

EIGHTY EIGHTH
ANNUAL REPORT 2011-2012

88



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LIMITED



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LIMITED

ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS

Sri. R.Surender Reddy
Sri. Kapil Bhatia
Sri. M. Ranganath Sai
Sri. K. Harishchandra Prasad, Managing Director

AUDITORS

M.Anandam & Co., Secunderabad
Brahmayya & Co., Hyderabad

INTERNAL AUDITORS

M. Bhaskara Rao & Co., Hyderabad

BANKERS

BANK OF BAHRAIN AND KUWAIT, B.S.C
INDUSIND BANK
ANDHRA BANK
HDFC BANK

REGISTRARS & SHARE TRANSFER AGENTS

VENTURE CAPITAL & CORPORATE
INVESTMENTS PRIVATE LIMITED
12-10-167, BHARAT NAGAR,
HYDERABAD-500 018.
Ph.No. 040-23818475 / 23818476 / 23868023.
Fax No.040-23868024.
E-mail: info@vccilindia.com

REGISTERED OFFICE

1st FLOOR, "SURYODAYA",
1-10-60/3, BEGUMPET
HYDERABAD-500 016. (A.P.)
Ph.No.040-27760301/27767794,
Fax. No. 040-27767793
E-mail: lakshmi_lfic@yahoo.com

EIGHTY EIGHTH ANNUAL GENERAL MEETING

Day : Monday
Date : 13th August, 2012
Time : 9.30. A.M

VENUE

"Triveni Banquet Hall"
Kamat Lingapur Hotel,
1-10-44/2, Chikoti Gardens,
(Lane Opp. to Allauddin Building)
Begumpet, Hyderabad- 500 016.

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EIGHTY EIGHTH ANNUAL REPORT 2011-2012



NOTICE

Notice is hereby given that the 88th Annual General Meeting of the members of **LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED** will be held on Monday the 13th August, 2012 at 9.30.A.M. at “Triveni Banquet Hall” Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, (Lane Opp. to Allauddin Building), Begumpet, Hyderabad - 500 016 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares for the year ended 31st March, 2012.
3. To appoint a Director in place of Shri. Kapil Bhatia who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s M.Anandam & Co., Secunderabad and M/s Brahmayya & Co., Hyderabad, Chartered Accountants, as Statutory Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

By Order of the Board
For **Lakshmi Finance & Industrial Corporation Limited**

Sd/-
K.HARISHCHANDRA PRASAD
MANAGING DIRECTOR

Place: Hyderabad
Date : 28.04.2012

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Instrument of Proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 08th August, 2012 to 11th August, 2012 (both days inclusive) for the

purpose of the Annual General Meeting of the Company and Dividend declaration.

4. The dividend on shares, as recommended by the Directors if passed at the meeting, payment of such dividend, will be paid to those members whose names appear on the Company's Register of Members as on 07th August, 2012.
5. Members holding shares in physical form are requested to notify any change in their address to the Registered Office of the Company and members holding shares in the dematerialized form are requested to notify the changes to their depository participant(s).
6. Shareholders who have not yet surrendered the existing Share Certificates representing equity shares of Rs.100/- each paid-up of your total shareholdings for exchange of new share certificates representing equity shares of Rs.10/-each paid-up for any reason may please contact Shares Department of the Company.
7. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holdings in one folio to facilitate better service.
8. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends up to the financial year 1995-1996 have been transferred to the General Reserve Account of the Central Government. Those members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in prescribed Form No.II to The Registrar of Companies, Andhra Pradesh, 2ndFloor, Kendriya Sadan, Koti, Hyderabad - 500 095.
9. As per provisions of the Section 205A read with Section 205C of the Companies Act, 1956 the Company is required to transfer unpaid dividends remaining unclaimed and unpaid for a period of 7 years from the due date (s) to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, the unclaimed dividend amount in respect of 2003-04 has been transferred to the said fund on 03.09.2011 upon expiry of 7 years period. **Unclaimed dividend for the year 2004-2005 is due for transfer to IEPF on or before 27.10.2012.** Those members who have not encashed their dividend warrant(s) for the said year and for the years mentioned below are requested to make the claims to the Company without any further delay. **It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the IEPF or the Company in**



respect of any amounts which were unclaimed/ unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

Given below are the proposed dates for transfer of the unclaimed dividend to **IEPF** by the Company:

Financial Year ended	Date of Declaration of Dividend	Last date for Claiming Unpaid Dividend amount (on or before)	Last date for Transfer to IEP Fund
31.03.2005	29.09.2005	28.09.2012	27.10.2012
31.03.2006	20.09.2006	19.09.2013	18.10.2013
31.03.2007	20.09.2007	19.09.2014	18.10.2014
31.03.2008	22.09.2008	21.09.2015	20.10.2015
31.03.2009	17.09.2009	16.09.2016	15.10.2016
31.03.2010	20.09.2010	19.09.2017	18.10.2017
31.03.2011	06.08.2011	05.08.2018	04.09.2018

Shareholders who have not yet claimed the dividends as mentioned above are requested to contact the Secretarial Department at the Registered Office of the Company.

10. Members desiring any information as regards the accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.

11. The Securities & Exchange Board of India (**SEBI**) has made it mandatory for all Companies to use the Bank account details furnished by the Depositories for depositing dividend through Electronic Clearing Services (**ECS**) to investors where **ECS** and Bank details are available. Members may, therefore, give instructions regarding Bank Accounts in which they wish to receive dividend, directly to their Depository Participants. The Company will not entertain any direct request from such members for deletion of/change in such Bank details. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to dividend paid on shares in electronic form. Prescribed Form (**ECS**) is annexed to this report which may be duly filled in and sent to the Company.

INFORMATION PURSUANT TO CORPORATE GOVERNANCE CLAUSE 49 OF THE LISTING AGREEMENT REGARDING THE DIRECTORS SEEKING RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING

Sri Kapil Bhatia aged about 80 years has been associated with the Company since May 22nd 1979. He is associated with Public & Private Limited Companies as per details given below:

Name of the Company in which he is a Director:

1	INTERGLOBE ENTERPRISES LTD	EXECUTIVE CHAIRMAN & MANAGING DIRECTOR
2	INTERGLOBE LUXURY PRODUCTS PVT . LTD	DIRECTOR
3	IGT SOLUTIONS PVT LTD	DIRECTOR
4	INTERGLOBE TECHNOLOGIES PVT. LTD	DIRECTOR
5	INTERGLOBE AVIATION LTD	DIRECTOR
6	INTERGLOBE TECHNOLOGY QUOTIENT PVT. LTD	DIRECTOR
7	INTERGLOBE ESTABLISHED PVT. LTD	DIRECTOR
8	IGE (MAURITIUS) PVT LTD.	DIRECTOR
9	AAPC INDIA HOTEL MANAGEMENT PVT LTD	DIRECTOR
10	INTERGLOBE HOTELS PVT LTD	DIRECTOR
11	INDUS AVIATION SERVICES PVT LTD	DIRECTOR
12	SCANDINAVIAN AIRLINES SYSTEM INDIA PVT LTD	DIRECTOR



13	TECHPARK HOTELS PVT LTD.	DIRECTOR
14	DELTA AIRLINES PVT LTD	DIRECTOR
15	INTERGLOBE TECHNOLOGIES INTERNATIONAL PVT LTD	DIRECTOR
16	ZELOS INFRASTRUCTURE PVT LTD	DIRECTOR
17	ITQ CONSULTANCY PVT LTD	DIRECTOR
18	INTERGLOBE FOUNDATION	DIRECTOR
19	INTERGLOBE AIR TRANSPORT LIMITED	DIRECTOR
20	TRIGUNA HOSPITALITY VENTURES (INDIA) PVT LIMITED	DIRECTOR
21	SRILANAND MANSIONS PVT LTD	DIRECTOR
22	ACCENT HOTELS PVT LTD	DIRECTOR
23	INTERGLOBE EDUCATION FOUNDATION	DIRECTOR
24	INTERGLOBE RETAIL PVT LTD	DIRECTOR
25	CADDIE HOTELS PVT LTD	DIRECTOR
26	INTERGLOBE INFORMATION TECHNOLOGIES (Dalian) CO.LTD	DIRECTOR

Membership/Chairmanships of Committees of Public & Private Companies:

1.	INTERGLOBE ENTERPRISES LTD	Member of Audit Committee
2.	INTERGLOBE AVIATION LTD	Member of Audit Committee
3.	INTERGLOBE TECHNOLOGY QUOTIENT PVT. LTD	Chairman of Audit Committee

Sri Kapil Bhatia was holding 740 shares in the Company as on March 31, 2012.

By Order of the Board
For **Lakshmi Finance & Industrial Corporation Limited**

Sd/-
K. HARISHCHANDRA PRASAD
MANAGING DIRECTOR

Place: Hyderabad
Date : 28.04.2012



DIRECTORS' REPORT

TO
THE MEMBERS,

Your Directors have the pleasure in presenting this 88th Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2012.

SUMMARY OF FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	2011-2012	2010-2011
Gross Income	102.46	516.63
Gross Profit	19.83	441.09
Less: Interest	0.02	0.15
: Depreciation	8.91	7.42
: Diminution in the value of Investments	—	71.91
Profit for the year before taxation	10.90	361.61
Provision for Taxation:		
Current Tax	—	20.00
Deferred Tax	—	(0.22)
MAT Credit entitlement	—	—
Profit after tax	10.90	341.83
Prior year taxes	(0.60)	(4.31)
Profit brought forward	739.30	600.92
Profit available for appropriation	750.80	947.06
Appropriations:		
Proposed Dividend	45.00	75.00
Dividend Tax	7.30	12.17
Transfer to Reserve Fund	2.25	70.59
Transfer to General Reserve	50.00	50.00
Balance carried over to Balance Sheet	646.25	739.30

OPERATIONAL PERFORMANCE:

During the year under review, India's GDP growth slipped to 7%, the lowest in three years in line with a decelerating global economy and the Indian economy experienced significant slowdown. The economic downturn has adversely affected the Capital markets and the Stock Market sentiment leading to negative returns in the equity market. Further, the Union Budget 2012 hardly provided any direct benefits to the equity markets. On account of these factors, the Company's performance has been less than satisfactory and is reflected in the financial results in the F.Y.2011-2012. The Company hopes the Capital Market/Equity Market conditions to improve in the coming years and that the Company's performance will lead to improved results. The Company is taking a cautious approach and plans to invest in diversified Mutual Fund asset classes. The Company's Gross income during the year reduced to Rs.102.46 lakhs as against Rs.516.63 lakhs in the previous year. After providing diminution in the value of Investments

amounting to Rs.80.86 lakhs, the Company achieved Profit after taxation of Rs.10.90 lakhs during the year under review as against Rs.341.83 lakhs in the previous year.

DIVIDEND:

Your Directors take the pleasure in recommending a dividend at the rate of 15% (i.e., Rs.1.50 per Equity Share of Rs.10/- each) for the financial year 2011-12 as apposed to 25% dividend rate in the previous year. The proposed dividend, if approved at the 88th Annual General Meeting by the members, will be paid to all those equity shareholders whose names appear in the register of members as on 7th August, 2012 and also to those whose names appear as beneficial owners as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited. The outflow on account of the dividend pay out would be Rs. 52.30 lakhs including tax on dividends.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits from the public during the year under review and there are no outstanding deposits as on 31st March 2012. Further, the Company is registered with RBI as a "Non Deposit Taking Company".

DIRECTORS:

In accordance with the Companies Act, 1956 and the Articles of Association of our Company, Sri. Kapil Bhatia retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company hereby furnish the following responsibility statement with regard to annual accounts, accounting policies, maintenance of adequate accounting records etc.

- that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors 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 at the end of the financial year ended 31st March, 2012 and of the profit and loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for



safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) that the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement, your Company is in Compliance with the requirements of Corporate Governance. A separate section on Corporate Governance and a Certificate from the Auditors of the Company, regarding compliance of conditions of Corporate Governance, form a part of this Annual Report.

LISTING OF COMPANY'S SHARES:

The Company's shares are listed at The Madras Stock Exchange Limited (MSE) and the Annual Listing Fees for the year 2012-13 have been paid. Based on the tieup between The Madras Stock Exchange Limited and The National Stock Exchange of India Limited (NSE), the Company's shares are listed at NSE with ISIN Code 'INE 850 E0 1012' and Stock Code 'LAKSHMIFIN' with effect from 30.06.2010.

DEPOSITORY SYSTEM:

Your Company shares have been made available for dematerialisation through the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). As on 31st March 2012, 39.67% of the shares in your Company have been dematerialized.

AUDITORS:

The Auditors, M/s.M.Anandam & Co., Chartered Accountants, Secunderabad and M/s.Brahmayya & Co., Chartered Accountants, Hyderabad will retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

PARTICULARS OF EMPLOYEES:

None of the employees are covered U/s.217(2A) of the Companies Act, 1956, read with the Companies (Particulars

of Employees) Rules, 1975 as amended and forming part of the Directors Report for the year ended 31st March, 2012.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

The information pursuant to Section 217(i)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Directors) Rules, 1988 has not been given as the same is not applicable owing to the nature of activities. The particulars regarding income and expenditure in Foreign Currency is Nil.

GENERAL:

The notes forming part of the Accounts are self-explanatory or to the extent necessary, have been dealt with in the preceding paragraphs of the Report.

PERSONNEL:

The relations between the Employees and the Management continued to be cordial during the year under review.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their deep sense of appreciation for the assistance and co-operation received from Banks, Shareholders and all the Employees.

For and on behalf of the Board
For Lakshmi Finance & Industrial Corporation Limited

Sd/-
R. SURENDER REDDY
Director

Sd/-
K. HARISHCHANDRA PRASAD
MANAGING DIRECTOR

Place: Hyderabad
Date : 28th April, 2012



REPORT ON CORPORATE GOVERNANCE

1. Brief Statement on Company's Philosophy on Code of Governance.

The Company's philosophy on code of governance is conducting all activities of the Company in a fair and transparent manner, enhancing stakeholders' value. The Company will continue to focus on its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and interest.

2. BOARD OF DIRECTORS:

A. Composition of the Board:

The Board has four (4) Directors comprising one Promoter Managing Director and three (3) Independent Directors. The non-executive Directors are eminent professionals drawn from amongst persons with experience in business, finance, and industry. The Composition of the Board is as under

Name of the Director	Category	Number of Board Meetings held	Attendance at Board Meetings	Whether attended AGM on 06.08.2011	Number of other Boards in which he is a Director Public	Number of other Boards in which he is a Director Private.	Number of other Board Committees in which he is a Member	Number of other Board Committees in which he is a Chairman
Sri R. Surender Reddy	Independent Director	4	4	Yes	7	Nil	2	5
Sri Kapli Bhatia	Independent Director	4	2	Yes	4	20	2	1
Sri M. Ranganath Sai	Independent Director	4	4	Yes	1	Nil	Nil	Nil
Sri K. Harishchandra Prasad	Managing Director / Promoter	4	4	Yes	8	3	7	1

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in clause 49, across all the companies in which he is a Director. The Directors have made necessary disclosures regarding Committee positions in other public Companies as at March 31, 2012.

B. Board Meetings held during the year 2011-12

During the Financial Year 2011-12, Four Board Meetings were held on 28.05.2011, 06.08.2011, 28.10.2011 and 31.01.2012.

The details of shares held by Directors as on 31-03-2012 are given below:

Name of Director	Number of Shares
Sri R. Surender Reddy	6,140
Sri Kapil Bhatia	740
Sri M. Ranganath Sai	4,820
Sri K. Harishchandra Prasad	90,000

3) Audit Committee

a) Brief description of terms of reference:

- i) Overseeing the Company's financial reporting process and the disclosure of its financial information.
- ii) Review of financial statements before submission to the Board.
- iii) Review of adequacy of internal control systems and internal audit functions
- iv) Review of Company's financial and risk management policies
- v) Recommendation of appointment of Statutory Auditors and their fee for audit and other services

**b) Composition, name of members and Chairperson:**

- | | | |
|--------------------------|---|---------------------------------------|
| 1. Sri R. Surender Reddy | - | Chairman, Non-Executive & Independent |
| 2. Sri M. Ranganath Sai | - | Member, Non-Executive & Independent |
| 3. Sri Kapil bhatia | - | Member, Non-Executive & Independent |

c) Meetings and attendance during the year:

During the financial year ended 31st March, 2012, Four Audit Committee Meetings were held on 28.05.2011,06.08.2011,28.10.2011 and 31.01.2012 and the attendance details of the members are as under:

Sl.No.	Name of the Director	No. of the Meetings attended
1.	Sri M. Ranganath Sai	4
2.	Sri R. Surender Reddy	4
3.	Sri Kapil Bhatia	2

4) Remuneration Committee**a) Brief description of terms of reference.**

To formulate a remuneration policy and approve the remuneration or revision in the remuneration payable to the Managing Director

b) Composition, Name of Members and Chairperson:

- | | |
|--------------------------|---------------------------------------|
| i) Sri R. Surender Reddy | Chairman, Non-Executive & Independent |
| ii) Sri M. Ranganath Sai | Member, Non-Executive & Independent |
| iii) Sri Kapil Bhatia | Member, Non-Executive & Independent |

c) Attendance during the year

During the year as there are no proposals for managerial remuneration payable to the Directors and the Committee has not meet during the financial year 2011-2012.

d) Remuneration Policy

To recommend / review the remuneration package, periodically to the Managing Director. The remuneration policy is in consonance with the existing Industry Practice and also with the provisions of the Companies Act, 1956.

Details of remuneration paid during the financial year ended 31st March 2012 to the Directors are furnished hereunder :

Name	Designation	Salary (Rs.)	Perquisites (Rs.)	Contribution to Various Funds (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Sri K. Harischandra Prasad	Managing Director	34,07,500	30,282	5,66,100	-	40,03,882
Sri M. Ranganath Sai	Director	----	----	----	10,000	10,000
Sri R. Surender Reddy	Director	----	----	----	10,000	10,000
Sri Kapil Bhatia	Director	----	----	----	5,000	5,000

5) Shareholders/Investors Grievance Committee :

- A Share Transfer and Shareholders' / Investors' Grievance Committee of Directors was constituted to specifically look into the matters of investors' grievances such as Transfer, Transmission, split and consolidation of investors holding, Replacement of lost/mutilated/stolen share certificates, Dematerialization of shares, Non-receipt of dividends/notices / annual reports, change of addresses etc., The main object of the Committee is to strengthen the Investors' relations.
- The total number of complaints received and replied to the satisfaction of shareholders during the year under review were 141. No request for transfer is pending as on 31.03.2012. (2011-2012).
- Mr. U. Vijaya Kumar, Manager (F & A) is the Compliance officer and share Transfer Committee member of the Company.

**6. GENERAL BODY MEETINGS:**

a) The last three Annual General Meetings of the Company were held as under.

Year	Location	Date	Time
2009 85th AGM	“Triveni Banquet Hall”, Kamat Lingapur Hotel, 1-10-44/2, Begumpet, Hyderabad-16.	17.09.2009	10.00A.M.
2010 86th AGM	“Triveni Banquet Hall”, Kamat Lingapur Hotel, 1-10-44/2, Begumpet, Hyderabad-16.	20.09.2010	9.30A.M.
2011 87th AGM	“Triveni Banquet Hall”, Kamat Lingapur Hotel, 1-10-44/2, Begumpet, Hyderabad-16.	06.08.2011	9.30A.M.

b) Details of the Special resolutions passed in the previous 3 AGMs :

YEAR	Details of Special Resolution
2008-2009 85th AGM	Nil
2009-2010 86th AGM	1) Reappointment of Managing Director 2) Remuneration to Non-Executive Directions.
2010-2011 87th AGM	Nil

7. DISCLOSURES

- a) A certificate duly signed by the Managing Director & CEO and Manager (F & A) relating to financial statements and internal control systems for financial reporting as per the format provided in Clause 49 of the listing agreement was placed before the Board, who took the same on record.
- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory, on any matter related to capital markets, during the last three years : Nil.
- c) The Company has complied with all the mandatory requirements of Clause 49 and is in the process of implementation of Non-mandatory requirements.
- d) **RECONCILIATION OF SHARE CAPITAL AUDIT, (Secretarial Audit)**
A qualified practicing Company Secretary carried out a Reconciliation of Share Capital Audit (secretarial audit) to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total Paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

8. MEANS OF COMMUNICATION

The Quarterly and Half-yearly Results are intimated to the shareholders through the press. Quarterly results are normally published in Business Standard and Andhra Prabha.

9. GENERAL SHAREHOLDER INFORMATION :

AGM Date	: 13th August, 2012,
Time	: 9.30 A.M
Venue	: “Triveni Banquet Hall”, Kamat Lingapur Hotel,” 1-10-44/2, Begumpet, Hyderabad-16.
Financial Year	: 2011-2012
Book Closure date	: 08th August, 2012 to 11th August, 2012 (Inclusive of both days)
Rate of Dividend recommended	: 15% (Rs. 1.50.ps. Per share)



Dividend Payment Date	: Within 30 days from the date of declaration at The Annual General Meeting.
Listing on Stock Exchange	: Madras Stock Exchange Limited Exchange Building, Post Box No. 183, 11, Second Line Beach, CHENNAI - 600 001
Mode of trade of Shares	: Compulsory Dematerialization
Demat ISIN Numbers in (NSDL & CDSL)	: INE 850 EO 1012
Listing fee	: Paid to the Maras Stock Exchange for the Year 2012-13
Registrar & Transfer Agents	: Venture Captial & Corporate Investments Pvt Ltd. 12-10-167, Bharat Nagar, Hyderabad - 500 018 Tel. No.s: 040-23818475 / 23818476 & 23868023 E-mail : info@vccilindia.com Fax No. : 040-23868024

Dematerialisation of Shares :

The Trading in Company's Shares is permitted only on dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip-less trading, the Company has enlisted its shares with NSDL & CDSL.

Share Dematerialisation Records :

The Company received and confirmed demat request for 11,90,104 Shares (NSDL + CDSL) during the period from 01st January 2002 to 31st March, 2012.

Share Transfer System :

The Company has appointed **M/s. Venture Captial & Corporate Investments Pvt. Ltd.**, Hyderabad. as registrars and Share Transfer Agents for Physical and Demat share transfer work. The share Transfer Agents process shares sent for Transfer / Transmission, two times in a month. Transfers/Transmissions, which are complete in all respects, will be processed within 30days.

Investor Relations :

Enquiries, if any relating to shareholder accounting records, share transfers, transmission of shares, change, of address/ Bank mandate details for physical shares, loss of shares certificates etc., should be addressed to : **M/s. Venture Captial & Corporate Investments Pvt. Ltd., Registrars and share Transfer Agents, 12-10-167, Bharat Nagar, Hyderabad-500 018. (or)** for any further information/ Clarification in connection of Dividend Warrant revalidation and issue of duplicate dividend Warrants, directly to the Company to :

Asst. Manager (Secretarial Dept.)

LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED,

1st Floor, 1-10-60/3, "Suryodya",

Begumpet, Hyderabad - 500 016.

Ph.No.: 040-27760301, 27767794,

Fax : 040-27767793, E-mail : lakshmi_lfic@yahoo.com

Registration of Nominations :

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 109 A of the Companies Act, 1956, are requested to submit to the Company Share Transfer Agents **M/s. Venture Captial & Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad - 500 018, Ph : 040-23818475/76.** Prescribed Form (Form 2B) is annexed to this report. Nomination facility in respect of shares held in Electronic form is also available with the Depository Participant (DP) as per the Byelaws and Business rules applicable to NSDI and CDSL.

**Shareholding Pattern as on 31st March, 2012:**

CATEGORY	No. of Shares	Percentage
Promoters & Associates	14,25,911	47.53
Insurance Companies	3,860	0.13
Financial Institutions/Banks	900	0.03
Bodies Corporate	28,329	0.94
NRI	1,451	0.05
Public	15,39,549	51.32
Total	30,00,000	100.00

Distribution of Shareholding as on 31st March, 2012:

Shareholding (Range)	No. of Share holders	% of holders	No. of Shares	% of Shares
Upto - 500	3,067	80.50	5,61,004	18.70
501 - 1000	453	11.89	3,19,224	10.64
1001 - 2000	171	4.49	2,45,450	8.18
2001 - 3000	54	1.42	1,45,694	4.86
3001 - 4000	20	0.52	70,161	2.34
4001 - 5000	9	0.24	39,498	1.32
5001 - 10000	14	0.37	95,233	3.17
10001 - and above	22	0.58	15,23,736	50.79
Total	3,810	100.00	30,00,000	100.00
Demat Mode	659	17.30	11,90,104	39.67
Physical Mode	3,151	82.70	18,09,896	60.33

MARKET PRICE DATA :

The Company's shares are traded on the National Stock Exchange.

Monthly high and low quotation and volume of equity shares traded on National Stock Exchange Limited (NSE) for 2011-2012 were follows.

MONTH	High(Rs.)	Low (Rs.)	Volume
April 2011	32.00	27.45	4259
May 2011	31.50	28.00	4268
June 2011	40.00	29.40	3784
July 2011	39.45	34.00	5601
August 2011	37.45	30.80	1599
September 2011	33.90	29.00	3025
October 2011	33.60	30.70	3952
November 2011	33.50	30.50	5270
December 2011	32.25	29.45	4790
January 2012	34.35	28.25	947
February 2012	36.00	29.50	949
March 2012	33.80	26.40	2038



Note :

Based on agreement/tie-up between Madras Stock Exchange with National Stock Exchange the Company' shares are traded on **The National Stock Exchange of India Limited**, with effect from 30.06.2010.

For and on behalf of the Board
Lakshmi Finance & Industrial Corporation Limited

Sd/-
R.Surender Reddy
Director

Sd/-
K.Harishchandra Prasad
Managing Director

Place:Hyderabad
Date: 28.04.2012

To
The Members of
Lakshmi Finance and Industrial Corporation Limited

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

Pursuant to Clause 49 I (D)(ii) of the Listing Agreement, I hereby declare that all Board members and senior management personnel are aware of the provisions of the Code of Conduct laid down by the Board and made effective from 01.04.2011. All board members and senior management personnel have affirmed compliance with the Code of Conduct.

for **LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED**

Place: Hyderabad
Date: 28.04.2012

Sd/-
K.HARISHCHANDRA PRASAD
MANAGING DIRECTOR



CERTIFICATE BY CEO/CFO

In relation to the Audited Financial Accounts of the Company as at March 31, 2012, we hereby certify that

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered in to by the Company during year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) we have indicated to the auditors and the Audit Committee:
- (i) Significant changes in internal control over financial reporting during the year
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place:Hyderabad
Date:28.04.2012

Sd/-
U.Vijaya Kumar
Manager (F & A)

Sd/-
K.Harishchandra Prasad
Managing Director

CERTIFICATE

To the Members of
LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED,
HYDERABAD (A.P).

We have examined the compliance of conditions of Corporate Governance by LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED, Hyderabad (A.P) for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For BRAHMAYYA & CO.
Chartered Accountants
Firm's Registration Number: 000513S

Sd/-
(P.CHANDRAMOULI)
Partner
Membership Number: 025211

Place :Hyderabad
Date :April 28, 2012



AUDITORS' REPORT

To the Members of
LAKSHMI FINANCE & INDUSTRIAL CORPORATION
LIMITED, HYDERABAD.

1. We have audited the attached Balance Sheet of LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED, HYDERABAD (A.P) as at 31st March, 2012, the statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) 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.
 - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the Schedules annexed therewith give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) in the case of the Statement of profit and loss, of the Profit of the Company for the year ended on that date; and
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

for M. ANANDAM & CO	for BRAHMAYYA & CO
Chartered Accountants	Chartered Accountants

Firms' Registration Number: 000125S	Firms' Registration Number: 000513S
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Sd/-

Sd/-

(M.V.RANGANATH)

(P. CHANDRAMOULI)

Partner

Partner

Membership Number:028031

Membership Number:025211

Place : Hyderabad

Place : Hyderabad

Date : April 28, 2012

Date : April 28, 2012

Annexure to the Auditor's Report: referred to in paragraph 3 of our report of even date,

Re: LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED, HYDERABAD.

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification. In case of assets leased out the Company follows the procedures of obtaining confirmations from the lessees and the management has still to obtain such confirmations.
 - c) As per the information and explanations given to us, during the year the Company has not disposed off any substantial part of fixed assets that would affect the going concern status of the Company.
2. In view of the nature of business carried on by the Company, the provisions of Clause (ii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company for the time being.
3.
 - a) During the year, the Company has neither granted nor taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.



- b) In view of our comment in paragraph 3(a) above, (III) (b), (c), (d), (e), (f) and (g) of paragraph 4 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and investments and with regard to sale of investments and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) On the basis of our examination of the books of account and according to the information and explanations given to us, the Company has not entered into any transaction that needs to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
- b) In view of our comment in paragraph 5(a) above, clause V (b) of aforesaid Order in our opinion is not applicable.
6. The Company has not accepted deposits from the public. Hence the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company for the time being.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. Owing to the nature of business carried on by the company, the provisions of clause 4(viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
9. a) According to the records, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.
- c) According to the records of the Company and the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
APGST Act.,	Sales Tax	1,61,394	1993-94 and 1997-98	Sales Tax Appellate Tribunal, Hyderabad

10. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company has maintained proper records for transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments. As explained to us timely entries have been made therein. Shares, debentures and other investments have been held by the Company in its own name to the extent applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us the Company has not obtained any term loans during the year.
17. In our opinion and according to the information and explanations given to us the funds raised on short-term basis have not been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. During the year, the Company has not issued any debentures, therefore the question of creating security or charge in respect thereof does not arise
20. During the year, the Company has not made any public issue and therefore the question of disclosing the end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for M. ANANDAM & CO **for BRAHMAYYA & CO**

Chartered Accountants

Chartered Accountants

Firms' Registration Number: 0001255

Firms' Registration Number: 000513S

Sd/-

Sd/-

(M.V.RANGANATH)

(P. CHANDRAMOULI)

Partner

Partner

Membership Number:028031

Membership Number:025211

Place : Hyderabad

Place : Hyderabad

Date : April 28, 2012

Date : April 28, 2012

**BALANCE SHEET AS AT 31 st MARCH , 2012**

(All figures are in thousands unless otherwise stated)

PARTICULARS	Notes	31.03.2012 Amt in Rs.	31.03.2011 Amt in Rs.
EQUITY AND LIABILITIES			
Share holders funds			
Share Capital	04	30,000	30,000
Reserves and Surplus	05	255,850	259,930
		<u>285,850</u>	<u>289,930</u>
Non - Current liabilities			
Other Long - term liabilities	06	893	886
Long - term provisions	07	397	584
		<u>1,290</u>	<u>1,470</u>
Current liabilities			
Other Current liabilities	08	7,186	6,540
Short - term provisions	07	7,380	11,217
		<u>14,566</u>	<u>17,757</u>
TOTAL		<u><u>301,706</u></u>	<u><u>309,157</u></u>
ASSETS			
Non - Current assets			
Fixed assets			
Tangible assets	09	1,911	2,481
Non - current investments	10	279,713	274,591
Deferred Tax assets (Net)	11	-	-
Long-term loans and advances	12	1,189	1,083
Other non - current assets	13	-	-
		<u>282,813</u>	<u>278,155</u>
Current Assets			
Cash and cash equivalents	14	15,355	20,555
Short-term loans and advances	12	3,026	4,136
Other current assets	13	512	6,311
		<u>18,893</u>	<u>31,002</u>
TOTAL		<u><u>301,706</u></u>	<u><u>309,157</u></u>
SIGNIFICANT ACCOUNTING POLICIES	03		

for and on behalf of the Board

Sd/-
R.SURENDER REDDY
Director

Sd/-
K. HARISHCHANDRA PRASAD
Managing Director

Place: Hyderabad
Date : 28.04.2012

Per our report of even date
for M.Anandam & Co.,
Chartered Accountants
Firms' Registration Number: 000125S

Sd/-
M.V. Ranganath
Partner
Membership Number: 028031

Sd/-
for BRAHMAYYA & CO.,
Chartered Accountants
Firms' Registration Number: 000513S

Sd/-
P.CHANDRAMOULI
Partner
Membership Number: 025211

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012**

(All figures are in thousands unless otherwise stated)

PARTICULARS	Notes	31.03.2012 Amt in Rs.	31.03.2011 Amt in Rs.
CONTINUING OPERATIONS			
INCOME			
Revenue from operations: Interest		200	269
Other Income	15	10,046	51,394
TOTAL REVENUE		<u>10,246</u>	<u>51,663</u>
EXPENSES			
Employee Benefit Expense	16	5,184	5,248
Finance Costs: interest expense		2	15
Depreciation expense	17	891	742
Other Expenses	18	2,281	2,306
Adjustments to the carrying amount of investments		-	7,191
TOTAL EXPENSES		<u>8,358</u>	<u>15,502</u>
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		1,888	36,161
EXCEPTIONAL ITEM : Investments Written off		798	-
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		<u>1,090</u>	<u>36,161</u>
TAX EXPENSE			
Current Tax		-	2,000
Deferred Tax		-	(22)
Earlier years Tax		(60)	(431)
		<u>(60)</u>	<u>1,547</u>
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		<u>1,150</u>	<u>34,614</u>
EARNINGS PER EQUITY SHARE			
Basic and diluted (in Rs.)		0.38	11.54
SIGNIFICANT ACCOUNTING POLICIES	03		

for and on behalf of the Board

Sd/-

R.SURENDER REDDY

Director

Sd/-

K. HARISHCHANDRA PRASAD

Managing Director

Place: Hyderabad

Date : 28.04.2012

Per our report of even date
for **M.Anandam & Co.,**
Chartered Accountants
Firms' Registration Number: 000125S

Sd/-

M.V. Ranganath

Partner

Membership Number: 028031

for **BRAHMAYYA & CO.,**

Chartered Accountants

Firms' Registration Number: 000513S

Sd/-

P.CHANDRAMOULI

Partner

Membership Number: 025211

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

(All figures are in thousands unless otherwise stated)

PARTICULARS	31.03.2012 Amt in Rs.	31.03.2011 Amt in Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	1,090	36,161
Adjustments for:		
Depreciation	891	742
Loss/(Profit) on Sale of Investments (Net)	8,279	(13,352)
Profit on Sale of Fixed Assets	(5)	(46)
Investments written off	798	-
Interest (Net)	(200)	(269)
Diminution in the value of Investments (Net)	(880)	7,191
Income From Investments	(15,333)	(33,466)
Rents Earned	(2,050)	(4,168)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(7,410)	(7,207)
Adjustments for:		
Other long term liabilities	8	(615)
Long term provisions	(187)	190
Other current liabilities	(85)	(1,615)
Long term loans and advances	(106)	-
Short term loans and advances	14	48
Other current assets	5,477	(5,642)
Direct Taxes Paid	(411)	(2,876)
NET CASH FROM OPERATING ACTIVITIES (A)	(2,700)	(17,717)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(233)	(1,601)
Sale of Fixed Assets	12	107
Purchase of Investments	(77,337)	(202,843)
Sale of Investments	63,922	187,522
Income received from Investments	15,333	33,466
Interest received	200	352
Rents Earned	2,372	4,133
NET CASH USED IN INVESTING ACTIVITIES (B)	4,269	21,136
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(6,769)	(6,656)
NET CASH GENERATED IN FINANCING ACTIVITIES (C)	(6,769)	(6,656)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(5,200)	(3,237)
Cash and Cash equivalents as at beginning of the year	20,554	23,791
Cash and Cash equivalents as at the end of the year	15,354	20,554

for and on behalf of the Board

Sd/-
R.SURENDER REDDY
Director

Sd/-
K. HARISHCHANDRA PRASAD
Managing Director

Place: Hyderabad
Date : 28.04.2012

Per our report of even date
for **M.Anandam & Co.,**
Chartered Accountants
Firms' Registration Number: 000125S

Sd/-
M.V. Ranganath
Partner
Membership Number: 028031
for **BRAHMAYYA & CO.,**
Chartered Accountants
Firms' Registration Number: 000513S

Sd/-
P.CHANDRAMOULI
Partner
Membership Number: 025211



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012.

(All figures are in thousands unless otherwise stated)

1. NATURE OF OPERATIONS

Company is engaged in the business of Money lending and investments in Equity Shares and Mutual Funds.

2. BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the Notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Change in accounting policy: Presentation and disclosure of financial statements.

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the 'results of operations during' the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Tangible Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses if any. Cost

comprises the purchase price and any attributable cost to bring the asset to its working condition for its intended use.

Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d. Depreciation on Tangible Fixed Assets

Depreciation on Fixed Assets not relating to leases is provided on written down value method, in accordance with Schedule XIV to the Companies Act, 1956. The Assets given on lease are written off during the primary lease period taking the month as a unit.

Fixed Assets costing rupees Five thousand or less are fully depreciated in the year of acquisition.

e. Prior period items

All items of income/expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments" and the others are shown under respective heads of account in the Profit and Loss Account.

f. Contingent Liabilities

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 recognized 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 recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

g. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

h. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried 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 of each long term investment is made to recognize a decline other than temporary in nature.

An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of the company, is treated as investment property. Investment properties are stated at cost, net of accumulated depreciation and impairment losses, if any.

Depreciation on buildings is provided on written down value method, in accordance with Schedule XIV to the Companies Act, 1956.

i. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends:

Dividend is recognised when the right to receive the same is established.

j. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalized. Other Borrowing costs are recognized as an expense in the year in which they are incurred.

k. Retirement and Other Employee Benefits

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on project unit credit method carried by an actuary as at the end of the year.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

l. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.

Where the Company is the lessee

Operating lease payments are recognised as an expense in the profit and loss account on straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the profit and loss account. Costs, including depreciation are recognised as an expense in the profit and loss account.

m. Taxes on Income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised 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 realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

n. Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable



that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o. Earnings per Share (Basic and Diluted)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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.

p. Cash Flow Statement

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and Fixed Deposits with Banks.

q. Others

Dividend as recommended by the board of directors is provided for in the accounts pending shareholders approval.

04 SHARE CAPITAL

AUTHORISED:

6,000 Equity Shares of Rs.10/- each

	31.03.2012 Amt in Rs.	31.03.2011 Amt in Rs.
	60,000	60,000
TOTAL	<u>60,000</u>	<u>60,000</u>

ISSUED ,SUBSCRIBED AND PAID - UP:

3,000 Equity Shares of Rs. 10/- each Fully paid up:

	30,000	30,000
TOTAL	<u>30,000</u>	<u>30,000</u>

a. Rights attached to equity Shares:

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2012, the amount of per share dividend recognised as distribution to equity shareholders was Rs. 1.50 (31 March 2011: Rs. 2.50)

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.

b. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31.03.2012 Nos	31.03.2011 Nos
Equity shares allotted as fully paid bonus shares by capitalisation of General reserve	750	750

c. Details of shareholders holding more than 5% shares in the company

Equity Shares of Rs.10/- each fully paid
Unijolly Investments Company Limited
Healthy Investments Limited

31.03.2012		31.03.2011	
No of Shares	% in the class	No of Shares	% in the class
296	9.87	296	9.87
217	7.25	217	7.25



	31.03.2012 Amt in Rs.	31.03.2011 Amt in Rs.		
05 RESERVES AND SURPLUS:				
Capital Reserves	<u>50,352</u>	50,352		
Securities Premium Reserve	<u>648</u>	648		
General Reserve				
Opening balance	75,000	70,000		
Add: Additons during the year	<u>5,000</u>	5,000		
Closing Balance	<u>80,000</u>	75,000		
Reserve Fund as per RBI guidelines:				
Opening balance	60,000	52,941		
Add: Additons during the year	<u>225</u>	7,059		
Closing Balance	<u>60,225</u>	60,000		
Surplus i.e. balance in Statement of Profit and Loss				
Opening balance	73,930	60,092		
Add: Net profit after tax transferred from Statement of Profit and Loss	<u>1,150</u>	34,614		
Amount available for appropriation	<u>75,080</u>	94,706		
Appropriations:				
General Reserve	(5,000)	(5,000)		
Reserve Fund as per RBI guidelines	(225)	(7,059)		
Dividend On Equity Capital	(4,500)	(7,500)		
Corporate Dividend Tax	(730)	(1,217)		
Closing Balance	<u>64,625</u>	73,930		
TOTAL	<u><u>255,850</u></u>	<u><u>259,930</u></u>		
06 OTHER LONG TERM LIABILITIES				
Others:				
Excess Refund Received payable	123	123		
Security deposits	762	742		
Other payabless	<u>8</u>	21		
TOTAL	<u><u>893</u></u>	<u><u>886</u></u>		
07 PROVISIONS				
			Long Term	Short Term
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	Amt in Rs.	Amt in Rs.	Amt in Rs.	Amt in Rs.
Provision for employee benefits:				
Provision for Leave Encashment	397	401	-	
Provision for Gratuity	-	183	-	
Other Provisions:				
Provision for Dividend	-	-	4,500	7,500
Provision for Corporate Dividend Tax	-	-	730	1,217
Provision for Income Tax	-	-	<u>2,150</u>	2,500
TOTAL	<u><u>397</u></u>	<u><u>584</u></u>	<u><u>7,380</u></u>	<u><u>11,217</u></u>
08 OTHER CURRENT LIABILITIES				
Other liabilities:				
Unpaid Dividends *****			6,960	6,229
Due to Directors			-	12
Other Payables			<u>226</u>	299
TOTAL			<u><u>7,186</u></u>	<u><u>6,540</u></u>

*****Appropriate amount shall be transferred to "Investor Education and Protection Fund" as and when due.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012.

(All figures are in thousands unless otherwise stated)

9. TANGIBLE ASSETS:

SL. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS AT 01.04.2011	ADDITIONS	DEDUCTIONS AS AT 31.03.2012	UP TO 31.03.2011	FOR THE YEAR	ON DEDUCTIONS	UP TO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
1	Plant and Equipment given on Lease ***	4,520	-	4,520	4,269	89	-	4,358	162	251
2	Furniture and Fixtures	407	21	428	392	4	-	396	32	15
3	Vehicles	2,709	-	2,684	1,129	409	25	1,513	1,171	1,580
4	Office Equipment own use given on Lease	225 630	16 -	212 630	193 137	9 68	29 -	- 173 205	39 425	32 493
5	Air conditioners and Generator	155	-	57	115	6	92	29	28	40
6	Computers	545	13	387	475	28	170	333	54	70
	Total	9,191	50	8,918	6,710	613	316	7,007	1,911	2,481
	Previous Year	8,212	1,601	9,191	6,820	450	560	6,710	2,481	1,392

***Plant and Machinery given on lease includes equipment costing Rs. 4,520 lakhs (previous year Rs. 4,520 lakhs) in respect of which leases have expired or otherwise terminated. The Company is in the process of calling back and taking possession of the same.



	31.03.2012	31.03.2011
	Amt in Rs.	Amt in Rs.
10. NON - CURRENT INVESTMENTS		
Investment Property (at cost less accumulated depreciation)		
Land at cost	<u>1,947</u>	1,947
	<u>1,947</u>	1,947
Cost of buildings given on operating leases	<u>10,636</u>	10,453
Less: accumulated depreciation	<u>5,188</u>	4,910
	<u>5,448</u>	5,543
	<u>7,395</u>	7,490
non -trade investments (at cost unless otherwise stated)		
Equity Shares - (Quoted) (fully paid-up unless otherwise stated) (A)	<u>37,079</u>	38,539
Equity Shares - (Un - Quoted) (fully paid-up unless otherwise stated) (B)	-	-
Government Securities (Un - Quoted) (C)	-	-
Mutual Funds (Un - Quoted) (D)	<u>235,239</u>	228,562
	<u>272,318</u>	267,101
TOTAL	<u>279,713</u>	<u>274,591</u>
Aggregate cost of quoted Investments	<u>44,504</u>	41,866
Aggregate market value of quoted Investments	<u>37,891</u>	43,848
Aggregate cost of unquoted Investments	<u>235,901</u>	234,200

Details of non -trade investments:

PARTICULARS	Face Value in Rs.	31.03.2012		31.03.2011	
		No of Shares	Value Amt in Rs.	No of Shares	Value Amt in Rs.
A. EQUITY SHARES (QUOTED)					
Alembic Limited	2	15	873	15	873
Alembic Pharmaceuticals Limited	2	15	-	-	-
Alok Industries Limited	10	-	-	33	365
Andhra Bank	10	-	-	7	933
Apollo Tyres Limited	1	-	-	16	890
Ashok Leyland Limited #	1	40	1,198	20	1,137
Banco Products (India) Limited ###	2	8	492	8	539
Bank of Maharashtra	10	-	-	1	15
Bilcare Limited ###	10	2	352	2	898
B.N.Rathi Securities Limited	10	18	180	18	180
Bharat Heavy Electricals Limited ###	10	-	-	2	3,197
Bharat Heavy Electricals Limited ###	2	8	1,993	-	-
Biocon Limited	5	-	-	1	390
Cadila Health Care Limited	5	-	-	2	940
Canara Bank ##	10	1	571	2	1,332
Ceat Limited	10	-	-	5	526
City Union Bank Limited	1	-	-	3	87
Crompton Greaves Limited ##	2	1	155	3	631
Divis Laboratories Limited	2	1	303	-	-
Elgi Equipments Limited	1	13	929	2	59
Exide Industries Limited	1	-	-	8	953
Gujarat Alkalies & Chemicals Limited ##	10	4	936	4	454



PARTICULARS	Face Value in Rs.	31.03.2012		31.03.2011	
		No of Shares	Value Amt in Rs.	No of Shares	Value Amt in Rs.
Gujarat NRE Coke Limited ##	10	13	288	3	113
GVK Power & Infrastructure Limited	1	-	-	8	194
Greaves Cotton Limited	2	10	824	-	-
Gujarat Gas Company Limited	2	2	622	-	-
GHCL Limited	10	21	712	-	-
HDFC Limited ###	2	1	774	1	806
HDFC Bank Limited	2	1	641	-	-
Hyderabad Industries Limited ###	10	1	288	2	622
IFCI Limited ###	10	25	1,048	25	1,315
IPCA Laboratories Limited	2	1	262	-	-
Infosys Technologies Limited	5	1	1,863	-	-
ITC Limited	1	5	1,047	-	-
J.B.Chemicals & Pharmaceuticals Limited ##	2	10	610	9	769
Jai Prakash Associates Limited	2	10	740	-	-
Kirloskar Electricals Limited	10	-	-	4	160
KNR Constructions Limited #	10	7	845	7	814
LIC Housing Finance	2	-	-	6	1,243
L & T Limited	2	1	909	-	-
NCC Limited	2	-	-	7	664
Nava Bharat Ventures Limited	2	4	823	6	1,245
NCL Industries Limited #	10	1	33	12	318
NMDC Limited	1	4	677	-	-
Nectar Life Sciences Limited	1	-	-	12	286
Pennar Industries Limited ##	5	53	1,656	49	1,718
Power Grid Corporation of India Limited	10	-	-	5	459
REI Agro Limited ###	1	36	441	36	981
Reliance Industries Limited ##	10	3	2,514	3	2,923
Riddi Siddhi Gluco Biols ###	10	1	243	1	338
State Bank of India ##	10	1	314	1	1,096
Sintex Industries Limited	1	8	733	-	-
Sterlite Technologies Limited	2	-	-	7	380
Sterlite Industries Ltd	1	6	689	-	-
Suraj Diamonds And Jewellery Limited ###	10	18	807	18	892
Surya Pharmaceuticals Limited ##	1	100	1,080	93	1,072
Tata Consultancy Services Limited	1	1	499	1	758
Tata Steel Limited ##	10	2	1,132	1	600
Tata Motors Limited	2	1	270	-	-
The Paper Products Limited	2	8	525	-	-
Techtran Polylenes Limited ##	10	41	773	33	639
Tele data marine solutions Limited	10	-	-	10	0
Taj GVK Hotels Limited	2	4	303	-	-
Thermax Limited	2	3	1,347	-	-
United Phosphorus Limited	2	4	533	-	-
UCO Bank	10	-	-	3	214
Ucal Fuel Systems	10	-	-	7	472
Uflex Limited ###	10	12	1,426	10	1,436
Visaka Industries Limited ##	10	9	680	9	898
Wipro Limited	2	0	126	2	713
TOTAL			37,079		38,539



PARTICULARS	Face Value in Rs.	31.03.2012		31.03.2011	
		No of Shares/Units	Value Amt in Rs.	No of Shares/Units	Value Amt in Rs.
B. EQUITY SHARES - (UN QUOTED)					
A.P. Mahesh Co-Operative Urban Bank Limited ### 20 (held in the name of the Managing Director.)		1	-	1	-
L-PACK Polymers Limited	10	-	-	79	-
TOTAL		-	-	-	-
C. GOVERNMENT SECURITIES: (UN QUOTED)					
7 Year National Savings Certificate 2nd Issue		-	-	1	-
TOTAL		-	-	-	-
D. MUTUAL FUNDS (UN QUOTED)					
<i>EQUITY ORIENTED FUNDS: (DIVIDEND PAYOUT)</i>					
Birla Sunlife Buy India Fund		-	-	90	2,061
Birla Sunlife Dividend Yield Plus		477	7,500	477	7,500
Birla Sunlife '95 Fund		42	5,000	42	5,000
Birla Sun Life Front Line Equity Fund Plan A		115	2,500	115	2,500
Birla Sun Life India Gennext Fund		340	5,000	340	5,000
Birla Sun Life Midcap Fund Plan A		-	-	192	5,000
Birla Sun Life MNC Fund		29	2,500	29	2,500
Canara Robeco Balance Fund		47	2,500	47	2,500
Canara Robeco Force Fund		176	2,500	176	2,500
Canara Robeco Equity Diversified		102	2,500	102	2,500
DSP Black Rock Equity Fund - Regular Plan		50	2,500	50	2,500
DSP Black Rock Opportunities Fund		90	2,500	90	2,500
DSP Black Rock Top 100 Equity Fund		119	2,500	-	-
Fidelity Equity Fund		111	2,500	111	2,500
FT India Balanced Fund #		114	2,500	114	2,413
Franklin India Blue Chip Fund		125	5,000	58	2,500
Franklin India Flexi Cap Fund		149	2,500	149	2,500
Franklin India Prima Fund		-	-	103	4,306
Franklin India Prima Plus		80	2,500	80	2,500
Templeton India Equity Income Fund		307	5,000	307	5,000
Templeton India Growth Fund		41	2,500	41	2,500
HDFC Balanced Fund		490	10,000	244	5,000
HDFC Capital Builder Fund		197	5,202	197	5,202
HDFC Core & Satellite Fund		208	5,000	317	7,500
HDFC Equity Fund		207	10,195	207	10,195
HDFC Premier Multicap Fund		314	5,000	314	5,000
HDFC Prudence Fund		233	7,500	233	7,500
HDFC TOP 200 FUND		151	7,500	151	7,500
ICICI Prudential Discovery Fund		368	7,500	368	7,500
ICICI Prudential Dynamic Plan		266	5,000	266	5,000
ICICI Prudential Focused Blue Chip Equity Fund		305	5,000	305	5,000
IDFC Premier Equity Fund - Plan A		297	7,000	107	2,500
IDFC Small & Midcap Equity Fund		159	2,500	159	2,500
ICICI Prudential Top 100 Fund		35	500	-	-
Kotak Contra Scheme Fund		-	-	131	2,216
Principal Emerging Bluechip Fund		-	-	90	1,987



PARTICULARS	Face Value in Rs.	31.03.2012		31.03.2011	
		No of Units	Value Amt in Rs.	No of Units	Value Amt in Rs.
Principal Large Cap Fund	-	-	-	124	2,500
Reliance Banking Fund	106	5,000	5,000	106	5,000
Reliance Equity Opportunities Fund	312	7,500	7,500	312	7,500
Reliance Pharma Fund	128	5,000	5,000	128	5,000
Reliance Regular Savings Balanced Plan	166	2,500	2,500	166	2,500
Religare Midcap Fund	-	-	-	161	1,838
SBI Magnum Equity Fund	146	5,000	5,000	146	5,000
SBI Magnum Multiplier Plus Scheme 93	-	-	-	39	1,937
SBI MSFU Emerging Business Fund	151	2,500	2,500	-	-
SBI MSFU Contra	-	-	-	94	2,088
Sundaram Financial Services Opportunities Fund	160	2,500	2,500	160	2,500
Sundaram Select Focus ###	211	1,843	1,843	211	2,039
Sundaram Select Midcap	389	7,500	7,500	389	7,500
Sundaram S.M.I.L.E	170	2,500	2,500	170	2,500
Tata Dividend Yield Fund	223	5,000	5,000	223	5,000
Tata Pure Equity Fund	65	2,500	2,500	65	2,500
Tata Equity P/E Fund Trigger Option A 5%	128	5,000	5,000	128	5,000
UTI Balanced Fund #	99	2,500	2,500	99	2,266
UTI Banking Sector Fund	265	6,500	6,500	265	6,500
UTI Dividend Yield Fund	329	5,000	5,000	155	2,500
UTI Opportunities Fund	346	5,000	5,000	176	2,500
UTI Master Share Unit Scheme	72	2,500	2,500	72	2,500
UTI Master Value Fund	195	5,000	5,000	195	5,000
UTI Midcap Fund	-	-	-	96	2,014
UTI MNC Fund	-	-	-	66	2,500
UTI Transportation Logistics Fund	78	1,500	1,500	78	1,500
BOND/MIP FUNDS: (DIVIDEND PAYOUT)					
Birla Sun Life Dynamic Bond Fund	435	5,000	5,000	-	-
HDFC Monthly Income Plan	399	5,000	5,000	-	-
IDFC Dynamic bond Fund	209	2,500	2,500	-	-
SBI Dynamic Bond Fund	222	2,500	2,500	-	-
TOTAL		-	235,239	-	228,562

Previous year at cost net of provision for diminution in value, Current year at cost

Current year at cost net of provision for diminution in value, Previous year at cost

At cost net of provision for diminution in value in both previous and current years.



	31.03.2012	31.03.2011
	Amt in Rs.	Amt in Rs.
11. DEFERRED TAX ASSETS (Net)		
Liability:		
Difference between book and tax WDV of Assets	-	13
	<u>Gross liability</u>	<u>13</u>
Asset:		
Difference between book and tax WDV of Assets	61	-
Provision for other expenses	3	71
Provision for diminution in the value of investments	2,623	2,978
	<u>Gross asset</u>	<u>3,049</u>
TOTAL	<u>(Net)</u>	<u>3,036</u>

The Company does not have any current income tax liability as per the normal provisions of the Income tax Act, 1961 and at present is paying only MAT. In view of the ineligibility to assess future taxable income under normal provisions, the extent of net deferred tax asset which may be adjusted in the subsequent years is not ascertainable with virtual certainty at this stage and accordingly in terms of Accounting Standard (AS 22) on "Accounting for Taxes on Income" as notified by the Companies (Accounting Standards) Rules, 2006 (as amended), and based on general prudence, the Company has not recognised any Deferred tax Asset while preparing the accounts for the current year.

	Non Current		Current	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	Amt in Rs.	Amt in Rs.	Amt in Rs.	Amt in Rs.
12 LOANS AND ADVANCES				
Security Deposits				
Unsecured, Considered good	<u>211</u>	<u>105</u>	<u>-</u>	<u>-</u>
	<u>211</u>	<u>105</u>	<u>-</u>	<u>-</u>
Other loans and advances				
Advance Income Tax	-	-	2,998	4,094
Prepaid Expenses	-	-	28	42
Sales Tax Refund Receivable	<u>978</u>	<u>978</u>	<u>-</u>	<u>-</u>
	<u>978</u>	<u>978</u>	<u>3,026</u>	<u>4,136</u>
TOTAL	<u>1,189</u>	<u>1,083</u>	<u>3,026</u>	<u>4,136</u>
13 OTHER ASSETS				
Rent Receivable	-	-	242	564
Other Receivables	-	-	270	5,747
TOTAL	<u>-</u>	<u>-</u>	<u>512</u>	<u>6,311</u>
14 CASH AND CASH EQUIVALENTS				
Balances with Banks:				
on Current accounts	-	-	8,349	14,309
on un paid dividend accounts	-	-	6,960	6,229
Cash on Hand	-	-	46	17
TOTAL	<u>-</u>	<u>-</u>	<u>15,355</u>	<u>20,555</u>



	31.03.2012	31.03.2011
	Amt in Rs.	Amt in Rs.
15 OTHER INCOME		
Dividends on non current investments	15,333	33,466
Net Gain/(loss) on Sale of non current investments	(8,279)	13,353
Other Non Operating Income(net of expenses)		
Interest from Income Tax	36	159
Net Gain on Sale of Tangible Assets	5	46
Rental Income from Property Investments	2,050	4,168
Misc Receipts	21	2
Bad Debts Recovered	-	200
Adjustments to the carrying amount of investments	880	-
TOTAL	<u>10,046</u>	<u>51,394</u>
16 EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages and Bonus	4,459	4,200
Contribution to Provident and Other Funds	708	672
Gratuity	(48)	185
Staff Welfare Expenses	65	191
TOTAL	<u>5,184</u>	<u>5,248</u>
17 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on tangible assets	613	450
Depreciation on Investment property	278	292
	<u>891</u>	<u>742</u>
18 OTHER EXPENSES		
Power and Fuel	39	45
Printing and Stationery	74	72
Communications	129	119
Rent and Service Charges	1,039	1,000
Rates and Taxes	266	259
Insurance	43	39
Travelling and Conveyance	120	126
Vehicle Maintenance	151	130
Directors Sitting Fees	25	33
Legal and Professional Charges	131	139
Payments to Auditors		
as auditors	45	44
for certification	14	17
for tax audit	-	6
Advertisement and Business Promotion Expenses	64	66
Repairs and Maintenance to:		
Rented Buildings	-	91
Own Buildings	2	-
Other Assets	18	27
Miscellaneous Expenses	109	93
Debit balances written off	12	-
TOTAL	<u>2,281</u>	<u>2,306</u>



19. The Management has initiated steps to evaluate the quality of all its receivables as at the year end and found all of them to be standard and there are no Non-performing Assets in accordance with the prudential norms issued by Reserve Bank of India.
20. The balances shown under Loans and Advances, Current Assets, Sundry Creditors and other Current Liabilities are subject to confirmation.
21. In the opinion of the Board, the current assets, loans and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.
22. Details of total outstanding dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Act, 2006:

Particulars	31.03.2012 Amt in Rs.	31.03.2011 Amt in Rs.
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

23. Contingent Liabilities not provided for in the statements:	31.03.2012 Amt in Rs.	31.03.2011 Amt in Rs.
on account of demands from Sales Tax Department , disputed by the Company and pending in appeals .	161	161

**24. Disclosure relating to the Gratuity liability as per Accounting Standard 15 "Employee Benefits"****a) The amounts recognised in the Balance Sheet**

Particulars	31.03.2012 Amt in Rs.	31.03.2011 Amt in Rs.
Present Value of obligation	1,229	1,258
Fair value of plan assets	1,307	1,075
Amount recognized in the Balance sheet	(78)	183
b) Changes in the present value of the defined obligation		
Opening defined benefit obligation	1,259	568
Current service Cost	115	115
Interest Cost	101	46
Actuarial (gains)/Losses on obligation	246	530
Closing defined benefit obligation	1,229	1,259
c) Reconciliation of opening and closing balance of fair value of assets:		
Fair value of plan assets at the beginning of the year	1,075	985
Actuarial gain on plan assets	-	-
Expected Return	99	90
Contribution Paid	133	-
Fair value of plan assets at the end of the year	1,307	1,075
d) Principal actuarial assumptions		
Particulars	31.03.2012	31.03.2011
Rate of escalation in Compensation	4%	4%
Discount Rate	8%	8%
Attrition Rate	1%	1%
Retirement Age in years	60	58

The rate of escalation in compensation considered in the above valuation is estimated taking into account inflation, seniority, promotion and other relevant factors and the above information is certified by an actuary.

25. The company's operations predominantly relate to only one Segment i.e., Investment in Mutual Funds and Equity Shares. Hence, there are no separate reportable segments as per the Accounting standard "Segment Reporting" "(AS 17).

26. Calculation of Earnings per share:

S.No	PARTICULARS	Current year	Previous year
a)	Net profit/ (Loss) available to Equity shareholders (in Rs.)	1,150	34,614
b)	Weighted average number of Equity shares	3,000	3,000
c)	Face value as per share (in Rs)	10/-	10/-
d)	Earnings per share Basic and diluted (in Rs)	0.38	11.54



27. The details of the transactions with related parties to be disclosed as required by Accounting Standard - 18 are as follows.

a) Name of Related party and description of relationship.

Key Management Personnel : Sri K. Harishchandra Prasad, Managing Director

b) Transactions with related Party during the year

31.03.2012 31.03.2011
Amt in Rs. Amt in Rs.

Key Management Personnel
Sri K. Harishchandra Prasad
Managerial Remuneration 4,004 3,942

c) Due (to) / from related Party as at the year end

Key Management Personnel
Sri K. Harishchandra Prasad - (12)

28. As required by Accounting Standard (AS 28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the Management has carried out the assessment of Impairment of assets and no Impairment was found.

29. Previous year's figures have been regrouped and reclassified wherever necessary to make them comparable with current year's figures.

For and on behalf of the Board

per our report of even date
for M.Anandam & Co.
Chartered Accountants
Firms' Registration Number: 000125S

Sd/-

R.SURENDER REDDY
Director

Sd/-

M.V.RANGANATH
Partner
Membership Number:028031

Sd/-

K.HARISHCHANDRA PRASAD
Managing Director

per our report of even date
for Brahmaya & Co.
Chartered Accountants
Firms' Registration Number: 000513S

Sd/-

P. CHANDRAMOULI
Partner
Membership Number: 025211

Place : Hyderabad
Date : 28.04.2012



SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2012

(Rs. in Lakhs)

Sl. No.	PARTICULARS		
LIABILITIES SIDE:			
1	LOANS AND ADVANCES AVAILED BY THE NBFCS INCLUSIVE OF INTEREST ACCRUED	Amount outstanding	Amount overdue
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowings	-	-
	(e) Commercial paper	-	-
	(f) Public Deposits	-	-
	(g) Other Loans (specify nature)	-	-
2	BREAK-UP OF (1) (f) ABOVE (OUTSTANDING PUBLIC DEPOSITS INCLUSIVE OF INTEREST ACCRUED THEREON BUT NOT PAID):		
	(a) In the form of unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	-	-
	(c) Other Public Deposits-	-	-
ASSETS SIDE:		Amount Outstanding	
3	BREAK-UP OF LOANS AND ADVANCES INCLUDING BILLS RECEIVABLES [OTHER THAN THOSE INCLUDING IN (4) BELOW]:		
	(a) Secured	-	
	(b) Unsecured	-	
4	BREAK-UP OF LEASED ASSETS AND STOCK ON HIRE AND HYPOTHECATION LOANS COUNTING TOWARDS EL/HP ACTIVITIES		
	(i) Leased assets including lease rentals under sundry debtors		
	(a) Financial lease	-	
	(b) Operating lease	-	
	(ii) Stock on Hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	
	(b) Repossessed Assets	-	
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed	-	
	(b) Loans other than above	-	
5	BREAK-UP OF INVESTMENTS:		
	Current Investments:		
	1. Quoted:	-	
	(i) Shares: (a) Equity		
	(b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government Securities	-	
	(v) Others (please specify)	-	



Sl. No.	PARTICULARS			
	Non Current Investments:			
	1. Quoted:			
	(i) Shares: (a) Equity	370.79		
	(b) Preference	-		
	(ii) Debentures and Bonds	-		
	(iii) Units of mutual funds	-		
	(iv) Government Securities	-		
	(v) Others (please specify)	-		
	2. Unquoted:			
	(i) Shares: (a) Equity -			
	(b) Preference	-		
	(ii) Debentures and Bonds	-		
	(iii) Units of mutual funds	2352.39		
	(iv) Government Securities	-		
	(v) Others (please specify)	-		
6	BORROWER GROUP-WISE CLASSIFICATION OF ALL LEASED ASSETS, STOCK-ON-HIRE AND LOANS AND ADVANCES:			
	CATEGORY	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	-	-	-
	Total	-	-	-
7	INVESTOR GROUP - WISE CLASSIFICATION OF ALL INVESTMENTS (CURRENT, NON CURRENT AND LONG TERM) IN SHARES AND SECURITIES (BOTH QUOTED AND UNQUOTED)			
	CATEGORY	Market Value Break up or fair value or NAV	Book Value (Net of provisions)	
	1. Related parties			
	(a) Subsidiaries	-	-	
	(b) Companies in the same group	-	-	
	(c) Other related parties	-	-	
	2. Other than related parties	2398.84	2723.18	
	Total	2398.84	2723.18	
8	OTHER INFORMATION			
	Particulars	Amount		
	(i) Gross Non-performing Assets	-		
	(a) Related parties	-		
	(b) Other than related parties	-		
	(ii) Net Non-performing Assets	-		
	(a) Related parties	-		
	(b) Other than related parties	-		
	(iii) Assets acquired in satisfaction of debts	-		

For and on behalf of the board

Sd/-

R.SURENDER REDDY

DIRECTOR

Sd/-

K. HARISHCHANDRA PRASAD

MANAGING DIRECTOR

Place : Hyderabad

Date : 28.04.2012



LAKSHMI FINANCE & INDUSTRIAL CORPORATION LTD

Registered Office: Ist Floor, Suryodaya,1-10-60/3, Begumpet, Hyderabad-500 016.

Tel: 91-40-27760301/27767794 Fax: 91-40-27767793, Email : lakshmi_lfic@yahoo.com

Dear Shareholder,

Date : 28.04.2012

REF: PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE (ECS)

As a part of your Company's endeavour to improve the services to investors, we informed the Electronic Clearing Services (ECS) facility for payment of dividend, with a view to safeguard our mutual interest, we would strongly recommend that you avail the ECS facility. You would be aware of Electronic Clearing Services (ECS) being offered by The Reserve Bank of India (RBI) in selected cities. ECS facilitates automatic credit of payments to one's Bank Account and eliminates the risk of fraudulent encashment and also the risk of loss in transit of instruments of payment.

Under this arrangement, the payment instructions would be issued electronically through our Bank to the Clearing Authority (RBI) and the Clearing Authority would give Credit reports to the Bank with whom you maintain the specified Bank Account. Your Bank inturn will credit to your account, on the due date and indicate the credit entry as "ECS" in your Bank Pass Book/Bank Statement. We will be issuing an advice to you directly about the payment to the credit of your account.

At present our Bank offers ECS facilities in the selected cities and it is likely that this facility will be extended to other cities/towns in future. **If you hold the shares in dematerialized form, you may kindly inform your Depository Participant about your ECS particulars/ changes in the Bank Account who will be updating these details in NSDL/ CDSL system. The updated details in the Depository System will be used by us for remitting your dividend.**

If you are holding shares in physical form fill up the mandate form attached and send it along with a cancelled cheque leaf or a photocopy of the same attached to it to our Company address as early as possible, but not later than 07th August 2012.

Shareholders in places where ECS facility is not available may also send us their Bank Account details. These details will be printed on the face of the dividend warrants. The Dividend Warrant will be continued to be sent to your address and not to the Bank directly. In case ECS facility introduced in your place, in future we will use these details for remitting dividend by ECS.

Thanking you,

Yours faithfully,
For Lakshmi Finance & Industrial Corporation Ltd

Sd/-
K. Harishchandra Prasad
MANAGING DIRECTOR

LAKSHMI FINANCE & INDUSTRIAL CORPORATION LTD

Registered Office: Ist Floor, Suryodaya,1-10-60/3, Begumpet, Hyderabad-500 016.

Tel: 91-40-27760301/27767794 Fax: 91-40-27767793, Email : lakshmi_lfic@yahoo.com

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) ECS MANDATE FORM FOR PAYMENT OF DIVIDEND ON EQUITY SHARES HELD IN PHYSICAL FORM.

SHAREHOLDERS HOLDING SHARES IN DEMATS MODE SHOULD INFORM THEIR DPs DIRECTLY.

1. First Shareholder's Name (In Block Letters) : _____
2. Shareholders Folio/ Client.ID No. : _____
3. Particulars of Bank Account. : _____
 A) Bank Name : _____
 B) Branch Name, Address & Ph. No. : _____
 C) Account No. (as appearing on the Cheque Book) : _____
- D) Account Type: S.B A/c. Current. A/c. Cash Credit.A/c.
- E) Ledger Folio No. : _____
- F) 9 Digit Code No. of the Bank & Branch : _____

Appearing on the MICR Cheque Issued by the Bank

- Important:**
1. Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the code numbers.
 2. I, hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete information, I would not hold the Company responsible.

Signature of the first Shareholder
Name: _____
Address: _____
Pincode: _____
Tel. Ph.No. _____

Date:

Place:

For Office Use: ECS No. _____



FORM 2B

(See rules 4CCC and 5D)

NOMINATION FORM

[To be filled in by individual(s) applying singly or jointly]

I/we.....and..... the holders of shares bearing Folio Number(s)..... Of LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED wish to make a nomination and do hereby nominate the following person(s) in whom all rights of transfer and/or amount payable in respect of the Shares shall vest in the event of my/our death.

NAME & ADDRESS OF NOMINEE:

Name:

Address:

..... Pin Code:.....

Date of Birth : (*to be furnished in case of nominee is a minor)

Table with 3 empty cells for date of birth

The Nominee is a minor whose Guardian is.....

(Name and Address of Guardian).....

Signature of Nominee/Guardian:.....

(To be deleted if not applicable)

1) Signature 2) Signature

Name : Name :

Address : Address :

Date : Date :

to be attested by the shareholder(s) (Signature of shareholder)

Name, Address & Signature of Two Witnesses:

Table with 2 columns: Name and Address, Signature with date. Rows 1 and 2.

Instructions:

- 1. The Nomination can be made individual only, applying/holding Shares on their own behalf singly or jointly upto two persons. Non-individuals including Society, Trust, Body Corporate, Partnership firm, karta of Hindu Undivided Family, holder or power of Attorney cannot nominate. If the Shares are held jointly, all joint holders will sign the nomination form.
2. A minor can be nominated by a holder of shares and in that event the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family or a power of Attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
4. Nomination stands rescinded upon transfer of shares
5. Transfer of Shares in favour of a nominee shall be valid discharge by the Company against the legal heir.
6. Subject to rules and regulations as applicable from time to time.

ATTENDANCE SLIP



LAKSHMI FINANCE & INDUSTRIAL CORPORATION LTD

Registered Office: 1st Floor, Suryodaya, 1-10-60/3, Begumpet, Hyderabad-500 016.
Tel: 91-40-27760301/27767794, Fax: 91-40-27767793, Email : lakshmi_lfic@yahoo.com

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. It help us to make proper arrangements. Failure to bring this Attendance Slip will create unnecessary inconvenience to you. Joint Shareholders may obtain additional Attendance Slips on request.

Member(s) Name _____

Client ID/Folio Number _____

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held on Monday, 13th of August, 2012 at 9.30 am at Triveni Banquet Hall, Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, (Lane Opp. to Allauddin Building), Begumpet, Hyderabad - 500016.

Member's / Proxy's Signature _____

NOTE : Please carry with you this Attendance Slip and hand over the same, duly signed at the space provided, at the entrance of the meeting hall.

PROXY FORM



LAKSHMI FINANCE & INDUSTRIAL CORPORATION LTD

DP ID. : _____

Client ID./Folio No./Shares held : _____

I/We _____ of _____
being a Member / Members of LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED hereby
appoint _____ of _____ or failing
him _____ of _____ as my / our
proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Monday, 13th
August, 2012 at 9.30 am and any adjournment thereon.

Signed this _____ day of _____ 2012.

Affix
One Rupee
Revenue
Stamp

Note :

1. The Proxy shall be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or attorney duly authorised by it.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
3. The Proxy Form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

FOR OFFICE USE ONLY

PROXY NO. _____

CLIENT ID/FOLIO NO. _____

No. of Shares _____

BOOK-POST
PRINTED MATTER

To,



If undelivered please return to :



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LIMITED

*1st FLOOR, "SURYODAYA",
1-10-60/3, BEGUMPET
HYDERABAD-500 016. (A.P.)
Ph.No.040-27760301/27767794 Fax.No.040-27767793
E-mail: lakshmi_lfic@yahoo.com*