

EIGHTY SEVENTH  
87  
ANNUAL REPORT 2010-2011



*Lakshmi*

FINANCE & INDUSTRIAL CORPORATION LIMITED



*Lakshmi*

FINANCE & INDUSTRIAL CORPORATION LIMITED

ANNUAL REPORT 2010-2011

## ***EIGHTY SEVENTH ANNUAL GENERAL MEETING***

**Day:** Saturday

**Date:** 6th August 2011

**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 SEVENTH ANNUAL REPORT 2010-2011**



*Lakshmi*

**FINANCE & INDUSTRIAL CORPORATION LIMITED**

**ANNUAL REPORT 2010-2011**

**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 PVT. 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



## NOTICE

Notice is hereby given that the 87th Annual General Meeting of the members of **LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED** will be held on Saturday the 6th August, 2011 at 9.30.A.M. at "Triveni Banquet Hall" Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, (Lane Opp. to Allaaddin Building), Begumpet, Hyderabad - 500 016 to transact the following business.

### ORDINARY BUSINESS:

- To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 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.
  - To declare a Dividend on Equity Shares for the year ended 31st March, 2011.
  - To appoint a Director in place of Shri. M.Ranganath Sai who retires by rotation and being eligible, offers himself for re-appointment.
  - 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 : 28.05.2011
- 
- ### NOTES:
- 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.**
  - 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 04th August, 2011 to 06 August, 2011 (both days inclusive) for the purpose of the Annual General Meeting of the Company and Dividend declaration.
  - 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 03rd August, 2011.
  - 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 Shares 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, 2nd Floor, Kendriya Sadan,Koti,Hyderabad- 500 095.
  - 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 2002-03 has been transferred to the said fund on 30.10.2010 upon expiry of 7 years period. Unclaimed dividend for the year 2003-2004 is due for transfer to IEPF on or before 28.08.2011. Those members who have not encashed their dividend warrants(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 <b>IEP</b> Fund
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
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

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.

By Order of the Board

**For Lakshmi Finance & Industrial Corporation Limited**

Sd/-

**K.HARISHCHANDRA PRASAD  
MANAGING DIRECTOR**

Place: Hyderabad

Date : 28.05.2011

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

Sri M.Ranganath Sai aged about 77 years has been associated with the Company since June 27th 1985. He is associated with Public Limited Company as per details given below:

#### **Name of the Company in which he is a Director:**

The East Coast Food Products Limited Director

Sri. M.Ranganath Sai was holding 4820 shares in the Company as on March 31, 2011.



## DIRECTORS' REPORT

TO  
THE MEMBERS,

Your Directors have the pleasure in presenting this 87th Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2011.

### SUMMARY OF FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	2010-2011	2009-2010
Gross Income	<b>516.63</b>	1,153.44
Gross Profit	<b>441.09</b>	671.93
Less : Interest	<b>0.15</b>	0.01
: Depreciation	<b>7.42</b>	6.28
: Diminution in the value of Investments	<b>71.91</b>	-
Profit for the year before taxation	<b>361.61</b>	665.64
<b>Provision for Taxation:</b>		
Current Tax	<b>20.00</b>	-
Deferred Tax	<b>(0.22)</b>	(0.45)
MAT Credit entitlement	-	65.00
Profit after tax	<b>341.83</b>	601.09
Prior year taxes	<b>(4.31)</b>	(2.44)
Profit brought forward	<b>600.92</b>	324.78
Profit available for appropriation	<b>947.06</b>	928.31
<b>Appropriations:</b>		
Proposed Dividend	<b>75.00</b>	75.00
Dividend Tax	<b>12.17</b>	12.46
Transfer to Reserve Fund	<b>70.59</b>	125.00
Transfer to General Reserve	<b>50.00</b>	114.93
Balance carried over to Balance Sheet	<b>739.30</b>	600.92

### OPERATIONAL PERFORMANCE:

During the year under review, the Company's Gross income during the year reduced to Rs.516.63 lakhs as against Rs.1153.44 lakhs in the previous year. After providing diminution in the value of Investments amounting to Rs.71.91 lakhs, the Company achieved Profit after taxation of Rs. 341.83 lakhs. The performance during the previous year ended 31.03.2010 was higher mainly on account of favourable stock market conditions i.e., BSE Sensex moved from 9,708 (31.03.2009) to 17,528 (31.03.2010), an increase of 90%. The Company's Gross Income reduced during the year ended 31.03.2011 was on account of the Sensex hovering at 19,445 as on 31.03.2011 and the increase in growth rate being only around 9% compared to 90% in previous year. Accordingly the Company revenues for F.Y. 2010-2011 reflected the market conditions. The rental incomes have been on expected basis and Company was successful in recovering Rs.2.00 lakhs of Bad Debts. The Company expects the Capital Market conditions to improve in the coming year and hopes that Company's performance will lead to improved results.

### DIVIDEND:

Your Directors take the pleasure in recommending a dividend at the rate of 25% (i.e., Rs.2.50 per Equity Share of Rs.10/- each) for the financial year 2010-11. The proposed dividend, if approved at the 87th Annual General Meeting by the members, will be paid to all those equity shareholders whose names appear in the register of members as on 3rd August, 2011 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. 87.17 lakhs including tax on Dividend.

### 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, 2011. 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, 2011 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.



## CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement, your Company has to comply 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 2011-12 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 850E01012'** 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 2011, 19.39% 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, 2011.

## 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

Sd/-

**M. RANGANATH SAI**

Director

Sd/-

**K. HARISHCHANDRA PRASAD**

Managing Director

Place: Hyderabad  
Date: 28th May 2011



## 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 20.09.2010	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	5	5	Yes	8	Nil	3	3
Sri Kapil Bhatia	Independent Director	5	3	No	2	18	2	Nil
Sri M.Ranganath Sai	Independent Director	5	5	Yes	1	Nil	Nil	Nil
Sri K.Harishchandra Prasad	Managing Director/ Promoter	5	5	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, 2011.

### B. Board Meetings held during the year 2010-11 :

During the Financial Year 2010-11, five Board Meetings were held on 17.04.2010, 03.08.2010, 20.09.2010, 30.10.2010 and 29.01.2011.

The details of shares held by Directors as on 31-03-2011 are given below:

Name of Director	Number of Shares
Sri R.Surender Reddy	<b>6140</b>
Sri Kapil Bhatia	<b>740</b>
Sri M.Ranganath Sai	<b>4820</b>
Sri K.Harishchandra Prasad	<b>90000</b>

### 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, 2011, Four Audit Committee Meetings were held on 17th April 2010, 03rd August 2010, 30th October 2010 and 29th January, 2011 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	3

**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 proposal for managerial remuneration payable to the Directors and the Committee has not met during the financial year 2010-2011.

**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 2011 to the Directors are furnished hereunder:

Name	Designation	Salary (Rs.)	Perquisites (Rs.)	Contribution to Various Funds (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Sri K.Harishchandra Prasad	Managing Director	32,40,000	1,62,411	5,40,000	----	<b>39,42,411</b>
Sri M.Ranganath Sai	Director	----	----	----	12,500	<b>12,500</b>
Sri R.Surender Reddy	Director	----	----	----	12,500	<b>12,500</b>
Sri Kapil Bhatia	Director	---	----	----	7,500	<b>7,500</b>

**5. Shareholders/Investors Grievance Committee:**

- a) 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.
- b) The total number of complaints received and replied to the satisfaction of shareholders during the year under review were 154. No request for transfer is pending as on 31.03.2011.
- c) 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
2008 84 <sup>th</sup> AGM	“Triveni Banquet Hall”, Kamat Lingapur Hotel, 1-10-44/2, Begumpet Hyderabad-16.	22.09.2008	9.30A.M
2009 85 <sup>th</sup> AGM	“Triveni Banquet Hall”, Kamat Lingapur Hotel, 1-10-44/2, Begumpet Hyderabad-16.	17.09.2009	10.00A.M
2010 86 <sup>th</sup> AGM	“Triveni Banquet Hall”, Kamat Lingapur Hotel, 1-10-44/2, Begumpet Hyderabad-16.	20.09.2010	9.30A.M

- b). Details of the special resolutions passed in the previous 3 AGMs :

YEAR	Details of Special Resolution
2007-2008 84 <sup>th</sup> AGM	Bonus Issue 1: 3 (Equity Shares)
2008-2009 85 <sup>th</sup> AGM	Nil
2009-2010 86 <sup>th</sup> AGM	1). Reappointment of Managing Director 2).Remuneration to Non-Executive Directors

**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 authority, 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) **Secretarial Audit.**  
A qualified practicing Company Secretary carried out a 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	: 06th August,2011
Time	: 9.30 A.M
Venue	: “ Triveni Banquet Hall”,Kamat Lingapur Hotel,” 1-10-44/2,Begumpet Hyderabad-16.
Financial Year	: 2010-2011
Book Closure date	: 04.08.2011 to 06.08.2011 ( Inclusive of both days)
Rate of Dividend recommended	: 25% ( Rs.2.50ps. 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 )	:	<b>INE 850 EO 1012</b>
Listing fee	:	Paid to the Madras Stock Exchange for the Year 2011-12.
Registrar & Transfer Agents	:	<b>Venture Capital &amp; Corporate Investments Pvt. Ltd</b> 12-10-167, Bharat Nagar, Hyderabad –500 018 Tel Nos: 040-23818475/23818476 &23868023 Fax No: 040-23868024 E-mail:info@vccilindia.com

### 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 de-mat request for 5,81,758 Shares (NSDL+ CDSL) during the period from 01st January 2002 to 31st March, 2011.

The Total percentage of the Shares of the Company in Dematerialized form, as on 31st March, 2011 is 19.39 %

### Share Transfer System:

The Company has appointed M/s.Venture Capital & 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 share certificates etc., should be addressed to: **M/s. Venture Capital & Corporate Investments 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:

### 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

### 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 109A of the Companies Act, 1956, are requested to submit to the Company Share Transfer Agents M/s. Venture Capital & 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 NSDL and CDSL.

**Shareholding Pattern as on 31st March, 2011:**

CATEGORY	No. of Shares	Percentage
Promoters & Associates	14,14,322	47.14
UTI/ Mutual Funds	7,758	0.26
Financial Institutions/Banks	900	0.03
Bodies Corporate	29,625	0.99
NRI	1,350	0.05
Public	15,46,045	51.53
<b>Total</b>	<b>30,00,000</b>	<b>100.00</b>

**Distribution of Shareholding as on 31st March, 2011:**

Shareholding (Range)	No. of Shareholders	% of holders	No. of Shares	% of Shares
Upto - 500	3078	80.24	5,65,445	18.84
501 - 1000	466	12.14	3,29,005	10.96
1001 - 2000	174	4.53	2,49,468	8.31
2001 - 3000	54	1.40	1,45,956	4.86
3001 - 4000	18	0.46	63,946	2.13
4001 - 5000	11	0.28	48,538	1.61
5001 -10000	14	0.36	95,233	3.17
10001 and above	21	0.54	15,02,409	50.08
<b>Total</b>	<b>3836</b>	<b>100.00</b>	<b>30,00,000</b>	<b>100.00</b>
<b>Demat mode</b>	652	17.00	581758	19.39
<b>Physical mode</b>	3184	83.00	2418242	80.61

**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 2010-2011 were as follows.

Month	High (Rs)	Low (Rs)	Volume
April 2010	-	-	-
May 2010	-	-	-
June 2010	33.00	21.00	708
July 2010	93.90	39.60	30,428
August 2010	63.10	52.60	32,107
September 2010	61.00	48.05	23,669
October 2010	55.00	44.00	23,063
November 2010	80.00	41.50	3,10,495
December 2010	53.95	42.85	9,693
January 2011	49.50	41.00	1,384
February 2011	46.30	37.85	1,734
March 2011	38.50	30.10	4,719



*Lakshmi*

**FINANCE & INDUSTRIAL CORPORATION LIMITED**

**ANNUAL REPORT 2010-2011**

**Note:**

Based on agreement/tie-up between Madras Stock Exchange with National Stock Exchange the Company's 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/-

**M.Ranganath Sai**

Director

Sd/-

**K.Harishchandra Prasad**

Managing Director

Place:Hyderabad

Date: 28.05.2011

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 01.04.2010. All board members and senior management personnel have affirmed compliance with the Code of Conduct.

**for LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED**

Sd/-

**K. HARISHCHANDRA PRASAD**

MANAGING DIRECTOR

Place: Hydrerabad

Date: 28.05.2011



## CERTIFICATE BY CEO/CFO

In relation to the Audited Financial Accounts of the Company as at March 31, 2011, we hereby certify that

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - 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:
- Significant changes in internal control over financial reporting during the year
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 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:28.05.2011

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, 2011, 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  
Firms' Registration Number : 000513S

Sd/-  
**(P. CHANDRAMOULI)**  
Partner  
Membership Number : 25211

Place : Hyderabad.  
Date : 28th May, 2011



## 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, 2011 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, 2011 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2011 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, 2011;
- 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  
Firms' Registration Number: 000125S

Sd/-  
(M.V.RANGANATH)  
Partner  
Membership Number:028031  
Place : Hyderabad  
Date : May 28, 2011

**for BRAHMAYYA & CO**  
Chartered Accountants  
Firms' Registration Number: 000513S

Sd/-  
(P. CHANDRAMOULI)  
Partner  
Membership Number:025211  
Place : Hyderabad  
Date : May 28, 2011

*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, 2011 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. 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 and 1997-98	Sales Tax Appellate Tribunal, Hyderabad

**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

Place : Hyderabad  
Date : May 28, 2011

Place : Hyderabad  
Date : May 28, 2011

**BALANCE SHEET AS AT 31 st MARCH , 2011**

PARTICULARS	SCHEDULE REFERENCE	AS AT	AS AT
		31.03.2011 Rs.	31.03.2010 Rs.
<b>I. SOURCES OF FUNDS</b>			
<b>1. Share holders funds</b>			
a) Share Capital	01	30,000,000	30,000,000
b) Reserves and Surplus	02	259,930,206	234,033,485
		<u>289,930,206</u>	<u>264,033,485</u>
<b>2. Deferred Tax Liability</b>		-	22,148
<b>TOTAL</b>		<u>289,930,206</u>	<u>264,055,633</u>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	03	21,590,994	20,612,107
b) Less: Depreciation		11,621,051	11,438,981
c) Net Block		<u>9,969,943</u>	<u>9,173,126</u>
<b>2. Investments</b>	04	<u>267,101,126</u>	<u>245,618,677</u>
<b>3. Current Assets, Loans and Advances</b>			
a) Cash and Bank balances	05	20,554,895	23,790,910
b) Other Current Assets	06	7,436,938	1,890,985
c) Loans and Advances	07	1,599,168	1,538,395
		<u>29,591,001</u>	<u>27,220,290</u>
<b>Less: Current Liabilities and Provisions</b>	08		
a) Liabilities		7,425,310	8,811,840
b) Provisions		9,306,554	9,144,620
		<u>16,731,864</u>	<u>17,956,460</u>
<b>Net Current Assets</b>		<u>12,859,137</u>	<u>9,263,830</u>
<b>TOTAL</b>		<u>289,930,206</u>	<u>264,055,633</u>

**NOTES ON ACCOUNTS AND ACCOUNTING POLICIES 11**

for and on behalf of the Board

Sd/-

**M. RANGANATH SAI**

Director

Sd/-

**K. HARISHCHANDRA PRASAD**

Managing Director

Place: Hyderabad

Date : 28.05.2011

Per our report of even date

**For M. Anandam & Co.,**

Chartered Accountants

Firms' Registration Number: 000125S

Sd/- **M.V. Ranganath**

Partner

Membership Number: 28031

**for BRAHMAYYA & CO.,**

Chartered Accountants

Firms' Registration Number: 000513S

Sd/- **P. CHANDRAMOULI**

Partner

Membership Number: 25211

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011**

PARTICULARS	SCHEDULE REFERENCE	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
<b>I. INCOME</b>			
Interest earned (Gross)			
on Bank Deposits		269,308	644,690
on Others		159,207	42,164
(T.D.S : Current Year Rs.52,039 Previous Year Rs.60,665)			
Income from non trade Investments : Dividends		33,466,161	33,709,927
Profit on Sale of non trade Investments (Net)		13,352,635	-
Profit on Sale of Fixed Assets		45,546	-
Rents earned		4,168,026	3,290,865
Miscellaneous Receipts		1,942	25,088
Excess Provisions written back		-	20,673
Bad Debts Written Off Recovered		200,000	-
Diminution in the Value of Investments written back		-	77,610,890
<b>TOTAL</b>		<b>51,662,825</b>	<b>115,344,297</b>
<b>II. EXPENDITURE</b>			
Staff Cost	09	5,248,264	6,569,380
Interest (Others)		14,754	1,037
Other Expenses	10	2,305,676	2,094,313
Depreciation	03	741,943	628,274
Loss on Sale of Investments ( Net )		-	39,487,542
Diminution in the Value of Investments		7,191,078	-
<b>TOTAL</b>		<b>15,501,715</b>	<b>48,780,546</b>
<b>III. PROFIT FOR THE YEAR BEFORE TAXATION</b>		<b>36,161,110</b>	<b>66,563,751</b>
Provision for taxation			
Current Tax		2,000,000	-
Deferred Tax		(22,148)	45,539
MAT Credit entitlement		-	(6,500,000)
<b>IV. PROFIT AFTER TAXATION</b>		<b>34,183,258</b>	<b>60,109,290</b>
Add : Excess provision for Income Tax of earlier years		430,713	243,943
: Balance brought forward from last year		60,092,485	32,477,804
<b>V. AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		<b>94,706,456</b>	<b>92,831,037</b>
<b>VI. APPROPRIATIONS</b>			
Reserve Fund		7,059,000	12,500,000
General Reserve		5,000,000	11,492,896
Dividend		7,500,000	7,500,000
Corporate Dividend Tax		1,217,250	1,245,656
Surplus Carried to Balance Sheet		73,930,206	60,092,485
<b>TOTAL</b>		<b>94,706,456</b>	<b>92,831,037</b>
<b>VII. Basic and diluted earnings per share</b>		<b>11.54</b>	<b>20.12</b>
Nominal value per Equity Share		10.00	10.00
<b>NOTES ON ACCOUNTS AND ACCOUNTING POLICIES</b>	<b>11</b>		

for and on behalf of the Board

Sd/-  
M. RANGANATH SAI  
Director

Sd/-  
K. HARISHCHANDRA PRASAD  
Managing Director

Place: Hyderabad  
Date : 28.05.2011

Per our report of even date

For M. Anandam &amp; Co.,

Chartered Accountants

Firms' Registration Number: 000125S

Sd/- M.V. Ranganath

Partner

Membership Number: 28031

for BRAHMAYYA &amp; CO.,

Chartered Accountants

Firms' Registration Number: 000513S

Sd/- P. CHANDRAMOULI

Partner

Membership Number: 25211

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	Year Ended 31.03.2011 Rs.	Year Ended 31.03.2010 Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	36,161,110	66,563,751
<b>Adjustments for:</b>		
Depreciation	741,943	628,274
Loss/(Profit) on Sale of Investments (Net)	(13,352,635)	39,487,542
Profit on Sale of Fixed Assets	(45,546)	-
Interest (Net)	(269,308)	(685,817)
Diminution in the value of Investments (Net)	7,191,078	(77,610,890)
Income From Investments	(33,466,161)	(33,709,927)
Rents Earned	<u>(4,168,026)</u>	<u>(3,290,865)</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(7,207,545)</b>	<b>(8,617,932)</b>
<b>Adjustments for:</b>		
Trade and other receivables	(5,593,488)	8,223,445
Trade and other payables	(2,040,201)	1,638,702
Direct Taxes Paid	<u>(2,875,716)</u>	<u>35,240</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(A) <u>(17,716,950)</u></b>	<b><u>1,279,455</u></b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(1,600,621)	(659,828)
Sale of Fixed Assets	107,407	-
Purchase of Investments	(202,843,404)	(207,142,057)
Sale of Investments	187,522,512	187,662,868
Income received from Investments	33,466,161	33,709,927
Interest received	351,910	604,252
Rents Earned	<u>4,132,959</u>	<u>3,290,865</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(B) <u>21,136,924</u></b>	<b><u>17,466,027</u></b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(6,655,989)	(4,144,135)
Interest paid	-	(1,037)
<b>NET CASH GENERATED IN FINANCING ACTIVITIES</b>	<b>(C) <u>(6,655,989)</u></b>	<b><u>(4,145,172)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C) <u>(3,236,015)</u></b>	<b><u>14,600,310</u></b>
Cash and Cash equivalents as at beginning of the year	<u>23,790,910</u>	<u>9,190,600</u>
Cash and Cash equivalents as at the end of the year	<u><u>20,554,895</u></u>	<u><u>23,790,910</u></u>

for and on behalf of the Board

Sd/-

**M. RANGANATH SAI**  
Director

Sd/-

**K. HARISHCHANDRA PRASAD**  
Managing DirectorPlace: Hyderabad  
Date : 28.05.2011

Per our report of even date

**For M. Anandam & Co.,**

Chartered Accountants

Firms' Registration Number: 000125S

Sd/- **M.V. Ranganath**

Partner

Membership Number: 28031

**for BRAHMAYYA & CO.,**

Chartered Accountants

Firms' Registration Number: 000513S

Sd/- **P. CHANDRAMOULI**

Partner

Membership Number: 25211

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

Sl.No.	PARTICULARS	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
<b>01 SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
	60,00,000 Equity Shares of Rs. 10/- each	<u>60,000,000</u>	<u>60,000,000</u>
	<b>TOTAL</b>	<u><u>60,000,000</u></u>	<u><u>60,000,000</u></u>
<b>ISSUED, SUBSCRIBED AND PAID - UP</b>			
	30,00,000 Equity Shares of Rs. 10/- each Fully paid up:	<b>30,000,000</b>	30,000,000
	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) 20,00,000 Equity Shares of Rs. 10/- each were allotted as fully paid up Bonus Shares by Capitalising General Reserve (Details given below)		
	a) 5,00,000 Bonus Shares were allotted in the year 1990-91 ( 1 : 2 )		
	b) 7,50,000 Bonus Shares were allotted in the year 1995-96 ( 1 : 2 )		
	c) 7,50,000 Bonus Shares were allotted in the year 2008-09 ( 1 : 3 )		
	<b>TOTAL</b>	<u><u>30,000,000</u></u>	<u><u>30,000,000</u></u>
<b>02 RESERVES AND SURPLUS</b>			
	Capital Reserve	<b>50,351,780</b>	50,351,780
	Securities Premium Account	<b>648,220</b>	648,220
	General Reserve :		
	As per Balance Sheet	<b>70,000,000</b>	58,507,104
	Add: Transfer from profit and Loss Account	<u><b>5,000,000</b></u>	<u>11,492,896</u>
		<u><b>75,000,000</b></u>	<u>70,000,000</u>
	Reserve Fund as per RBI guidelines:		
	As per Balance Sheet	<b>52,941,000</b>	40,441,000
	Add: Transfer from profit and Loss Account	<u><b>7,059,000</b></u>	<u>12,500,000</u>
		<u><b>60,000,000</b></u>	<u>52,941,000</u>
	Surplus i.e. Balance in Profit and Loss account	<u><b>73,930,206</b></u>	60,092,485
	<b>TOTAL</b>	<u><u><b>259,930,206</b></u></u>	<u><u>234,033,485</u></u>



**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011**

**3. FIXED ASSETS:**

(amount in rupees)

S.NO	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS AT 31.03.2010	ADDITIONS	DEDUCTIONS	AS AT 31.03.2011	UP TO 31.03.2010	FOR THE YEAR	ON DEDUCTIONS	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
1	Land	1,946,981	-	-	1,946,981	-	-	-	-	1,946,981	1,946,981
2	Buildings	10,452,774	-	-	10,452,774	4,618,687	291,704	-	4,910,391	5,542,383	5,834,087
3	Computers	486,373	58,470	-	544,843	453,720	20,869	-	474,589	70,254	32,653
4	Furniture and Fixtures	406,822	-	-	406,822	389,263	3,178	-	392,441	14,381	17,559
5	Vehicles	1,795,238	1,536,001	621,734	2,709,505	1,441,901	247,006	559,873	1,129,034	1,580,471	353,337
6	Office Equipments	848,492	6,150	-	854,642	245,898	84,016	-	329,914	524,728	602,594
7	Air conditioners and Generator	154,527	-	-	154,527	109,075	6,322	-	115,397	39,130	45,452
8	Plant and Machinery given on Lease	4,520,900	-	-	4,520,900	4,180,437	88,848	-	4,269,285	251,615	340,463
	Total	20,612,107	1,600,621	621,734	21,590,994	11,438,981	741,943	559,873	11,621,051	9,969,943	9,173,126
	<b>Previous Year</b>	<b>19,952,279</b>	<b>659,828</b>	<b>-</b>	<b>20,612,107</b>	<b>10,810,707</b>	<b>628,274</b>	<b>-</b>	<b>11,438,981</b>	<b>9,173,126</b>	<b>9,141,572</b>



**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

S.NO	PARTICULARS	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
<b>04</b>	<b>INVESTMENTS ( LONG TERM ) ( AT COST ) ( NON - TRADE )</b>		
	Equity Shares - (Quoted) (fully paid-up unless otherwise stated) ( A )	41,867,466	29,390,638
	Equity Shares - (Un - Quoted) ( fully paid-up unless otherwise stated) ( B )	798,000	798,000
	Government Securities - (Un - Quoted) ( C )	5,000	5,000
	Mutual Funds - (Un - Quoted) ( D )	233,396,699	217,200,000
		<b>276,067,165</b>	<b>247,393,638</b>
	<b>Less : Diminution in the value of Investments</b>	<b>8,966,039</b>	<b>1,774,961</b>
	Carrying value of Investments	<b>267,101,126</b>	<b>245,618,677</b>
	Aggregate cost of quoted Investments	<b>41,867,466</b>	<b>29,390,638</b>
	Aggregate market value of quoted Investments	<b>43,847,670</b>	<b>36,514,882</b>
	Aggregate cost of unquoted Investments	<b>234,199,699</b>	<b>218,003,000</b>

NAME OF THE COMPANY	F.V. Rs.	No.of Shares as at 31.03.2010	Additions/ (Deletions) of Shares	No.of Shares as at 31.03.2011	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>A. EQUITY SHARES (QUOTED)</b>						
Alembic Limited	2	10,050	5,000	15,050	873,438	554,917
Alok Industries Limited	10	33,200	-	33,200	365,200	365,200
Andhra Bank	10	4,000	3,300	7,300	933,181	409,939
Apollo Tyres Limited	1	12,000	3,500	15,500	890,328	655,037
Ashok Leyland Limited	1	-	20,000	20,000	1,198,430	-
Banco Products (India) Limited	2	7,730	-	7,730	702,563	702,563
Bank of Maharashtra	10	12,500	(12,000)	500	15,038	375,758
Bartronics India Limited	10	6,100	(6,100)	-	-	943,330
Bilcare Limited	10	1,800	200	2,000	1,011,003	910,565
B.N.Rathi Securities Limited	10	18,000	-	18,000	180,369	180,369
Bhagyanagar India Limited	2	68,156	(68,156)	-	-	1,910,473
Bharat Heavy Electricals Limited	10	800	750	1,550	3,566,642	1,852,141
Bharti Airtel Limited	10	1,100	(1,100)	-	-	347,701
Binani Cements Limited	10	4,500	(4,500)	-	-	282,520
Biocon Limited	5	-	1,200	1,200	389,711	-
Cadila Health Care Limited	5	-	1,500	1,500	939,608	-
Canara Bank	10	-	2,200	2,200	1,332,189	-
Ceat Limited	10	5,000	100	5,100	757,668	744,076
City Union Bank Limited	1	12,000	(9,000)	3,000	86,638	346,468
Coromandel International Limited	2	127	(127)	-	-	12,269
Crompton Greaves Limited	2	2,625	-	2,625	631,092	631,092
Elgi Equipments Limited	1	4,000	2,500 (4,500)	2,000	58,713	234,858
Exide Industries Limited	1	-	8,000	8,000	953,382	-
GMR Infrastructure Limited	1	7,400	(7,400)	-	-	489,588
Goa Carbon Limited	10	5,000	(5,000)	-	-	302,735
Graphite India Limited	2	12,500	(12,500)	-	-	457,876
Gujarat Alkalies & Chemicals Limited	10	5,200	(1,000)	4,200	453,501	561,471
Gujarat NRE Coke Limited (a)	10	2,100	1,210	3,310	112,605	55,678
Gujarat State Fertilisers & Chemicals Limited	10	2,300	(2,300)	-	-	405,759



NAME OF THE COMPANY	F.V. Rs.	No. of Shares as at 31.03.2010	Additions/ (Deletions) of Shares	No. of Shares as at 31.03.2011	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
GVK Power & Infrastructure Limited	1	27,500	7,500'(27,500)	7,500	294,495	1,051,804
Hindalco Industries Limited	1	2,000	(2,000)	-	-	113,348
Housing Development Finance Corporation Limited	2	-	1,150	1,150	810,269	-
Hyderabad Industries Limited	10	-	1,773	1,773	1,204,412	-
India Cements Limited	10	1,000	(1,000)	-	-	114,699
IFCI Limited	10	-	25,000	25,000	1,409,620	-
J.B.Chemicals & Pharmaceuticals Limited	2	10,794	9,206'(10,794)	9,206	768,780	468,813
Kirloskar Electricals Limited	10	3,500	-	3,500	300,450	300,450
KNR Constructions Limited	10	6,824	3,000'(2,824)	7,000	845,013	537,090
LIC Housing Finance	2	-	5,500	5,500	1,470,326	-
Madras Cements Limited	1	3,000	(3,000)	-	-	324,153
NCC Limited.	(b) 2	7,500	500'(1,400)	6,600	664,363	725,320
Nava Bharat Ventures Limited	2	7,400	(1,500)	5,900	1,244,879	1,561,364
NCL Industries Limited	10	11,869	-	11,869	354,981	354,981
Nectar Life Sciences Limited	1	12,000	-	12,000	471,825	471,825
Pennar Industries Limited	5	31,200	17,800	49,000	1,718,174	864,425
Power Grid Corporation of India Limited	10	4,500	-	4,500	518,787	518,787
Praj Industries Limited	2	8,765	(8,765)	-	-	908,766
REI Agro Limited	1	10,500	25,500	36,000	1,002,180	468,376
Reliance Industries Limited	10	3,250	-	3,250	2,922,664	2,922,664
Riddi Siddhi Gluco Biols Limited	10	-	1,200	1,200	572,153	-
State Bank of India	10	-	400	400	1,095,735	-
Sterlite Technologies Limited	2	-	6,500	6,500	634,141	-
Suraj Diamonds And Jewellery Limited	10	21,130	(3,000)	18,130	1,004,499	1,170,699
Surya Pharmaceuticals Limited	(c) 10	10,000	1,700'(2,500)	9,200	-	1,053,373
Surya Pharmaceuticals Limited	(c) 1	-	93,000	93,000	1,072,056	-
Tata Consultancy Services Limited	1	-	800	800	758,096	-
Tata Steel Limited	10	-	985	985	600,345	-
Techtran Polylenes Limited	10	-	32,500	32,500	639,157	-
Tele data marine solutions Limited	10	10,000	-	10,000	167,455	167,455
UCO Bank	10	-	8,000'(5000)	3,000	214,291	-
Ucal Fuel Systems	10	-	7,075	7,075	478,761	-
Uflex Limited	10	-	10,000	10,000	1,567,496	-
Visaka Industries Limited	10	11,368	1,400'(3,343)	9,425	898,198	949,717
Wipro Limited	2	-	1,700	1,700	712,566	-
Zenotech Laboratories Limited	10	2,981	(2,981)	-	-	264,288
3I Infotech Limited	10	4,000	(4,000)	-	-	345,858
<b>TOTAL</b>					<b>41,867,466</b>	<b>29,390,638</b>
<b>B. EQUITY SHARES - (UN QUOTED)</b>						
A.P.Mahesh Co-Operative Urban Bank Limited	20	250	-	250	5,000	5,000
L-PACK Polymers Limited	10	79,300	-	79,300	793,000	793,000
<b>TOTAL</b>					<b>798,000</b>	<b>798,000</b>
<b>C. GOVERNMENT SECURITIES - (UN QUOTED)</b>						
7 Year National Savings Certificate 2nd Issue (d)					5,000	5,000
<b>TOTAL</b>					<b>5,000</b>	<b>5,000</b>



NAME OF THE FUND	No. of Units As at 31.03.2010	Additions/ (Deletions) of Units	No. of Units As at 31.03.2011	As at 31.03.2011 Rs.	As at 31.03.2010 Rs
	<b>D. MUTUAL FUNDS (UN QUOTED)</b>				
<i>EQUITY ORIENTED FUNDS: (DIVIDEND PAYOUT)</i>					
Bharti Axa Equity Fund - Regular Plan	324,725	(324,725)	-	-	5,000,000
Birla Sunlife Basic Industries Fund	166,774	(166,774)	-	-	5,000,000
Birla Sunlife Buy India Fund	-	90,155	90,155	2,500,000	-
Birla Sunlife Dividend Yield Plus	386,366	4,76,575(386,366)	476,575	7,500,000	5,000,000
Birla Sunlife '95 Fund	22,110	19,852	41,962	5,000,000	2,500,000
Birla Sun Life Equity Fund	66,254	(66,254)	-	-	5,000,000
Birla Sun Life Front Line Equity Fund Plan A	574,680	1,15,473(574,680)	115,473	2,500,000	12,500,000
Birla Sun Life India Gennext Fund	-	339,915	339,915	5,000,000	-
Birla Sun Life Midcap Fund Plan A	96,080	96,117	192,197	5,000,000	2,500,000
Birla Sun Life MNC Fund	-	28,922	28,922	2,500,000	-
Canara Robeco Balance Fund	46,790	-	46,790	2,500,000	2,500,000
Canara Robeco Infrastructure	167,925	(167,925)	-	-	2,500,000
Canara Robeco Force Fund	-	175,932	175,932	2,500,000	-
Canara Robeco Equity Diversified	206,878	(105,086)	101,792	2,500,000	5,000,000
DSP Block Rock Equity Fund - Regular Plan	-	50,204	50,204	2,500,000	-
DSP Block Rock Opportunities Fund	-	89,983	89,983	2,500,000	-
Fidelity Equity Fund	-	111,478	111,478	2,500,000	-
FT India Balanced Fund	118,826	1,13,888(118,826)	113,888	2,500,000	2,500,000
Franklin India Blue Chip Fund	-	58,255	58,255	2,500,000	-
Franklin India Flexi Cap Fund	149,080	-	149,080	2,500,000	2,500,000
Franklin India Prima Fund	64,549	1,03,320(64,549)	103,320	5,000,000	2,500,000
Franklin India Prima Plus	79,750	-	79,750	2,500,000	2,500,000
Templeton India Equity Income Fund	-	307,390	307,390	5,000,000	-
Templeton India Growth Fund	48,784	40,605(48,784)	40,605	2,500,000	2,500,000
HDFC Balanced Fund	123,854	120,279	244,133	5,000,000	2,500,000
HDFC Capital Builder Fund	104,084	92,989	197,073	5,202,156	2,500,000
HDFC Core & Satellite Fund	108,804	207,773	316,578	7,500,000	2,500,000
HDFC Equity Fund	108,290	98,803	207,093	10,194,543	5,000,000
HDFC Premier Multicap Fund	149,316	165,071	314,387	5,000,000	2,500,000
HDFC Prudence Fund	169,608	1,52,853(89,567)	232,894	7,500,000	5,000,000
HDFC TOP 200 FUND	256,145	97,450(202,189)	151,406	7,500,000	9,500,000
ICICI Prudential Discovery Fund	263,919	3,67,818(263,919)	367,818	7,500,000	4,500,000
ICICI Prudential Dynamic Plan	-	266,334	266,334	5,000,000	-
ICICI Prudential Focused Blue Chip Equity Fund	-	305,157	305,157	5,000,000	-
IDFC Imperial Equity Fund - Plan A	104,487	(104,487)	-	-	1,500,000
IDFC Premier Equity Fund - Plan A	220,803	(114,271)	106,532	2,500,000	5,000,000
IDFC Small & Midcap Equity Fund	185,224	1,59,435(185,224)	159,435	2,500,000	2,500,000
Kotak Contra Scheme Fund	-	131,144	131,144	2,500,000	-
Principal Emerging Bluechip Fund	341,908	89,831(341,908)	89,831	2,500,000	7,000,000
Principal Large Cap Fund	277,782	1,24,254(277,782)	124,254	2,500,000	5,000,000
Reliance Banking Fund	91,560	1,05,916(91,560)	105,916	5,000,000	2,500,000
Reliance Equity Opportunities Fund	-	312,240	312,240	7,500,000	-
Reliance Growth Fund - Retail Plan	144,999	(144,999)	-	-	8,200,000
Reliance Diversified Power Sector Fund - Retail Plan	271,110	(271,110)	-	-	12,500,000
Reliance Pharma Fund	-	128,382	128,382	5,000,000	-
Reliance Regular Savings Balanced Plan	147,330	1,66,322(147,330)	166,322	2,500,000	2,500,000
Reliance Regular Savings Equity Plan	108,006	(108,006)	-	-	2,500,000



NAME OF THE FUND	No. of Units As at 31.03.2010	Additions/ (Deletions) of Units	No. of Units As at 31.03.2011	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
	Religare Contra Fund	374,915	(374,915)	-	-
Religare Midcap Fund	-	160,565	160,565	2,500,000	-
SBI Magnum Balanced Fund	83,306	(83,306)	-	-	2,500,000
SBI Magnum Comma Fund	131,234	(131,234)	-	-	2,500,000
SBI Magnum Equity Fund	146,307	-	146,307	5,000,000	5,000,000
SBI Magnum Global Fund	76,593	(76,593)	-	-	2,500,000
SBI Magnum Multiplier Plus Scheme 93	87,367	38,947(87,367)	38,947	2,500,000	5,000,000
SBI MSFU Contra	100,766	94,127(100,766)	94,127	2,500,000	2,500,000
Sundaram Balanced Fund	161,161	(161,161)	-	-	2,500,000
Sundaram Capex Oportunities	164,008	(164,008)	-	-	2,500,000
Sundaram Financial Services Opportunities Fund	-	159,825	159,825	2,500,000	-
Sundaram Select Focus	-	210,643	210,643	2,500,000	-
Sundaram Select Midcap	276,233	112,902	389,135	7,500,000	5,000,000
Sundaram S.M.I.L.E	272,644	(103,119)	169,525	2,500,000	5,000,000
Tata Dividend Yield Fund	-	223,323	223,323	5,000,000	-
Tata Pure Equity Fund	63,878	65,285(63,878)	65,285	2,500,000	1,500,000
Tata Equity P/E Fund Trigger Option A 5%	62,333	65,509	127,842	5,000,000	2,500,000
Tata Equity P/E Fund Trigger Option B 10%	57,910	(57,910)	-	-	2,500,000
Taurus Star Share	63,004	(63,004)	-	-	2,500,000
UTI Balanced Fund	-	99,010	99,010	2,500,000	-
UTI Banking Sector Fund	132,767	265,187(132,767)	265,187	6,500,000	2,500,000
UTI Dividend Yield Fund	-	154,991	154,991	2,500,000	-
UTI Opportunities Fund	375,474	(199,045)	176,429	2,500,000	5,000,000
UTI Master Share Unit Scheme	87,291	71,674(87,291)	71,674	2,500,000	2,500,000
UTI Master Value Fund	-	195,480	195,480	5,000,000	-
UTI Midcap Fund	-	96,043	96,043	2,500,000	-
UTI MNC Fund	-	66,366	66,366	2,500,000	-
UTI Services Industries Fund	100,929	(100,929)	-	-	2,500,000
UTI Transportation Logistics Fund	161,812	78,493(161,812)	78,493	1,500,000	2,500,000
INCOME FUNDS: (DIVIDEND PAYOUT)					
HDFC MF Monthly Income Plan - Long Term Qtrly. Div	394,049	(394,049)	-	-	5,000,000
Reliance Monthly Income Plan- Quarterly Dividend	424,753	(424,753)	-	-	5,000,000
<b>TOTAL</b>				<b>233,396,699</b>	<b>217,200,000</b>

**BOUGHT AND SOLD DURING THE YEAR:**

NAME OF THE COMPANY	BOUGHT		SOLD	
	No. of Shares	Cost (Rupees)	No. of Shares	Value (Rupees)
1. Sujana Metal Products Limited	21,756	413,505	21,756	829,575

**Note:**

- During the Year the Company Gujarat NRE Coke Limited issued Bonus shares in the ratio of 1:10 of Gujarat NRE Coke Limited as Class -B Shares
- Name of the Company had changed from Nagarjuna Construction Company Limited to NCC Limited
- Face Value of Rs.10/- Sub-divided into Rs.1/- during the Year.
- Lodged with Sales Tax Department as Security Deposit.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

Sl.No.	PARTICULARS	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
<b>05</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	16,968	7,753
	Cash with Scheduled Banks		
	in Current accounts	20,537,927	18,783,157
	in Fixed Deposits	-	5,000,000
	<b>TOTAL</b>	<b>20,554,895</b>	<b>23,790,910</b>
<b>06</b>	<b>OTHER CURRENT ASSETS:</b>		
	Prepaid Expenses	41,926	90,302
	Deposits Recoverable	105,373	105,373
	Interest accrued	-	82,602
	Rent Receivable	563,848	528,781
	Other Receivables	5,748,266	106,402
	Sales Tax Refund Receivable	977,525	977,525
	<b>TOTAL</b>	<b>7,436,938</b>	<b>1,890,985</b>
<b>07</b>	<b>LOANS AND ADVANCES</b>		
	(Unsecured, Considered good recoverable in cash or in kind or for value to be received)		
	Advance Tax and TDS (Net of provision)	1,599,168	1,538,395
	<b>TOTAL</b>	<b>1,599,168</b>	<b>1,538,395</b>
<b>08</b>	<b>CURRENT LIABILITIES AND PROVISIONS</b>		
a)	<b>Current Liabilities</b>		
	Sundry Creditors		
	dues to Micro and Small Enterprises	-	-
	dues to other than Micro and Small Enterprises	166,089	110,206
	Other liabilities	1,018,750	1,746,441
	Unpaid Dividends ***	6,228,186	5,384,175
	Due to Directors	12,285	1,571,018
	<b>Total (a)</b>	<b>7,425,310</b>	<b>8,811,840</b>
b)	<b>Provisions</b>		
	Provision for Leave Encashment	401,061	393,964
	Provision for Gratuity	183,243	-
	Provision for Dividend	7,500,000	7,500,000
	Provision for Corporate Dividend Tax	1,217,250	1,245,656
	Provision for Fringe Benefit Tax (Net of advance Tax)	5,000	5,000
	<b>Total (b)</b>	<b>9,306,554</b>	<b>9,144,620</b>
	<b>TOTAL (a + b)</b>	<b>16,731,864</b>	<b>17,956,460</b>

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



**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

Sl.No.	PARTICULARS	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
<b>09</b>	<b>STAFF COST</b>		
	Salaries, Wages and Bonus	4,200,011	5,718,898
	Contribution to Provident and Other Funds	857,408	649,763
	Staff Welfare Expenses	190,845	200,719
	<b>TOTAL</b>	<b>5,248,264</b>	<b>6,569,380</b>
<b>10</b>	<b>OTHER EXPENSES</b>		
	Power and Fuel	44,962	40,275
	Printing and Stationery	72,068	79,453
	Communications	118,509	103,528
	Rent and Service Charges	999,900	479,952
	Rates and Taxes	259,116	267,453
	Insurance	38,655	13,695
	Travelling and Conveyance	126,326	97,092
	Vehicle Maintenance	130,093	138,791
	Directors Sitting Fees	32,500	27,500
	Legal and Professional Charges	139,165	185,668
	Remuneration to Auditors		
	as auditors	44,120	44,120
	for Tax Representation	-	12,500
	for certification	17,097	18,689
	for tax audit	5,515	5,618
	Advertisement and Business Promotion Expenses	65,855	37,998
	Repairs and Maintenance to:		
	Rented Buildings	91,493	72,506
	Own Buildings	-	107,872
	Other Assets	27,075	36,839
	Donations	-	50,000
	Receivables Written Off	-	164,788
	Miscellaneous Expenses	93,227	109,976
	<b>TOTAL</b>	<b>2,305,676</b>	<b>2,094,313</b>



**SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2011**

(Rs. in lakhs)

S.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)	-

Long Term Investments:

1. Quoted:	
(i) Shares: (a) Equity	418.67
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted:	
(i) Shares: (a) Equity	7.98
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	2333.97
(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	-	-	-
<b>Total</b>	-	-	-



**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	2564.47	2671.01
Total	2564.47	2671.01

**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/-  
**M.RANGANATH SAI**  
DIRECTOR

Sd/-  
**K.HARISHCHANDRA PRASAD**  
MANAGING DIRECTOR

Place : Hyderabad

Date : 28.05.2011



## 11. NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

### 1. NATURE OF OPERATIONS

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) *Basis of Accounting*

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.

#### 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) *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*

- i. Depreciation on Fixed Assets 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.
- iii. 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*

The contingent liabilities are indicated by way of a note and will be provided/paid on crystallisation.

#### g) *Impairment*

- i. 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.
- ii. 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 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.

#### 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:

##### i. *Interest:*

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

##### ii. *Dividends:*

Dividend is recognised as and when the payment is received.

#### 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**

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.

3. Plant and Machinery given on lease includes equipment costing Rs.45.21 lakhs (previous year Rs.45.21 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.
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. The balances shown under Loans and Advances, Current Assets, Sundry Creditors and other Current Liabilities are subject to confirmation.
6. In the opinion of the management, 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.
7. 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" and relied upon by the Auditors.



8. Details of total outstanding dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Act, 2006:

Particulars	Current Year Rs.	Previous Year 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

9. Investments: 250 Equity Shares of AP Mahesh Co-operative Urban Bank Limited costing Rs.5,000/- are held in the name of Sri K.Harishchandra Prasad, Managing Director of the Company for the benefit of the Company.
10. Contingent Liabilities not provided for on account of demands from Sales Tax Department, disputed by the Company and pending in appeals to the extent of Rs.1,61,394/ (Previous year Rs.1,61,394).
11. Disclosure relating to the Gratuity liability as per Accounting Standard 15 "Employee Benefits"

**a) The amounts recognised in the Balance Sheet**

Particulars	2010-11 Rs.	2009-10 Rs.
Present Value of obligation	1,258,625	568,330
Fair value of plan assets	1,075,382	985,233
Amount recognized in the Balance sheet as Provision	183,243	---

**b) Changes in the present value of the defined obligation**

Particulars	2010-11 Rs.	2009-10 Rs.
Opening defined benefit obligation	568,330	569,244
Current service Cost	115,319	113,206
Interest Cost	45,466	45,539
Actuarial (gains)/Losses on obligation	529,510	(159,659)
Closing defined benefit obligation	1,258,625	568,330

**c) Reconciliation of opening and closing balance of fair value of assets:**

Particulars	2010-11 Rs.	2009-10 Rs.
Fair value of plan assets at the beginning of the year	985,233	902,641
Actuarial gain on plan assets	---	---
Benefits paid	---	---
Expected Return	90,149	82,592
Fair value of plan assets at the end of the year	1,075,382	985,233

**d) Principal actuarial assumptions.**

Particulars	2010-11	2009-10
Rate of escalation in Compensation	4%	4%
Discount Rate	8%	8%
Attrition Rate	1%	1%
Retirement Age in years	58	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.

12. 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).
13. **Calculation of Earnings per share:**

S.No.	PARTICULARS	Current year	Previous year
a)	Net profit/ (Loss) available to Equity shareholders (in Rs.)	34,613,971	60,353,233
b)	Weighted average number of Equity shares (Nos.)	3,000,000	3,000,000
c)	Face value as per share (in Rs.)	10/-	10/-
d)	Earnings per share Basic and diluted (in Rs.)	11.54	20.12



14. 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

	2010-11	2009-10
	Rs.	Rs.

Key Management Personnel

Sri K. Harishchandra Prasad

Managerial Remuneration **3,942,411** 5,011,438

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

Key Management Personnel

Sri K. Harishchandra Prasad **(12,285)** (1,071,018)

15. In terms of Accounting Standard (AS 22) on "Accounting for Taxes on Income" the company has accounted for the deferred taxes during the year. The following are the major Components of the said deferred tax asset/(liability).

Particulars	2010-11	2009-10
	Rs.	Rs.
Difference between book and tax depreciation	<b>(13,098)</b>	(41,431)
Provision for other expenses	<b>70,559</b>	19,283
<b>TOTAL</b>	<b>57,461</b>	(22,148)

The company does not have any current income tax as per the normal provisions of the income Tax Act, 1961 and at present it is paying only MAT. In view of the inability 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 recognized any Deferred Tax Asset while preparing the accounts for the current year.

16. 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.

17. Profit / Loss on sale of non trade Investments credited / debited to Profit and Loss account consists of the following.

(amount in Rupees)

S.No.	PARTICULARS	Current year	Previous year
a)	Net Long Term Gain /(loss)		
	Long Term Gain	<b>23,062,560</b>	14,055,489
	Long Term loss	<b>9,154,353</b>	52,464,339
		<b>13,908,207</b>	(38,408,850)
b)	Net Short Term Gain /(loss)		
	Short Term Gain	<b>906,734</b>	809,384
	Short Term loss	<b>1,462,305</b>	1,888,076
		<b>(555,571)</b>	(1,078,692)
	<b>TOTAL PROFIT / (LOSS) ( a + b )</b>	<b>13,352,636</b>	(39,487,542)

18. Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956.

(amount in Rupees)

	Current year	Previous year
Profit as per Profit and loss account	<b>36,161,110</b>	66,563,751
Add : Managerial remuneration	<b>3,942,411</b>	5,511,438
Directors Sitting fees	<b>32,500</b>	27,500
Loss on sale of Investments ( Net )	---	39,487,542
	<b>40,136,021</b>	111,590,231
Less: Profit on Sale of Investments (Net)	<b>13,352,636</b>	--
Losses relating to earlier years	---	18,072,492
Net Profit in accordance with Section 349	<b>26,783,385</b>	93,517,739

19. Commission to Managerial personnel:

(amount in Rupees)

	Current year	Previous year
Managing Director :		
2% of the Net Profit	--	1,870,335
Restricted to Maximum Ceiling	--	1,080,000
Non – Executive Directors :		
1% of the Net Profit	--	935,177
Restricted to Maximum Ceiling	--	500,000



## 20. Managerial remuneration included in other heads of account.

(amount in Rupees)

S.No.	PARTICULARS	Current # year	Previous year
a)	Managing Director		
	Salary and allowances	<b>3,240,000</b>	3,240,000
	Cost of perquisites and contributions	<b>702,411</b>	691,438
	Commission	--	1,080,000
b)	Non – Executive Directors Commission	--	<u>500,000</u>
	<b>TOTAL</b>	<b><u>3,942,411</u></b>	<u>5,511,438</u>

# for current year only minimum remuneration as per Schedule XIII of the Companies Act, 1956.

21. 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.

22. 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

Sd/-

**M. RANGANATH SAI**  
Director

Sd/-

**K. HARISHCHANDRA PRASAD**  
Managing DirectorPlace: Hyderabad  
Date : 28.05.2011

Per our report of even date

**For M. Anandam & Co.,**

Chartered Accountants

Firms' Registration Number: 000125S

Sd/-

**M.V. Ranganath**

Partner

Membership Number: 28031

**for BRAHMAYYA & CO.,**

Chartered Accountants

Firms' Registration Number: 000513S

Sd/-

**P. CHANDRAMOULI**

Partner

Membership Number: 25211

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration details**Company Identification No. (CIN): 

L	6	5	9	2	0	A	P	1	9	2	3	P	L	C	0	0	0	0	4	4
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Balance Sheet Date 

3	1	0	3	2	0	1	1
---	---	---	---	---	---	---	---

 State Code 

0	1
---	---

  
Date Month Year**II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.thousands)**

Public Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Rights issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Private Placement

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

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

Total Liabilities

				2	8	9	9	3	0
--	--	--	--	---	---	---	---	---	---

Total Assets

				2	8	9	9	3	0
--	--	--	--	---	---	---	---	---	---

**SOURCES OF FUNDS**

Paid-up Capital

				3	0	0	0	0
--	--	--	--	---	---	---	---	---

Reserves &amp; Surplus

				2	5	9	9	3	0
--	--	--	--	---	---	---	---	---	---

Secured Loans

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Unsecured Loans

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

**APPLICATION OF FUNDS**

Net Fixed Assets

				9	9	7	0
--	--	--	--	---	---	---	---

Investments

				2	6	7	1	0	1
--	--	--	--	---	---	---	---	---	---

Net Current Assets

				1	2	8	5	9
--	--	--	--	---	---	---	---	---

Misc. Expenditure

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Accumulated Losses

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

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

Turnover

				5	1	6	6	3
--	--	--	--	---	---	---	---	---

Total Expenditure

				1	5	5	0	2
--	--	--	--	---	---	---	---	---

Profit Before Tax

				3	6	1	6	1
--	--	--	--	---	---	---	---	---

Profit After Tax

				3	4	1	8	3
--	--	--	--	---	---	---	---	---

Earning Per Share in Rs.

				1	1	.	5	4
--	--	--	--	---	---	---	---	---

Dividend Rate %

								2	5
--	--	--	--	--	--	--	--	---	---

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

L	E	A	S	I	N	G			
---	---	---	---	---	---	---	--	--	--

**Item Code**

N	I	L
---	---	---

I	N	V	E	S	T	M	E	N	T	S
---	---	---	---	---	---	---	---	---	---	---

N	I	L
---	---	---

I	N	T	E	R		C	O	R	P	O	R	A	T	E		D	E	P	O	S	I	T	S
---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---

N	I	L
---	---	---

Place : Hyderabad  
Date : 28/05/2011Sd/-  
**M. RANGANATH SAI**  
DirectorSd/-  
**K. HARISHCHANDRA PRASAD**  
Managing Director



## 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

Dear Shareholder,

Dt: 28.05.2011

### 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 intum 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 03rd August 2011.**

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: 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

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

1. First Shareholder's Name (In Block Letters) : \_\_\_\_\_
2. Shareholders Folio No. : \_\_\_\_\_
3. Particulars of Bank Account : \_\_\_\_\_
  - A) Bank Name : \_\_\_\_\_
  - B) Branch Name, Address & Phone number : \_\_\_\_\_
  - 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: \_\_\_\_\_

Date:

Pincode : \_\_\_\_\_

Place:

Tel. Ph.No. \_\_\_\_\_

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)

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.



**ATTENDACE 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 Saturday, 6th August, 2011 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 Saturday, 6th August, 2011 at 9.30.A.M. and any adjournment thereon.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

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**

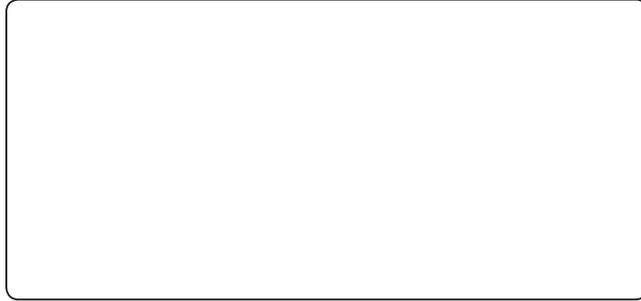
PROXY NO. \_\_\_\_\_

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.)  
Phone No. : 040-27760301, 27767794  
Fax : 040-27767793  
E-mail: lakshmi\_lfic@yahoo.com*