



NOTICE

Notice is hereby given that the 84th Annual General Meeting of the members of **LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED** will be held on Monday the 22nd September 2008 at 9.30 A.M. at "Triveni Banquet Hall," Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, (Lane opposite 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, 2008 and the Profit and Loss Account 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, 2008.
3. To appoint a Director in place of Shri. M. Ranganath Sai who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT M/s. M.Anandam & Co., Secunderabad and M/s. Brahmayya & Co., Hyderabad, Chartered Accountants, the retiring Auditors be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company, in addition to payment for other services and reimbursement of actual out-of-pocket expenses."

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolution as a Ordinary Resolution :

"Resolved that pursuant to recommendation of the Board of Directors (the Board) of the Company and to the applicable provisions of the Companies Act, 1956, Article-150 of Association of the Company and in accordance with the guidelines issued from time to time by the Securities and Exchange Board of India and such other approvals and consents, if any, as may be necessary, a sum of Rs.75,00,000/- (Rupees seventy five lakhs only) be capitalised from the General Reserve Account as per the audited accounts for the financial year ended 31st March 2008 and the Board be and is hereby authorised to appropriate and distribute the sum of Rs.75,00,000/- (Rupees seventy five lakhs only) by issuing and allotting Bonus Equity Shares of Rs.10/-each credited as fully paid

up in the ratio of one Equity share of Rs.10/- each for every three (1:3) fully paid up Equity Shares held by them to all the holders of equity shares of the Company whose names shall appear on the Register of Members of the Company at the close of business on such date as the Board may determine, provided that the aggregate number of Bonus Shares so issued shall not exceed 7,50,000 Equity Shares of Rs.10/-each."

"Resolved further that the Bonus Equity Shares of Rs.10/- each so allotted shall be subject to the Memorandum and Articles of Association of the Company shall rank **Pari Passu** in all respects with and carry the same right as existing Equity Shares of the Company and shall be entitled to participate in full in any dividends declared after the Bonus Shares are allotted."

"Resolved further

- i) no fractional certificates shall be issued in respect of the bonus shares, and that fractions, if any, shall be consolidated into equity shares of Rs.10/- each fully paid up; any fraction left out, after such consolidation, being rounded off as one equity shares;
- ii) such consolidated shares shall be allotted to a Trustee as may be nominated by the Board and such Trustee shall sell the same and distribute the proceeds (less expenses, if any) proportionately as far as practicable to the members concerned and the concerned members of the Company shall accept the same in lieu of such fractions.
- iii) for shareholders holding shares in the dematerialized mode, the Company would credit demat accounts with the relevant number of shares, unless otherwise directed by such shareholders."

"Resolved further that the issue and allotment of fully paid Bonus Shares and/or payment, if any, for fractions of such shares to the extent that they relate to non- resident members of the Company, shall be subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999."

"Resolved further that no letter of allotment shall be issued in respect of the said bonus shares but the certificates in respect of the new equity shares to be allotted as fully paid bonus shares as aforesaid shall be delivered within such time as may be allowed by appropriate authorities"

"Resolved further that for the purpose of giving effect to this Resolution, and for removal of any difficulty or doubt, the Board or any Committee of Directors that the Board may constitute for this purpose be and is hereby authorised to do all such acts, deeds, matters and things as



may in its absolute discretion be necessary, expedient, usual or proper and to settle any question or difficulty (including a question or difficulty or doubt in connection with any deceased or insolvent members or a member suffering from any disability) that may arise with regard to the issue and allotment of Bonus Shares and distribution of fractional entitlement as the Board or Committee may think fit.”

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

Place: HYDERABAD
Date: 29th July, 2008

K. HARISHCHANDRA PRASAD
Managing Director

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 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.
- The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 2008 to 22nd September, 2008 (both days inclusive) for the purpose of the Annual General Meeting of the Company and Dividend declaration.
- The dividend on shares, if declared by the Company at the Meeting, will be paid to those members whose names appear on the Company’s Register of Members as on 22nd September 2008.
- 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).
- 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 Share Department of the Company.
- 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.

- 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.
- As per provision 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 dividends upto financial year ended 31.03.2000 have been transferred to the said fund. Unclaimed dividend for the year 2000-2001 is due for transfer to IEPF on or before 22.10.08. Those members who have not encashed their dividend warrants(s) for the said year 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
31.03.2001	24.09.2001	23.09.2008	22.10.2008
31.03.2002	26.09.2002	25.09.2009	24.10.2009
31.03.2003	22.09.2003	21.09.2010	20.10.2010
31.03.2004	30.07.2004	29.07.2011	28.08.2011
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

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.

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

12. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in **Form 2B** to the Registrar & Transfer Agents, M/s. Venture Capital and Corporate Investments Pvt. Limited. (Form 2B) which is enclosed.

GENERAL SHAREHOLDERS INFORMATION

AGM Date : **22.09.2008**
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-16.

Financial Year : **2007-2008**
Rate of Dividend recommended : **35 %**
Dividend Payment Date : The dividend @ 35%, if approved in the ensuing AGM will be paid to the eligible shareholders within thirty days from the date of declaration.

Demat ISIN Numbers : **INE 850 EO 1012**
in NSDL & CDSL

Registrar & Transfer Agents : **Venture Capital & Corporate Investments Pvt.Ltd**
12-10-167, Bharat Nagar,
Hyderabad -500 018
Tel Nos: 040-23818475/
23818476 &23868023
Fax No: 040-23868024
E-mail: info@vccilindia.com

Share Transfer System:

The Company has appointed M/s. **Venture Capital & Corporate Investment Pvt.Ltd.**, 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 share certificates etc., should be addressed to: M/s. Venture Capital & Corporate Investment Pvt.Ltd., Registrars and Share Transfer Agents, 12-10-167, Bharat Nagar, Hyderabad-500 018. **(Or)** for any further information/ clarifications in connection of Dividend Warrant revalidation and issue of duplicate Dividend Warrants, directly to the Company to:

The Asst.Manager (Secretarial Dept.)
LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED,
1st Floor, 1-10-60/3, Suryodaya, Begumpet,
Hyderabad-500 016.
Ph.No.:040-27760301,27767794, Fax : 040-27767793,
E-mail:lakshmi_lfic@yahoo.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Annexure to the Notice convening the 84th Annual General Meeting to be held on 22nd September 2008.

With a view to strengthening the capital base of the Company, the Board of Directors considers it desirable to capitalise an amount of Rs.75,00,000/- from the General Reserve Account and to issue and to allot fully paid Equity Shares of Rs.10/- each to the holders of the existing Equity Shares of Rs.10/-each in the proportion of one new Equity Share for three existing Equity Shares (1: 3) held by the members. The said issue of Bonus shares are as per the guidelines issued by the SEBI and will be subject to such other approvals as may be necessary. The new Equity Shares will rank **Pari passu** in all respect with the existing Equity Shares and will be entitled to dividend as may be declared after the date of allotment of those shares in proportion to the period they are in existence in that financial year for which dividend is declared.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of the Equity Shares that may be allotted to them by virtue of their being shareholders of the Company or as may be allotted to Companies/Bodies/ Institutions in which they are Directors or members or connected in any other manner.

Your Directors recommend resolution for your approval.

By Order of the Board
For Lakshmi Finance & Industrial Corporation Limited
Place:HYDERABAD **K. HARISHCHANDRA PRASAD**
Date: 29th July, 2008 **Managing Director**

**DIRECTORS' REPORT**

TO
THE MEMBERS,

Your Directors have pleasure to present this 84th Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2008.

SUMMARY OF FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	2007-2008	2006-2007
Gross Income	785.75	622.73
Gross Profit	725.68	580.82
Less : Interest	—	0.30
: Depreciation	6.96	7.97
: Diminution in the value of Investments	411.15	—
Profit for the year before taxation	307.57	572.55
Provision for Taxation:		
Current Tax	35.00	30.00
Deferred Tax	(1.45)	(1.35)
MAT Credit entitlement	(35.00)	(30.00)
Fringe Benefit Tax	0.72	0.65
Profit after tax	308.30	573.25
Prior year taxes	12.96	(2.14)
Profit brought forward	507.49	343.51
Profit available for appropriation	828.75	914.62
Appropriations:		
Proposed Dividend	78.75	78.75
Dividend Tax	13.38	13.38
Transfer to Reserve Fund	62.00	115.00
Transfer to General Reserve	100.00	200.00
Balance carried over to Balance Sheet	574.62	507.49

OPERATIONAL PERFORMANCE:

During the year under review, the Indian Economy continued to exhibit good growth with the GDP growing at over 8%. The recent Sub-Prime crisis in United States and the high increase in crude oil and commodity prices at record level have started affecting the Global Economy leading to turmoil in Global Financial and Capital Markets. Inturn, the Indian Economy also started facing inflationary pressures leading to Reserve Bank of India increasing the interest rates to constrain inflation. These factors, both domestic and external, have added to the slowdown in Economic Growth and the cascading impact is reflected in the steep correction in the Capital Market where in the sensex has fallen from a high of 21207 in mid January 2008 by 40% in less than six months.

The Company's financial performance through investment in shares and equity related mutual funds have yielded substantial Capital Gains and Dividends as can be seen from the Gross Income of Rs.785.75 lakhs for the year ended 31st March 2008. Due to the steep fall in the sensex, the Company's Portfolio Investments value has also fallen substantially during this period. Consequently, the Company thought it prudent to provide diminution in value of the investments to the extent of Rs. 411.15 lakhs for the year ended 31st March 2008.

The Company's Gross Income during the year under review increased to Rs.785.75 lakhs as against Rs.622.73 lakhs, registering an increase of 26% over the previous year. On account of providing diminution in the value of Investments amounting to Rs.411.15 lakhs during the year, the Company achieved profit after taxation of Rs.308.30 lakhs. As mentioned in the earlier reports, the Company has not taken up new business in the areas of Leasing/Hire Purchase etc., as the market conditions are not conducive and also on account of stringent Reserve Bank of India regulations in force for Non Banking Finance Companies. Further, our Company is classified as a "Non Deposit Taking Company" by Reserve Bank of India. During the year under review, the rental incomes have been on expected basis and the Company was successful in recovering Rs.3.75 lakhs of Bad Debts. As the longterm prospers for Indian Economy appear positive, the Company is hopeful of improving the returns from Portfolio Investments through effective monitoring and will continue its efforts to identify new Investment/ Manufacturing business activities as part of diversification.

DIVIDEND:

Your Directors take the pleasure in recommending a dividend at the rate 35 % (i.e.Rs.3.50 per Equity Share of Rs.10/- each) for the financial year 2007-08. The proposed dividend, if approved at the 84th Annual General Meeting by the members, will be paid to all those equity shareholders whose names appear in the register of members as on 22nd September 2008, 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 would be Rs.92.13 lakhs including tax on Dividend.

BONUS SHARES:

Your Directors have recommended Bonus Shares in the ratio of One Equity Share for three equity shares held by way of Capitalization of Reserves, subject to approval of the Members. The recognition granted to the Hyderabad Stock Exchange Limited stands withdrawn with effect from 29th August, 2007 pursuant to notification issued by SEBI. In order to have listing



facility at Bombay Stock Exchange, the minimum paid up Share Capital required is Rs.3.00 Crores. To comply with the same and with a view to provide trading of Company shares on the exchange, a resolution for Capitalization of Reserves and issuing Bonus Shares is proposed in the ensuing Annual General Meeting for the approval by the Members. This will increase the Equity Capital of the Company from Rs.2.25 Crores to Rs.3.00 Crores..

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 2008. 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. M.Ranganath Sai, 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.

- i) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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, 2008 and of the profit and loss of the Company for that period;
- iii) 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.

SUBSIDIARY COMPANY:

As mentioned in earlier reports, there is no activity for the past 7 years and there are no assets in the Subsidiary Company.

During the year under review, the company sold 1.2 lakhs shares of Subsidiary Company, L-Pack Polymers Limited (equivalent to 60% of the equity holdings) to a third party and as a result, the Company ceased to be a Subsidiary Company.

CORPORATE GOVERNANCE:

The Company has started pursuing the code of Corporate Governance as enunciated by SEBI in clause 49 of the listing agreement, though the same is not mandatory to our Company.

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 2008, 14.37% 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, 2008.

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
R. SURENDER REDDY
Director

K. HARISHCHANDRA PRASAD
Managing Director

Place: Hyderabad
Date: 29th July 2008



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, 2008 the Profit and Loss Account 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, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Profit and Loss account 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, 2008 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2008 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, 2008;
- b) in the case of the profit and loss account, 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.,
Chartered Accountants.

For BRAHMAYYA & CO.,
Chartered Accountants.

M.V.RANGANATH
Partner
Membership No.28031
Place : Hyderabad
Date : 29th July, 2008

P.CHANDRAMOULI
Partner
Membership No.25211
Place : Hyderabad
Date : 29th July, 2008

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, 2008 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:
- 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. In our opinion and 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.

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 & 1997-98	Sales Tax Appellate Tribunal, Hyderabad

For **MANANDAM & CO.,**
Chartered Accountants.

For **BRAHMAYYA & CO.,**
Chartered Accountants.

M.V.RANGANATH
Partner
Membership No.28031

P.CHANDRAMOULI
Partner
Membership No.25211

Place : Hyderabad
Date : 29th July, 2008

Place : Hyderabad
Date : 29th July, 2008

**BALANCE SHEET AS AT 31ST MARCH, 2008**

	SCHEDULE Ref.	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
I. SOURCES OF FUNDS:			
(1) Shareholders Funds:			
(a) Capital	A	2,25,00,000	2,25,00,000
(b) Reserves and Surplus	B	<u>21,49,09,881</u>	<u>19,19,96,644</u>
		<u>23,74,09,881</u>	<u>21,44,96,644</u>
(2) Deferred Tax Liability		<u>12,112</u>	<u>1,56,718</u>
TOTAL		<u><u>23,74,21,993</u></u>	<u><u>21,46,53,362</u></u>
II. APPLICATION OF FUNDS			
(1) Fixed Assets:			
(a) Gross Block	C	1,99,95,279	2,83,47,537
(b) Less: Depreciation		<u>1,02,70,141</u>	<u>1,79,52,641</u>
(c) Net Block		<u>97,25,138</u>	<u>1,03,94,896</u>
(2) Investments	D	<u>20,74,71,044</u>	<u>20,15,96,469</u>
(3) Current Assets, Loans and Advances:			
(a) Cash and Bank Balances	E	1,66,11,443	70,99,870
(b) Other Current Assets	F	51,22,550	13,42,248
(c) Loans and Advances	G	<u>2,06,83,229</u>	<u>1,33,87,949</u>
		<u>4,24,17,222</u>	<u>2,18,30,067</u>
Less: Current Liabilities and Provisions			
(a) Current Liabilities	H	63,41,055	51,35,665
(b) Provisions	I	<u>1,58,50,356</u>	<u>1,40,32,405</u>
		<u>2,21,91,411</u>	<u>1,91,68,070</u>
NET CURRENT ASSETS		<u>2,02,25,811</u>	<u>26,61,997</u>
TOTAL		<u><u>23,74,21,993</u></u>	<u><u>21,46,53,362</u></u>
Notes on Accounts and Accounting Policies	L		

For and on behalf of the Board

R.Surender Reddy
Director**K.Harishchandra Prasad**
Managing DirectorPlace : Hyderabad
Date : 29th July, 2008Per our Report of even date
For M.Anandam & Co.,
Chartered Accountants**M.V.Ranganath**
Partner**For Brahmayya & Co.,**
Chartered Accountants**P. Chandramouli**
Partner



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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	SCHEDULE Ref.	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
INCOME:			
Interest earned (Gross - Others) (T.D.S : Current Year Rs.19,282 Previous Year Rs.30,695)		2,44,346	2,29,046
Income from Investments		4,32,86,229	3,06,78,834
Profit on Sale of Investments(Net)		3,02,12,081	2,83,08,921
Profit on Sale of Fixed Assets		52,312	0
Rents earned		32,04,048	26,72,741
Miscellaneous Receipts		1,500	2,58,706
Diminution in the Value of Investments written back		12,00,000	0
Bad Debts written off recovered		3,75,000	1,25,000
TOTAL		7,85,75,516	6,22,73,248
EXPENDITURE:			
Staff Cost	J	40,10,559	25,09,461
Interest (Others)		0	29,784
Other Expenses	K	19,95,947	16,81,808
Depreciation	C	6,96,208	7,97,253
Diminution in the Value of Investments		4,11,15,155	0
TOTAL		4,78,17,869	50,18,306
PROFIT FOR THE YEAR BEFORE TAXATION		3,07,57,647	5,72,54,942
Less: Provision for Taxation: Current Tax		35,00,000	30,00,000
Deferred Tax		(1,44,606)	(1,35,119)
MAT Credit entitlement		(35,00,000)	(30,00,000)
Fringe Benefit Tax		72,000	65,000
PROFIT FOR THE YEAR AFTER TAXATION		3,08,30,253	5,73,25,061
Less : Income Tax of Earlier Years		0	2,14,159
: Fringe Benefit Tax of Earlier Years		3,660	0
Add : Excess provision for taxation written back		13,00,000	0
: Balance Brought Forward		5,07,48,540	3,43,50,994
AMOUNT AVAILABLE FOR APPROPRIATION		8,28,75,133	9,14,61,896
APPROPRIATIONS:			
Reserve Fund		62,00,000	1,15,00,000
General Reserve		1,00,00,000	2,00,00,000
Dividend		78,75,000	78,75,000
Corporate Dividend Tax thereon		13,38,356	13,38,356
Surplus Carried to Balance Sheet		5,74,61,777	5,07,48,540
TOTAL		8,28,75,133	9,14,61,896
Earnings Per Share - (Basic/Diluted) (Rs.)		14.28	25.38

For and on behalf of the Board

R.Surender Reddy
Director

K.Harishchandra Prasad
Managing Director

Place : Hyderabad
Date : 29th July, 2008

Per our Report of even date
For M.Anandam & Co.,
Chartered Accountants

M.V.Ranganath
Partner
For Brahmayya & Co.,
Chartered Accountants

P. Chandramouli
Partner

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

	Year Ended 31.03.2008 Rs.	Year Ended 31.03.2007 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	3,07,57,647	5,72,54,942
Adjustments for:		
Depreciation	6,96,208	7,97,253
Profit on Sale of Investments (Net)	(3,02,12,081)	(2,83,08,921)
Loss/(Profit)on Sale of Fixed Assets (Net)	(52,312)	1,044
Interest(Net)	(2,44,346)	(1,99,262)
Diminution in the value of Investments (Net)	3,99,15,155	0
Income From Investments	(4,32,86,229)	(3,06,78,834)
Rents Earned	(32,04,048)	(26,72,741)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(56,30,006)	(38,06,519)
Adjustments for:		
Trade and other receivables	(38,09,088)	24,65,150
Trade and other payables	4,43,186	12,767
CASH GENERATED FROM OPERATIONS	(89,95,908)	(13,28,602)
Direct Taxes Paid	(55,62,559)	(41,93,230)
NET CASH FROM OPERATING ACTIVITIES (A)	(1,45,58,467)	(55,21,832)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(26,450)	(1,17,323)
Sale of Fixed Assets	52,312	3,365
Purchase of Investments	(17,76,43,188)	(16,46,32,033)
Sale of Investments	16,20,65,539	14,69,24,421
Income received from Investments	4,32,86,229	3,06,78,834
Interest received	2,44,346	1,99,262
Rents Earned	32,04,048	26,72,741
NET CASH USED IN INVESTING ACTIVITIES (B)	3,11,82,836	1,57,29,267
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(71,12,796)	(72,02,418)
NET CASH GENERATED IN FINANCING ACTIVITIES (C)	(71,12,796)	(72,02,418)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	95,11,573	30,05,017
Cash and Cash equivalents as at beginning of the year	70,99,870	40,94,853
Cash and Cash equivalents as at the end of the year	1,66,11,443	70,99,870

For and on behalf of the Board

R.Surender Reddy
Director

K.Harishchandra Prasad
Managing Director

Place : Hyderabad
Date : 29th July, 2008

Per our Report of even date
For M.Anandam & Co.,
Chartered Accountants

M.V.Ranganath
Partner
For Brahmayya & Co.,
Chartered Accountants

P. Chandramouli
Partner

Note: Previous Year's figures have been regrouped, recast wherever necessary to make them comparable with current year's figures.



Schedules annexed to and forming part of the accounts for the year ended 31st March, 2008

A SHARE CAPITAL:	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
Authorised:		
60,00,000 (Previous Year 30,00,000) Equity Shares of Rs.10/- each	<u>6,00,00,000</u>	<u>3,00,00,000</u>
Issued, Subscribed and Paid Up:		
22,50,000 Equity Shares of Rs.10/- each	2,25,00,000	2,25,00,000
Fully paid up :		
Of the above Shares		
1) 14,240 Equity Shares of Rs.10/- each were allotted as fully paid up for consideration other than cash		
2) 12,50,000 Equity Shares of Rs.10/- each were allotted as fully paid up Bonus Shares by way of Capitalisation of General Reserve		
TOTAL	<u><u>2,25,00,000</u></u>	<u><u>2,25,00,000</u></u>

B RESERVES AND SURPLUS:

	AS AT 31.03.2007 Rs.	Additions Rs.	Deductions Rs.	AS AT 31.03.2008 Rs.
(a) Securities Premium Account	6,48,220	0	0	6,48,220
(b) Capital Reserve	5,03,51,780	0	0	5,03,51,780
(c) General Reserve	5,60,07,104	1,00,00,000	0	6,60,07,104
(d) Reserve Fund as per RBI Guidelines	3,42,41,000	62,00,000	0	4,04,41,000
(e) Surplus i.e. balance in profit and loss account	5,07,48,540	5,74,61,777	5,07,48,540	5,74,61,777
TOTAL	<u>19,19,96,644</u>	<u>7,36,61,777</u>	<u>5,07,48,540</u>	<u>21,49,09,881</u>

C. FIXED ASSETS:

Sl. NO	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 31.03.2007 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2008 Rs.	Up to 31.03.2007 Rs.	For the Year Rs.	On Deductions Rs.	Upto 31.03.2008 Rs.	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
1	Land	19,46,981	0	0	19,46,981	0	0	0	0	19,46,981	19,46,981
2	Buildings	1,04,52,774	0	0	1,04,52,774	36,48,182	3,40,230	0	39,88,412	64,64,362	68,04,592
3	Computers	4,45,373	0	0	4,45,373	3,86,723	23,460	0	4,10,183	35,190	58,650
4	Furniture and Fixtures	3,80,522	7,000	0	3,87,522	3,64,175	3,362	0	3,67,537	19,985	16,347
5	Vehicles	18,85,238	0	0	18,85,238	9,98,168	2,29,662	0	12,27,830	6,57,408	8,87,070
6	Office Equipments	2,18,714	0	0	2,18,714	1,70,667	6,683	0	1,77,350	41,364	48,047
7	Airconditioners and Generator	1,18,327	19,450	0	1,37,777	92,125	3,963	0	96,088	41,689	26,202
8	Plant and Machinery given on Lease	1,28,99,608	0	83,78,708	45,20,900	1,22,92,601	88,848	83,78,708	40,02,741	5,18,159	6,07,007
	Total	2,83,47,537	26,450	83,78,708	1,99,95,279	1,79,52,641	6,96,208	83,78,708	1,02,70,141	97,25,138	1,03,94,896
	Previous Year	2,82,45,214	1,17,323	15,000	2,83,47,537	1,71,65,979	7,97,253	10,591	1,79,52,641	1,03,94,896	1,10,79,235



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	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
D : INVESTMENTS		
LONG TERM, AT COST : NON - TRADE :		
EQUITY SHARES-SUBSIDIARY COMPANY-FULLY PAID	1	20,00,000
EQUITY SHARES - OTHER COMPANIES - FULLY PAID	2	4,94,91,469
GOVERNMENT SECURITIES	3	5,000
MUTUAL FUNDS	4	15,21,00,000
	<u>24,93,86,199</u>	<u>20,35,96,469</u>
Less: Diminution in the value of investments	<u>4,19,15,155</u>	<u>20,00,000</u>
Carrying value of investments	<u>20,74,71,044</u>	<u>20,15,96,469</u>
Aggregate cost of quoted investments	<u>24,85,76,199</u>	<u>20,15,86,469</u>
Aggregate market value of quoted investments	<u>23,36,25,055</u>	<u>21,62,13,364</u>
Aggregate cost of unquoted investments	8,10,000	20,10,000

NAME OF THE COMPANY	F.V. Rs.	No.of Shares As at 31.03.2007	Additions/ (Deletions) of Shares	No.of Shares As at 31.03.2008	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
1. SHARES IN SUBSIDIARY COMPANY:						
L-PACK Polymers Limited	10.00	200000	(120000) *(80000)	0	0	20,00,000
2. EQUITY SHARES-OTHER COMPANIES:						
L-PACK Polymers Limited	10.00	0	*80000	80000	8,00,000	0
Alok Industries Limited	10.00	13000	2000	15000	9,00,921	7,79,906
Amttek India Limited	2.00	6925	1075(6377)	1623	2,16,114	9,01,025
Andhra Sugars Limited	10.00	0	7500	7500	7,01,729	0
Ashok Leyland Limited	1.00	56000	0	56000	19,02,195	19,02,195
Asian Electronics Limited	5.00	0	2520	2520	12,25,436	0
Atlas Copco (India) Limited	10.00	1671	(1371)	300	1,62,950	9,07,628
B.N.Rathi Securities Limited	10.00	62675	(44675)	18000	1,80,369	6,28,000
Balrampur Chini Mills Limited	1.00	500	(500)	0	0	40,403
Bhagyanagar India Limited	2.00	38159	19497	57656	17,51,958	8,32,171
Bharat Heavy Electricals Limited (a)	10.00	1625	2525(970)	3180	44,05,261	32,79,249
B O C India Limited	10.00	5300	(5300)	0	0	10,34,541
Coromandel Fertilisers Limited	2.00	0	5000	5000	3,65,967	0
Crompton Greaves Limited	2.00	12596	2100(4390)	10306	19,88,560	19,35,978
Dr.Reddy's Laboratories Limited	5.00	0	2100	2100	14,46,710	0
Electrotherm (India) Limited	10.00	5600	800(2500)	3900	12,12,949	15,33,592
ERA Infra Engineering Limited	10.00	3900	0	3900	17,41,565	17,41,565
Gammon India Limited	2.00	800	(800)	0	0	3,08,477
Garware-Wall Ropes Limited	10.00	10000	(10000)	0	0	2,97,574
GMR Infrastructure Limited	2.00	0	3000	3000	4,75,236	0
Greaves Cotton Limited	10.00	0	5300	5300	18,74,496	0
Gujarat NRE Coke Limited	10.00	7500	(7500)	0	0	3,58,511
Havells India Limited	5.00	6900	1100(4000)	4000	11,74,318	17,76,651
Hindustan Construction Company Limited	1.00	1500	(1500)	0	0	99,049
ITC Limited	1.00	4600	(4600)	0	0	8,05,260
Indian Petrochemicals Corporation Limited	10.00	6500	(6500)	0	0	13,62,316
Infosys Technologies Limited	5.00	2795	50(1030)	1815	29,69,333	45,56,249
IVRCL Infrastructures & Projects Limited	2.00	11900	1652(4850)	8702	19,88,096	21,92,000
Jaiprakash Associates Limited	10.00	1000	(1000)	0	0	3,39,430
KEI Industries Limited	2.00	0	11882	11882	9,33,955	0
Kirloskar Oil Engines Limited (b)	2.00	3600	6400	10000	12,99,481	8,19,748
Larsen & Toubro Limited (c)	10.00	50	0	50	7,288	7,288
Mahindra & Mahindra Limited	10.00	2500	200(1800)	900	3,63,142	9,45,145
Manugraph India Limited	2.00	5000	(5000)	0	0	11,62,446
Maruti Udyog Limited	10.00	1500	(1500)	0	0	11,30,866
N T P C Limited	10.00	3500	6000(3500)	6000	12,32,763	3,67,058
Nagarjuna Construction Company Limited	2.00	21385	4400(7500)	18285	17,25,622	8,94,567



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NAME OF THE COMPANY	F.V. Rs.	No. of Shares/Units As at 31.03.2007	Additions/ (Deletions) of Shares/Units	No. of Shares/Units As at 31.03.2008	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
Nava Bharat Ventures Limited	2.00	26915	13819(10915)	29819	41,51,582	16,40,058
Oil and Natural Gas Corporation Limited	10.00	1150	(1150)	0	0	7,42,798
Pennar Industries Limited	5.00	0	17200	17200	4,46,276	0
Phoenix Lamps Limited	10.00	7500	(2500)	5000	4,57,986	6,86,986
Praj Industries Limited (d)	2.00	6565	13765(2995)	17335	17,76,672	6,07,011
Prajay Engineers Syndicate Limited	10.00	0	8500	8500	26,67,271	0
Prithvi Information Solutions Limited	10.00	0	5300	5300	15,93,828	0
Power Grid Corporation of India Limited	10.00	0	5500	5500	6,34,077	0
Punjiloyd Limited	2.00	0	1600	1600	5,19,400	0
Reliance Industries Limited	10.00	4525	250(2500)	2275	17,16,566	23,62,870
Reliance Natural Resources Limited	10.00	0	9000	9000	4,12,543	0
Reliance Communication Limited	10.00	4500	(2000)	2500	4,92,202	8,85,962
Sagar Cements Limited	10.00	0	11100	11100	14,65,203	0
Satyam Computer Services Limited	2.00	7100	(7100)	0	0	27,22,974
Sesa Goa Limited	10.00	1000	(1000)	0	0	7,02,824
Shasun Chemicals and Drugs Limited	2.00	5000	(5000)	0	0	4,71,478
Sona Koyo Steering Systems Limited	2.00	13000	(4000)	9000	2,55,254	3,68,694
Southern Steel Limited	10.00	0	10000	10000	3,61,506	0
Srinivasa Shipping Limited	10.00	0	10500	10500	10,48,656	0
Super Spinning Mills Limited	1.00	3500	(3500)	0	0	77,987
Suraj Diamonds And Jewellery Limited	10.00	20000	8130(7000)	21130	11,70,699	9,43,800
Suryalata Spinning Mills Limited	10.00	6540	(6540)	0	0	4,74,132
Surya Pharmaceutical Limited	10.00	0	10500	10500	12,87,708	0
Syndicate Bank	10.00	0	13000	13000	11,31,451	0
TAJ GVK Hotels & Resorts Limited	2.00	2216	1599(2216)	1599	3,22,721	4,93,593
Teledata Informatics Limited (e)	2.00	20000	0	20000	3,34,910	6,69,821
Teledata Marine Solutions Limited (e)	2.00	0	10000	10000	1,67,455	0
Teledata Technology Solutions Limited(e)	2.00	0	10000	10000	1,67,455	0
Thermax Limited	2.00	0	2800	2800	14,53,403	0
T I S C O Limited	10.00	0	1750	1750	12,93,130	0
Visaka Industries Limited	10.00	20000	(20000)	0	0	22,17,289
Visesh Infotecnics Limited	10.00	0	15000	15000	5,03,924	0
Zenotech Laboratories Limited	10.00	7409	3481(1890)	9000	7,97,907	4,79,304
A.P.Mahesh Co-operative Urban Bank Limited	20.00	250	0	250	5,000	5,000
					5,96,81,199	4,94,91,469
3. GOVERNMENT SECURITIES:						
7 year National Savings Certificate-2nd Issue (f)		0	0		5,000	5,000
					5,000	5,000
4. MUTUAL FUNDS:(DIVIDEND)						
A B N Amro Opportunities Fund	10.00	0	120077	120077	25,00,000	0
A B N Amro Equity Fund	10.00	0	105530	105530	25,00,000	0
Birla Sun Life Equity Fund	10.00	0	85869	85869	70,00,000	0
Birla MNC Fund	10.00	85497	(85497)	0	0	40,00,000
Birla Midcap Fund	10.00	0	126929	126929	50,00,000	0
Birla Sun Life Frontline Equity Fund	10.00	222153	103864	326017	75,00,000	50,00,000
Birla Top 100 Fund	10.00	158702	(158702)	0	0	25,00,000
DSP Merrill Lynch Equity Fund	10.00	118923	44236	163159	75,00,000	50,00,000
DSP Merrill Lynch Top100 Fund	10.00	0	274735	274735	70,00,000	0
DSP Merrill Lynch India T.I.G.E.R. Fund	10.00	327999	160453	488452	1,15,00,000	70,00,000
Franklin India Prima Fund	10.00	57978	59700(57978)	59700	40,00,000	30,00,000
Franklin India Flexi Cap Fund	10.00	145433	78694(145433)	78694	15,00,000	25,00,000
Franklin India Opportunities Fund	10.00	262399	(262399)	0	0	50,00,000
Franklin India Prima plus Fund	10.00	125228	72210(125228)	72210	25,00,000	45,00,000
Fidelity Equity Fund	10.00	167808	127272(167808)	127272	25,00,000	25,00,000
HDFC Equity Fund	10.00	64299	(64299)	0	0	25,00,000
HDFC Growth Fund	10.00	0	58006	58006	25,00,000	0
H S B C Midcap Equity Fund	10.00	80363	(80363)	0	0	15,00,000
HSBC Equity Fund	10.00	0	59428	59428	25,00,000	0



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NAME OF THE COMPANY	F.V. Rs.	No.of Units As at 31.03.2007	Additions/ (Deletions) of Units	No.of Units As at 31.03.2008	As at	As at
					31.03.2008 Rs.	31.03.2007 Rs.
J M Basic Fund	10.00	0	241142	241142	75,00,000	0
J M Contra Fund	10.00	0	244499	244499	25,00,000	0
Kotak Opportunities Fund	10.00	0	318273	318273	75,00,000	0
Kotak 30 Equity Scheme	10.00	76777	125992/(76777)	125992	50,00,000	29,00,000
Kotak Life style	10.00	0	224534	224534	30,00,000	0
Reliance Vision Fund	10.00	186368	(186368)	0	0	1,00,00,000
Reliance Growth Fund	10.00	179637	41869	221506	1,17,00,000	92,00,000
Reliance Equity Fund	10.00	500000	(500000)	0	0	50,00,000
Reliance Diversified Power Sector Fund	10.00	186783	231426/(107651)	310558	1,25,00,000	50,00,000
Reliance Equity Opportunities Fund	10.00	234825	(234825)	0	0	50,00,000
ICICI Prudential Discovery Fund	10.00	118259	(118259)	0	0	25,00,000
ICICI Prudential Emerging Star Fund	10.00	76017	98776/(76017)	98776	25,00,000	20,00,000
ICICI Prudential Infrastructure Fund	10.00	412171	523946/(244499)	691617	1,50,00,000	50,00,000
ICICI Prudential Dynamic Fund	10.00	333570	(333570)	0	0	60,00,000
ICICI Prudential Services Industries Fund	10.00	562055	(396382)	165673	25,00,000	75,00,000
ICICI Prudential Power Fund	10.00	198255	(198255)	0	0	40,00,000
Principle Resurgent India Equity Fund	10.00	98814	(98814)	0	0	20,00,000
Sundaram BNP Paribas Select Midcap Fund	10.00	325751	(191835)	133916	20,00,000	60,00,000
S B I Magnum Equity Fund	10.00	84260	58018	142278	50,00,000	25,00,000
SBI MSFU-Contral Fund Growth	10.00	133561	67024/(78575)	122009	35,00,000	30,00,000
S B I Magnum Multicap Fund	10.00	321065	(321065)	0	0	40,00,000
S B I Magnum Global Fund	10.00	271727	(271727)	0	0	70,00,000
Sundaram BNP Paribas Select Focus Fund	10.00	152847	228513/(152847)	228513	50,00,000	25,00,000
Standard Chartered Premier Equity Fund	10.00	0	128106	128106	25,00,000	0
Sundaram BNP Paribas Growth Fund	10.00	0	104721	104721	25,00,000	0
Sundaram BNP Paribas India LeaderShip Fund	10.00	0	114776	114776	25,00,000	0
Sundaram BNP Paribas Capex Opportunities Fund	10.00	0	204448	204448	50,00,000	0
Sundaram BNP Paribas SMILE Fund	10.00	0	103119	103119	25,00,000	0
S B I Magnum Midcap Fund	10.00	0	75188	75188	25,00,000	0
Sundaram BNP Paribas Energy Opportunites Fund	10.00	0	250000	250000	25,00,000	0
Tata Infrastructure Fund	10.00	236852	101491	338342	75,00,000	50,00,000
U T I Infrastructure Fund	10.00	458963	(150213)	308750	60,00,000	85,00,000
UTI Growth Sector Fund Services (Income-payout)	10.00	65998	(65998)	0	0	25,00,000
U T I Banking Sector Fund	10.00	0	128139	128139	25,00,000	0
U T I Infrastructure Advantage Fund Series 1	10.00	0	250000	250000	25,00,000	0
GRAND TOTAL:					18,97,00,000	15,21,00,000
					24,93,86,199	20,35,96,469

BOUGHT AND SOLD DURING THE YEAR :

Description	BOUGHT		SOLD	
	No. Of Units	Cost (Rupees)	No. Of Units	Cost (Rupees)
1. HSBC Liquid Plus-Regular Weekly Dividend	200758	20,16,559	200758	20,15,384
2. Reliance Liquid Fund - Treasury Plan Retail option-weekly Div.Option.	193938	20,07,237	193938	20,06,855

Note:

(a) During the year the Company issued Bonus shares in the ratio of 1:1

(b) During the year the Company issued Bonus shares in the ratio of 1:1

(c) 50 shares are not in the possession of the Company

(d) During the year the Company issued Bonus shares in the ratio of 1:1

(e) Due to Composite Scheme of Arrangement during the year, Teledata Informatics Limited issued shares 10,000 each of Teledata Marine solutions Limited and Teledata Technology solutions Limited with face value of Rs. 2/- each in the ratio of 2:1 and the face value of the shares has been reduced to Rs.2/- each.

(f) Lodged with Sales Tax Department as Security deposit.
* Ceased to be a Subsidiary Company during the year



	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
E CASH AND BANK BALANCES:		
Cash in hand	17,031	9,181
Cash with Scheduled Banks in:		
Current Accounts	1,64,94,412	70,90,689
Fixed Deposits	1,00,000	0
TOTAL	1,66,11,443	70,99,870
F OTHER CURRENT ASSETS:		
Other Receivables	35,71,995	0
Rent Receivable	2,68,552	91,697
Prepaid Expenses	2,02,185	1,71,033
Deposits Recoverable	1,02,293	1,01,993
Sales Tax Refund Receivable	9,77,525	9,77,525
TOTAL	51,22,550	13,42,248
G LOANS AND ADVANCES:		
(Unsecured, considered good, recoverable in cash or in kind or for value to be received)		
Sundry Advances	29,477	691
Other Loans	1,57,500	1,57,500
Advance Income Tax and TDS	1,39,96,252	1,02,29,758
MAT Credit entitlement	65,00,000	30,00,000
TOTAL	2,06,83,229	1,33,87,949
H CURRENT LIABILITIES:		
Sundry Creditors (other than dues to Micro Enterprises and Small Enterprises)	4,42,624	2,82,883
Other Liabilities	16,00,121	13,16,676
Unpaid Dividends *	42,98,310	35,36,106
TOTAL	63,41,055	51,35,665
I PROVISIONS:		
Provision for Dividend	78,75,000	78,75,000
Provision for Corporate Dividend Tax	13,38,356	13,38,356
Provision for Taxation	65,00,000	46,69,049
Provision for Fringe Benefit Tax	1,37,000	1,50,000
TOTAL	1,58,50,356	1,40,32,405

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



	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
J STAFF COST:		
Salaries, Wages and Bonus	33,88,383	19,71,787
Contribution to Provident and Other Funds	4,85,141	4,08,567
Staff Welfare Expenses	1,37,035	1,29,107
TOTAL	40,10,559	25,09,461
K OTHER EXPENSES:		
Power and Fuel	56,292	57,222
Printing and Stationery	78,900	64,759
Postage, Telephone and Telex	1,11,320	1,36,115
Rent	2,79,972	2,79,972
Rates and Taxes	2,65,004	2,18,524
Insurance	35,447	46,198
Travelling and Conveyance	98,952	1,37,978
Vehicle Maintenance	99,502	95,497
Directors Sitting Fees	30,000	36,000
Legal and Professional Charges	53,112	19,502
Remuneration to Auditors		
as auditors	25,281	25,281
for Tax Representation	17,500	25,000
for certification	12,366	15,152
for tax audit	5,612	0
Advertisement and Business Promotion Expenses	31,680	30,545
Repairs and Maintenance to:		
Rented Buildings	2,78,607	2,65,239
Own Buildings	2,02,796	47,820
Other Assets	12,463	25,371
Miscellaneous Expenses	3,01,141	1,54,589
Loss on Sale of Assets	0	1,044
TOTAL	19,95,947	16,81,808



SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2008			(Rs. in lakhs)
Sl. No.	PARTICULARS	Amount outstanding	Amount overdue
LIABILITIES SIDE:			
(1)	LOANS AND ADVANCES AVAILED BY THE NBFCs INCLUSIVE OF INTEREST ACCRUED THEREON BUT NOT PAID		
	(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 INCLUDED IN (4) BELOW]:		
	(a) Secured	-	
	(b) Unsecured	1.57	
(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)	-	
	2. Unquoted:		
	(i) Shares:		
	(a) Equity	-	
	(b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government Securities	-	
	(v) Others (please specify)	-	
	Long Term Investments:		
	1. Quoted:		
	(i) Shares:		
	(a) Equity	588.76	
	(b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	1,897.00	
	(iv) Government Securities	-	
	(v) Others (please specify)	-	
	2. Unquoted:		
	(i) Shares:		
	(a) Equity	8.05	
	(b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government Securities	0.05	
	(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	-	1.57	1.57
Total		1.57	1.57

(7) INVESTOR GROUP - WISE CLASSIFICATION OF ALL INVESTMENTS (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	2,336.25	2,074.71
Total	2,336.25	2,074.71

(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

R. SURENDER REDDY
DIRECTOR

Place : Hyderabad
Date : 29th July, 2008

K.HARISHCHANDRA PRASAD
MANAGING DIRECTOR



L. SIGNIFICANT ACCOUNTING POLICIES:

- a) Financial Statements are based on historical costs.
- b) The preparation of financial statements requires the management of the Company to make certain estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Example of such estimates includes provision for doubtful debts, employee retirement benefits and provision for taxes etc.. Any revision to such estimate is recognised prospectively in the year in which they are revised.
- c) Fixed Assets are stated at cost net of depreciation provided.
- d) Long Term Investments are carried at cost. Provision for diminution, if any, in the opinion of the Board, in the value of each long-term investment is made to recognise a decline, other than of a temporary nature.
- e) Stock in trade is valued at lower of cost or realisable value.
- f) The following are accounted for on receipt basis:
 - i) Additional Finance Charges on over dues.
 - ii) Dividend Income.
- g) Employee benefits:
 - i) Short term benefits are recognised as an expense at the undiscounted amount in the Profit and Loss of the year in which the related service is rendered.
 - ii) Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered service. The expense is recognised at the present value of the amount payable determined on the basis of actuarial valuation. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.
- h) Depreciation on Fixed Assets is provided as follows:
 - i) Depreciation on Plant & Machinery not related to leases is provided on straight-line method, in accordance with schedule xiv to the Companies Act, 1956.
 - ii) The Assets given on lease are written off during the primary lease period taking the month as a unit.
- i) Dividend as recommended by the Board of Directors is provided for in the accounts pending shareholders approval.
- j) Deferred tax asset and liability is calculated by applying the tax rate and tax laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

L. NOTES ON ACCOUNTS:

- 1. Contingent Liability not provided for on account of Demand from Sales Tax Department disputed and pending in appeal to the extent of Rs.1,61,394 (previous year Rs.1,61,394)
- 2. Plant and Machinery given on lease includes Equipment costing Rs.45.21 Lakhs (previous year Rs.129.00 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.
- 3. In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.
- 4. 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.
- 5. Disclosure of Sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, small and medium Enterprises Development Act, 2006." During the year the Company has paid no interest in terms of section 16 of the said Act.
- 6. Profit on Sale of Investments credited to Profit and Loss account consists of the following.

	Current Year Rs.	Previous Year Rs.
Long Term : Gain	4,04,33,936	3,50,58,885
: Loss	(98,27,439)	(53,23,198)
a) Net Long Term Gain/(Loss)	3,06,06,497	2,97,35,687
Short Term : Gain	0	4,811
: Loss	(3,94,416)	(14,31,577)
b) Net Short Term Gain/(Loss)	(3,94,416)	(14,26,766)
Net Profit (a + b)	3,02,12,081	2,83,08,921

7. INVESTMENTS:

- a) 250 Equity shares of AP Mahesh Co-operative Urban Bank Limited costing Rs. 5000/- are held in the name of Sri. K. Harishchandra Prasad, Managing Director of the Company.
- b) 700 Equity Shares of L-Pack Polymers Ltd., are held in the name of Nominees.
- 8. Balances under receivables and payables are subject to confirmation.
- 9. Managerial Remuneration included in the other heads of account (Minimum remuneration as per Schedule XIII to the Companies Act, 1956)

	Current Year Rs.	Previous Year Rs.
Managing Director salary	25,20,000	14,14,194
Cost of Perquisites and Contributions	5,24,680	4,29,224
Total:	30,44,680	18,43,418

- 10. The following are the details of the transactions with related parties as required to be disclosed as per the Accounting Standard 18:



(a) Nature of Transaction Key Management Personnel		
	Current	Previous
	Year	Year
	Rs.	Rs.
Remuneration	30,44,680	18,43,418

(b) Name of related party and description of relationship:
Key Management Personnel K. Harishchandra Prasad, M.D.

(c) Due from/ (Due to) related party : Current		
	Year	Previous
	Rs.	Rs.
K. Harishchandra Prasad Managing Director	(5,514)	(5,058)

11. Particulars of earning per share:		
	Current	Previous
	Year	Year
	(Rs)	(Rs)
Net Profit for the year attributable to equity share holders	3,21,26,593	5,71,10,902
Number of Equity Shares	22,50,000	22,50,000
Nominal value of the Shares	10	10
Earning per share (Basic/ Diluted)	14.28	25.38

12. In terms of Accounting Standard 22, "Accounting for taxes on income" (AS 22) issued by the Institute of Chartered Accountants of India, the Company has accounted for deferred taxes during the year. The following are the major components of deferred tax assets/(liabilities).

Particulars	Current	Previous
	Year	Year
	Rs.	Rs.
Differences between book and tax depreciation	(1,20,703)	(1,78,510)
Provision for other expenses	1,08,591	21,792
Total	<u>(12,112)</u>	<u>(1,56,718)</u>

13. The following are the details of amount recognised in the financial statement in respect of employee benefit as required by AS 15 (revised).

PARTICULARS	Gratuity
	Amount/Rs.
a) Reconciliation of obligation and fare value of assets:	
Present Value of Obligation	5,92,444
Fare value of plan assets	8,39,394
Amount recognised in Balance Sheet as provision	0
b) Changes in the present value of Obligation representing reconciliation of opening and closing balance:	
Present value of Obligation as at the beginning of the year	5,55,297
Current service cost	75,350
Interest cost	44,424
Benefits Paid	(81,000)
Actuarial Gain on Obligation	(1,627)
Present value of Obligation as at the end of the year	5,92,444

C) Reconciliation of opening and closing balance of fare value of assets:

Fare value of plan assets at the beginning of the year	8,45,371
Contributions	0
Actuarial gain on plans assets	6,865
Benefits Paid	(81,000)
Expected Return	68,158
Fare value of plan assets at the end of the year	8,39,394

d) Principal actuarial assumptions at the Balance Sheet date are as follows:

Mortality Table (LIC)	1994-96
Discount rate per annum	8.00%
Rate of escalation in Salary (per annum)	4.00%
Attrition Rate	1.00%
Retirement age	58 years

The estimates of rate of escalation in salary considered in actuarial valuation is estimated taking into account inflation, seniority, promotion and other relevant factors.

The above information is certified by the actuary.

This being the first year of implementation of revised AS-15, previous year figures have not been given.

14. The Company's operations predominantly relate to only one Segment i.e., Investment in Mutual Funds and Equity Shares. Hence, there are no other reportable segments as per Accounting Standard (AS 17) issued by the Institute of Chartered Accountants of India.

15. 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 loss has been recognized during the year.

16. The other particulars as required under Part-II, Schedule VI to the Companies Act, 1956 are not given, as they are not applicable to the Company for the time being.

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

18. The Statement on significant accounting policies forms an integral part of financial statements.

Signature to Schedules A to L For and on behalf of the Board	Per our Report of even date For M. Anandam & Co., Chartered Accountants
---	--

R. Surender Reddy Director	M.V. Ranganath Partner
--------------------------------------	----------------------------------

K. Harishchandra Prasad Managing Director	For Brahmayya & Co., Chartered Accountants
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Place: Hyderabad, Date : 29 th July, 2008	P. Chandramouli Partner.
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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Company Identification No. (CIN): L65920AP1923PLC000044
Balance Sheet 31032008 State Code 01
Date Month Year

II CAPITAL RAISED DURING THE YEAR (Amount in Rs.thousands)

Public Issue Rights Issue
Bonus Issue Private Placement

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.thousands)

Total Liabilities Total Assets
SOURCES OF FUNDS
Paid-up Capital Reserves & Surplus
Secured Loans Unsecured Loans
APPLICATION OF FUNDS
Net Fixed Assets Investments
Net Current Assets Miscellaneous Expenditure
Accumulated Losses

IV PERFORMANCE OF THE COMPANY (Amount in Rs.Thousands)

Turnover Total Expenditure
Profit before Tax Profit after Tax
Earning per share (Rs.) Dividend Rate (%)

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)

Product Description Item Code
1. LEASING NIL
2. INVESTMENTS NIL
3. INTERCORPORATED EPCISITS NIL

R. SURENDER REDDY
Director
Place : Hyderabad
Date : 29th July, 2008

K.HARISHCHANDRA PRASAD
Manaing Director



Folio No:.....

No.of Shares:.....

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 :

Three empty boxes for date of birth

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

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.....
Name :.....
Address:.....
Date :.....

2) Signature.....
Name :.....
Address:.....
Date :.....

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

Name, Address & Signature of Two Witnesses:

Name and Address Signature with date

1.
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.

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, the 22nd September, 2008 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- 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, the 22nd September, 2008 at 9.30 a.m. and any adjournment thereon.

Signed this _____ day of _____ 2008.

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 _____



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LTD.

ANNUAL REPORT 2007 -2008

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 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.)
Phone No. : 040-27760301, 27767794
Fax : 040-27767793
E-mail: lakshmi_lfic@yahoo.com

EIGHTY FOURTH ANNUAL REPORT
2007-2008



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LTD.

ANNUAL REPORT 2007 -2008

EIGHTY FOURTH ANNUAL REPORT

Day: Monday

Date: 22nd September 2008

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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Lakshmi

FINANCE & INDUSTRIAL CORPORATION LTD.

Registered Office :

1st Floor, 'Suryodaya', 1-10-60/3,

Begumpet, Hyderabad - 500 016.

Email : lakshmi_lfic@yahoo.com

Phone : 040-27760301 Fax : 040-27767793