As per Accounting Standard of ICAI (please see Note 3)		3,473.33	13,303.33	
7	Other information				
5_	Particulars		Amount		
i	Gross Non-Performing Assets		raniount		
	(a) Related parties				
				5,530.84	
	(b) Other then related parties				
ii	(b) Other then related parties Net Non-Performing Assets	i i			
ii	Net Non-Performing Assets				
ii				2,568.21	

Notes:

- 1 As defined in paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- 3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long-term or current in (4) above.

Consolidated Financial Section

Independent Auditors' Report

To

The Members of Au FINANCIERS (INDIA) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Au FINANCIERS (INDIA) LIMITED (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated four responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinior

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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 of the consolidated state of affairs of the Group and its associates as at March 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note No.4 to the consolidated financial statements, relating to the accounting treatment applied by Au HOUSING FINANCE LIMITED, a subsidiary company, relating to creation of deferred tax liability on special reserve created as per Section 29C of the National Housing Bank Act, 1987 and claimed as deduction under section 36(1)(viii) of the Income Tax Act, 1961 up to March 31, 2014 amounting to ₹85.27 lakhs which has been adjusted from reserves and surplus, pursuant to NHB circular NHB (ND)/DRS/Pol. Circular No. 62/2014 dated May 27, 2014.

Report on Other Legal and Regulatory Requirements

 As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries, associate companies incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- As required by section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors:
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; and
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group's companies and its associate companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates

 Refer Note 33 to the consolidated financial statements:
 - The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts; and
 - iii. There were no amounts which were required to be

transferred to the Investor Education and Protection Fund by the Group and its associates incorporated in India.

Other Matters

- (a) The accompanying consolidated financial statements include total assets of ₹8,609,095,231 as at March 31, 2015, and total revenues and net cash flows of ₹1,100,001,261 and ₹136,443,988 for the year ended on that date, in respect of two subsidiaries, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net profit of ₹9,488,745 for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of two associates, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report of such other auditors.
- (b) We report that, as required by regulation 29(6) of the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2003 ("IRDA Regulation"), Au Insurance Broking Services Private Limited, an associate company of the Holding Company has obtained certificate from an independent Chartered Accountant confirming compliance with various regulation of the IRDA Regulations with specific reference to regulation 9, 11, 12, 13 and 25 for the period March 1, 2014 to March 31, 2015. Based on said certificates, we confirm that the Company has complied with various regulations for the period March 1, 2014 to March 31, 2015 as mentioned in the same certificates. For the purpose of our reporting, we have relied on above mentioned certificates obtained by the Company and have not performed any additional procedures in this regard.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

For S. R. BATLIBOI & CO. LLP ICAI Firm's Registration Number: 301003E

Chartered Accountants

Mumbai per Shrawan Jalan
Mumbai Partner
May 27, 2015 Membership No. 102102

Annexure to Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

The Group, comprising Au FINANCIERS (INDIA) LIMITED ('Holding Company') and its subsidiaries and associates incorporated in India and to whom the provisions of the Order apply (together referred to as 'the Covered entities' in this report)

- (i) (a) The Holding Company and the Covered entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets were physically verified by the management of the Holding Company and the Covered entities in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the of the Holding Company and the Covered entities and the nature of their assets. No material discrepancies were noticed on such verification.
- (ii) The business of the Holding Company and the Covered entities do not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Holding Company and the Covered entities.
- (iii) (a) The Holding Company has granted loans to a company covered in the register maintained under section 189 of the Act. In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
 - (b) There is no overdue amount of loans granted by the Holding Company and the Covered entities to companies, firms or other parties listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of the Covered entities, there is an adequate internal control system commensurate with the size of the Holding Company and the Covered entities and the nature of its businesses, for the purchase of fixed assets and for rendering of services, to the extent applicable to the nature of the business of the Covered entities. The activities of the Holding Company and the Covered

- entities do not involve purchase of inventory and the sale of goods. During the course of our audit and as reported by the other auditors who audited the financial statements / financial information of the Covered entities, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities in respect of these areas.
- (v) The Holding Company and the Covered entities have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements / financial information of the Covered entities, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the products/services of the Holding Company and the Covered entities.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealthtax, service tax, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in respect of the Holding Company and certain Covered entities.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and the Covered entities.
 - (c) According to the records of the Holding Company and the Covered entities and as reported by other auditors who audited the financial statements / financial information of

the Covered entities, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, value added tax and cess on account of any dispute in respect of the Holding Company, are as follows:

Name of Statue	Nature of dues	Amount (₹)	Period to which it relates	Forum Where Dispute is Pending
Rajasthan Value Added Tax, 2003	Value Added Tax	1,389,000	Financial years 2009-10 to 2012-13	Pending Appeal
Finance Act, 1994	Service Tax	120,962,101	April 2008 – September 2013	Commissioner of Central Excise
Income Tax Act, 1961	Income Tax	6,458,040	Financial years 2008-09 to 2011-12	Commissioner of income tax (Appeals)

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the Covered entities in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The accumulated losses at the end of the financial year in respect of one of the Covered entities, M Power Microfinance Private Limited, an associate company, are less than fifty per cent of its net worth. The Holding Company and the Covered entities have not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditors who audited the financial statements / financial information of the Covered entities, we are of the opinion that the Covered entities have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us and based on the reports of the other auditors who audited the financial statements / financial information of other covered entities, the Holding Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not primafacie prejudicial to the interest of the Holding Company.
- (xi) Based on information and explanations given to us by the management of the Holding Company and the report other auditors who audited the financial statements / financial information of the Covered entities, term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid assets payable on demand.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements / financial information of the Covered entities, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities have been noticed or reported during the year, except in the Holding Company, two instances of misrepresentation by customers were reported whereby loans were obtained on the basis of fictitious documentation aggregating ₹1,050,000. As informed, the Holding Company has initiated legal action against the customers. The outstanding balance of ₹1,042,198 has been fully provided. Further, in case of one of the subsidiaries, the other auditor who audited the financial statements/financial information of the subsidiary has reported that, during the year, an instance of misrepresentation by a customer was reported whereby the customer obtained loan from multiple lenders against the same security. The amount of loan obtained from the subsidiary company was ₹1,000,000. As informed, the subsidiary company has initiated legal action against the customers. The outstanding balance of ₹934,122 has been fully provided.

> For S. R. BATLIBOI & CO. LLP ICAI Firm's Registration Number: 301003E Chartered Accountants

per Shrawan Jalan Mumbai Partner May 27, 2015 Membership No. 102102

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Au FINANCIERS (INDIA) LIMITED 175

Consolidated Balance Sheet as at March 31, 2015

(₹	ln	Lacs)

			(\(\tau\)
Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES		March 51, 2015	March 51, 2014
Shareholders' funds			
Share capital	3	4,408.08	4,296.41
Reserves & surplus	4	79,350.94	60,620.73
		83,759.02	64,917.14
Minority Interest		-	-
Non-current liabilities			
Long-term borrowings	5	2,10,344.26	1,53,075.66
Other long-term liabilities	6	4,723.50	1,497.63
Long-term provisions	7	4,332.47	2,831.87
	<u> </u>	2,19,400.23	1,57,405.16
Current liabilities		_,,	.,,
Short-term borrowings	8	1,06,097.95	50,572.33
Trade payables	9	1,269.79	1,241.52
Other current liabilities	10	69,977.03	62,241.04
Short-term provisions	7	2,458.18	1,284.39
Short tall profitions	•	1,79,802.95	1,15,339.28
TOTAL		4,82,962.20	3,37,661.58
ASSETS		1,02,002120	5,57,651.55
Non-current assets			
Fixed assets			
Tangible assets	11	2,260.78	2,136.50
Intangible assets	12	133.41	88.06
Capital work-in-progress	·-	123.29	3.07
Goodwill on Consolidation		52.95	52.95
Non-current investments	13	3,342.17	3,717.00
Deferred tax assets (net)	15	1,351.97	968.38
Receivables under financing activity	16	3,03,787.41	1,87,618.42
Long-term loans and advances	17	1,198.12	1,640.01
Other non-current assets	18	543.51	453.15
		3,12,793.61	1,96,677.54
Current assets		5,12,100.01	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Current investments	14	3,109.78	2,741.25
Trade receivables	19	238.50	157.46
Cash and bank balances	20	21,944.64	20,574.29
Receivable under financing activity	16	1,40,320.43	1,11,815.63
Short-term loans and advances	21	1,323.55	2,673.86
Other current assets	22	3,231.69	3,021.55
		1,70,168.59	1,40,984.04
TOTAL		4,82,962.20	3,37,661.58
Summary of significant accounting policies	2.1	.,,	-,,

The accompanying notes are an integral part of the financial statements.

As per our Report of even date For S.R. Batliboi & Co. LLP ICAI Firm's Registration no.: 301003E Chartered Accountants

Shrawan Jalan Partner

Membership no. 102102

Place: Mumbai Date: May 27, 2015 For and on behalf of the Board of Directors Au FINANCIERS (INDIA) LIMITED

Sanjay Agarwal (Managing Director)

Deepak Jain (Chief Financial Officer)

Place: Jaipur Date: May 27, 2015 **Uttam Tibrewal** (Executive Director)

Manmohan Parnami (Company Secretary)

Statement of Consolidated Profit and Loss for the year ended March 31, 2015

(₹ In Lacs)

Particulars	Note No.	Year ended	Year ended
		March 31, 2015	March 31, 2014
CONTINUING OPERATIONS INCOME			
Revenue from operations	23	83,398.89	66,685.16
Other income	24	1,243.50	803.31
Total Revenue (I)		84,642.39	67,488.47
EXPENSES			
Employee benefit expenses	25	11,197.09	8,243.24
Finance costs	26	33,368.42	31,746.16
Depreciation and amortization expense		752.96	371.16
Other expenses	27	5,827.38	4,471.62
Provisions and write offs	28	9,408.84	7,751.42
Total expenses (II)		60,554.69	52,583.60
Profit before tax (III)= (I)-(II)		24,087.70	14,904.87
Tax expenses:			
Current tax	29	8,545.03	5,233.48
Deferred tax	29	(468.86)	(521.89)
Tax relating to earlier periods		(200.22)	128.80
Total tax expenses (IV)		7,875.95	4,840.39
Profit after tax (III)-(IV)		16,211.75	10,064.48
Share of Profit / (Loss) of Associate		95.99	11.67
Net profit after taxes and Share of Profit of Associate		16,307.74	10,076.15
Earnings per equity share	30		
Continuing and total operations			
Basic (₹)		37.24	24.21
Diluted (₹)		37.24	24.21
Nominal value per share (₹)		10.00	10.00
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date For S.R. Batliboi & Co. LLP

ICAI Firm's Registration no.: 301003E

Chartered Accountants

Shrawan Jalan Partner Membership no. 102102

Place: Mumbai Date: May 27, 2015 For and on behalf of the Board of Directors Au FINANCIERS (INDIA) LIMITED

Sanjay Agarwal (Managing Director)

Uttam Tibrewal (Executive Director)

Deepak Jain (Chief Financial Officer) Place: Jaipur

Date: May 27, 2015

(Company Secretary)

Manmohan Parnami

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Consolidated Cash Flow statement for the year ended March 31, 2015

(₹ In Lacs)

Pa	rticulars	As at March	31 2015	As at March	(? In Lacs)
1	CASH FLOW FROM OPERATING ACTIVITIES	AS BE WISHER	EIREVIE	75 dt William	31,2014
	Net profit before tax as per statement of profit and loss		24,087.69		14,904.89
	Add/(Less):		24,007.00		14,504.05
	Depreciation/ amortization		752.96		371.16
-	Adjustment of tax relating to earlier periods		200.22		(128.80)
	Interest on income tax		-		13.87
	Loss/(Profit) on sale of fixed assets		(0.96)		6.11
	Profit on sale of investments		(25.44)		(366.91)
-	Contingent provision against standard assets		421.83		266.27
-	Provision for non-performing assets		1,087.59		1,184.75
	Provision on assigned Loans		(97.85)		(259.47)
	Provision for employee benefits	T T	87.12		138.82
	Dividend from current investments		(9.65)		(2.62)
-	Operating profit before working capital changes		26,503.51		16,128.07
	Adjustment for increase or decrease in		03/64/5/62		104
	Decrease / (increase) in Receivable under financing activity	(1,44,673.79)		(93,236.65)	
	Decrease / (increase) in Trade receivables	(81.03)		331.35	
	Decrease / (increase) in Short term loans and advances	1,995.31		326.14	
	Decrease / (increase) in Long-term loans and advances	481.62		(307.32)	
	Decrease / (increase) in Other non-current assets	(90.35)		3,855.73	
	Decrease / (increase) in Other current assets	(210.12)		(187.95)	
	(Decrease) / increase in Other long-term liabilities	3,225.86		278.76	
	(Decrease) / increase in Other current liabilities	7,982.87		10,744.92	
	(Decrease) / increase in Trade payables	28.27		341.76	
	Cash Generating from/(used in) Operation	13-20-21	(1,04,837.85)		(61,725.19)
	Direct taxes paid	(7,651.45)		(4,778.65)	
	Wealth tax paid	(1.58)	(7,653.03)	(1.58)	(4,780.23)
	Net cash flow from/ (used in) operating activities (A)		(1,12,490.88)		(66,505.42)
2	CASH FLOWS FROM INVESTING ACTIVITIES				
	Purchase of Intangible assets		(90.26)		(27.48)
	Purchase of fixed assets		(977.52)		(731.20)
	Sale of fixed assets	H	9.74		10.06
	Decrease / (increase) in – Deposits with original maturity of more than 3 months but less than 12 months		1,237.40		(4,754.33)
	Investments in Associates				(450.00)
	(Purchase)/Sale of other investments		(38,549.14)		(1,10,374.09)
	Proceeds from Sale of Investment (others)		38,651.43		1,75,229.60
	Profit on sale of investments		25.44		366.90
	Dividend from current investments	- 1	9.65		2.62
	Net cash flow from/ (used in) investing activities (B)		316.74		59,272.08

Consolidated Cash Flow statement for the year ended March 31, 2015

(₹ In Lacs)

Particulars		As at March 31, 2015	As at March 3	1, 2014
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from borrowings		1,12,149.22	C	23,100.39)
Issue of Equity Shares		111.67		249.35
Share premium		3,740.81		8,353.11
Redemption of preference shares				(5.00)
Shares/debenture issue expenses		(1,216.85)		(270.13)
Net cash flow from/ (used in) in financing activ	vities (C)	1,14,784.85	(*	4,773.06)
Net increase/(decrease) in cash and cash equiv	alents (A + B + C)	2,610.71	(2	2,006.40)
Cash and cash Equivalents as at the beginning of	f the year	2,680.77		24,687.17
Cash and cash equivalents at the end of the ye	ear	5,291.48		2,680.77
Components of cash and cash equivalents				
Cash on hand		2,251.86		2,321.03
Balance with franking machine *		35.03		28.46
Balance with banks				
In current accounts		1,696.59		330.83
In deposit account		1,308.00		3.37
Less: Bank overdraft		-		(2.92)
Total cash and cash equivalents (Refer note no	. 20)	5,291.48		2,680.77

^{*} The Company can utilize the balance only towards stamping of loan agreements executed with their borrowers

As per our Report of even date For S.R. Batliboi & Co. LLP

ICAI Firm's Registration no.: 301003E

Chartered Accountants

For and on behalf of the Board of Directors Au FINANCIERS (INDIA) LIMITED

Sanjay Agarwal (Managing Director) Uttam Tibrewal (Executive Director)

Shrawan Jalan

Partner

Membership no. 102102

Place: Mumbai Date: May 27, 2015 Deepak Jain (Chief Financial Officer)

Place: Jaipur Date: May 27, 2015 Manmohan Parnami (Company Secretary)

CORPORATE INFORMATION

The "Au FINANCIERS (INDIA) LIMITED (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Company is engaged in lending activities. The Company had obtained its license from Reserve Bank of India to operate as a Non Banking Financial Company (NBFC) on November 7, 2000 vide certificate of registration no. B-10-00139.

2 BASIS OF PREPARATION

"The consolidated financial statements relates to Au FINANCIERS (INDIA) LIMITED ("the Company"), its subsidiary companies and associates. The Company, its subsidiary companies and associates together constitute the Group. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the RBI as applicable to a Systemically Important Non-Banking Financial Company ('NBFC-ND-SI'). The financial statements have been prepared on an accrual basis and under the historical cost convention except interest on loans which have been classified as non-performing assets and are accounted for on realisation basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company has ascertained its operating cycle as 12 months for the above purpose."

3 PRINCIPLES OF CONSOLIDATION

- (a) The financial statements of the subsidiary companies and the associates used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2015 and are prepared based on the accounting policies consistent with those used by the Company except for the differences disclosed in the financial statement.
- (b) The financial statements of the Group have been prepared in accordance with the AS-21-' Consolidated financial statements' and AS-23-'Accounting for Investments in Associates' in consolidated financial statements.
- (c) The consolidated financial statements have been prepared on the following basis:
 - i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.
 - ii) The consolidated financial statements include the share of profit / loss of the associate companies which has been accounted as per the "Equity method" and accordingly, the share of profit / loss of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments. An associate is an enterprises in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.
 - iii) The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements
 - iv) Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

3.1 Information on Subsidiaries and Associates

(a) The following Subsidiary Companies are Considered in the Consolidated Financial Statements:

Name of the Company	Country of Incorporation	Proportion of ownership interest as on March, 31 2015
Au HOUSING FINANCE LIMITED	India	100%
INDEX MONEY LIMITED	India	100%

(b) The details of Associate company are as follows:

Name of the Company	Country of Incorporation	Proportion of ownership interest as on March, 31 2015
Au Insurance Broking Services Private Limited	India	26%
M POWER MICRO FINANCE PRIVATE LIMITED	India	38.53%

3.2 Summary of significant accounting policies

(a) Use of estimates:-

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Change of Estimates

In accordance with the requirements to schedule II to the Companies Act, 2013, the Company has reassessed the useful lives of the fixed assets:

- (i) An amount of ₹16.21 Lacs has been charged to the opening balance of the retained earnings in respect of the assets whose remaining useful life is Nil as at April 01, 2014.
- (ii) An amount of ₹228.62 Lacs has been charged to the financial results of the current year ended representing the additional depreciation on the carrying value of the assets as at April 01, 2014 due to change in the useful life of the assets.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.

(i) Income from financing activities

- (a) Interest Income is recognised on a time proportion accrual basis taking into account the amount outstanding and the interest rate implicit in the underlying agreements. Income or any other charges on non-performing assets is recognised only when realised and any such income recognised before the asset became non-performing and remaining unrealised
- (b) Loan origination income i.e. processing fee and other charges collected upfront are recognised at the inception of the
- (c) All other charges such as cheque return charges, legal charges, seizing charges, etc. are recognised on realisation basis.

(ii) Income from assignment/securitization

(a) For assignment transactions entered into prior to RBI circular no. DNBS.PD.No. 301/3.10.01/2012-13 dated August 21, 2012

In case of assignment of loan assets and related receivables "at premium", the difference between the consideration received (representing the net present value of future receivable assigned) and the principal loan amount outstanding as per books is recognized upfront as gain or loss on assignment in the year of assignment.

In case of assignment of loan assets and related receivables "at par", income is accounted for by applying the interest rate implicit in such assigned contracts as reduced by Internal Rate of Return (IRR) committed to the purchaser of loan assets.

(b) For transactions entered into after issuance of RBI circular no. DNBS.PD.No. 301/3.10.01/2012-13 dated August 21, 2012

Gains arising on securitisation of assets is recognised over the tenure of securities issued by SPV as per guideline on securitisation of standard assets issued by RBI. Income from excess interest spread is accounted for net of losses. Expenditure in respect of securitisation (except bank guarantee fees for credit enhancement) is recognised upfront. Bank guarantee fees for credit enhancement are amortised over the tenure of the agreements. Income arising on direct assignment is recognised over the tenure of agreement on accrual basis.

(iii) Income from deposits

Interest income on deposits with banks and other financial institutions is recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.

(iv) Income from investment

- (i) Dividend is recognised as income when right to receive the dividend is established by the date of balance sheet.
- (ii) Interest income on investment is recognised on accrual basis.

(v) Finance Advisory Services

Revenue from "Finance Advisory Services" is recognized upon final conclusion of the specific financing activity carried out for the customer / client.

(d) Tangible/Intangible Fixed Assets, Depreciation/Amortisation and Impairment

(i) Tangible assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(i a) Depreciation on tangible fixed assets :-

Depreciation on fixed assets is provided on written down value method at the rates and manner prescribed under the Schedule II to the Act.

All fixed assets individually costing ₹5,000 or less are fully depreciated in the year of installation/purchase.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

(i b) Leasehold land :-

Leasehold land is amortized in equal installments over the balance lease period.

(ii) Intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed four years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds four years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(iii) Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(e) Retirement and other employee benefits

(i) Defined Contribution Plans

The Provident Fund and Employees State Insurance are defined contribution plans and the contribution to the same are charged to the statement of profit and loss during the year in which the services are rendered.

(ii) Defined Benefit Plans

Gratuity is a defined benefit obligation and is provided for at the year end on the basis of an actuarial valuation using the Projected Unit Credit method. Actuarial gains and losses are recognised in the statement of profit and loss as and when incurred.

(iii) Compensated absences

Compensated absences are considered as a long-term employee benefit and is provided for based on an actuarial valuation using Projected Unit Credit method. Actuarial gains and losses are recognised in the statement of profit and loss as and when incurred.

(f) Taxes on Income

Tax expenses comprises of current income tax and deferred tax.

Income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in statement of Profit and Loss.

Deferred taxes

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed

to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(h) Borrowing cost

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(i) Share/ Debenture issue expenses incurred are expensed in the year of issue and redemption premium payable on debentures is expensed over the term of debentures. These are adjusted to the securities premium account as permitted by Section 78(2) of the Act to the extent of balance available in such premium account.

(j) Operating Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(k) Provisioning / write off of assets

- (i) Secured / Unsecured loans and receivables are provided for/written off as per Company's policy, as given in sub-para (ii) below, subject to the minimum provisioning required systemically important Non-Banking Financial Company ('NBFC-ND-SI') (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued vide Notification No. DNBR. 009/ CGM (CDS) -2015 dated March 27, 2015 ("the NBFC-ND-SI Prudential Norms)
- (ii) As per Company's policy, loans with principal or interest overdue for more than 6 months are considered as non performing loans and provided at following rates:

Customers with 6 month to less than 12 months Overdues : provision @ 50% of outstanding amount

Customers with 12 months and above Overdues : written off

- (iii) Provision on standard assets is made @ 0.25% of outstanding amount pursuant to RBI Notification No. DNBS.223/ CGM(US)-2011 dated January 17, 2011.
- (iv) Provision for delinquencies and servicing costs on assets securitised/assigned before introduction of RBI guidelines on Direct Assignment dated August 21, 2012 is made at following rates, which are based on management estimates, developed using the historical data:

On premium structure : @ 0.75% of the principal outstanding

On par structure : @ 0.25% of the principal outstanding

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

- (v) Housing loans are classified as per the National Housing Bank (NHB) Housing Finance Companies Directions, 2010 into performing and non-performing assets. Further, non-performing assets are classified into sub-standard, doubtful and loss assets and provision made based on criteria stipulated by the Directions. Additional provisions are made against specific non-performing assets over and above as stated in the Directions, if in the opinion of the management higher provision is necessary.
- (vi) The Group maintains general provision to cover potential credit losses, which are inherent in any loan portfolio but not identified, in accordance with the Directions.

(I) Provisions, contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(m) Earning Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(n) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, and stamping/franking balance.

(o) Foreign currency transactions

- (i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Foreign currency monetary items are retranslated using the exchange rate prevailing on the close of the financial year.
- (iii) Exchange differences arises on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.
- (iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability
- (v) The premium or discount arising at the inception of the forward exchange contract is amortized and recognised as an income/expense in the statement of profit and loss over the life of the contract. Exchange difference on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change.

3. SHARE CAPITAL (* In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorized shares		111000000000000000000000000000000000000
7,81,50,000 Equity Shares of ₹10/- each (P.Y. 7,81,50,000 Shares)	7,815.00	7,815.00
18,85,000 Compulsorily Convertible Preference Shares of ₹100/- each (P.Y. 18,85,000 Shares)	1,885.00	1,885.00
	9,700.00	9,700.00
Issued Capital		
4,40,93,813 (P.Y. 4,40,93,813) Equity Shares of ₹10/- each	4,409.38	4,409.38
Total Issued Share Capital	4,409.38	4,409.38
Subscribed Capital		
4,40,80,752 (P.Y. 4,32,54,395) Equity Shares of ₹10/- each	4,408.08	4,325.44
Total Subscribed Capital	4,408.08	4,325.44
Issued, subscribed and paid-up shares		
Paid-up Capital		
Fully Paid-Up:		
4,40,80,752 (P.Y. 4,26,73,789) Equity Shares of ₹10/- each	4,408.08	4,267.38
Partly Paid-Up:		
Nil (P.Y. 5,80,606) Equity Shares of ₹10/- each, ₹5/- paid up		29.03
Total issued, subscribed and fully paid-up share capital	4,408.08	4,296.41

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year Equity shares

Particulars	As a March 31,	As at March 31, 2014		
	No. of Shares	₹ In lacs	No. of Shares	₹ In lacs
At the beginning of the year	4,32,54,395	4,325.44	4,04,70,625	4,047.06
Add: Shares issued during the year	8,26,357	82.64	27,83,770	278.38
Outstanding at the end of the year	4,40,80,752	4,408.08	4,32,54,395	4,325.44

Partly paid up shares have been considered at their face value for the purpose of above reconciliation.

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

Equity shares

Name of the shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% Holding	No. of Shares	% Holding
Redwood Investment Ltd	1,19,34,699	27.07	1,19,34,699	27.59
Sanjay Agarwal	66,01,789	14.98	66,01,789	15.26
International Finance Corporation	60,47,875	13.72	74,21,518	17.16
Labh Investments Limited	45,00,169	10.21	45,00,169	10.40
Ourea Holdings Limited	42,22,927	9.58	-	-
Jyoti Agarwal	23,63,712	5.36	23,63,712	5.46
Shakuntala Agarwal	22,74,326	5.16	22,74,326	5.26
India Business Excellence Fund - I	19,10,665	4.33	32,10,665	7.42

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

4. RESERVES & SURPLUS		(₹ In Lacs)
Particulars	As at	As at
	March 31, 2015	March 31, 2014
Statutory Reserve u/s 45- IC of RBI Act, 1934	20.22.22.20.20.20.20	#V#/######
Balance as per last Balance Sheet	5,712.27	3,864.42
Add: Transfer during the year *	2,804.69	1,847.85
Closing Balance	8,516.96	5,712.27
Special reserve u/s 29C of The National Housing Bank Act, 1987 read with 36 (1) (viii) of		
Income Tax Act, 1961		2111110000
Balance as per last Balance Sheet	262.80	67.28
Add: Transfer during the year **	480.21	195.52
Closing Balance	743.01	262.80
Securities premium reserve		
Balance as per last financial statements	31,275.60	23,192.62
Add: Conversion of compulsorily convertible preference share to equity shares		
Add: Addition on allotment of equity shares	3,740.81	8,353.11
	35,016.41	31,545.73
Less: Amount (net of tax) applied during the year		
Debenture issue expenses	218.42	182.51
Debenture redemption premium	992.35	87.62
Share Issue Expenses	6.08	
Closing Balance	33,799.56	31,275.60
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	23,365.06	15,337.29
Less: Depreciation adjustments as per Companies Act, 2013	16.22	
Add: Profit for the year	16,307.74	10,076.14
	39,656.57	25,413.43
Less: Transferred to Statutory Reserve u/s 45-IC of RBI Act, 1934	2,804.69	1,847.85
Less: Special Reserve u/s 29C of The National Housing Bank Act, 1987	480.21	195.52
Less: Transfer to Capital Redemption Reserve		5.00
Less: Creation of Deferred Tax Liability on Special Reserve maintained by Housing Finance	85.27	-
Companies under Section 36(1) (viii) of the Income Tax Act, 1961 ***		
Closing Balance	36,286.41	23,365.06
Capital Redemption Reserve		
Balance as per last financial statements	5.00	
Transfer from Surplus during the year		5.00
Closing Balance	5.00	5.00
Total reserves and surplus	79,350.94	60,620.73

^{*} Represents transfer of twenty percent of net profit after tax in accordance with the provision of Section 45-IC of Reserve Bank of India Act, 1934 (Previous year: Twenty percent)

^{**}Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance institution which is a company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the company under Section 36(1) (viii) of Income Tax Act, 1961, is considered to be an eligible transfer. The company has transferred an amount of ₹480.21 lacs (previous year ₹195.52 lacs) to special reserve in terms of Section 36(1) (viii) of the Income Tax Act, 1961 considered eligible for special reserve u/s 29C of NHB Act, 1987.

^{***}According to NHB's Circular No. NHB(ND)/DRS/Policy Circular No. 65/2014-15 dated August 22, 2014 issued in superession of their earlier Circular No. NHB(ND)/DRS/Policy No. 62/2014, If the expenditure due to the creation of DTL on Special Reserve as at March 31,2014 has not been fully charged to the Statement of Profit and Loss, HFCs may adjust the same directly from the Reserves over a period of 3 years starting with the current financial year, in a phased manner in the ratio of 25:25:50, in case if it prefers so, based on prudence. However, the company has adjusted the entire amount of ₹85.27 lacs of DTL on Special Reserve as at March 31,2014 from Reserve and Surplus.

	LONG-TERM BORROWINGS	As a	Charles of the co	(₹ in Lacs) As at		
Particulars		March 31, 2015		March 31, 2014		
Secured		Non-current	Current	Non-current	Current	
	pentures held by:					
(i)	Banks					
.,	The Ratnakar Bank Limited	1,750.00	750.00	2,500.00	-	
	250 nos. (P.Y. 250) face value ₹10 lacs each	7,44,44	,			
		1,750.00	750.00	2,500.00	-	
(ii)	Multilateral financial institutions		0.700.570		=======================================	
	UTI International Wealth Creator 4	4,500.00	6	4,500.00	2	
	45 nos. (P.Y. 45) face value ₹100 lacs each			34535155		
		4,500.00	-	4,500.00	2	
(iii)	Mutual funds	7.5.0.0.5				
···,	Templeton India Short-Term Income Plan	16,500.00	5,000.00	5,000.00	-	
	50 nos. (P.Y. 50) face value ₹100 lacs each		5,000	7,000		
	350 nos. (P.Y. Nil) face value ₹10 lacs each					
	1150 nos. (P.Y. Nil) face value ₹10 lacs each					
	300 nos. (P.Y. Nil) face value ₹5 lacs each					
	Templeton India Income Opportunities Fund (Tiiof)		2,500.00	2,500.00	_	
	25 nos. (P.Y. 25) face value ₹100 lacs each		2,020.00	2,000.00		
	Templeton India Corporate Bond Opportunities Fund (Ticbo)	31,000.00	5	22,500.00	5	
	125 nos. (P.Y. 125) face value ₹100 lacs each					
	1000 nos. (P.Y. 1000) face value ₹10 lacs each					
	700 nos. (P.Y. Nil) face value ₹5 lacs each					
7	1000 nos. (P.Y. Nil) face value ₹5 lacs each					
	Reliance Regular Savings Fund - Debt Option	15,000.00		5,000.00	5,000.00	
	500 nos. (P.Y. 1000) face value ₹10 lacs each				. 1 510 - 5341 (554	
	1000 nos. (P.Y. Nil) face value ₹10 lacs each					
	HDFC Mutual Funds	20,000.00		5,000.00	-	
	500 nos. (P.Y. 500) face value ₹10 lacs each			, in employment		
	1000 nos. (P.Y. Nil) face value ₹10 lacs each					
	500 nos. (P.Y. Nil) face value ₹5 lacs each					
	100 nos. (P.Y. Nil) face value ₹5 lacs each					
	400 nos. (P.Y. Nil) face value ₹5 lacs each					
	STENDER LINE TO MOTHER LANGE LINE OF THE STENDER CONTROL OF THE SECOND LINES.	82,500.00	7,500.00	40,000.00	5,000.00	
(iv)	Foreign Financial Institution			1.0		
	International Finance Corporation	14,750.00	-		-	
7	1475 nos. (P.Y. Nil) face value ₹10 lacs each					
		14,750.00	-	-		
(v)	Others					
	HDFC Standard Life Insurance Company Ltd	2,500.00	2	2,500.00	2	
	250 nos. (P.Y. 250) face value ₹10 lacs each					
		2,500.00	= =	2,500.00	-	

1,06,000.00

8,250.00

49,500.00

Total debentures

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

5. LONG-TERM BORROWINGS (contd.) Particulars		As a March 31,		(₹ In Lac As at March 31, 2014		
		Non-current	Current	Non-current	Current	
Term loans						
(i) Term loan fro	om banks					
Allahabad Bar	nk				439.69	
Andhra Bank		1,858.97	1,432.23	2,375.82	1,842.27	
Axis Bank Limi	ited		416.67	416.67	1,666.67	
Bank of Barod	la	2,100.00	1,104.00	3,204.00	1,104.00	
Bank of India		2,942.04	939.50	2,388.00	1,008.00	
Bank of Maha	rashtra	937.50	1,250.00	2,187.50	1,250.00	
Central Bank o	of India	1,111.11	1,333.33	2,444.44	1,333.33	
Corporation b	ank	1,443.99	384.00	1,827.99	384.00	
Dena Bank		986.11	13.89	5		
Development	Bank of Singapore		-	166.67	333.33	
Development	Credit Bank	1,583.33	436.63	16.39	146.40	
HDFC Bank Lin	mited	766.67	733.33	-		
ICICI Bank Lim	ited	2,032.74	1,482.02	2,014.76	1,696.19	
IDBI Bank Limi	ited	1,826.92	1,717.62	3,544.54	4,140.46	
Indian Bank		1,190.48	1,428.57	2,619.05	1,428.57	
Indian Overses	as Bank	384.72	471.43	899.11	514.28	
Indusind Bank	Limited	1,250.00	250.00	- 4	5	
Karnatka Bank	•	88.27	352.92		294.12	
Oriental Bank	of Commerce	687.50	871.48	800.68	1,440.00	
Ratnakar Bank	C	1,675.00	600.00	850.00	300.00	
State Bank of	Bikaner & Jaipur	2,178.33	1,479.34	3,657.67	1,632.62	
State Bank of	Hyderabad	2,192.88	1,134.63	988.07	1,237.99	
State Bank of	India	5,565.00	3,456.00	5,609.00	2,012.98	
State Bank of	Mysore	999.96	500.00	5		
State Bank of	Patiala	2,977.50	3,188.59	6,166.09	4,736.26	
State Bank of	Travancore	510.17	625.00	1,135.17	625.00	
Syndicate Ban	k Limited	2	- 4		55.58	
The Jammu A	nd Kashmir Bank Limited	265.61	625.00	1,008.93	2,053.57	
UCO Bank		308.00	192.00	•		
Union Bank of	f India	961.67	1,440.00	2,481.67	1,440.00	
United Bank o	f India	476.15	714.29	1,190.44	714.29	
Yes Bank		2,721.52	759.49	3,481.01	759.49	
		42,022.14	29,331.96	51,473.67	34,589.09	
(ii) Term loan fro	om financial institutions					
Small Industrie	es Development Bank of India	5,520.20	2,599.20	8,119.40	2,599.20	
Indiabulls Fina	ncial Services Ltd.	116.82	48.12	167.46	39.76	
		5,637.02	2,647.32	8,286.86	2,638.96	

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5,000.00

Par	ticulars	As at		As at		
		March 31,	2015	March 31,	2014	
ļ,		Non-current	Current	Non-current	Current	
(iii)	Term loan from non-banking financial companies					
	Aditya Birla Finance Limited	-	79.17	158.33	1,201.98	
	Tata Capital Finacial Services Limited	650.00	575.00	375.00	500.00	
	HDFC Limited	10,000.00	-			
		10,650.00	654.17	533.33	1,701.98	
(iv)	Auto loan from banks					
	Dhanlaxmi Bank Limited				2.10	
	HDFC Bank Limited	84.23	31.82	5.76	17.71	
		84.23	31.82	5.76	19.81	
(v)	Auto loan from Non Banking Finance Companies					
	Daimler Financial Services India Private Limited	10.28	10.05	20.33	8.97	
		10.28	10.05	20.33	8.97	
(vi)	Term Loan from NHB					
	NHB Refinance Assistance	3,940.59	387.84	2,255.71	192.84	
		3,940.59	387.84	2,255.71	192.84	
Tot	al term loans	62,344.26	33,063.16	62,575.66	39,151.65	
Tot	al secured borrowings	1,68,344.26	41,313.16	1,12,075.66	44,151.65	
Uns	secured					
Del	pentures held by					
(i)	Banks (Sub-ordinate debts)					
	Bank of India	1,000.00	-	1,000.00	2	
	100 nos. (P.Y. 100) face value ₹10 lacs each					
	Bank of Maharashtra	1,000.00	-	1,000.00		
	100 nos. (P.Y. 100) face value ₹10 lacs each					
	Central Bank of India	1,000.00	=	1,000.00	2	
	100 nos. (P.Y. 100) face value ₹10 lacs each			3230000		
	Dhanlaxmi Bank Limited	2,500.00	2	4,500.00	-	
	250 nos. (P. Y. 450 nos.) face value ₹10 lacs each					
	HDFC Bank Limited	3,000.00	2	3,000.00		
	300 nos. (P.Y. 300) face value ₹10 lacs each			300000000		
	Indian Overseas Bank	500.00	9	500.00	-	
	50 nos. (P. Y. 50) face value ₹10 lacs each					
	The Jammu & Kashmir Bank Limited	500.00	-	1,000.00	-	
	50 nos. (P.Y. 100) face value ₹10 lacs each			10		
	The Ratnakar Bank Limited	2,500.00	2	2,500.00	2	
	250 nos. (P.Y. 250) face value ₹10 lacs each			313311103211033		
	A CONTRACTOR OF THE PROPERTY O	12,000.00	5	14,500.00	-	
(ii)	Multilateral financial institutions					
27.0	Nederlandse Finan-Maatschappij Voor Ontwikkelingsl FMO	22,000.00	2	22,000.00	-	
	2200 nos. (P.Y. 2200) face value ₹10 lacs each	100100000000000000000000000000000000000		***************************************		
	Samena India Credit (Singapore) Private Limited	500.00			-	
	50 nos. (P.Y. Nil) face value ₹10 lacs each					
	UTI - Income Opportunities Fund	2,000.00		-		
	200 nos. (P.Y. Nil) face value ₹10 lacs each	4 -				
		24,500.00		22,000.00		
Tot	al debentures	36,500.00		36,500.00		

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

5. LONG-TERM BORROWINGS (contd.) Particulars		As a March 31,	Department of	(₹ In Lacs) As at March 31, 2014		
		Non-current	Current	Non-current	Current	
Ter	m loans					
(i)	Banks (Sub-ordinate debts)					
	ICICI Bank Limited	5,500.00	500.00	4,500.00		
	Total term loans	5,500.00	500.00	4,500.00		
	Total unsecured borrowings	42,000.00	500.00	41,000.00	12	
	Amount disclosed under the head "other current liabilities" (Note No. 10)		(41,813.16)	•	(44,151.65)	
		2,10,344.26		1,53,075.66		

Secured borrowings are secured by hypothecation of loans under financing activity. Personal guarantees by directors and shareholders of the Company have been given for borrowing amount of ₹59,702.64 lacs at March 31, 2015 (P.Y 83,615.01 lacs). Borrowings to the extent of ₹27,428.93 lacs at March 31, 2015 (PY 17,997.53 lacs) are secured by pledge of the Company's shares held by the directors and pledge of property of Company and its directors, and margin money deposits. Auto loans from banks are secured by hypothecation of Company's vehicles. The term loans of Au HOUSING FINANCE LIMITED are guaranteed by corporate guarantee of Au FINANCIERS (INDIA) LTD (holding company) to the extent of ₹28,405.68 lacs (P.Y. ₹26,913.53 lacs).

Original	\$2400000 COSC	Due withi	n 1 year	Due 1 to	3 Years	Due 3 to	5 Years	Due 5 to	7 Years	Due 7 to	above	Total
maturity of loan	(Range)	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	lotal
Monthly Repa	syment schedule											
Upto 3 years	10% to 12%	62.00	1,414.71	22.00	100.18		-					1,514.89
upto 3 years	12% > to 14%	13.00	1,780.17									1,780.17
24- F	10% to 12%	304.00	7,615.61	478.00	7,732.70	120.00	1,442.70		2.0			16,791.01
3 to 5 years	12% > to 14%	129.00	11,391.82	136.00	33,391.94		-					44,783.76
5 to Above	10% to 12%	42.00	1,728.88	94.00	2,946.46	72.00	1,871.80	34.00	672.01	5		7,219.15
	12% > to 14%	96.00	2,706.44	193.00	5,820.46	139.00	5,769.36	31.00	995.12		٠.	15,291.38
Quarterly rep	ayment schedule											
Up to 3 Years	12% > to 14%	9.00	1,568.33						1.0		13	1,568.33
2014211.51	10% to 12%	10.00	616.66	28.00	4,561.09	19.00	7,672.25					12,850.00
3 to 5 years	12% > to 14%	9.00	2,291.67	5.00	1,203.11							3,494.78
	9% to 10%	6.00	195.00	16.00	520.00	16.00	520.00	16.00	520.00	23.00	686.00	2,441.00
5 to Above	10% > to 12%	28.00	982.04	80.00	2,883.29	69.00	2,320.79	52.00	1,431.57	17.00	340.96	7,958.65
	12% > to 14%	4.00	384.00	8.00	768.00	7.00	676.00				-	1,828.00
Half Yrly Repa	syment schedule											
Upto 3 yrs	10% to 12%	2		- 2	- 1		-	12	- 0		- 1	2.
Annual repay	ment schedule											
3 to 5 years	12% > to 14%	1.00	750.00	2.00	1,750.00				- 1		- 3	2,500.00
***	10% to 12%	1.00	500.00	2.00	999.96				14	ě	8	1,499.96
5 to 7 Years	14% > to 18%	1.00	500.00	2.00	1,000.00	-	-		134		- 12	1,500.00
Bullet repaym	nent schedule											
Hada Saar	10% to 12%	:		6.00	47,250.00			- 5	79	9	G	47,250.00
Upto 3 yrs	12% > to 14%	G							19		- 14	
The Course	10% to 12%	8		8.00	10,000.00	1.00	15,000.00		- 14		-	25,000.00
3 to 5 years	12% > to 14%	3.00	7,500.00	5.00	12,500.00							20,000.00
F to 710	12% > to 14%			1.00	2,500.00	7.00	7,000.00	1.00	1,000.00			10,500.00
5 to 7 Years	14% > to 18%			2.00	4,000.00				2*		-	4,000.00
7 to 9 Years	12% > to 14%							1.00	4,500.00			4,500.00
At the end of	tenure											
Above 3 years	11% to 13.50%	2		3.00	12,500.00	4.00	4,000.00	3.00	1,500.00	-	3	18,000.00
Total		718.00	41,925.33	1,091.00	1,52,427.19	454.00	46,272.90	138.00	10,618.70	40.00	1,026.96	2,52,271.08

5. LONG-TERM BORROWINGS (contd.)

Original	120000000000000000000000000000000000000	Due withi	n 1 year	Due 1 to	3 Years	Due 3 to	5 Years	Due 5 to	7 Years	Due 7 to	above	
maturity of loan	Interest rate (Range)	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Monthly Repa	yment schedule											
Upto 3 years	10% to 12%	136.00	322.91	54.00	26.08	-				-	-	348.99
upto 3 years	12% > to 14%	63.00	7,424.04	29.00	2,906.95	-			-		- 5	10,330.99
3 to 5 years	10% to 12%	115.00	9,609.84	106.00	8,402.51	1.00	31.10					18,043.45
	12% > to 14%	227.00	12,486.82	367.00	44,089.15	90.00	4,415.86		-			60,991.83
5 to Above	10% to 12%	9.00	288.46	24.00	769.24	24.00	769.24	21.00	673.07	34		2,500.01
5 to Above	12% > to 14%	68.00	2,371.60	144.00	4,894.98	147.00	5,394.98	85.00	3,520.69			16,182.25
Quarterly repa	yment schedule		15-277-04-04									CALLETON OF
Up to 3 Years	12% > to 14%	12.00	2,053.33	9.00	1,568.33					- 3		3,621.66
3 to 5 years	12% > to 14%	12.00	3,541.67	14.00	3,541.67		-		,		. ,	7,083.34
Can Abana	10% to 12%	19.00	335.70	40.00	799.96	40.00	799.96	39.00	764.25	45.00	712.98	3,412.85
5 to Above	12% > to 14%	4.00	384.00	8.00	768.00	8.00	768.00	3.00	291.99	-		2,211.99
Half Yrly Repa	yment schedule											
Upto 3 yrs	10% to 12%	2.00	333.33	1.00	166.67		- 4			- 4		500.00
Annual repays	ment schedule											
3 to 5 years	12% > to 14%			2.00	1,500.00	1.00	1,000.00					2,500.00
5 to 7 Years	14% > to 18%			2.00	1,000.00	1.00	500.00					1,500.00
Bullet repaym	ent schedule											
	10% to 12%		- 4	2.00	7,500.00	1.00	5,000.00		-	- 8		12,500.00
Upto 3 yrs	12% > to 14%	1.00	5,000.00	-	-		-	-	1	24		5,000.00
	14% > to 18%	1	-2		-	- 1	- 2			- 2	-	-
3 to 5 years	10% to 12%			6.00	7,500.00	2.00	2,500.00		-			10,000.00
3 to 5 years	12% > to 14%		-	8.00	20,000.00		-					20,000.00
F 4- 7 V	12% > to 14%					5.00	8,000.00	3.00	2,500.00			10,500.00
5 to 7 Years	14% > to 18%		- 4	1.00	2,000.00	1.00	2,000.00	+				4,000.00
7 to 9 Years	12% > to 14%		-		-	- 14	- 4		-	1.00	4,500.00	4,500.00
At the end of	tenure											
Above 3 years	11% to 13.50%							3.00	1,500.00			1,500.00
Total		668.00	44,151.70	817.00	1,07,433.54	321,00	31,179.14	154.00	9,250.00	46.00	5,212.98	1,97,227.36

6 OTHER LONG-TERM HARILI	TIEC

10	n	Lacs)
		CO (C)

6. OTHER LONG-TERM LIABILITIES				(₹ In Lacs)	
Particulars	As a March 31,	B	As at March 31, 2014		
	Non-current	Current	Non-current	Current	
Security deposits from borrowers (Note no. 10)	1,558.80	517.01	1,352.82	265.52	
Security deposits under assignment transactions & dealers (Note no. 10)	*	39.43	144.81	1,093.85	
Margin From Employees against CAR	24.99				
Interest Accrued but not due on borrowings (include premium on debenture)	3,139.71	2,981.36		2,758.42	
Amount disclosed under the head "other current liabilities" (Note no. 10)	*.	(3,537.80)		(4,117.79)	
	4,723.50	2	1,497.63	21	

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

PROVISIONS		(₹ In Lacs)
	As at	As at

Particulars	As a March 31,	Contract of the Contract of th	As at March 31, 2014		
	Non-current	Current	Non-current	Current	
Provision for employees benefits					
Leave availment	86.81	19.99	111.08	27.19	
Gratuity	317.01	5.52	199.80	4.16	
Bonus and others	2	700.00		456.00	
	403.82	725.51	310.88	487.35	
Other provisions					
Estimated loss for assignments	5.67	25.48	39.48	89.52	
Contingent provisions against standard assets	880.64	346.47	526.76	278.52	
Non-performing advances	3,042.34		1,954.75		
Provision for direct taxes (net of prepaid taxed)		1,359.04	- 5¥	427.42	
Wealth tax		1.68		1.58	
	3,928.65	1,732.67	2,520.99	797.04	
	4,332,47	2,458.18	2,831.87	1,284.39	

8. SHORT-TERM BORROWINGS

6. SHORT-TERM BORROWINGS		(< III Lacs
Particulars	As at March 31, 2015	As at March 31, 2014
Secured		
(i) Working capital facilities from banks repayble on demands		
Allahabad Bank	44.57	678.35
Andhra Bank	1,516.34	2,487.79
Bank of India	4	519.77
Central Bank of India	3,379.29	2.13
Corporation Bank	14.01	
HDFC Bank Limited	19,369.28	11,156.25
ICICI Bank Limited	390.74	2,367.06
IDBI Bank Limited	3,883.87	2,882.51
Indian Bank	2,302.02	4.78
Indusind Bank Limited	4,182.58	0.64
ING Vysya Bank	99.40	
Kotak Mahindra Bank	1,137.80	3,002.55
Punjab National Bank	4,900.75	5,366.11
State Bank of Bikaner & Jaipur	4,521.58	4,901.51
State Bank of Hyderabad	1,735.46	959.78
State Bank of India	80.23	1,718.01
State Bank of Mysore	3,500.00	3,461.93
State Bank of Patiala	888.97	11.70
State Bank of Travancore	1,500.00	1,409.25
The Ratnakar Bank Limited	500.00	
Section (Association Control of C	53,946.89	40,930.12
(ii) Term loan from Banks		
Kotak Mahindra Bank		1,000.00
State Bank of India		4,393.37
		5,393.37
	53,946.89	46,323.49

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8. SHORT-TERM BORROWINGS (contd.) (* In Lacs) As at As at **Particulars** March 31, 2015 March 31, 2014 Unsecured (i) Commercial paper from banks **HDFC Bank Limited** 9,874.81 9,874.81 (ii) Commercial paper from Mutual Funds **HDFC Liquid Fund** 14,334.49 Religare Mutual Fund 4,936.03 UTI Mutual Fund 4,902.39 Deutsche Mutual Fund 7,279.73 Reliance Mutual Fund 981.58 Kotak Mutual Fund 9,842.03 42,276.25 (iii) Commercial paper from Others 294.09 IFMR Capital Finance Private Limited 578.21 UNIFI Alternative Investment Fund 872.30 (iv) Term loan from banks **HDFC Bank Limited** 3,376.54 3,376.54 52,151.06 4,248.84

All working capital facilities from banks are repayable on demand and are secured by hypothecation of loans under financing activity. Personal guarantees by directors and shareholders of the Company have been given for borrowing amount of ₹47,315.02 lacs at March 31, 2015. Borrowings to the extent of ₹19,685.89 lacs are secured by pledge of the Company's shares held by the directors and pledge of property of Company and its directors, and margin money deposits and all cash credit of Au HOUSING FINANCE LIMITED are further guaranteed by corporate guarantee of Au FINANCIERS (INDIA) LTD (Holding company).

9. TRADE PAYABLES

(₹ In Lacs)

50,572.33

1,06,097.95

Particulars	As at March 31, 2015	As at March 31, 2014
Payable to micro, small and medium enterprises	-	
ayable to others	1,269.79	1,241.52
NAME OF THE OWNER OWNER OF THE OWNER OWNER OF THE OWNER OWNE	1,269.79	1,241.52

Dues to micro, small and medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

For the year ended March 31, 2015, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

10	OTHER CURRENT LIABILITIES		(₹ In Lacs)
Par	ticulars	As at March 31, 2015	As at March 31, 2014
a.	Current maturities of long-term debts		
	Secured		
	Term loan from banks (note no. 5)	29,724.00	34,781.94
	Term loan from financial institutions (note no. 5)	2,847.32	2,638.96
	Term loan from non-banking financial companies (note no. 5)	454.17	1,701.98
	Debentures from mutual funds (note no. 5)	8,250.00	5,000.00
	Auto loan from banks (note no. 5)	27.63	19.81
	Auto loan from non-banking financial companies (note no. 5)	10.05	8.97
	Unsecured term Loan	500.00	
		41,813.17	44,151.66
b.	Interest accrued but not due on borrowings (include premium on debenture) (Note 6)	3,362.89	2,758.42
	₹200 # 100 W	3,362.89	2,758.42
c.	Interest Accrued and due on borrowings	334.03	773.52
	reductions and the process of the contract of	334.03	773.52
d.	Other payables		
	Margin money refundable/adjustable against disbursement	3,416.72	1,953.18
	Payable to dealers/manufacturers	144.83	13.50
	Due to assignees towards collections from assigned/securitized assets	13,280.26	9,917.84
	Security deposit from borrowers (note no. 6)	517.01	265.52
	Security deposits under assignment transactions & dealers (note no. 6)	39.43	1,093.85
	Book overdrafts	5,236.22	2.92
	Statutory liabilities	227.05	86.20
	Other current liabilities	1,605.42	1,224.43

Danklandan	Leasehold	Freehold Land	Dulldings	Furniture and	Office	Vahieles	Total
Particulars	Land	Freehold Land	Buildings	fixtures	equipment	Vehicles	Total
Cost or valuation	1100						
At 1 April 2013	303.46	243.54	388.14	498.40	610.63	336.97	2,381.14
Additions	-	-	315.77	178.92	203.68	54.15	752.51
Deductions		-		(16.23)	(5.91)	(11.60)	(33.74)
Other adjustments		-				-	
At 31 March 2014	303.46	243.54	703.91	661.09	808.40	379.52	3,099.91
Additions		-	0.24	231.83	458.29	167.23	857.59
Deductions			-	(0.61)	(0.43)	(24.22)	(25.26)
Other adjustments		-		- CAN-SHINE	-		
At 31 March 2015	303.46	243.54	704.15	892.31	1,266.26	522.53	3,932.24
Depreciation		-	+	-			
At 1 April 2013	6.96	-	40.13	171.94	271.24	150.34	640.62
Charge for the year	3.48	-	32.09	102.63	150.15	51.99	340.35
Other adjustments		-			-		
Deductions		-		(6.38)	(2.68)	(8.50)	(17.56)
At 31 March 2014	10.44	-	72.22	268.19	418.71	193.83	963.41
Charge for the year	3.48	-	30.75	192.54	389.84	91.70	708.31
Other adjustments	17100000	-	-	0.15	16.08		16.22
Deductions		-		(0.51)	(0.09)	(15.89)	(16.48)
As at 31 March 2015	13.92	-	102.97	460.37	824.54	269.64	1,671.46
Net Block							
As at 31 March 2014	293.02	243.54	631.69	392.90	389.69	185.69	2,136.50
As at 31 March 2015	289.54	243.54	601.18	431.94	441.72	252.89	2,260.78

24,466.94

69,977.03

14,557.44

62,241.04

12. INTANGIBLE ASSETS :	(₹ In Lacs)
Particulars	Software
Cost or valuation	
At 1 April 2013	127.66
Additions	27.48
Deductions	*
Other adjustments	2
At 31 March 2014	155.14
Additions	90.00
Deductions	
Other adjustments	*
At 31 March 2015	245.14
Depreciation	
At 1 April 2013	36.27
Charge for the year	30.81
Other adjustments	•
Deductions	
At 31 March 2014	67.08
Charge for the year	44.65
Other adjustments	*
Deductions	*
At 31 March 2015	111.73
Net Block	
At 31 March 2014	88.06
At 31 March 2015	133.41

13. NON-CURRENT INVESTMENTS

13. NON-CURRENT INVESTMENTS			(₹ In Lacs
Particulars	Face value (in ₹)	As at March 31, 2015	As at March 31, 2014
Non-trade investments (valued at cost unless stated otherwise)			
Unquoted equity instruments			
Investment in associates			
Au INSURANCE BROKING SERVICES PRIVATE LIMITED	10	19.50	19.50
1,95,000 Equity shares (P.Y.: 1,95,000) fully paid up			
(includes ₹48,034/- Representing of goodwill)			
Add: Accumulated Share of Profit & (Loss)		61.78	10.73
M POWER MICRO FINANCE PRIVATE LIMITED	10	450.00	450.00
45,00,000 Equity shares (P.Y.: 45,00,000) fully paid up			
(includes ₹71,05,582/- Representing of goodwill)			
Add: Accumulated Share of Profit & (Loss)		49.64	4.70
		580.92	484.93
Investment in pass through certificates (PTCs)		2,761.25	3,232.07
		3,342.17	3,717.00
		3,342.17	3,717.00
Aggregate Value of Unquoted Investments			
Cost (excluding investment in associates)		2,761.25	3,232.07
Aggregate Value of Unquoted Investment in associates			
Value as per equity method		580.92	484.93

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

14. CURRENT INVESTMENTS		(₹ In Lacs)
Particulars	As at March 31, 2015	As at March 31, 2014
Unquoted Non-trade investments (valued at cost unless stated otherwise)		
Investment in securities portfolio managed by HDFC Asset Management Company Limited	8.84	19.86
Investment in pass through certificates (PTCs)	2,709.86	2,599.88
Investment in liquid mutual funds		
Reliance liquid fund - Treasury plan	391.08	21.51
Reliance liquid fund - Short term fund		100.00
	3,109.78	2,741.25
Aggregate Value of Unquoted Investments		100
Cost	3,109.78	2,741.25

15. DEFERRED TAX ASSETS (NET)		(₹ In Lacs
Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	82.24	(7.83)
Unamortized resource mobilization expenses	(143.33)	(226.28)
Provision for special reserve u/s 29C of NHB Act.	(257.14)	
Gross deferred tax liability	(318.23)	(234.11)
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	129.56	102.82
Preliminary Expenses not written off	ě	0.27
Disallowance u/s 43B	52.29	120.16
Provision for doubtful debts and advances	1,488.35	979.24
Gross deferred tax asset	1,670.20	1,202.49
Net deferred tax asset	1,351.97	968.38

Deferred tax assets and deferred tax liabilities have been offset wherever the group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

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16. RECEIVABLE UNDER FINANCING ACTIVITY				(₹ In Lacs)
	As	at	As at March 31, 2014	
Particulars	March 3	1, 2015		
	Non-current	Current	Non-current	Current
Secured				
Loans under financing activity				
-Considered good	2,82,446.94	1,27,909.05	1,77,614.94	1,01,102.07
-Considered doubtful	5,265.79	-	3,053.29	2.60
Loans placed as minimum retention requirement towards				
direct assignment transactions				
-Considered good	6,885.92	4,678.71	4,110.51	1,965.55
Other Loans				
-Considered good	8,444.53	356.60	1,924.69	95.19
-Considered doubtful	17.79	-	4.05	0.11
	3,03,060.97	1,32,944.36	1,86,707.48	1,03,165.52
Unsecured				
Installments dues from borrowers				
-Considered good	-	1,085.47	-	3,602.99
-Considered doubtful	726.44	<u></u>	910.94	_
Trade advances to dealers - Considered good	-	6,290.60	-	5,047.12
	726.44	7,376.07	910.94	8,650.11

17. LONG-TERM LOANS AND ADVANCES (₹ In Lacs)

3,03,787.41

1,40,320.43

Particulars	As at March 31, 2015		As at March 31, 2014	
	Non-current	Current	Non-current	Current
Unsecured and considered good				
Security deposits (Note no. 21)	211.04	52.30	88.92	89.69
Indirect taxes - deposited	75.00		75.00	-
Prepaid expenses (Note no. 21)	308.70	245.45	414.25	298.83
Security deposits with NBFC's/Financial institutions (Note No. 21)	9.00	-	506.00	1,800.34
Advance to staff (Note no. 21)	0.47	223.37	1.65	256.15
Advance tax (net of Provision) of Previous Years	593.91	-	554.19	-
Amount disclosed under the head "short-term loans and	-	(521.12)	-	(2,445.01)
advances" (Note no. 21)				
	1,198.12	-	1,640.01	-

18. OTHER NON-CURRENT ASSETS

(₹ In Lacs) As at As at **Particulars** March 31, 2015 March 31, 2014 Unsecured and considered good Deposits with original maturity for more than 12 months (Note no. 20) 543.51 453.15 543.51 453.15

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

19. TRADE RECEIVABLES		(₹ In Lacs)
Particulars	As at	As at
ratuculais	March 31, 2015	March 31, 2014
Trade receivables		
Unsecured, considered goods	238.50	157.46
Unsecured, considered doubtful	-	-
	238.50	157.46
Less: Provision for doubtful receivables	-	-
	238.50	157.46

20. CASH AND BANK BALANCES				(₹ In Lacs)
Particulars	As March 3		As at March 31, 2014	
	Current	Non-current	Current	Non-current
Cash and cash equivalents				
Balances with banks:				
– On current accounts	1,696.56	-	330.83	-
 Deposits with original maturity of less than three months (Note no. 20.1) 	1,308.00	-	3.37	-
Stamps/franking balance	35.03	-	30.10	-
Cash on hand	2,251.86	-	2,319.39	(-
	5,291.45	-	2,683.69	-
Other bank balances				
– Deposits with original maturity for more than 12 months (Note no. 20.1)	12,009.45	543.51	16,578.68	453.15
- Deposits with original maturity for more than 3 months but less than 12 months (Note no. 20.1)	4,643.74	-	1,311.92	-
Amount disclosed under the head "other non-current assets" (Note no. 18)	-	(543.51)	-	(453.15)
	21,944.64	-	20,574.29	·-

20.1 Deposits includes ₹14,299.31 lacs against cash colletral for assignment/securitization, ₹2,154.76 lacs against cash colletral for bank guarantees under assignment/securitization transactions, ₹18.90 lacs against cash colletral for other bank guarantees, ₹694.02 lacs against cash colletral for working capital facilities from banks repayable on demand and ₹269.50 lacs againast cash colletral for channel financing business.

21. SHORT-TERM LOANS AND ADVANCES

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured and considered good		
Prepaid expenses (Note no. 17)	245.45	298.83
Advances to suppliers/service providers	173.23	31.91
Advances to staff (Note no. 17)	223.37	256.15
Security deposits (Note no. 17)	52.30	89.69
Recoverable in cash or in kind or for value to be received (Note no. 17)	629.20	196.94
Interest bearing time deposits placed with NBFCs/Financial institutions (Refer Note no. 17)	-	1,800.34
	1,323.55	2,673.86

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1,11,815.63

1,87,618.42

PALL DESIGNATION CONTROL OF CONTR	5/25/25/30/00
22. OTHER CURRENT ASSETS	(₹ In Lacs)

		1, 11, 200, 200,
Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured and considered good		
Interest accrued but not due on loans to borrowers	2,637.70	1,964.46
Charges recoverable from borrowers	440.62	871.05
Interest accrued but not due on deposit with banks and other's	153.37	186.04
	3,231.69	3,021.55

23. REVENUE FROM OPERATIONS (₹ In Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest income on :		
Loan portfolio and related charges	73,735.51	56,814.23
Securitisation and direct assignment	6,592.39	6,555.44
Finance advisory services	351.30	129.51
Fees and other charges from customers	1,103.00	618.50
Income from channel finance business	12.72	159.83
Interest from bank deposits	1,603.97	2,407.65
Total	83,398.89	66,685.16

23.1 Interest from loans includes "overdue interest" on loans (other than NPA) charged in case of defaults by borrowers, which has been recorded on an accrual basis.

Includes direct assignment of loan portfolio of ₹90,119.89 lacs (Previous year 53,617.73 lacs) under guidelines issued by Reserve Bank of India dated August 21, 2012 without any credit enhancement as prescribed in the guidelines.

Additional information with respect to outstanding Guarantees and Cash collaterals in respect to securitisation activities as at March 31, 2015

	At PAR		As PREMIUM	
Particulars	2014-15	2013-14	2014-15	2013-14
Outstanding credit enhancement in the form of corporate guarantees	500.00	742.00	2,329.97	4,734.64
Outstanding credit enhancement in the form of bank guarantees	12,861.95	13,633.10	÷	7(4)
Outstanding cash collaterals in the form of fixed deposit receipts	13,234.06	13,965.24	840.65	2,357.56
Pledge of bank term deposits against bank guarantees under assignment activity (Note no. 20)	2,154.76	2,649.18	÷	120

23.3 Income from channel finance business and service charges from borrowers is inclusive of service tax.

24. OTHER INCOME

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Income received on investments	35.09	369.52
Bad debts recovery	987.30	216.99
Sundry's write back	71.43	141.68
Securities forfeited	140.93	68.32
Miscellaneous income	8.75	6.80
	1,243.50	803.31

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

25. EMPLOYEE BENEFIT EXPENSES		(₹ In Lacs
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries and other benefit	10,444.67	7,507.52
Directors remuneration	207.62	323.45
Contribution to provident and other funds	371.79	276.01
Gratuity and leave availment expenses		11.02
Staff welfare expenses	173.01	125.24
	11,197.09	8.243.24

25.1 Details of employees benefits

a) Defined contribution plan

Provident fund

The Group makes Provident Fund contributions to a defined contribution retirement benefit plans for qualifying employees. Under the schemes, the group is required to contribute a specified percentage of the payroll costs to the Provident Fund Commissioner to fund the benefits.

The Group recognized ₹268.65 Lacs (P.Y. ₹183.97 Lacs) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes..

b) Defined benefit plans

Gratuity

The company operates defined gratuity plans, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The Company has not created any fund for payment of gratuity.

The following table sets out the disclosures as required by revised Accounting Standard 15 for Gratuity

Statement of profit and loss

let employee benefit expense recognized in the employee cost	
AND COMPLETE FOR THE CASE OF THE CONTRACT OF T	

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	117.05	75.17
Interest cost on benefit obligation	18.43	10.82
Expected return on plan assets	1	
Net actuarial (gain)/loss recognized in the year	(11.14)	(13.17)
Net benefit expense	124.34	72.82

Balance sheet

Benefit asset/liability

____ (₹ In Lacs)

(₹ In Lacs)

and the second contract of the second contrac		(III LOCA)
Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	322.53	203.96
Fair value of plan assets	1.0	87
Plan asset / (liability)	322.53	203.96

Changes in the present value of the defined benefit obligation are as follows:

(₹ In Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Opening defined benefit obligation	204.16	131.14
Current service cost	117.05	75.17
Interest cost	18.43	10.82
Benefit Paid During the Year	(5.97)	
Actuarial (gain)/loss on obligation	(11.14)	(13.17)
Closing defined benefit obligation	322.53	203.96

(₹ In Lacs)

25. EMPLOYEE BENEFIT EXPENSES (contd.)

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Discount rate	7.50% - 8.00%	9.00% - 9.25%
Salary escalation rate	7.00%	6.50% - 7.00%
Withdrawal rate	1.00% - 5.00%	1.00% - 5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous two periods are as follows:

(* In Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Defined benefit obligation	322.53	203.96
Plan assets	*	
Surplus / (deficit)	322.53	203.96
Experience adjustments on plan liabilities	(11.14)	(13.17)
Experience adjustments on plan assets	=	

c) Other Benefits

The Company has provided for compensatory leaves which can be availed and not encashed as per policy of the company as present value obligation of the benefit at related current service cost measured using the Projected Unit Credit Method on the basis of an actuarial valuation. The company has accordingly reversed ₹31.46 Lacs (provided for P.Y. ₹16.75 Lacs) in the books of accounts for the year.

26. FINANCE COST

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest expense (Note 26.1)	32,076.69	30,324.75
Other borrowing costs (Note 26.2)	1,291.73	1,421.41
	33,368.42	31,746.16
26.1 Interest expense includes interest on:		
Subordinated debentures	2,679.90	2,296.26
Term loans/cash credit facilities/CP	17,274.77	17,427.46
Direct/Indirect taxes	87.91	22.36
Non-convertible debentures	11,824.00	9,086.62
Others	210.11	1,492.05
	32,076.69	30,324.75
26.2 Other borrowing costs includes		
Resource mobilisation expenses	1,087.98	1,194.34
Bank charges & commission	203.75	227.07
	1,291.73	1,421.41

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

27. OTHER EXPENSES		(₹ In Lacs)
Particulars	Year ended	Year ended
r di ticumia	March 31, 2015	March 31, 2014
Advertisement, publicity & recruitment	102.25	36.61
Business promotion	121.32	131.24
Commission and brokerage	1,009.54	849.78
Communication	233.67	198.40
Director sitting fee	22.23	12.61
Donations	59.91	23.19
Electricity and water	168.82	130.20
Fee & subscription	37.76	4.85
Field investigation & credit control	24.35	28.37
Insurance	30.72	48.69
Legal & professional fee	804.64	357.10
Loss on sale of repossessed assets	616.88	347.35
Office expenses	158.62	202.76
Postage & courier	84.91	85.82
Printing & stationary	87.79	115.18
Profit/Loss On Sale Of Fixed Assets	3	6.11
Rates and taxes	8.01	74.48
Rent (Note no. 27.1)	555.15	536.56
Repair and maintenance - others	156.28	125.53
Repossession expenses	310.48	110.08
Travelling and conveyance	1,133.26	947.86
Valuation & RTO	31.21	31.78
Vat Expenses	17.62	28.14
Auditor's remuneration		
-Audit fees	45.24	31.50
-Tax audit fees	5.60	5.50
-Other services	0.92	1.93
	5,827.38	4,471.62

^{27.1} The Company's significant leasing arrangements in terms of Accounting Standard 19 on Leases are in respect of operating leases for premises. These leasing arrangements, which are cancellable generally, range between 11 months and 36 months and are usually renewable by mutual consent on mutually agreeable terms.

28. PROVISIONS AND WRITE OFF		(₹ In Lacs)
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
A. Provisions for the year		11100112002100740000
Provision on assigned cases	31.15	129.00
Provision on non performing assets	3,042.34	1,954.75
Provision on overdue debtors		(*
Contingent provision against standard assets	1,227.11	805.28
in and from the social and the form that is a more of a fine or more of a fine or more of a fine of the social fine of the fin	4,300.60	2,889.03
B. Provisions as at March 31, 2014		
Provision on assigned cases	129.00	388.47
Provision on non performing assets	1,954.75	770.00
Provision on overdue debtors	-	9.01
Contingent provision against standard assets	805.28	539.00
	2,889.03	1,706.48
Net Provision made during the year (i)	1,411.57	1,182.55
C. Write off during the year		
Loan assets write off	4,665.23	4,106.28
Loss on settlement with borrowers	3,332.04	2,462.59
Write off during the year (ii)	7,997.27	6,568.87
	9,408.84	7,751.42

29. TAX EXPENSES				
Particulars	Year ended March 31, 2015	Year ended March 31, 2014		
Current tax	8,545.03	5,233.48		
Deferred tax	(468.86)	(521.89)		
Total tax expenses	8,076.17	4,711.59		

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Current tax	8,545.03	5,233.48
Deferred tax	(468.86)	(521.89)
Total tax expenses	8,076.17	4,711.59

Total tax expenses	8,076.17	4,711.59
30. EARNING PER SHARE		(₹ In Lacs
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Continuing operations		
Profit/ (loss) after tax (₹ in lacs)	16,307.74	10,076.15
Less: Debentures redemption premium (₹ In lacs)	-	(87.62)
Less: Shares/Debenture issue expenses (₹ In lacs)	20	(182.51)
Net profit for calculation of basic EPS (₹ In lacs)	16,307.74	9,806.02
Net profit as above (₹ In lacs)	16,307.74	9,806.02
Net profit/ (loss) for calculation of diluted EPS (₹ In lacs)	16,307.74	9,806.02
Weighted average number of equity shares in calculating basic EPS (In nos.)	4,37,86,861	4,04,97,951
Effect of dilution:		
Convertible preference shares (In nos.)	-	
Weighted average number of equity shares in calculating diluted EPS (In nos.)	4,37,86,861	4,04,97,951
Earning per share		
Basic (In ₹)	37.24	24.21
Diluted (In ₹)	37.24	24.21
Nominal value per share (₹)	10.00	10.00

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

31. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Associates	Au INSURANCE BROKING SERVICES PRIVATE LIMITED
	M POWER MICRO FINANCE PRIVATE LIMITED
	Mr. Sanjay Agarwal, Managing Director
	Mr. Uttam Tibrewal, Executive Director
	Mr. Deepak Jain, Chief Financial Officer
Var. management assumed	Mr. Manmohan Parnami, Company Secretary
Key management personnel	Mr. Sushil Kumar Agarwal, Whole time director, Au HOUSING FINANCE LIMITED
	Mr. Ghanshyam Rawat, Chief Financial Officer, Au HOUSING FINANCE LIMITED
	Mr. Sharad Pathak, Company Secretary, Au HOUSING FINANCE LIMITED
	Mr. Vishal Gupta, Director, Index Money Limited
Relatives of key management personnel	Mr. Subhash Tibrewal brother of Mr. Uttam Tibrewal

a. Loans given and repayment there of						(₹ In Lacs)
Particulars	Year ended	Loans given	Repayment	Interest due	Interest received	Amount owed by related parties
Associates						
Au INSURANCE BROKING SERVICES PRIVATE	31-Mar-15		-		-	
LIMITED	31-Mar-14		-			
M POWER MICRO FINANCE PRIVATE LIMITED	31-Mar-15	2250.00	1250.00	18.43	11.82	1006.61
	31-Mar-14	200.00	200.00	1.40	1.40	9

Loans given to related parties are repayable on demand. These loans carry interest @ of 12% to 17% p.a.

b. Remuneration to key managerial personnel		(₹ In Lacs
Particulars	March 31, 2015	March 31, 2014
Mr. Sanjay Agarwal, Managing Director	89.84	189.04
Mr. Uttam Tibrewal, Executive Director	117.78	134.42
Mr. Deepak Jain, Chief Financial Officer	86.63	87.90
Mr. Manmohan Parnami, Company Secretary	29.10	28.46
Mr. Sushil Kumar Agarwal, Whole Time Director & CEO	64.39	86.57
Mr. Sharad Pathak, Company Secretary	4.06	2.31
Mr. Ghanshyam Rawat, Chief Financial Officer	68.42	48.19
Total	460.22	576.89

Note: (a) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

c. Other transactions

- 4	(₹	n	La	CS
_	-		-	100

Name of related party Nature of related	Nature of	31-Mar-15			31-Mar-14			
	party	transactions	Amount received	Amount paid	Outstanding balance	Amount received	Amount paid	Outstanding balance
Mr. Subhash Tibrewal	Relative of KMP's	Salary & Bonus		20.66			25.34	
Mr. Sanjay Agarwal	Managing director	Rent	7/4	7.14	0		6.44	-
Au Insurance Broking Services Private Limited	Associate company	Reimbursement of expenses	23.50	A.	·	16.23	Α.	0.35
Au INSURANCE BROKING SERVICES PRIVATE LIMITED	Associate company	Reimbursement of Statutory payments	37.13	/*		32.97	(4	(i

31. RELATED PARTY DISCLOSURES

c. Other transactions

			31-Mar-15	(† In Lacs) 31-Mar-14
Name of related party	Nature of related party	Nature of transactions	Amount involved	Amount
Mr. Sanjay Agarwal	Managing Director	Personnel guarantee	76,057.39	78,905.44
Mr. Sanjay Agarwal & Mr. Uttam Tibrewal	Managing Director & Executive Director	Personnel guarantee	10,683.36	14,944.49
Mr. Sanjay Agarwal & Mrs. Jyoti Agarwal	Managing Director & Shareholder	Personnel guarantee	17,164.88	24,953.81
Mr. Sanjay Agarwal	Managing Director	Equity shares pledged	380.88	9,196.10
Mr. Sanjay Agarwal	Managing Director	Property pledged	4,928.55	7,598.18
Mr. Sushil Kumar Agarwal	Whole Time Director	Personnel guarantee	166.17	207.21

32. CAPITAL AND OTHER COMMITMENTS:

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital accounts not provided for		
Tangible assets	16.83	10
Intangible assets	0.39	-
	17.22	

33. CONTINGENT LIABILITY NOT PROVIDED FOR:

(₹ In Lacs)

		V
Particulars	As at March 31, 2015	As at March 31, 2014
Credit enhancements provided by the Company towards asset assignment / securitisation (including cash collaterals, principal and interest subordination)	24,023.00	38,081.72
Corporate Guarantees/Corporate Undertakings in case of Channel business activity	597.35	2,577.94
Corporate Guarantees on borrowings taken by it's subsidiary company (Au HOUSING FINANCE LIMITED)	33,132.68	31,862.08
Claims against the company not acknowledged as debts *	225.96	93.91
Value added tax	13.89	13.89
Income tax demand #	65.58	45.93
Service tax demand \$	1,209.61	1,209.61

The claims against the company comprise of :

- * Claims by borrowers consequent to actions against them by the company in case of defaults and/or repossession of secured assets totaling ₹225.96 lacs (P.Y. ₹93.91 lacs). The company has been advised by its legal division that liability is possible, but not probable and according no provision for such liability has been recognised in the financial statements.
- # Income tax demand of ₹9.07 Lacs, ₹9.50 Lacs, ₹27.35 & ₹18.65 Lacs from the Indian tax authorities for payment of additional tax of financial year 2008-09, 2009-10, 2010-11& 2011-12 respectively upon completion of their tax review. The tax demands are mainly on account of disallowance of expenses which are being contested in appeal before the commissioner of income tax (Appeals) and is pending for disposal. The company has deposited the demand but has not recognised the provision pending disposal of appeal.
- \$ Service tax demand of ₹1209.61 lacs from the Indian tax authorities for payment of additional tax up to September 2013. Company has appealed to commissioner Service Tax in this matter and Commissioner has given the decision in favor of department. Now company has applied to Custom Excise & Service Tax Appellate Tribunal (CESTAT) at Delhi on 22nd May 2015. Company has deposited ₹92 lacs against appeal to CESTAT. The tax demand is mainly on account of collection agency Service valuation amount on portfolio assigned/ securitized to banks/financial institution/non banking financial institutions.
- 34 The Company is primarily engaged in lending activities. Further the Company does not have any separate geographic segment other than India. As such there are no separate reportable segment as per AS-17 " Segment Reporting".

Notes forming part of the consolidated financial statements for the year ended March 31, 2015

35. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(7 In Lars)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Travelling	-	
Appraisal/Processing fee	104.11	17.13

36. FIGURES ARE ROUNDED OFF TO THE NEAREST RUPEES IN LACS.

As per our Report of even date For S.R. Batliboi & Co. LLP

ICAI Firm's Registration no.: 301003E

Chartered Accountants

Membership no. 102102

Shrawan Jalan Partner

Place: Mumbai

Date: May 27, 2015

For and on behalf of the Board of Directors Au FINANCIERS (INDIA) LIMITED

Sanjay Agarwal Uttam Tibrewal (Managing Director) (Executive Director)

Place: Jaipur Date: May 27, 2015

Deepak Jain Manmohan Parnami
(Chief Financial Officer) (Company Secretary)

Notice of Annual General Meeting

Notice is hereby given that the Twentieth Annual General Meeting of the members of Au FINANCIERS (INDIA) LIMITED will be held on Monday, the 13th day of July, 2015 at 3.00 P.M. at the Registered Office of the Company at 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur – 302001 (Rajasthan) to transact the following businesses:

Ordinary Business

- 1. To Consider and Adopt:
 - a) The Audited Financial Statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon: and
 - b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015.
- To appoint a Director in place of Mr. Sanjay Agarwal, Managing Director (DIN 00009526), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
- 3. To ratify the appointment of the statutory auditors of the company

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India from time to time and subject to approval from such other regulatory authorities, as may be applicable, and pursuant to the resolution passed by the Shareholders in the 19th Annual General Meeting of the Company held on 06th August, 2014, the appointment of M/s. S. R. Batliboi & Co. LLP., Chartered Accountants (Firm Registration No. 301003E) as Statutory Auditors of the Company to hold office till the conclusion of the 22nd Annual General Meeting of Company to be held in the calendar year 2017 be and is hereby ratified (for the financial year 2015-16) and that the Board of Directors be and are hereby authorised to fix the remuneration payable to them for the financial year 2015-16 as recommended by the Audit committee."

Special Business

4. Regularization of Appointment of Additional Director To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act. 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). Mr. Nishant Sharma (DIN: 03117012). who was appointed as an Additional Director on 22nd December, 2014 pursuant to the provisions of Section 161 of the Companies Act. 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Nominee Director of the Company (representing Ourea Holdings Limited, Kedaara Capital Alternative Investment Fund-I) liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors of the company be and are hereby authorized to take all such steps and approvals as may be required for making appointment of Mr. Nishant Sharma as Nominee Director and to file necessary particulars/forms with Ministry of Company Affairs."

 Authorisation to borrow Money in Excess of Paid up Capital and free Reserve of the Company U/S 180(1)(C) of the Companies Act, 2013:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to

the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) for borrowing from time to time as it may think fit, any sum or sums of money not exceeding ₹12.000 Crores (Rupees Twelve Thousand Crores Only) (including the money already borrowed by the Company) in Indian Rupees or equivalent thereof in any foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether domestic or international, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the company's assets and effects or properties including stock in trade (receivables), deposits or other security notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized for borrowing from time to time as it may think fit, any sum or sums of money but not exceeding ₹12,000 Crores (Rupees Twelve Thousand Crores Only) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate (including the monies already borrowed by the Company) and on such terms and conditions as the Board may deem fit, by way of loans or in any other form whatsoever from, or issue of Bonds and/or Debentures or other Securities or Term Loans, Cash Credit facilities or other facilities in form of debt in the nature of Debentures. Commercial Papers and the like from Bank(s). Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto including delegating its powers under the resolution to give effect to this resolution and for matters connected therewith or incidental thereto."

6. Authorisation to sell, lease or otherwise dispose of the assets of the company for borrowings under section 180(1)(a) of the Companies Act, 2013:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and provisions of Articles of Association, and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) consent of the members of the Company be and is hereby accorded to authorize the Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to sell, liquidate, dispose off or to create mortgage and/or charge on all or any of its movable and / or immovable, tangible and/ or intangible properties, or such other assets of the Company wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a mortgage/and or charge, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favor of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding ₹12,000 Crores [Rupees Twelve Thousand Crores Only] at any point of time.

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank exclusive/prior/pari passu/ subsequent with/to the hypothecation/mortgages and/or charges already created or to be created by the company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to

sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto."

7. Alteration of existing Articles of Association of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 14 and other applicable provisions, if any, of the Companies Act. 2013, read with The Companies (Incorporation) Rules. 2014 (including any statutory modification(s), amendments or re-enactment(s) thereof for the time being in force) and further subject to any other laws and regulations, as may be applicable and pursuant to the Shareholders' Agreement dated 28th February, 2012, as amended to till date, entered into between the Company, India Business Excellence Fund. India Business Excellence Fund - I. International Finance Corporation, Redwood Investment Ltd, Labh Investments Limited, Mys Holdings Private Limited and Motilal Oswal Securities Limited ,Sponsors (as defined therein), as amended till date, approval of the shareholders be and is hereby accorded to alter the existing Articles of Association of the Company by substituting the existing clause (b) of Article 34, clause (c) of Article 37, clause (d) of Article 37 and clause (c) of Article 54 and replacing it by the new clause (b) of Article 34, clause (c) of Article 37, clause (d) of Article 37 and clause (c) of Article 54 more so particularly as provided in the explanatory statement to this notice and that the amended set of Articles of Association of the Company (Articles) as per the copy tabled before the meeting and initialed by the Chairman for the purpose of identification be and is hereby adopted.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard,."

By the Order of the Board of Directors For Au FINANCIERS (INDIA) LIMITED

Place: Jaipur Date: 27.05.2015 Sd/-Manmohan Parnami Company Secretary

Notes

- 1. The relevant Explanatory Statements pursuant to the section 102(1) of the Companies Act, 2013, in respect of the Special Business under item nos. 4 to 7 as set out above and proposed to be transacted at the Annual General Meeting is annexed hereto.
- 2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED/CORPORATE OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share

capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.

3. Appointment of Authorised Representatives

Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution, Corporate Authorisation authorising their representative to attend and vote on their behalf at the Meeting.

4. Shareholder Queries

In case you have any query relating to the enclosed Financial Statements or about the operations of the Company, you are requested to send the same to the Company Secretary at the Registered Office of the Company at least seven (7) days before the date of Annual General Meeting so that

- the information can be made available at the meeting.
- 5. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
- 6. Members who hold shares in the dematerialized form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their folio number in the attendance slip and hand it over at the entrance of the meeting hall.
- 7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 8. The register of Contracts or Arrangements in which the Directors are interested, maintained under section 189 of Companies Act, 2013 will be available for inspection by the members at the AGM.
- 9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
- 10. Members desirous of making nomination as permitted under Section 72 of the Companies Act, 2013 in respect of the physical shares held by them in the Company, can make nominations in Form SH-13, which can be procured from the Registrar and Share Transfer Agent M/s Link Intime (India) Private Limited. The Members holding shares in demat form may contact their respective depository participants for such nominations.
- 11. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s Link Intime (India) Private Limited (RTA), for consolidation into a single folio.
- **12.** With a view to using Natural resources, we request Shareholders to update their E-mail addresses, with their depository Participants to enable Company to send Communications electronically.

- 13. All the documents referred to in the Notice and explanatory statements (Including Amended Articles of Association of the Company) and the Register of Directors' Shareholding are open for inspection at the Registered Office of the Company on all working days from 10 AM to 5 PM upto the date of Annual General Meeting.
- 14. The company proposed to convene an Extra Ordinary General Meeting on 23rd June, 2015, wherein, the matters pertaining to proposed revision in remuneration of Mr. Sanjay Agarwal, Managing Director, and changes in terms of his appointment, in view of the provisions of Section 152 of the Companies Act, 2013, for the purpose of categorizing him under the category of liable to retire by rotation, are proposed to be taken up.
- 15. The Notice of Annual General Meeting and the copies of audited financial statements, Board's report, auditors' report, etc. will also be displayed on the website www.aufin.in of the Company and the other requirements as applicable will be duly complied with. Electronic copy of the Annual Report and Notice of Annual General Meeting for the financial year 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and the notice along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company Secretary at manmohan. parnami@aufin.in.

Place: Jaipur

Date: 27.05.2015

By the Order of the Board of Directors For Au FINANCIERS (INDIA) LIMITED

> Sd/-Manmohan Parnami Company Secretary

Explanatory Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013

The following Statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item No. 4

Mr. Nishant Sharma was appointed as an Additional Director on the Board of the Company w.e.f. December 22, 2014. Pursuant to the provisions of Section 161 of the Companies Act, 2013, he holds office up to the date of ensuing Annual General Meeting of the Company. The Company has received notice in writing under Section 160 of the Companies Act, 2013, with the deposit of requisite amount, proposing the candidature of Mr. Nishant Sharma, for the office of the Director of the Company under the provisions of Section 161 of the Companies Act, 2013. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Mr. Nishant Sharma is an eminent Professional and bring rich and varied experience to the Board.

The Board of Directors recommends the Ordinary resolution set out in Item No. 4 of the accompanying Notice for approval of the Members.

Except Mr. Nishant Sharma, none of the Director, Key Managerial Personnel and their relatives are in any way concerned or interested financial or otherwise, in the Resolution.

Item No. 5

The Board of Directors of the Company envisages requirement of funds in future. As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board can borrow money subject to the condition that the money to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose unless the Shareholders have authorized the Board to borrow the monies up to some higher limits.

Hence, it is proposed to empower and authorize the Board of Directors of the Company to borrow money from any Bank(s), Financial Institutions (Fls,), Foreign Institutional Institutions (Fl's) Bodies Corporate or Business Associates or other any person or entity etc., in excess of paid up capital and free reserves of the Company upto a sum not exceeding ₹12,000 Crores (Rupees Twelve Thousand Crores Only) for the purposes of business activities of the Company.

The resolution as set out at item no. 5 of the notice is placed for your approval of the aforesaid limits of borrowing by the Board upto an amount not exceeding ₹12,000 Crores (Rupees Twelve Thousand Crores Only) or equivalent thereof in any foreign currency(ies).

With a view to meet fund requirements for the aforesaid purpose, the Company would be required to borrow funds from time to time by way of loans or in any other form whatsoever and / or issue of bonds, debentures or other securities.

No Director, Key Managerial Personnel and their relatives, if any, are deemed to be concerned or interested, financial or otherwise in the proposed resolution.

The Directors recommend the passing of the Resolution at Item No. 5 of the Notice.

Item No. 6

The borrowings / issue of securities may be required to be secured by way of mortgage / charge over all or any part of the movable and / or immovable properties of the Company and as per the provisions of Section 180 (1) (a) of the Companies Act, 2013, the mortgage or charge on all or any part of the movable and /or immovable properties of the Company, may deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company upto an amount of ₹12,000 Crores [Rupees Twelve Thousand Crores Only].

Hence the approval of the Shareholders of the Company is required by way of Special Resolution.

With a view to facilitate the Board to create mortgage / charge on assets and/or undertakings of the Company from time to time, to secure borrowings of the Company, it is recommended that your Board be authorised for the purpose under Section 180(1)(a) of the Companies Act, 2013.

None of the Director, Key Managerial Personnel and their relatives, if any, are deemed to be concerned or interested, financial or otherwise in the proposed resolution.

The Board of Directors recommends the passing of the Resolution at Item No. 6 of the Notice.

Item No. 7

Your company entered into a Shareholders' Agreement (SHA) with its investors, in the year 2012, which got amended subsequently, by way of First Amendment Agreement, Second Amendment Agreement dated 28th March, 2014 and third Amendment Agreement dated 22nd December, 2014.

In terms of the provisions of the said Agreement as amended to till date, the company was entrusted with the responsibility, to initiate the process of listing of its Equity Shares and complete the process within the timelines given in it.

Since, the company is yet to initiate the desired process, the Board of Directors of the company have accordingly extended the timelines by twelve months, resulting in having impact on various clauses of the existing Articles of Association of the company, requiring suitable amendments to be carried out in the same.

It is to be noted that the above process of altering the regulations of the Articles of Association of company would require the company to pass Special Resolution in terms of Section 14 of the Companies Act, 2013, read with its applicable rules, seeking Shareholders' Approval.

The amendments proposed for approval in the relevant Articles of Association of the Company are as under:-

Clause No.	Existing Clause	Amended Clause
34(b)	From the Effective Date and until expiry of 44 (Forty Four) months thereafter, no Investor shall Transfer any of its Investor Securities to any Competitor. The restriction contained in this Article 34 (b) shall not apply to any Transfer of Equity Shares or Share Equivalents by any of Investors:	"From the Effective Date and until expiry of 56 (fifty six) months thereafter, no Investor shall Transfer any of its Investor Securities to any Competitor. The restriction contained in this Article 34 (b) shall not apply to any Transfer of Equity Shares or Share Equivalents by any of Investors:
	(i) after the consummation of a Listing; or	(i) after the consummation of a Listing; or
	(ii) in the event of a Listing Default, it being understood that in case of a Listing Default, the Transfer of all Investor Securities shall be subject to the provisions of Article 14.	(ii) in the event of a Listing Default, it being understood that in case of a Listing Default, the Transfer of all Investor Securities shall be subject to the provisions of Article 14.
	Subject to compliance with the provisions of Article 54, this Article 14(b) shall not apply to any Transfers by IFC.	Subject to compliance with the provisions of Article 54, this Article 14(b) shall not apply to any Transfers by IFC."
7(c)	"Notwithstanding the provisions Article 32 (b) (ii), from the expiry of the twenty ninth (29th) month from the Effective Date till the expiry of the forty fourth (44th) month from the Effective Date, the Company shall and the Sponsors shall cause the Company to initiate the process of Listing such that the Listing is completed before the expiry of forty fourth (44th) month from the Effective Date, subject to the following:	"Notwithstanding the provisions Article 32 (b) (ii), from the expiry of the twenty ninth (29th) month from the Effective Date till the expiry of the fifty sixth (56th) month from the Effective Date, the Company shall and the Sponsors shall cause the Company to initiate the process of Listing such that the Listing is completed before the expiry of fifty sixth (56th) month from the Effective Date, subject to the following:
	(i) The Investors shall have the right (but not an obligation) to offer all or a part of their Equity Shares for sale as a part of such Listing; and	(i) The Investors shall have the right (but not an obligation) to offer all or a part of their Equity Shares for sale as a part of such Listing; and
	(ii) The obligation of the Company and/or the Sponsors to complete a Listing shall be fulfilled only if all the Equity Shares offered for sale by the Investors as set out in (i) above are sold through such Listing."	(ii) The obligation of the Company and/or the Sponsors to complete a Listing shall be fulfilled only if all the Equity Shares offered for sale by the Investors as set out in (i) above are sold through such Listing."

27/4)	In the events	"In the event:
37(d)	In the event: (i) the Company/Sponsors have not been able to initiate a Listing before the expiry of the forty fourth (44th) month from the Effective Date; or	(i) the Company/Sponsors have not been able to initiate a Listing before the expiry of the fifty sixth (56th) month from the Effective Date; or
	(ii) a Listing has been initiated in accordance with Article 37 (b) or (c) above but SEBI Approval has not been received before the expiry of the forty second (42nd) month from the Effective Date; or	(ii) a Listing has been initiated in accordance with Article 37(b) or (c) above but SEBI Approval has not beer received before the expiry of the fifty fourth (54th month from the Effective Date; or
	(iii) a Listing has been initiated in accordance with b) or (c) above and SEBI Approval has been received before the expiry of the forty second (42nd) month from the Effective Date but the Listing has not been completed prior to the expiry of the forty fourth (44th) month from the Effective Date; or	(iii) a Listing has been initiated in accordance with (b) o (c) above and SEBI Approval has been received before the expiry of the fifty fourth (54th) month from the Effective Date but the Listing has not been completed prior to the expiry of the fifty sixth (56th) month from the Effective Date; or
	(iv) a Listing is initiated and completed before the expiry of the forty fourth (44th) month from the Effective Date but the condition as set out in (b)(ii) or (c)(ii) above, as the case may be, has not been complied with, (each of the above, a "Listing Default"), then (aa) any of the Investors may Transfer their Equity Shares in the Company to any Person, in accordance with Article 14; (bb) all obligations of the Investors and the rights of the Sponsors under these Articles shall stand terminated forthwith, other than (AA) the inter-se obligations of the Investors; (BB) the rights of the Sponsors under Articles 20-26, Article 36, Article 14-15 and Articles 38-39.	(iv) a Listing is initiated and completed before the expiny of the fifty sixth (56th) month from the Effective Date but the condition as set out in (b)(ii) or (c)(ii) above, as the case may be, has not been complied with, (each of the above, a "Listing Default"), then (aa) any of the Investors may Transfer their Equity Shares in the Company to any Person, in accordance with Article 14 (bb) all obligations of the Investors and the rights of the Sponsors under these Articles shall stand terminated forthwith, other than (AA) the inter-se obligations of the Investors; (BB) the rights of the Sponsors under Articles 20-26, Article 36, Article 14-15 and Articles 38-39."
54(c)	In the event IFC Transfers all or any part of the IFC Securities to a Competitor before the expiry of forty four (44) months from the Effective Date, IFC shall only, at the maximum, provide to such Competitor the rights which are equivalent to the rights which would be available to any Non Competing Non Financial Investor pursuant to sub-Section (f) below, except the rights under Article 43.	"In the event IFC Transfers all or any part of the IFC Securities to a Competitor before the expiry of 56 (fifty six) months from the Effective Date, IFC shall only, at the maximum, provide to such Competitor the rights which are equivalent to the rights which would be available to any Non Competing Non-Financial Investor pursuant to sub-Section (f) below, except the rights under Article 43."

Hence, The Directors recommend passing of the Resolution as set out in Item No. 7 of the Notice.

None of the Director, Key Managerial Personnel and their relatives, if any, are deemed to be concerned or interested, financial or otherwise in the proposed resolution.

A copy of the Memorandum and Articles of Association of the Company along with the draft of the proposed amendments will be available for inspection by the Members at the Registered office of the company between 10.00 am to 5.00 pm on any working day of the Company upto the date of the Annual General Meeting.

By the order of the Board For Au FINANCIERS (INDIA) LIMITED

Sd/-Manmohan Parnami Company Secretary

Place: Jaipur Date: 27th May, 2015

Notes

Notes

Attendance Slip

Au FINANCIERS (INDIA) LIMITED

CIN: U36911RJ1996PLC011381

Registered Office: 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur-302001, Rajasthan

I hereby record my presence at the 20th ANNUAL GENERAL MEETING of Au FINANCIERS (INDIA) LIMITED on Monday, 13th day of July, 2015 at 3.00 P.M. at the registered office of the Company at 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur – 302001, Rajasthan, India.

Folio No	DP ID	Client ID
Name of Member		
Name of Proxy Holder		
Number of Shares Held		

Signature of Member/Proxy

Note: Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.



Form No. MGT-11

Proxy Form

Au FINANCIERS (INDIA) LIMITED

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U36911RJ1996PLC011381
Name of the Company : Au FINANCIERS (INDIA) LIMITED

Registered office : 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur-302001, Rajasthan

Ν	lame of the member(s):		
R	egistered Address:		
Е	-mail Id:		
F	olio No/Client Id:		
	P ID:		
	/e, being the member(s) of Au FINANCIERS (INI	DIA) LIMITED, holding	_ shares of the above named company,
1.	Name:	Address:	
	E-mail ID:	Signature	or failing him
2.	Name:		
	E-mail ID:	Signature	or failing him
3.	Name:	Address:	
	E-mail ID:	Signature	or failing him
	as my/our proxy to attend and vote (on a poll) of the company, to be held on Monday, 13th 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur below:-	day of July, 2015 at 3.00 P.M. at	the registered office of the Company at



S. No.	Resolution	For	Against
1	To consider and adopt:		
a)	The Audited Financial Statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and		
b)	The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015.		
2	Ratification of appointment of the Statutory Auditors of the Company.		
3	Appointment of a Director in place of Mr. Sanjay Agarwal, Managing Director (DIN No. 00009526), who retires by rotation and being eligible, offers himself for re-appointment.		
4	Regularisation of Mr. Nishant Sharma as a Nominee Director of the Company.		
5	Authorisation to borrow money in excess of paid up capital and free reserve of the Company u/s 180(1)(C) of the Companies Act, 2013.		
6	Authorisation to sell, lease or otherwise dispose of the assets of the Company for such borrowings under section 180(1)(a) of the Companies Act, 2013.		
7	Alteration of existing Articles of Association of the Company.		

Signed this	day of	2015	
			Affix
Signature of Shareholder			₹1/- Revenue
3			Stamp here
Signature of Pr	ovy Holdor(s)		
Signature of the	ONY FIORET(3)		

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company addressed to the "Company Secretary", not later than 48 hours before the commencement of the Meeting.
- 2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
 - * it is optional to put a ($\sqrt{}$) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.

