

NINETY SECOND
92
ANNUAL REPORT 2015-16



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LIMITED



BOARD OF DIRECTORS

Sri. R.Surender Reddy	(DIN:00083972)
Sri. Kapil Bhatia	(DIN:00090776)
Sri. M. Ranganath Sai	(DIN:00284202)
Sri. Keshav Bhupal	(DIN:00123184)
Sri. K.Kapil Prasad	(DIN:02940558)
Sri. K. Harishchandra Prasad, Managing Director	(DIN:00012564)
Smt. Madhurika Nalluri Venkat	(DIN:07147974)

Chief Financial Officer :

Sri.U.Vijaya Kumar

Company Secretary & Compliance Officer :

Ms.Prity Bokaria

AUDITORS

M/s. M. Anandam & Co.

Chartered Accountants, Secunderabad.

M/s.Brahmayya & Co.,

Chartered Accountants, Hyderabad.

Internal Auditors :

M/s. M. Bhaskara Rao & Co.,

Chartered Accountants, Hyderabad

Secretarial Auditors :

Smt.N. Madhavi,

Company Secretary in Practice

BANKERS

Indusind Bank Ltd

Andhra Bank

HDFC Bank Ltd

Bank of Bahrain and Kuwait, B.S.C

REGISTERED OFFICE

1st FLOOR, "SURYODAYA", 1-10-60/3,

BEGUMPET, HYDERABAD-500 016

Ph.No.040-27760301/27767794

Fax.No.040-27767793 E-mail: lakshmi_lfic@yahoo.com

Website: www.lakshminifinance.org

Corporate Identity Number:

L65920AP1923PLC000044

Demat ISIN No in NSDL & CDSL: INE 850 E0 1012

REGISTRARS & SHARE TRANSFER AGENTS

Venture Capital & Corporate Investments Pvt.Ltd

12-10-167,BHARAT NAGAR, HYDERABAD-500 018.

Ph.No.040-23818475/23818476/23868023.

Fax No.040-23868024. E-mail: info@vccilindia.com

Sl No.	Contents	Page No.
1.	Notice	2-5
2.	Directors Report	6-20
3.	Management's Discissions and Analysis Report	21
4.	Report on Corporate Governance	22-31
5.	Independent Auditors Report	32-37
6.	Balance Sheet	38
7.	Statement of Profit and Loss	39
8.	Cash Flow Statement	40
9.	Notes to financial statement 1-33	41-53
10.	Schedule to the Balance Sheet	54-55
11.	Nomination Form (2-B)	57
12.	ECS Mandate Form	58
13.	Proxy Form	59
14.	Attendance Slip	61



Day Friday

Date 12th August, 2016

Time 9.30 AM

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

BOARD COMMITTEES

Audit Committee

Sri. R.Surender Reddy	Chairman
Sri. Kapil Bhatia	Member
Sri. Keshav Bhupal	Member
Sri. K.Kapil Prasad	Member
Smt. Madhurika Nalluri Venkat	Member
(From-1.02.2016)	

Stakeholders Relationship Committee

Sri. Keshav Bhupal	Chairman
Sri. Kapil Bhatia	Member
Sri. R.Surender Reddy	Member
Sri. K.Kapil Prasad	Member
Sri. K.Harishchandra Prasad	Member

Nomination and Remuneration Committee

Sri. Keshav Bhupal	Chairman
Sri. Kapil Bhatia	Member
Sri. R.Surender Reddy	Member
Smt. Madhurika Nalluri Venkat	Member
(From-1.02.2016)	

Corporate Social Responsibility Committee

Sri. Keshav Bhupal	Chairman
Sri. Kapil Bhatia	Member
Sri. R.Surender Reddy	Member
Sri. K. Harishchandra Prasad	Member

Independent Directors Committee

Sri.R.Surender Reddy	Chairman
Sri.Kapil Bhatia	Member
Sri.M.Ranganath Sai	Member
Sri.Keshav Bhupal	Member
Smt. Madhurika Nalluri Venkat	Member
(From-1.02.2016)	

Risk Management Committee

Sri. Keshav Bhupal	Chairman
Sri. Kapil Bhatia	Member
Sri. R.Surender Reddy	Member
Sri. K. Harishchandra Prasad	Member



NOTICE

Notice is hereby given that the 92ND Annual General Meeting of the members of LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED will be held on Friday the 12TH, August, 2016 at 9.30.A.M. at "Triveni Banquet Hall" Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, (Lane Opp. To Allauddin Building) Hyderabad 500 016 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss & Cash flow statement of the Company for the year ended on that date and the Reports of the Directors and Auditors for the financial year 2015-16.
2. To declare a Dividend of 35% i.e ₹ 3.50 on Equity Shares for the year ended 31st March, 2016.
3. To appoint a Director in place of Sri. K. Kapil Prasad (DIN 02940558), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:

"RESOLVED THAT, pursuant to Section 139,142 and other applicable provisions of the Companies Act,2013 and the Rules made there under, pursuant to the recommendations of the Board of Directors of the Company, and pursuant to the resolution passed by the members at the AGM held on 5th August, 2014, the appointment of M/s M. Anandam & Co., Secunderabad (Firm registration No : 000125S) & M/s. Brahmayya & Co., Hyderabad, (Firm registration No : 000513S) Chartered Accountants, as the Auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017."

By order of the Board

for Lakshmi Finance & Industrial Corporation Limited

REGISTERED OFFICE :

1st FLOOR, "SURYODAYA", 1-10-60/3,
BEGUMPET, HYDERABAD-500 016
CIN No. L65920AP1923PLC000044
E-mail: lakshmi_ffic@yahoo.com
Website: www.lakshmi finance.org

Sd/-

K.HARISHCHANDRA PRASAD

Managing Director

DIN: 00012564

Date : 21-05-2016

NOTES:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.
2. The Instrument of Proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 5th August, 2016 to 12th August, 2016 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for 2015-16. The dividend if declared will be paid to the Members, whose names appear in the register of members as on 04.08.2016.
4. A dividend of ₹ 3.50/- per share (35% on the face value of equity share) has been recommended by the Board of Directors for the year ended 31st March, 2016 and subject to the approval of the shareholders at the ensuing Annual General Meeting.
5. Members holding shares in physical form are requested to notify any change in their address to the Registered Office of the Company and members holding shares in the dematerialized form are requested to notify the changes to their depository participant(s).
6. In order to avoid fraudulent encashment of dividend warrants, Members holding shares in physical forms are requested to send to the Registrar and Transfer Agents of the Company, on or before 2nd August, 2016 a Bank Mandate (providing details of name and address of banker, branch, PIN code and particulars of bank accounts) or changes thereon, if not provided earlier, under the signature of the sole / first holders along with the folio numbers. This information will be printed on the dividend warrants.
7. (a) Shareholders who have not yet surrendered the existing Share Certificates representing equity shares of ₹ 100/- each paid-up of your total shareholdings for exchange of new share certificates representing equity shares of ₹ 10/-each paid-up for any reason may please contact Shares Department of the Company.
(b) Shareholders/Legal heirs of shareholders, who have not collected/ received the Bonus Shares issued by the Company in 1996 and in 2009, are requested to contact Shares Department of the Company for necessary follow up action to obtain the unclaimed Bonus Shares.



8. 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.
9. As per provisions of the Section 124 read with Section 125 of the Companies Act, 2013 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 amounts in respect of period 2007-08 has been transferred to the said fund on 24.10.2015 upon expiry of 7 years period. Unclaimed dividend for the year 2008-2009 is due for transfer to IEPF on or before 16.09.2016. Those members who have not en-cashed their dividend warrant(s) for the said year and for the years mentioned below are requested to make the claims to the Company without any further delay. **It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the IEPF or the Company in respect of any amounts which were unclaimed/unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.**

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

Financial Year ended	Date of Declaration Of Dividend	Last date for Claiming Unpaid Dividend amount (on or before)	Last date for Transfer to IEP Fund
31.03.2009	17.09.2009	16.09.2016	15.10.2016
31.03.2010	20.09.2010	19.09.2017	18.10.2017
31.03.2011	06.08.2011	05.08.2018	04.09.2018
31.03.2012	13.08.2012	12.08.2019	11.09.2019
31.03.2013	03.08.2013	02.08.2020	01.09.2020
31.03.2014	05.08.2014	04.08.2021	03.09.2021
31.03.2015	13.08.2015	12.08.2022	11.09.2022

Shareholders who have not yet claimed the dividends for the above periods 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.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
14. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
15. Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed companies to send documents such as Notice of the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc., to the shareholders in electronic form instead of the paper form. Members are requested to send/ update their email address with their Depository or Registrar and Transfer Agents of the Company.
16. Pursuant to the requirements of the Corporate Governance under the listing agreement entered into with stock exchanges, the information about the Directors proposed to be appointed /re- appointed is given in the annexure to the notice.
17. All the documents referred to in the Notice and explanatory statement will be available to the members at the Registered Office of the Company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the Meeting.
18. The Notice of the 92nd AGM and instructions for e-voting along with the Attendance Slip and proxy Form is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.



19. E-Voting for transaction of Business:

The business as set out in the Notice may be transacted and that:

- A. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 92nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the 92nd Annual General Meeting (AGM) ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- B. The Facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through ballot paper.
- C. The Members who have cast their vote by remote e-voting shall not be entitled to cast their vote again.

The procedure and instructions for members for voting electronically are as under:

- i). The voting period begins at **9.00 A.M. on 09th August, 2016 and ends at 5 P.M. on 11th August, 2016.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4th August, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Open your web browser during the voting period and log on to the e-voting website **www.evotingindia.com.**
- iii) Now click on "Shareholders" to cast your votes
- iv) Now Enter you User ID.
 - a). For CDSL. 16 digits beneficiary ID.
 - b). For NSDL: 8 Character DPID followed by 8 Digits Client ID.
 - c). For Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii). If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<ul style="list-style-type: none"> • Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix). Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x). For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi). Click on the EVSN for the relevant <LAKSHMI FINANCE AND INDUSTRIAL CORPORATION LIMITED (EVSN-150606004) > on which you choose to vote.
- xii). On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii). Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



- xiv). After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv). Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi). You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii). If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii). Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix). In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

The Company has appointed Smt. N.Madhavi, Practicing Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit her report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Stock Exchange (NSE).

The Chairman shall, at the 92nd Annual General Meeting (AGM), at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the 92nd Annual General Meeting (AGM) but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the 92nd Annual General Meeting (AGM) a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company : www.lakshminfinance.org and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the NSE Ltd., Mumbai.

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

Sd/-
K.HARISHCHANDRA PRASAD
Managing Director
DIN:00012564

Place : Hyderabad
Date :21-05-2016

**ADDITIONAL INFORMATION OF DIRECTOR SEEKING APPOINTMENT/
RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING.**

Name of the Director	Sri. K.Kapil Prasad
Date of Birth	31.10.1983
Date of Appointment	07.02.2014
Qualification	M.S
No of Shares held in the Company	81,085
Directorships held in other Companies(excluding Private Limited and Foreign Companies)	No
Positions held in mandatory committees of other companies	No



DIRECTORS' REPORT

To
The Members,
Your Directors have the pleasure in presenting this 92nd Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

Particulars	2015-16	2014-15
Gross Income	492.23	688.19
Gross Profit	382.77	578.27
Less: Finance Costs	-	4.28
Depreciation	7.02	7.21
Profit for the year before taxation	375.75	566.78
Provision for Taxation	12.74	68.48
Profit after tax	363.01	498.30
Prior year taxes	-	(1.67)
Net Profit	363.01	499.97
Profit brought forward	744.34	660.65
Profit available for appropriation	1107.35	1160.62
Less: Carrying amount of Assets	-	3.28
Net Profit available for appropriation	1107.35	1157.34
Appropriations:		
Proposed Dividend	105.00	90.00
Dividend Tax	21.37	17.99
Transfer to Reserve Fund (per RBI Guide Lines)	76.00	105.00
Transfer to General Reserve	100.00	200.00
Balance carried over to Balance Sheet	804.98	744.34

1). DIVIDEND:

Your Directors take the pleasure in recommending a dividend at the rate of 35% (i.e., ₹ 3.50 per Equity Share of ₹ 10/- each) for the financial year 2015-16 as apposed to 30 % dividend rate in the previous year. The proposed dividend, if approved at the 92nd Annual General Meeting by the members, will be paid to all those equity shareholders whose names appear in the register of members as on 04.08.2016 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 payout would be ₹ 126.37 lakhs including tax on dividends.

2(A). ECONOMIC OUT LOOK:

During fiscal 2016, the global economic environment remained challenging and was marked by key factors i.e divergent monetary policy, slowdown in growth in China and decline in global commodity prices. These trends led to significant volatility in global financial markets and currency depreciation in emerging market economics. The Indian economy continued to witness a gradual recovery, with improvements in key macroeconomic parameters. Inflation moderated, interest rates came down, fiscal consolidation continued, foreign investments were strong and the current account deficit remained stable. Policy measures were taken in the areas of foreign investments, financial sector, reforms and programmes were launched for financial inclusion and growth.

2(B). OPERATIONAL PERFORMANCE:

During the year under review our Company's Income reduced to ₹ 492.23 lakhs as against ₹ 688.19 lakhs in the previous year. After providing Current year Tax (MAT) of ₹ 12.74 lakhs our Company achieved Profit after taxation of ₹ 363.01 lakhs. The performance during the year ended 31.03.2016 was lower mainly on account of un favourable stock market conditions. The benchmark BSE Sensex declined by 9.4% during the year to close at 25,342. Accordingly the Company revenues for F.Y. 2015-16 reflected the market conditions. The rental incomes have been on expected basis and the Company expects the Capital Market conditions to improve in the coming year and hopes that Company's performance will lead to improved results.

The Company continues to be debt free and maintaining sufficient cash to meet the strategic objectives. Further the liquidity in the Balance Sheet provides a balance between earning adequate returns and the need to cover financial and business risks. As on 31st March, 2016 the cash and bank balances are ₹ 421.05 lakhs which comprise of deposits with banks of ₹ 275 lakhs.



3). **TRANSFER TO RESERVES**

The Company proposes to transfer ₹ 100 lakhs to General Reserve. An amount of ₹ 804.98 lakhs is proposed to be retained in the profit and loss account.

4). **DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Your company does not have any subsidiaries, associates and joint ventures.

5). **DIRECTORS**

Sri. Kapil Prasad, Director of the Company retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr. Arun Prasad Kanuri, being additional Director of the Company, ceased to be Director as on 13.08.2015.

6). **DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and Regulations of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 which have been relied on by the Company and were placed at the Board Meeting held on May 21, 2016.

7). **EVALUATION OF THE BOARD'S PERFORMANCE**

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Board was carried out during the year under review.

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

8). **POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS.**

The Company follows a policy on remuneration of Directors and Senior Management Employees. The Policy is approved by the Nomination and Remuneration Committee and the Board. More details on the same are given in the Corporate Governance Report.

9). **DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED/RESIGNED DURING THE YEAR:**

Mr. Arun Prasad Kanuri, being additional Director of the Company, ceased to be Director as on 13.08.2015. Mrs. Suman Bung, Company Secretary of the Company resigned on 30.09.2015 and Miss Prity Bokaria, was appointed as new Company Secretary of the Company on 17.03.2016.

10). **NUMBER OF BOARD MEETINGS HELD:**

The Board of Directors duly met 4 times during the Financial Year from 1st April, 2015 to 31st March, 2016. The dates on which the meetings were held are as follows:

25th May, 2015, 13th August, 2015, 6th November, 2015 and 1st February, 2016

11). **AUDIT COMMITTEE**

The details pertaining to composition and term of reference of the Audit Committee member's dates of meeting held and attendance of the Directors are given separately in the Corporate Governance Report, which forms part of this report.

12). **LISTING OF COMPANY'S SHARES:**

The Company's shares are listed at The National Stock Exchange of India Limited (NSE) w.e.f. 15.04.2015 and the Annual Listing Fees for the year 2016-17 have been paid. The Company's shares are listed and traded at NSE with ISIN code 'INE 850E01012' and Stock Code 'LFIC' with effect from 15.04.2015.

13). (i) **DEMATERIALISATION OF SHARES:**

Your Company shares have been made available for dematerialization through the National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL). As on 31st March 2016, 61.30% of the shares in your Company have been dematerialized.

13). (ii) **UN CLAIMED DIVIDEND:**

In terms of the provisions of the Companies Act, the Company is obliged to transfer dividends which remain unclaimed for a period of seven years from the declaration to the credit of the Investor Education and Protection Fund established by the Central Government. Accordingly, the Members are hereby informed that the 7 years period for payment of the dividend pertaining to financial year 2008-2009 will expire on October 15th, 2016 and thereafter the amount standing to the credit in the said account will be transferred to the "Investor Education and Protection Fund" of the Central Government.



14). AUDITORS:

i). Statutory Auditors:

At the Annual General Meeting held on 05.08.2014 M/s. Anandam & Co., Secunderabad and M/s. Brahmayya & Co., Hyderabad, Chartered Accountants were appointed as Statutory Auditors of the Company to hold the office till the conclusion of Annual General Meeting to be held in the Calendar Year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Anandam & Co., and M/s. Brahmayya & Co., Chartered Accountants, as Statutory Auditors of the Company is placed for ratification by the Shareholders.

The Auditors' Report for F.Y. 2015-16 does not contain any qualification. The Auditors' Report is enclosed with the Financial Statements in this Annual Report.

ii). Internal Auditors:

M/s M.Bhaskara Rao & Co., Chartered Accountants performs the duties of Internal Auditors of the Company and their report is reviewed by the Audit Committee from time to time.

iii). Secretarial Audit:

According to the provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report. The Secretarial Audit Report does not contain any qualification.

15). DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting timely feedback on achievement of operational and strategic goals, compliance with policies procedure, applicable laws and regulations, and that all assets and resources are acquired are used economically.

16). DIRECTORS' RESPONSIBILITY STATEMENT.

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them.

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures:
- ii. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2015-16 and of the statement of Profit or Loss of the Company for that period.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- iv. The annual accounts for the year 2015-16 have been prepared on a going concern basis.
- v. That the proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and effectively mentioned under various heads of the departments which are in then reporting to the Managing Director.

17). PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013

18). 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 2016. Further, the Company is registered with RBI as a "Non Deposit Taking Company".

19). CHANGE IN NATURE OF BUSINESS:

There is no change in the nature business during the year under review.

20). VIGIL MECHANISM :

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.lakshmifinance.org



21). RELATED PARTY TRANSACTIONS :

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure-I .

The policy on related party transactions as approved by the board is uploaded on the website of the Company at www.lakshminfinance.org

22). EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT- 9 is annexed herewith as "Annexure-II" to this report,

23). PARTICULARS OF EMPLOYEES

None of the employees fall under the purview of the provisions provided under the Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 whose details are required to be disclosed.

24). MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India . (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report.

25). CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in the Listing Regulation. A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the Company M/s. Brahmayya & Co., Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under Listing Regulation is included as a part of this report.

26). CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information required under section 134(3)(m) read with Rule, 8 of the Companies (Accounts) Rules, 2014, of the Companies Act, has not been given as the same is not applicable owing to the nature of activities in foreign Currency is Nil.

27). CORPORATE SOCIAL RESPONSIBILITY (CSR) :

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee w.e.f 25.05.2015. The Committee Comprises of four Independent Directors and one non-independent Director, namely Sri.R.Surender Reddy, Sri.Keshav Bhupal, Sri.Kapil Bhatia, Smt. Madhurika Nalluri Venkat and Sri.K.Harishchandra Prasad, Managing Director. CSR Committee of the Board developed a CSR Policy and the functions of Committee include review of CSR initiatives undertaken by the Company formation and recommendation to the Board of a CSR policy indicating the activities to be undertaken by the Company and recommendation of the amount of the expenditure to be incurred for such activities. However, during the year under review Section 135 of the Companies Act, 2013, relating to the Corporate Social Responsibility is not applicable to the Company and hence the same is not adopted.

28). REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

S. No	Name	Designation	Remuneration paid F.Y 2015-16 ₹	Remuneration paid F.Y 2014-15 ₹	Increase in remuneration from previous year ₹
1.	Mr.K.Harishchandra Prasad	Managing Director	61,76,277	53,84,519	7,91,758
2.	Mr.U.Vijaya Kumar	CFO (KMP)	6,78,056	6,26,536	51,520
3.	Smt.Suman Bung	CS (KMP)	93,000	93,000	N.A (Part of the year worked)
4.	Prity Bokaria	CS (KMP)	8,000	-	N.A. (Joined on 17.03.2016)

29). MATERIAL CHANGES AND COMMITMENTS:

Pursuant to the provisions Sec.134 (3) (l) companies Act, 2013, there were no material changes and commitments which affects the financial statements of the Company during the year under review.



30). RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The details of risk management committee and its composition is given in the Corporate Governance Report which form part of this report.

31). SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

32). DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

“The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of Sexual harassment complaints received and disposed off during each Calendar year:

No. of complaints received:	Nil
No. of complaints disposed off:	Nil

33). ACKNOWLEDGEMENTS:

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Banks and Shareholders for their continued support and guidance.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

For and on behalf of the Board
LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED

Sd/-
R. SURENDER REDDY
Director
(DIN: 00083972)

Sd/-
K. HARISHCHANDRA PRASAD
Managing Director
(DIN: 00012564)

Place : Hyderabad
Date : 21st May, 2016.



**Form No.MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016

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

To,
The Members,

M/s. Lakshmi Finance & Industrial Corporation Limited

1st Floor, Suryodaya, Begumpet,
Hyderabad – 500 016, Telangana.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Lakshmi Finance & Industrial Corporation Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. Lakshmi Finance & Industrial Corporation Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Lakshmi Finance & Industrial Corporation Limited for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**;
- (vi) Other specifically applicable laws to the Company:
 - a) The EPF & Misc. Provisions Act, 1952;
We have also examined compliance with the applicable clauses of the following:
 - i) Secretarial Standards issued by The Institute of Company Secretaries of India;
 - ii) The Listing Agreements entered into by the Company with National Stock Exchange.

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

We further report that

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

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



All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that:

- there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- During the year under review, the Company's shares got listed on National Stock Exchange of India Limited on 15th April, 2015 with symbol 'LFIC'.
- there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

for **A.S.Ramkumar & Associates**
Company Secretaries

Sd/-
N. MADHAVI
Partner
CP No. 11732

Date : 21.05.2016
Place : Hyderabad

ANNEXURE-I

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

1. Details of contracts or arrangements or transactions not at Arm's length basis :

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Nil
2.	Nature of contracts/arrangements/transaction	Nil
3.	Duration of the contracts/arrangements /transaction	Nil
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
5.	Justification for entering into such contracts or arrangements or transactions	Nil
6.	Date of approval by the Board	Nil
7.	Amount paid as advances, if any	Nil
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis:

Sl. No	Particulars	Details	
1.	Name (s) of the related party	WOOD STAR INDUSTRIES	KAPIL MOTORS PVT LTD
2.	Nature of Relation ship	DIRECTOR IS INTERESTED	DIRECTORS ARE INTERESTED
3.	Nature of contracts /arrangements / transaction	BY AGREEMENT	SERVICE AVAILED
4.	Duration of the contracts/ arrangements / transaction	FROM 01.04.2014	-----
5.	Salient terms of the contracts or arrangements or transaction	RENT AND SERVICE CHARGES	SERVICES AVAILED , COST OF NEW VEHICLE AND SALE OF USED VEHICLE,
6.	Justification for entering into such contracts or arrangements or transactions	ON PAR WITH MARKET	ON PAR WITH MARKET
7.	Date of approval by the Board	07.02.2015	
8.	Amount incurred during the year (₹ in lakhs)	₹ 9.94	₹ 9.25



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L65920AP1923PLC000044
2.	Registration Date	20/11/1923
3.	Name of the Company	LAKSHMI FINANCE AND INDUSTRIAL CORPORATION LIMITED
4.	Category/Sub-category of the Company	COMPANY HAVING SHARE CAPITAL
5.	Address of the Registered office & contact details	1 st Floor, "SURYODAYA", 1-10-60/3, BEGUMPET, HYDERABAD-500 016. Phone No:040-27760301 Fax: 040-27767793, e-mail:lakshmi_lfc@yahoo.com.
6.	Whether listed company	YES (LISTED-IN- NSE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	VENTURE CAPITAL & CORPORATE INVESTMENTS PVT.LTD. 12-10-167, BHARAT NAGAR, HYDERABAD-500 018. Ph.No. 040-23818475, Fax No.040-23868024. E-mail: info@vccilindia.com.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	INVESTMENT IN EQUITY SHARES AND MUTUAL FUNDS	65993	88.94%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES: NIL

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary Assocompany	% OF SHARES	APPLICABLE SECTION
1					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Shareholding										
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF	6,85,358	330	6,85,688	22.86	6,11,338	225	6,11,563	20.39	-2.47	
Central Govt	0	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0	0
Bodies Corp.	6,19,680	0	6,19,680	20.66	6,19,680	0	6,19,680	20.66	0	
Banks / FI	0	0	0	0	0	0	0	0	0	0
Any Other PAC/Trust	34,820	5,560	40,380	1.35	75,000	0	75,000	2.5	1.15	
Sub-total (A) (1) :-	13,39,858	5,890	13,45,748	44.87	13,06,018	225	13,06,243	43.55	-1.32	



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	1,04,640	0	1,04,640	3.49	1,04,640	0	1,04,640	3.49	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	1,04,640	0	1,04,640	3.49	1,04,640	0	1,04,640	3.49	0
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	14,44,498	5,890	14,50,388	48.36	14,10,658	225	14,10,883	47.04	-1.32
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	900	900	0.03	0	900	900	0.03	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	3,860	0	3,860	0.13	3,860	0	3,860	0.13	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1)	3,860	900	4,760	0.16	3,860	900	4,760	0.16	0
2. Non Institutions									
a) Bodies Corp.	16,069	11,926	27,995	0.93	16,950	11,926	28,876	0.96	0.03
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 2 lakh	2,72,695	11,12,976	13,85,671	46.19	3,18,114	11,47,160	14,65,274	48.84	2.65
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	92,227	34,320	1,26,547	4.22	81,727	0	81,727	2.72	-1.50
c) Others (specify)									
1. NRI	1,654	740	2,394	0.08	610	740	1,350	0.05	-0.03
2. Clearing Members	1,505	0	1,505	0.05	6,390	0	6,390	0.22	0.17
3. Trust	740	0	740	0.02	740	0	740	0.02	0.00
Sub-total (B) (2)	3,84,890	11,59,962	15,44,852	51.49	4,24,531	11,59,826	15,84,357	52.81	1.32
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	3,88,750	1,160,862	15,49,612	51.64	4,28,391	11,60,726	15,89,117	52.97	1.32
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	18,33,248	11,66,752	30,00,000	100	18,39,049	11,60,951	30,00,000	100	0

Note: 40,380 shares of director's and director relatives are excluded from promoter group and included in public shareholding.



B. Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	HEALTHY INVESTMENTS LTD	2,17,340	7.24	0	2,17,340	7.24	0	0
2.	UNIJOPLY INVESTMENTS COMPANY LTD	2,96,060	9.87	0	2,96,060	9.87	0	0
3.	K L N HOLDINGS PRIVATE LIMITED.	1,06,280	3.54	0	1,06,280	3.54	0	0
4.	K.HARISHCHANDRA PRASAD	1,49,280	4.98	0	1,49,280	4.98	0	0
5.	K.RAMA KRISHNA PRASAD	1,04,640	3.49	0	1,04,640	3.49	0	0
6.	KLN AND KP TRUST	75,000	2.50	0	75,000	2.50	0	0
7.	KANURI PRABHAVATHI	75,020	2.50	0	75,020	2.50	0	0
8.	K. VIDYA DEVI	64,362	2.15	0	64,362	2.15	0	0
9.	CHALLA RAJENDRAPRASAD	300	0.01	0	300	0.01	0	0
10.	M.RAM MOHAN	225	0.01	0	225	0.01	0	0
11.	MOMMANENI RADHA	45,000	1.50	0	45,000	1.50	0	0
12.	KANURI JAGADISH PRASAD	31,966	1.07	0	31,966	1.07	0	0
13.	K.SATYAVATHI	28,717	0.96	0	28,717	0.96	0	0
14.	CHALLA SHANTHA	45,000	1.50	0	45,000	1.50	0	0
15.	KANURI ARUN PRASAD	26,666	0.89	0	26,666	0.89	0	0
16.	K JYOTHI	37,061	1.24	0	37,061	1.24	0	0
17.	K KAPIL PRASAD	80,210	2.67	0	81,085	2.70	0	0.03
18.	K.L.N.ADITYA	26,666	0.89	0	26,666	0.89	0	0
19.	RAM MOHAN MUMMANENI	215	0.01	0	215	0.01	0	0
	TOTAL	14,10,008	47.00	0	14,10,883	47.03	0	0.03

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

Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	K.KAPIL PRASAD				
	At the beginning of the year	80,210	2.67	80,210	2.67
	Date wise Increase /Decrease in promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):	Reason: Increase in 875 shares Date of transfer: 22.04.2015 & 26.06.2015			
	At the end of the year	81,085	2.70	81,085	2.70

D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
1.	MAHENDRA GIRDHARILAL				
	At the beginning of the year	81,727	2.72	81,727	2.72
	Date wise Increase /Decrease in Share holding	NIL			
	At the end of the year	81,727	2.72	81,727	2.72



Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
2.	S.R.Y.SIVARAMA PRASAD BAHADUR				
	At the beginning of the year	18,720	0.62	18,720	0.62
	Date wise Increase /Decrease in Share holding	NIL			
	At the end of the year	18,720	0.62	18,720	0.62

Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
3.	R RAGHURAM REDDY				
	At the beginning of the year	18,440	0.61	18,440	0.61
	Date wise Increase /Decrease in Share holding	NIL			
	At the end of the year	18,440	0.61	18,440	0.61

Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
4.	S.R.Y.ANKINEEDU PRASAD				
	At the beginning of the year	15,600	0.52	15,600	0.52
	Date wise Increase /Decrease in Share holding:	NIL			
	At the end of the year	15,600	0.52	15,600	0.52

Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
5.	DHARMAPAL REDDY INAGALA				
	At the beginning of the year	10,500	0.35	10,500	0.35
	Date wise Increase /Decrease in Share holding	NIL			
	At the end of the year	10,500	0.35	10,500	0.35

Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
6.	S.R.Y.VENKATA DURGAMBA				
	At the beginning of the year	9,000	0.30	9,000	0.30
	Date wise Increase /Decrease in Share holding	NIL			
	At the end of the year	9,000	0.30	9,000	0.30

Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
7.	DEEPAK TANNIRU				
	At the beginning of the year	8,460	0.28	8,460	0.28
	Date wise Increase /Decrease in Share holding	NIL			
	At the end of the year	8,460	0.28	8,460	0.28

Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
8.	BODDU BHASKARA RAMAN				
	At the beginning of the year	7,800	0.26	7,800	0.26
	Date wise Increase /Decrease in Share holding	NIL			
	At the end of the year	7,800	0.26	7,800	0.26



Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
9.	THE HERIDITORY TRUSTEE				
	At the beginning of the year	7,560	0.25	7,560	0.25
	Date wise Increase /Decrease in Share holding	NIL			
	At the end of the year	7,560	0.25	7,560	0.25

Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
10.	ABHAY KUMAR C.SHAH				
	At the beginning of the year	7,500	0.25	7,500	0.25
	Date wise Increase /Decrease in Share holding	NIL			
	At the end of the year	7,500	0.25	7,500	0.25

E. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	K.HARISHCHANDRA PRASAD				
	At the beginning of the year	1,49,280	4.98	1,49,280	4.98
	Date wise Increase /Decrease in Promoters Share holding	NIL			
	At the End of the year	1,49,280	4.98	1,49,280	4.98
2.	R.SURENDER REDDY				
	At the beginning of the year	6,140	0.20	6140	0.20
	Date wise Increase /Decrease in Share holding	NIL			
	At the End of the year	6,140	0.20	6,140	0.20

3.	KAPIL BHATIA				
	At the beginning of the year	740	0.02	740	0.02
	Date wise Increase /Decrease in Share holding	NIL			
	At the End of the year	740	0.02	740	0.02

4.	M.RANGANATH SAI				
	At the beginning of the year	4,820	0.16	4,820	0.16
	Date wise Increase /Decrease in Share holding	NIL			
	At the End of the year	4,820	0.16	4,820	0.16

5.	KESHAV BHUPAL				
	At the beginning of the year	3,300	0.11	3,300	0.11
	Date wise Increase /Decrease in Share holding	NIL			
	At the End of the year	3,300	0.11	3,300	0.11



6.	K. KAPIL PRASAD	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	80,210	2.67	80,210	2.67
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc)	Reason: Increase in 875 shares Date of transfer: 22.04.2015 & 26.06.2015			
	At the End of the year	81,085	2.70	81,085	2.70

7.	Madhurika Nalluri Venkat	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Share holding	NIL			
	At the End of the year	0	0	0	0

8.	PRITY BOKARIA, (KMP) COMPANY SECRETARY	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Share holding	NIL			
	At the End of the year	0	0	0	0

9.	U.VIJAYA KUMAR -CFO(KMP)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Share holding	NIL			
	At the End of the year	0	0	0	0

VI. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount				
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year Addition / Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL



VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director.

S N.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		K.HARISHCHANDRA PRASAD (Managing Director)	
		Total Amount (In ₹)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000	48,00,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	13,76,277	13,76,277
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission- as % of profit others, specify	NIL	NIL
5.	Others, please specify	NIL	NIL
Total (A)		61,76,277	61,76,277
Ceiling as per the Act			84,00,000

B. Remuneration to other directors:(Sitting fee for attending Board and Committee Meetings)

S N.	Particulars of Remuneration	Name of Directors							Total Amount (In ₹)
		R.Surender Reddy	Kapil Bhatia	M.Ranganath Sai	Keshav Bhupal	K.Kapil Prasad	K.Arun Prasad	Madhurika Nalluri Venkat	
1.	Independent Directors								
	Fee for attending board and committee meetings	24,000	12,000	4,000	18,000	0	0	20,000	78,000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	24,000	12,000	4,000	18,000	0	0	20,000	78,000
2.	Other Non-Executive Directors								
	Fee for attending board and committee meetings	NIL	NIL	NIL	NIL	24,000	4,000	NIL	28,000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	24,000	4,000	NIL	28,000
	Total (B)=(1+2)	24,000	12,000	4,000	18,000	24,000	4,000	20,000	1,06,000



VIII. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
S N.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (In ₹)
		CS (Suman Bung)	CS (Prity Bokaria)	CFO (Vijay Kumar U)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	93,000 (up to 30.9.2015)	8,000 (From 17.3.2016)	5,62,560	6,63,560
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	1,15,496	1,15,496
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as a % of profit - others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total	93,000	8,000	6,78,056	7,79,056

IX. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-		-	-	-
Punishment	-		-	-	-
Compounding	-		-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	--	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



MANAGEMENT'S DISCUSSIONS AND ANALYSIS REPORT

BUSINESS OUTLOOK:

The global economic environment remained subdued during fiscal 2016. The U.S. Federal Reserve raised interest rates by 25 basis points in December 2015, while other advanced and emerging economies continued to pursue an accommodative monetary policy. There was a slowdown in economic growth in China to 6.9% in calendar year 2015 compared to 7.3% in calendar year 2014. The price of the bench mark Brent Crude fell from US \$ 55 per barrel at March 2015 to a low of US \$ 28 per barrel in January 2016 but recovered thereafter to US \$ 40 per barrel at end of March 2016. These developments led to significant volatility in total financial markets.

In India, economic activity during the first nine months of fiscal 2016 showed a gradual improvement. India's GDP grew by 7.5% during the first nine months of fiscal 2016, compared to 7.4% of fiscal 2015. Inflation remained moderate during fiscal 2016. With inflation remaining within its target range, RBI reduced the repo rate by 75 basis points during fiscal 2016 from 7.50% to 6.75%. In April 2016, again RBI has reduced the repo rate by a further 25 basis points to 6.50%. Yields on the benchmark 10 year government securities remained in the range of 7.7% to 7.8% for most part of the year but eased towards the end of the year to 7.4% at March 31, 2016.

The operating environment for the Indian Corporate Sector continued to remain challenging in view of the subdued global scenario, gradual nature of the domestic economic recovery, continued weak corporate investment activity. The Company will continue to focus its efforts to closely monitor portfolio Investment activity to generate optimum returns by way of capital appreciation and periodic dividend returns.

INVESTMENTS:

Total Non Current Investments increased by 6.7% from ₹ 3,024.14 lakhs at March 31, 2015 to ₹ 3,224.95 lakhs at March 31, 2016 primarily on account of significant changes in the Indian Stock Markets.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The CEO and CFO certification provided in the CEO and CFO certification section of the Annual Report discusses the adequacy of our internal control systems and procedures.

KEY FINANCIAL INDICATORS: LAST THREE YEARS:

(₹ in lakhs)

	F.Y.2015-16	F.Y.2014-15	F.Y.2013-14
Equity Capital and Reserves	3559.48	3322.85	2934.15
Non Current Investments	3224.95	3024.14	2559.62
Gross Profit (profit before tax)	375.75	566.78	134.87
Net Profit (profit after tax)	363.01	499.97	134.87
Dividend (%)	35%	30%	18%
Earnings per share	12.10	16.67	4.50

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

Sd/-

K.HARISHCHANDRA PRASAD

Managing Director

DIN:00012564

Place : Hyderabad
Date : 21-05-2016



REPORT ON CORPORATE GOVERNANCE

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

The Company's philosophy on code of governance in 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:

The Board has Seven (7) Directors comprising of (2) Promoter Directors i.e. Managing Director & a Non Executive Director and five (5) Independent non executive Directors. The non-executive Directors are eminent professionals drawn from amongst persons with experience in business, finance, and industry. The Composition of the Board as on 31.03.2016 is as under:

Name of the Director	Category	Number of Board Meetings held	Attendance at Board Meetings	Whether attended AGM on 13.08.2015	Number of other Boards in which he/she is a Director Public	Number of other Boards in which he/she is a Director Private.	Number of other Board Committees in which he/she is a Member	Number of other Board Committees in which he/she is a Chairman
Sri R.Surender Reddy	Independent Director	4	4	Yes	5	NIL	5	5
Sri Kapil Bhatia	Independent Director	4	2	No	1	15	9	0
Sri M.Ranganath Sai	Independent Director	4	1	No	1	NIL	NIL	NIL
Sri K.Harishchandra Prasad	Managing Director/ Promoter	4	4	Yes	7	3	6	7
Sri. Keshav Bhupal	Independent Director	4	3	Yes	1	3	NIL	NIL
Sri.K.Kapil Prasad	Non –executive Director/Promoter	4	4	Yes	NIL	1	NIL	NIL
Smt. Madhurika Nalluri Venkat	Independent Director	4	4	Yes	NIL	1	NIL	NIL

- There are no pecuniary relationships or transactions with Independent Non Executive Directors except for sitting fees paid for attending Board and other Committee meetings
- During the Financial Year 2015-16, Four Board Meetings were held on 25.05.2015, 13.08.2015, 06.11.2015 and 01.02.2016. The gap between two meetings did not exceed four months.
- None of the Directors on the Board is a member in more than 10 Committees or Chairman in more than 5 Committees, across all the public companies in which he is a Director.
- None of the Directors serves as an Independent Director in more than 7 Companies.

3) Committees of the Board

A) Audit Committee:

The Company has a qualified and independent Audit Committee which consists of Independent Directors, who provides assistance to the Board of Directors in fulfilling its responsibilities. The Audit Committee is constituted in accordance with the provision of Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014.

The Audit Committee is empowered with functions according to the powers, scope and role as defined and prescribed under the said Regulation 18 and Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and acts in terms of reference and Directors if any given by the Board from time to time.

The terms of reference of this Committee are wide enough to cover the matters specified for audit committees under Regulation 18 of the Securities and Exchange Board of India (LODR), as well as in Section 177 of the Companies Act, 2013, and are as follows:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the Director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;



- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;
- (f) disclosure of any related party transactions;
- (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in reference of the audit committee.

Composition, Name of Members and Chairperson:

S. No	Name	Designation in Committee	Category of Directorship	No. of Meetings held during the year	No. of the Meetings attended during the year
1.	Sri.R.Surender Reddy	Chairman	Non-Executive & Independent	4	4
2.	Sri. Keshav Bhupal	Member	Non-Executive & Independent	4	3
3.	Sri Kapil Bhatia	Member	Non-Executive & Independent	4	2
4.	Smt. Madhurika Nalluri Venkat (w.e.f.01.02.2016)	Member	Non-Executive & Independent	4	1
5.	Sri.K.Kapil Prasad	Member	Promoter, Non-Executive & Non-Independent	4	4
6.	Sri.M.Ranganath Sai (up to 01.02.2016)	Member	Non-Executive & Independent	4	0

Meetings and attendance during the year:

During the financial year ended 31st March, 2016, Four Audit Committee Meetings were held on 25.05.2015, 13.08.2015, 06.11.2015 and 01.02.2016 the attendance details of the Members are as above.

B) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee has been formed in compliance of Regulation 19 on SEBI (LODR) of the Listing Regulation 2015, and pursuant to Section 178 of the Companies Act, 2013 comprising of 4 Non Executive Independent Directors.

a). Purpose:

To formulate a remuneration policy and approve the remuneration or revision in the remuneration payable to the Managing Director/Directors/Key Managerial Personnel.

**Nomination and Remuneration Committee****b). Composition, Name of Members and Chairperson:**

S. No	Name	Designation in Committee	Category of Directorship	No. Number of Meetings held	No. of the Meetings attended
1.	Sri. Keshav Bhupal	Chairman	Non-Executive & Independent	1	1
2.	Sri. R.Surender Reddy	Member	Non-Executive & Independent	1	1
3.	Sri Kapil Bhatia	Member	Non-Executive & Independent	1	0
4.	Smt. Madhurika Nalluri Venkat **(w.e.f.01.02.2016)	Member	Non-Executive & Independent	1	1

During the financial year ended 31st March, 2016, one Remuneration Committee Meeting was held on 16.03.2016, the attendance details of the Members are as above.

****Appointed on 01.02.2016.**

c). The details of shares held by Directors as on 31-03-2016 are given below:

Name of Director	Number of Shares
Sri K.Harishchandra Prasad	1,49,280
Sri. K.Kapil Prasad	81,085
Sri R.Surender Reddy	6,140
Sri M.Ranganath Sai	4,820
Sri. Keshav Bhupal	3,300
Sri Kapil Bhatia	740
Smt.Madhurika Nalluri Venkat	0
Total	2,45,365

d). Independent Directors' Meeting:

During the year under review, the Independent Directors met on 01.02.2016, inter alia to discuss:

1. review the performance of non-Independent Directors and the Board as a whole,-
2. review the performance of the Chairperson of the Company, taking into account the views of executive Director and non-executive Directors,
3. assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

e) Remuneration of Director:

To recommend/review the remuneration package, periodically to the Managing Director/Directors. The remuneration policy is in consonance with the existing Industry Practice and also with the provisions of the Companies Act, 2013.

- a. There are no non Executive Director having any pecuniary relationship or transaction with the Company during the financial year under review.
- b. Company does not pay any remuneration to non executive Directors except payment of the sitting fees.
- c. Details of remuneration paid during the financial year ended 31st March 2016 to the Managing Director/Directors are furnished hereunder: (₹)

Name	Designation	Salary	Perquisites	Contribution to Various Funds	Sitting Fees	Total
Sri K.Harishchandra Prasad	Managing Director	48,00,000	1,95,777	11,80,500	-	61,76,277
Sri M.Ranganath Sai	Director	-	-	-	4,000	4,000
Sri R.Surender Reddy	Director	-	-	-	24,000	24,000
Sri Kapil Bhatia	Director	-	-	-	12,000	12,000
Sri.Keshav Bhupal	Director	-	-	-	18,000	18,000
Sri.K.Kapil Prasad	Director	-	-	-	24,000	24,000
Smt.Madhurika Nalluri Venkat	Director	-	-	-	20,000	20,000
Sri. K.Arun Prasad (part of the year)	Additional Director	-	-	-	4,000	4,000

**C) Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee has been formed in compliance of Regulation 20 of the SEBI (LODR) and pursuant to Section 178 of the Companies Act, 2013 comprising of 2 Non-Executive Independent Directors, 1 Non Executive –Non Independent Director and 1 Executive- Non Independent Director

a). Purpose

A Stakeholders Relationship 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.

Stakeholders Relationship Committee:**b). Composition, Name of Members and Chairperson:**

S. No	Name	Designation in Committee	Category of Directorship
1.	Sri. Keshav Bhupal	Chairman	Non-Executive & Independent
2.	Sri.Kapil Prasad	Member	Promoter,Non-Executive & Non- Independent
3.	Sri Kapil Bhatia	Member	Non-Executive & Independent
4.	Sri.K.Harishchandra Prasad	Member	Promoter & Executive

c). Details of status of the references / complaints received and replied / resolved during the year are given in the following statements:

S. No.	Particulars	No. of compliant received	No. of compliant resolved	Pending complaints
1.	Non receipt of dividends	7	7	0
2.	Non receipt of annual reports	1	1	0
3.	Transmission & Duplicates	10	10	0
Total		18	18	0

d). Miss Prity Bokaria, Company Secretary of the Company, acts as the Compliance Officer and Mr.U.Vijaya Kumar, Manager (F & A) is a Member of Share Transfer Sub-Committee of the Company.

D). RISK MANAGEMENT COMMITTEE**a). Purpose**

The Board of Directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The details of risk management committee and its composition is given below:

b). Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Sri.Keshav Bhupal	Chairperson	Non Executive Independent Director
Sri.R.Surender Reddy	Member	Non Executive Independent Director
Sri.K.Kapil Prasad	Member	Non Executive & Non Independent Director
Sri.K.Harishchandra prasad	Managing Director	Executive & Non Independent Director

c). Role and Responsibilities of the Committee includes the following:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed

E). Corporate Social Responsibility Committee (CSR):**i) Terms of reference:**

The Committee formulate and recommend to the Board, a CSR Policy and recommend the amount of expenditure to be incurred on CSR activities Committee framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitor CSR policy from time to time. At present the Company does not fall under the CSR criteria.



The CSR Committee of the Company consists of the following Directors

Name	Designation	Category
Sri.R.Surender Reddy	Chairperson	Non Executive Independent Director
Sri.Keshav Bhupal	Member	Non Executive Independent Director
Sri.Kapil Bhatia	Member	Non Executive Independent Director
Sri.K.Harishchandra prasad	Member	Executive & Non Independent Director
Smt.Madhurika Nalluri Venkat	Member	Non Executive Independent Director

4). GENERAL BODY MEETINGS:

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

Year	Location	Date	Time
2013 89 th AGM	“Triveni Banquet Hall”,Kamat Lingapur Hotel, 1-10-44/2,Begumpet, Hyderabad-16.	3.08.2013	9.30.A.M
2014 90 th AGM	“Triveni Banquet Hall”,Kamat Lingapur Hotel, 1-10-44/2,Begumpet, Hyderabad-16.	5.08.2014	9.30.A.M
2015 91 st AGM	“Triveni Banquet Hall”,Kamat Lingapur Hotel, 1-10-44/2,Begumpet, Hyderabad-16.	13.08.2015	9.30.A.M

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

YEAR	Details of Special Resolution
2012-13 89 th AGM	Reappointment of Managing Director
2013-14 90 th AGM	Reappointment of Managing Director
2014-15 91 st AGM	Appointment of Independent Director & Adoption of new Articles of Association of the Company

5). MEANS OF COMMUNICATION.

The Quarterly and Half-yearly Results are intimated to the shareholders through the Press and Company Website, i.e www.lakshmifinance.org and are normally published in Business Standard (English) and Navatelangana (Telugu).

6). GENERAL SHAREHOLDER INFORMATION:

AGM Date	12 th August, 2016
Time	9.30 A.M
Venue	Kamat Lingapur Hotel,Begumpet, Hyderabad- 500 016
Financial Year	2015-2016
Book Closure date	05-08-2016 to 12-08-2016(Inclusive of both days)
Rate of Dividend recommended	35% (₹ 3.50. per share)
Dividend Payment Date	Within 30 days from the date of declaration at the Annual General Meeting.
Listing on Stock Exchange	National Stock Exchange of (India) Limited Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E)- Mumbai - 400 051 LFIC
Stock Code	
Mode of trade of Shares	Compulsory Dematerialization
Demat ISIN Numbers in (NSDL & CDSL)	INE 850 E0 1012
Listing fee	Paid to the National Stock Exchange of (India) Limited for the Year 2016-17
Registrar & Transfer Agents	Venture Capital & Corporate Investments Pvt. Ltd 12-10-167, Bharat Nagar, Hyderabad –500 018 Tel. Nos: 040-23818475/23818476 &23868023, E-mail:info@vccilindia.com
Address for correspondence	1 st . Floor, “Suryodaya”,1-10-60/3, Begumpet, Hyderabad- 500016 Tel.Phone.040-27760301/27767794 Fax.040-27767793. E-mail: lakshmi_lfic@yahoo.com Website: lakshmifinance.org.

a) 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 processes shares sent for Transfer/Transmission, two times in a month. Transfers/Transmissions, which are complete in all respects, will be processed within 15 days.

b) 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.



c) Share Dematerialisation Records:

The Company received and confirmed demat request for 18,39,049 (61.30%) Shares (NSDL+ CDSL) during the period from 01st January 2002 to 31st March, 2016.

The total percentage of the Shares of the Company in Dematerialized form, as on 31st March, 2016 is 61.30%.

7) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or Any Convertible Instruments, Conversion: Nil

8) Commodity price risk or foreign exchange risk and hedging activities: NIL

9) Plant Location:

The Company is a Non-Banking Finance Company with investment activity, thus it does not have any plant .

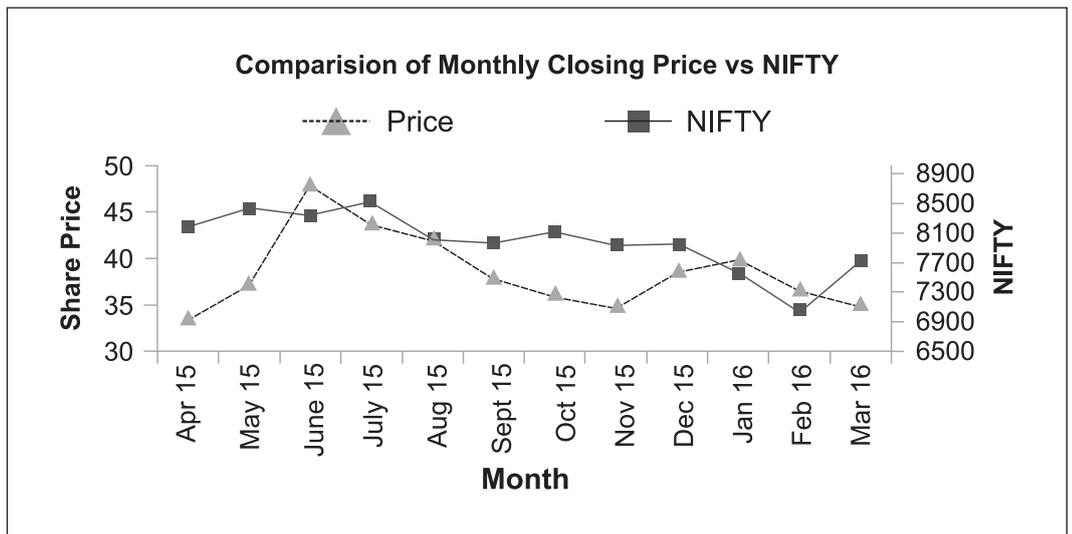
10) Market Price Data:

The Company's shares are traded on the National Stock Exchange of (India) Limited.

Monthly high and low quotations and volume of equity shares traded at National Stock Exchange of (India) Limited (NSE) during the F.Y. 2015-16 are set out in the following Table:

Month	High (Rs)	Low (Rs)	Volume
April 2015	36.15	24.00	8926
May 2015	37.00	30.60	4370
June 2015	47.80	38.85	1691
July 2015	48.00	38.00	13671
August 2015	47.25	41.65	5769
September 2015	37.70	32.40	1337
October 2015	37.50	32.50	2366
November 2015	37.50	33.30	2415
December 2015	40.20	34.55	2725
January 2016	47.40	36.55	3047
February 2016	39.90	33.15	2417
March 2016	38.25	34.75	4469

11) Performance in comparison to broad-based indices such as NIFTY:



**12) Distribution of Shareholding as on 31st March, 2016:**

Shareholding (Range)	No. of Share holders	% of holders	No. of Shares	% of Shares
Upto - 500	3,064	80.80	5,46,549	18.22
501 - 1000	443	11.68	3,11,685	10.39
1001 - 2000	167	4.41	2,40,386	8.01
2001 - 3000	56	1.48	1,48,443	4.95
3001 - 4000	17	0.45	59,948	2.00
4001 - 5000	10	0.26	44,519	1.48
5001 -10000	14	0.37	93,340	3.11
10001 and above	21	0.55	15,55,130	51.84
Total	3,792	100.00	30,00,000	100.00
Demat mode	766	20.20	18,39,049	61.30
Physical mode	3,026	79.80	11,60,951	38.70

13) Shareholding Pattern as on 31st March, 2016:

S. No.	Category	No. of Cases	Total Shares	% Total Equity
1.	Promoters and Promoter Group. (including NRI's & Bodies Corporates)	19	1410883	47.03
2.	Banks & Insurance Companies	2	4760	0.16
3.	Bodies Corporates	30	28876	0.96
4.	Clearing Members	4	6390	0.21
5.	Trust	1	740	0.02
6.	Non Resident Individuals (NRI)	2	1350	0.05
7.	Resident Individuals	3734	1547001	51.57
	TOTAL	3792	3000000	100.00 %

14) Other Disclosures:

- a). Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.
- 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 Listing Obligation and Disclosure Regulations, 2015 and is in the process of implementation of Non-mandatory requirements.
- d). The Company has adopted a whistle blower policy and has established the necessary vigil mechanism as defined under regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. No person has denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company.
- e). 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 the Listing Regulations was placed before the Board, who took the same on record.
- f). Compliance Certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this Report
- g). Share Capital Audit. (Secretarial Audit)
A qualified practicing Company Secretary carried out Share Capital Audit (secretarial audit) to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total Paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- h). Related Party Transactions.
Details of materially significant related party transactions with its promoters, the Directors or the management, etc. are presented in the Balance Sheet. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. During 2015-16, there were no related party transactions of material nature that may have a potential conflict with the interests of the Company.



i). The Company Directors and their relationship:

Sl. No	Name of the Director	Relationship with other Director
1.	Sri.K.Harishchandra Prasad	Related to Sri.K.Kapil Prasad
2.	Sri.K.Kapil Prasad	Related to Sri.K.Harishchandra Prasad
3.	Sri.R.Surender Reddy	None
4.	Sri.Kapil Bhatia	None
5.	Sri.M.Ranganath Sai	None
6.	Sri.Keshav Bhupal	None
7.	Smt. Madhurika Nalluri Venkat	None

15) 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: **Registrars and Share Transfer Agents M/s. Venture Capital & Corporate Investments Pvt.Ltd. 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 contact 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

16) 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, 2013, 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.

17) Unclaimed Shares:

As per 39 (4) Listing Regulation SEBI (LODR) of the amended Equity Listing Agreement (SEBI circular dated 16.12.2010), all physical shares of the related unclaimed shares would have to be dematted and transferred to the special demat account held by the Company. Further, at least three reminders are to be sent to the shareholders in this regard and the Company has sent intimation letter to all the shareholders who have not claimed the share certificates vide intimation letter dated:27.07.2015

The Company is in process of crediting the unclaimed Equity Shares to a Demat Suspense Account in accordance with the said Regulation.

18) Policies of the Company

a). Vigilance Mechanism / Whistle Blower Policy

The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The Whistle Blower Policy of the Company is also available on the website of the Company i.e. www.lakshmifinance.org

b). Related Party Transaction Policy

The Company recognizes that Related Party Transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stockholders' best interests.

Hence, keeping in view of transactions entered by the Company with the related parties, the Board has in accordance with the Companies Act, 2013 and Regulations of the Securities Exchanges Board of India (Listing Obligations and Disclosure Regulation) 2015 adopted a policy on related party transactions to ensure high level of transparency in all its business dealings, thereby promoting good corporate governance.



The Company also has a Code of Conduct for all employees, officers and directors of the Company, which emphasizes that all possible conflicts of interest should be avoided. Therefore, it is found appropriate to adopt a policy regarding the review and approval of Related Party Transactions in order to set forth the procedures under which certain transactions must be reviewed, approved or ratified. The Related Party Transaction Policy of the Company is also available on the website of the Company i.e. www.lakshmifinance.org

c). Nomination and Remuneration Policy

The Company believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance.

Towards this, the Company ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

The Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board. The Company aims to have an optimum combination of Executive, Non-Executive and Independent Directors. It also recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- i) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- ii) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- iii) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Policy of the company is also available on the website of the Company i.e. www.lakshmifinance.org

d). Corporate Social Responsibility (CSR) Policy

The Company has adopted Corporate Social Responsibility Policy containing the activities to be undertaken by the Company as part of its CSR programs. The CSR Policy is disclosed on the website of the Company.

The other policies of the company such as Archival Policy, Policy on Preservation of Documents etc are also available on the website of the company i.e. www.lakshmifinance.org

19) Familiarization Programme

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted and inform the Board members about the provisions and rules as applicable to the company from time to time

For and on behalf of the Board
for **LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED**

sd/-

R.Surender Reddy
Director
(DIN: 00083972)

sd/-

K.Harishchandra Prasad
Managing Director
(DIN: 00012564)

Place : Hyderabad
Date : 21.05.2016

To,
The Members of
Lakshmi Finance and Industrial Corporation Limited

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

Pursuant to Regulation 26 and Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and senior management personnel are aware of the provisions of the Code of Conduct laid down by the Board and made effective from 01.04.2011. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct.

for **LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED**

Place : Hydrerabad
Date : 21.05.2016

Sd/-
K.HARISHCHANDRA PRASAD
Managing Director
DIN No:00012564



CERTIFICATE BY CEO/CFO UNDER REGULATION 17 (8)

In relation to the Audited Financial Accounts of the Company as at March 31, 2016, 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:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered in to by the Company during year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee that
- there are no significant changes in internal control over financial reporting during the year.
 - there are no significant changes in accounting policies during the year .
 - there are no frauds of which we are aware, that involves management or other employees who have a significant role in the company's internal control system.

Place :Hyderabad
Date :21.05.2016

Sd/-
U.Vijaya Kumar
Chief Financial Officer

Sd/-
K.Harishchandra Prasad
Managing Director
DIN NO: 00012564

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED,
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by **LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED**, Hyderabad, for the year ended on 31st March, 2016, as stipulated in securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations, 2015 as per the listing agreement entered into by 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 as stipulated in the said Clause. 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

Place :Hyderabad
Date :May 21,2016

Sd/-
P. CHANDRAMOULI
Partner
Membership Number: 025211



INDEPENDENT AUDITOR'S REPORT

TO

**THE MEMBERS OF
LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED,
HYDERABAD.**

Report on the Financial Statements :

We have audited the accompanying financial statements of LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for **M. ANANDAM & CO**
Chartered Accountants
F R No: 000125S

sd/-
(M.V. RANGANATH)
Partner
M No:028031

Place : Hyderabad
Date : 21.05.2016

for **BRAHMAYYA & CO**
Chartered Accountants
F R No: 000513S

sd/-
(P. CHANDRAMOULI)
Partner
M No: 025211

Place : Hyderabad
Date :21.05.2016

**Annexure -A to the Auditor's Report:**

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of **LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED, HYDERABAD**, for the year ended March 31,2016.,

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 the fixed assets during the year and there is a regular programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Company does not carry any inventory during the year. Therefore, the provisions of paragraph 3(ii) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- b. In view of our comment in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of 148 section of the Companies Act, 2013 for the activities of the Company.
7. a. According to the records, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2016 for a period of more than six months from the date they became payable.
- b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of Dues	Amount ₹	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

8. As the Company has no borrowings, the provisions of paragraph 3(viii) of the Companies (Auditor's Report) Order 2016 are not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable



13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and such registration has been obtained.

for **M. ANANDAM & CO**
Chartered Accountants
F R No: 000125S

for **BRAHMAYYA & CO**
Chartered Accountants
F R No: 000513S

sd/-
(M.V. RANGANATH)
Partner
M No:028031

sd/-
(P. CHANDRAMOULI)
Partner
M No:025211

Place : Hyderabad
Date : 21.05.2016

Place : Hyderabad
Date : 21.05.2016



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED**, HYDERABAD ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **M. ANANDAM & CO**
Chartered Accountants
F R No: 000125S

for **BRAHMAYYA & CO**
Chartered Accountants
F R No: 000513S

sd/-
(M.V. RANGANATH)
Partner
M No:028031

sd/-
(P. CHANDRAMOULI)
Partner
M No:025211

Place : Hyderabad
Date : 21.05.2016

Place : Hyderabad
Date : 21.05.2016

**BALANCE SHEET AS AT MARCH 31, 2016**

₹

Particulars	Notes	31.03.2016	31.03.2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	04	30,000,000	30,000,000
Reserves and Surplus	05	325,947,785	302,284,510
		355,947,785	332,284,510
Non - Current liabilities			
Other Long - term liabilities	06	1,342,680	1,334,010
Long - term provisions	07	769,912	689,645
		2,112,592	2,023,655
Current liabilities			
Trade Payables	08	13,550	184,404
Other Current liabilities	09	7,157,942	7,381,808
Short - term provisions	10	12,637,553	15,790,094
		19,809,045	23,356,306
	Total	377,869,422	357,664,471
ASSETS			
Non - Current assets			
Fixed assets			
Tangible assets	11	1,303,979	901,202
Non - current investments	12	322,494,996	302,413,787
Long-term loans and advances	13	211,855	211,705
		324,010,830	303,526,694
Current Assets			
Trade receivables	14	9,679,131	-
Cash and cash equivalents	15	42,104,740	52,462,204
Short-term loans and advances	16	16,000	-
Other current assets	17	2,058,721	1,675,573
		53,858,592	54,137,777
	Total	377,869,422	357,664,471
Notes Forming Part of Financial Statements	01 - 33		

for and on behalf of the Board

per our report of even date
for **M.Anandam & Co.,**
Chartered Accountants
Firms' Registration No: 000125S

Sd/-
K. Harishchandra Prasad
Managing Director

Sd/-
R.Surender Reddy
Director

Sd/-
M.V. Ranganath
Partner
Membership No: 028031

Sd/-
U.Vijaya Kumar
Chief Financial Officer

Sd/-
Prity Bokaria
Company Secretary

for **Brahmayya & Co.,**
Chartered Accountants
Firms Registration No: 000513S

Sd/-
P. Chandramouli
Partner
Membership No: 025211

Place : Hyderabad
Date : 21.05.2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

₹

Particulars	Notes	31.03.2016	31.03.2015
INCOME			
Revenue from operations	18	45,397,712	65,218,754
Other Income	19	3,825,782	3,599,838
Total Revenue		49,223,494	68,818,592
EXPENSES			
Employee Benefits Expense	20	8,082,319	7,216,903
Finance Costs		-	428,098
Depreciation expense	21	702,229	720,652
Other Expenses	22	2,863,673	3,774,579
Total Expenses		11,648,221	12,140,232
PROFIT BEFORE TAX		37,575,273	56,678,360
TAX EXPENSE			
Current Tax		1,274,445	6,848,260
Earlier years Tax		-	(167,072)
		1,274,445	6,681,188
PROFIT FOR THE PERIOD		36,300,828	49,997,172
Earnings Per Equity Share Of ₹ 10/- each			
Basic and diluted	23	12.10	16.67
Notes Forming Part Of Financial Statements	01 - 33		

for and on behalf of the Board

per our report of even date
for **M.Anandam & Co.,**
Chartered Accountants
Firms' Registration No: 000125SSd/-
K. Harishchandra Prasad
Managing DirectorSd/-
R.Surender Reddy
DirectorSd/-
M.V. Ranganath
Partner
Membership No: 028031Sd/-
U.Vijaya Kumar
Chief Financial OfficerSd/-
Prity Bokaria
Company Secretaryfor **Brahmayya & Co.,**
Chartered Accountants
Firms Registration No: 000513SSd/-
P. Chandramouli
Partner
Membership No: 025211Place : Hyderabad
Date : 21.05.2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

₹

Particulars	31.03.2016	31.03.2015
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before Tax	37,575,273	56,678,360
Adjustments for:		
Depreciation	702,229	720,652
Loss/(Profit) on Sale of Investments (Net)	(11,360,112)	(35,860,259)
Profit on sale of Fixed Assets	(72,242)	-
Loss on Assets Discarded	-	7,600
Excess Provision written back	(168,000)	-
Interest (Net)	(1,620,875)	(4,079,977)
Diminution in the value of Non Current Investments (Net)	(1,348,540)	592,019
Income From Non Current Investments	(31,068,185)	(24,866,980)
Rents Earned	(3,522,470)	(3,571,422)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(10,882,922)	(10,380,007)
Adjustments for:		
Increase/(Decrease) in Other Long Term Liabilities	8,670	8,250
Increase/(Decrease) in Trade Payables	(2,854)	(82,007)
Increase/(Decrease) in Long Term Provisions	80,267	197,880
Increase/(Decrease) in Other Current Liabilities	(489,979)	374,188
(Increase)/Decrease in Long term loans and advances	(150)	-
(Increase)/Decrease in Short term loans and advances	(16,000)	70,000
(Increase)/Decrease in Trade Receivables	(9,679,131)	-
(Increase)/Decrease in Other current assets	95,004	439,247
Direct Taxes Paid	(9,488,316)	(1,516,327)
NET CASH FROM OPERATING ACTIVITIES (A)	(30,375,411)	(10,888,776)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Tangible Fixed Assets	(916,940)	(9,690)
Sale of Tangible Fixed Assets	97,242	-
Purchase of Non Current Investments	(111,287,094)	(211,455,529)
Sale of Non Current Investments	103,701,471	200,031,622
Income received from Non Current Investments	30,981,549	24,866,980
Interest received	2,781,537	3,669,052
Rents Earned	3,394,069	3,811,359
NET CASH USED IN INVESTING ACTIVITIES (B)	28,751,834	20,913,794
C CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend Paid	(8,733,887)	(5,561,325)
NET CASH GENERATED IN FINANCING ACTIVITIES (C)	(8,733,887)	(5,561,325)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(10,357,464)	4,463,693
Cash and Cash equivalents as at beginning of the year	52,462,204	47,998,511
Cash and Cash equivalents as at the end of the year	42,104,740	52,462,204

for and on behalf of the Board

per our report of even date
for **M.Anandam & Co.,**
Chartered Accountants
Firms' Registration No: 000125S

Sd/-
K. Harishchandra Prasad
Managing Director

Sd/-
R.Surender Reddy
Director

Sd/-
M.V. Ranganath
Partner
Membership No: 028031

Sd/-
U.Vijaya Kumar
Chief Financial Officer

Sd/-
Prity Bokaria
Company Secretary

for **Brahmayya & Co.,**
Chartered Accountants
Firms Registration No: 000513S

Sd/-
P. Chandramouli
Partner
Membership No: 025211

Place : Hyderabad
Date : 21.05.2016



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

1. CORPORATE INFORMATION:

The Company is a Public Limited Company and is listed on the National Stock Exchange (NSE) and is engaged in the business of investments in Equity Shares and Mutual Funds.

2. BASIS OF PREPARATION:

The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 and in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

3. SIGNIFICANT ACCOUNTING POLICIES:

a. 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.

b. Tangible Fixed Assets:

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses if any. Cost comprises the purchase price and any attributable cost to bring the asset to its working condition for its intended use.

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

c. Depreciation on Tangible Fixed Assets:

Depreciation is provided considering the useful lives of respective assets, as provided and prescribed under schedule II of the Companies Act, 2013.

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

d. Inventories:

Stock in Trade is stated at the lower of cost and net realizable value. Cost is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

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 statement of Profit and Loss.

f. Revenue Recognition:

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

Interest:

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

Dividends:

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

g. Investments:

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an



individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognize a decline other than temporary in nature.

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

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

h. Retirement and Other Employee Benefits:

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

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

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

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

i. 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.

j. 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.

k. 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.

l. 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 reflect 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.

m. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's



net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

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. Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

p. 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.

q. 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.

r. Others:

Dividend as recommended by the Board of Directors is provided for in the accounts pending shareholders' approval.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

S. No	Particulars	31.03.2016	31.03.2015
04.	SHARE CAPITAL:		
	AUTHORISED:		
	6,000,000 Equity Shares of ₹ 10/- each	60,000,000	60,000,000
	Total	60,000,000	60,000,000
	ISSUED ,SUBSCRIBED AND PAID - UP:		
	3,000,000 Equity Shares of ₹ 10/- each Fully paid up:	30,000,000	30,000,000
	Total	30,000,000	30,000,000

a. Rights attached to equity Shares:

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

During the year ended 31 March 2016, the amount of per share dividend recognised as distribution to equity shareholders is ₹ 3.50 (31 March 2015: ₹ 3.00)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Details of shareholders holding more than 5% shares in the company	31.03.2016		31.03.2015	
	No of Shares	% in the Class	No of Shares	% in the Class
Equity Shares of ₹ 10/- each fully paid				
Unijolly Investments Company Limited	296,060	9.87	296,060	9.87
Healthy Investments Limited	217,340	7.24	217,340	7.24

S. No	Particulars	31.03.2016	31.03.2015
05.	RESERVES AND SURPLUS:		
	Capital Reserves		
	Balance at the beginning and at the end of the year	50,351,780	50,351,780
	Securities Premium Reserve		
	Balance at the beginning and at the end of the year	648,220	648,220
	General Reserve		
	Balance at the beginning of the year	102,500,000	82,500,000
	Add: Additions during the year	10,000,000	20,000,000
	Balance at the end of the year	112,500,000	102,500,000
	Reserve Fund as per RBI guidelines:		
	Balance at the beginning of the year	74,350,000	63,850,000
	Add: Additions during the year	7,600,000	10,500,000
	Balance at the end of the year	81,950,000	74,350,000



₹

S. No	Particulars	31.03.2016	31.03.2015
	Surplus in Statement of Profit and Loss		
	Balance at the beginning of the year	74,434,510	66,064,871
	Less: Carrying amount of the assets whose remaining useful life is nil	-	328,062
		74,434,510	65,736,809
	Add: Profit after tax transferred from Statement of Profit and Loss	36,300,828	49,997,172
	Amount available for appropriation	110,735,338	115,733,981
	Appropriations:		
	General Reserve	(10,000,000)	(20,000,000)
	Reserve Fund as per RBI guidelines	(7,600,000)	(10,500,000)
	Dividend On Equity Capital	(10,500,000)	(9,000,000)
	Corporate Dividend Tax	(2,137,553)	(1,799,471)
	Closing Balance	80,497,785	74,434,510
	Total	325,947,785	302,284,510
06	OTHER LONG TERM LIABILITIES:		
	Others:		
	Security deposits	1,342,680	1,334,010
	Total	1,342,680	1,334,010
07.	LONG TERM PROVISIONS:		
	Provision for employee benefits:		
	Provision for Compensated absences	769,912	689,645
	Total	769,912	689,645
08.	TRADE PAYABLES:		
	Creditors for Supplies and Services (refer note : 27)*	13,550	184,404
	Total	13,550	184,404
	* includes due to related Parties	-	10,887
09.	OTHER CURRENT LIABILITIES:		
	Unpaid Dividends	6,592,170	6,326,057
	Other Payables:		
	Withholding Taxes payable	162,481	256,212
	Interest on Income tax	-	428,098
	Statutory dues payable	295,651	279,381
	Others	107,640	92,060
	Total	7,157,942	7,381,808
10.	SHORT TERM PROVISIONS:		
	Other Provisions:		
	Provision for Dividend	10,500,000	9,000,000
	Provision for Corporate Dividend Tax	2,137,553	1,799,471
	Provision for Income Tax(Net of Advance Tax)	-	4,990,623
	Total	12,637,553	15,790,094



11. TANGIBLE FIXED ASSETS:

S. No	Particulars	Gross Block			Depreciation			Net Block			
		As At 01.04.2015	Additions	Deductions	As At 31.03.2016	Up To 01.04.2015	Adjusted In Retained Earnings For The Year	On Deductions	Up To 31.03.2016	As At 31.03.2016	As At 31.03.2015
1	Furniture and Fixtures	33,664	-	-	33,664	22,278	-	3,687	25,965	7,699	11,386
2	Vehicles	3,022,321	916,940	604,628	3,334,633	2,347,909	-	430,441	2,198,722	1,135,911	674,412
3	Office Equipment										
	own use	288,615	-	-	288,615	253,174	-	18,650	271,824	16,791	35,441
	given on Lease	852,647	-	-	852,647	677,950	-	36,385	714,335	138,312	174,697
4	Air conditioners	41,135	-	-	41,135	39,135	-	-	39,135	2,000	2,000
5	Computers	386,960	-	-	386,960	383,694	-	-	383,694	3,266	3,266
Total		4,625,342	916,940	604,628	4,937,654	3,724,140	-	489,163	3,633,675	1,303,979	901,202
Previous Year		5,024,974	9,690	409,322	4,625,342	3,317,448	328,062	480,352	3,724,140	901,202	1,707,526



₹

S. No	Particulars	31.03.2016	31.03.2015
12.	NON - CURRENT INVESTMENTS:		
	Investment in Property (at cost less accumulated depreciation)		
	Land at cost	2,701,799	2,701,799
		2,701,799	2,701,799
	Cost of buildings given on operating leases	9,880,612	9,880,612
	Less: accumulated depreciation	6,173,380	5,960,314
		3,707,232	3,920,298
		6,409,031	6,622,097
	Other investments (at cost unless otherwise stated)		
	Equity Shares - (Quoted) (fully paid-up unless otherwise stated) (A)	40,613,639	48,097,297
	Equity Shares - (Un - Quoted) (fully paid-up unless otherwise stated) (B)	-	-
	Debentures - (Un - Quoted) (C)	-	-
	Mutual Funds - (Un - Quoted) (D)	275,472,326	247,694,393
		316,085,965	295,791,690
	Total	322,494,996	302,413,787
	Aggregate cost of quoted Investments	40,926,024	49,758,232
	Aggregate market value of quoted Investments	48,192,724	66,715,544
	Aggregate cost of unquoted Investments	275,477,326	247,699,393
	Aggregate provision for diminution in the value of investments	317,395	1,665,935

Details of other investments:

₹

Particulars	Face Value	31.03.2016		31.03.2015	
		No of Shares	Value	No of Shares	Value
A. EQUITY SHARES (QUOTED)					
Amara Raja Batteries Limited	1	3,000	1,938,835	2,600	1,261,294
Apollo Tyres Limited ###	1	10,000	1,749,000	9,200	1,547,900
Asian Paints Limited	1	1,900	1,547,259	-	-
Astra Microwave Limited	2	-	-	10,000	1,333,433
Bharat Forge Limited	2	1,700	1,158,048	2,500	1,703,013
Bharti Airtel Limited	5	-	-	3,500	1,194,465
B.N.Rathi Securities Limited	10	33,074	438,665	11,537	115,610
Cadila Health Care Limited	1	8,500	2,443,354	1,700	2,102,546
C C L Products (India) Limited	2	24,000	2,485,420	21,230	1,053,870
Cipla Limited ##	2	2,000	1,023,900	1,600	648,343
Divi's Laboratories Limited	2	2,600	1,923,277	1,400	2,006,807
Dabur India Limited	1	5,000	1,177,710	6,000	1,028,009
Granules (India) Limited ##	1	6,000	719,700	-	-
HCL Technologies Limited	2	3,200	2,376,949	3,200	2,376,949
Hero Moto Corporation Limited #	2	1,300	3,657,438	1,150	3,035,770
HDFC Bank Limited	2	1,800	1,804,335	1,300	1,301,227



Details of other investments:

₹

Particulars	Face Value	31.03.2016		31.03.2015	
		No of Shares	Value	No of Shares	Value
ICICI Bank Limited	2	-	-	7,000	2,017,746
IPCA Laboratories Limited *	2	-	-	2,300	1,462,455
ITC Limited	1	3,500	1,098,995	3,500	1,098,995
Lupin Limited	2	1,500	1,750,660	1,200	1,222,471
Larsen & Toubro Limited	2	-	-	1,550	2,188,371
L G Balakrishnan And Brothers	10	-	-	5,700	2,442,368
Maruthi Suzuki India Limited	5	600	2,178,771	-	-
NTPC Limited *	10	-	-	3,500	513,975
ONGC Limited *	5	-	-	2,500	765,875
Page Industries Limited	10	50	563,053	-	-
PFIZER Limited	10	1,450	2,143,304	1,550	1,987,804
Suven Life Sciences Limited	1	12,200	1,938,030	23,000	3,203,056
Tata Consultancy Services Limited	1	1,700	3,783,910	1,700	3,783,910
Techtran Polylenses Limited *	10	-	-	14,175	214,751
Tech Mahindra Limited	5	-	-	6,000	3,079,836
The South Indian Bank Limited ##	1	37,000	653,060	37,000	767,508
Uflex Limited *	10	-	-	12,400	1,456,380
Yes Bank Limited	10	3,200	2,059,966	2,500	1,182,560
Total			40,613,639		48,097,297
B. EQUITY SHARES - (UN QUOTED)					
A.P.Mahesh Co-Operative Urban Bank Limited ### (held in the name of the Managing Director)	20	250	-	250	-
Total		-	-	-	-
C. DEBENTURES - (UN QUOTED)					
Non-Convertible Debentures of NTPC Limited (allotted as bonus)	12.5	3,500	-	3,500	-
Total		-	-	-	-

₹

D. MUTUAL FUNDS (UN QUOTED)		No of units	Value	No of units	Value
EQUITY ORIENTED FUNDS: (DIVIDEND PAYOUT)					
Birla Sunlife Equity Fund		100,621	9,500,000	171,085	15,500,000
Birla Sun Life ' 95 Fund		118,760	17,000,000	93,197	13,000,000
Birla Sun Life Front Line Equity Fund Plan A		615,337	16,000,000	605,746	15,500,000
Birla Sun Life India GenNext Fund		474,792	10,500,000	425,172	8,500,000
Birla Sun Life MNC Fund		113,398	16,000,000	137,142	15,500,000
Birla Sun Life Top 100 Fund		328,242	5,500,000	-	-
Canara Robeco Balance Fund		144,394	11,000,000	145,781	10,000,000
Canara Robeco Equity Diversified Fund		28,229	1,000,000	129,306	4,500,000



			₹	
	No of units	Value	No of units	Value
DSP Black Rock Opportunities Fund	271,796	7,000,000	243,027	6,000,000
DSP Black Rock Small and Midcap Fund	338,017	7,500,000	338,017	7,500,000
Franklin India Blue Chip Fund	326,046	12,000,000	252,785	9,000,000
Franklin India Prima Fund	96,781	5,500,000	-	-
Franklin India Prima Plus	400,777	13,000,000	286,298	8,000,000
HDFC Equity Fund	-	-	210,958	10,194,543
HDFC Prudence Fund	220,124	6,499,900	416,354	12,999,900
HDFC TOP 200 FUND	-	-	97,450	5,000,000
ICICI Prudential Value Discovery Fund	510,925	16,500,000	480,967	15,500,000
ICICI Prudential Dynamic Plan	352,953	8,000,000	360,384	8,000,000
ICICI Prudential Focused Blue Chip Equity Fund	599,257	12,000,000	502,679	10,000,000
ICICI Prudential Top 100 Fund	612,501	10,500,000	612,501	10,500,000
IDFC Premier Equity Fund - Plan A	513,480	16,000,000	613,099	18,500,000
Reliance Equity Opportunities Fund	337,754	11,500,000	246,977	8,000,000
Reliance Pharma Fund	192,866	11,500,000	143,487	7,500,000
Reliance Regular Savings Balanced Plan	585,156	9,472,476	467,961	7,500,000
Reliance Regular Savings Balanced Plan Qty. Dividend	209,629	3,000,000	-	-
SBI Magnum Blue Chip Fund	185,280	3,500,000	-	-
SBI Magnum Equity Fund	262,542	9,000,000	149,189	5,000,000
SBI MSFU Emerging Business Fund	681,654	13,500,000	434,386	8,000,000
Templeton India Growth Fund	32,200	2,000,000	-	-
UTI Opportunities Fund	629,436	10,999,950	471,426	7,999,950
Total		275,472,326		247,694,393

*Previous year at cost net of provision for diminution in value.

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

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

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

		₹	
S. No	Particulars	31.03.2016	31.03.2015
13.	LONG TERM LOANS AND ADVANCES:		
	(Unsecured ,Considered good)		
	Security Deposits		
	with Related Parties	85,443	85,443
	with Others	126,412	126,262
	Total	211,855	211,705
14.	TRADE RECEIVABLES:		
	(Unsecured ,Considered good)		
	Outstanding for a period not exceeding six months from the date they are due for Payment	9,679,131	-



₹

S. No	Particulars	31.03.2016	31.03.2015
	Total	9,679,131	-
15. CASH AND CASH EQUIVALENTS:			
Balances with Banks:			
on Current accounts	7,993,567	11,105,119	
Cash on Hand	19,002	31,028	
Other Bank Balances:			
on un paid dividend accounts	6,592,171	6,326,057	
on Deposit accounts	27,500,000	35,000,000	
Total	42,104,740	52,462,204	
16. SHORT TERM LOANS AND ADVANCES:			
(Unsecured ,Considered good)			
Other Advances:			
Staff advances	16,000	-	
Total	16,000	-	
17. OTHER CURRENT ASSETS:			
Advance Income Tax (Net of Provision)	1,735,127	-	
Income Tax Refund Receivable	-	311,350	
Rent Receivable	157,276	28,875	
Accrued Interest	30,027	1,190,689	
Accrued Dividend	86,636	-	
Prepaid Expenses	49,655	144,659	
Total	2,058,721	1,675,573	
18. REVENUE FROM OPERATIONS:			
Profit on sale of Non Current Investments (net)	11,360,112	35,860,259	
Dividends on non current investments	31,068,185	24,866,980	
Interest on Debentures	3,745	-	
Adjustments to the carrying amount of investments	1,348,540	-	
Interest on Deposits with Banks	1,617,130	4,491,515	
Total	45,397,712	65,218,754	
19. OTHER INCOME:			
Interest Received (Others)	57,610	16,560	
Other Non Operating Income(net of expenses)			
Net Gain on Sale of Tangible Fixed Assets	72,242	-	
Rental Income from Investment Property	3,522,470	3,571,422	
Misc Receipts	5,460	3,075	
Excess Provision written back	168,000	-	
Credit Balances Written Back	-	8,781	
Total	3,825,782	3,599,838	
20. EMPLOYEE BENEFITS EXPENSE:			
Salaries, Wages and Bonus	6,507,896	5,726,565	
Contribution to Provident and Other Funds	1,407,129	1,230,502	
Staff Welfare Expenses	167,294	257,046	
Gratuity	-	2,790	
Total	8,082,319	7,216,903	
21. DEPRECIATION AND AMORTISATION EXPENSE:			
Depreciation on tangible fixed assets	489,163	480,352	
Depreciation on Investment property	213,066	240,300	



₹

S. No	Particulars	31.03.2016	31.03.2015
	Total	702,229	720,652
22.	OTHER EXPENSES:		
	Electricity Charges	37,596	33,490
	Communications	231,368	307,048
	Rent and Service Charges	993,802	980,231
	Rates and Taxes	302,294	418,395
	Insurance	57,794	55,634
	Travelling and Conveyance	155,746	161,048
	Vehicle Maintenance	156,566	144,206
	Directors Sitting Fees	106,000	94,000
	Legal and Professional Charges	267,577	195,763
	Payments to Auditors		
	as auditors	68,700	67,416
	for certification	18,222	16,293
	for tax audit	11,450	11,236
	Repairs and Maintenance to:		
	Own Buildings	16,328	80,583
	Other Assets	33,132	35,367
	Loss on Assets discarded	-	7,600
	Donations	-	50,000
	General Charges	379,574	524,250
	Excess income taken in Previous year written back	27,524	-
	Adjustments to the carrying amount of investments	-	592,019
	Total	2,863,673	3,774,579
23.	EARNING PER SHARE:		
	Net Profit for the year attributable to Equity Shareholders	36,300,828	49,997,172
	Weighted average number of equity Shares of ₹ 10/ each	3,000,000	3,000,000
	Earnings per Share (Basic and Diluted)	12.10	16.67
24.	DEFERRED TAX ASSETS (Net):		
	Asset:		
	Difference between book and tax WDV of Assets	233,798	246,330
	Provision for other expenses	329,151	299,429
	Provision for diminution in the value of investments	98,075	514,774
	Total	661,024	1,060,533

The Company does not have any current income tax liability as per the normal provisions of the Income tax Act, 1961 and at present is paying only MAT. In view of the 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and based on general prudence, the Company has not recognised any Deferred tax Asset while preparing the accounts for the current year.

25. 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.
26. In the opinion of the Board, the current assets, loans and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.
27. During the year, there were no transactions with Micro and Small Enterprises; hence the disclosures as per Micro,



Small and Medium Enterprise Development Act, 2006, are not applicable for the time being.

28. Disclosure relating to the Gratuity liability as per Accounting Standard 15 "Employee Benefits"

Particulars		31.03.2016	31.03.2015
a)	The amounts recognised in the Balance Sheet: (amount in Rupees)		
	Present Value of obligation	1,310,768	1,201,005
	Fair value of plan assets	(1,814,576)	(1,672,321)
	Amount recognized in the Balance sheet	*(503,808)	*(471,316)
	* Excess fair value of plan assets not considered in the books		
b)	Changes in the present value of the defined obligation:		
	Opening defined benefit obligation	1,201,005	1,170,566
	Current service Cost	23,598	22,160
	Interest Cost	104,861	102,426
	Actuarial (gains)/Losses on obligation	(18,696)	(94,147)
	Closing defined benefit obligation	1,310,768	1,201,005
c)	Reconciliation of opening and closing balance of fair value of assets:		
	Fair value of plan assets at the beginning of the year	1,672,321	1,534,911
	Expected Return	142,255	134,620
	Contributions Paid	--	2,790
	Fair value of plan assets at the end of the year	1,814,576	1,672,321
d)	Principal actuarial assumptions:		
	Rate of escalation in Compensation	4%	4%
	Discount Rate	8%	8%
	Attrition Rate	1%	1%
	Retirement age in years	60	60

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.

29. There are no separate reportable segments as per the Accounting standard "Segment Reporting "(AS 17).

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

31. In the absence of convincing evidence that the company will pay normal Income Tax within the specified period, the Minimum Alternative Tax (MAT) credit is not recognized as at the year- end in the books of account. The total



amount of such credit is ₹ 16,313,622/- and the situation shall be reviewed at each Balance Sheet date.

32. 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.
 Relatives of Key Management personnel: : Sri K. Kapil Prasad, Son of Managing Director
 Associate Entities: : M/s. Kapil Motors Private Limited
 : M/s.Woodstar Industries

		₹	
b)	Transactions with related Party during the year:	31.03.2016	31.03.2015
	Key Management Personnel		
	Sri K. Harishchandra Prasad		
	Managerial Remuneration	6,176,277	5,384,519
	M/s. Kapil Motors Private Limited		
	Services availed	14,580	11,455
	Cost of New vehicle	798,500	--
	Sale of Used vehicle	112,000	--
	M/s.Woodstar Industries		
	Rent and Service Charges	993,802	980,231

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

for and on behalf of the Board

per our report of even date
for **M.Anandam & Co.,**
Chartered Accountants
Firms' Registration No: 000125S

Sd/-
K. Harishchandra Prasad
Managing Director

Sd/-
R.Surender Reddy
Director

Sd/-
M.V. Ranganath
Partner
Membership No: 028031

Sd/-
U.Vijaya Kumar
Chief Financial Officer

Sd/-
Prity Bokaria
Company Secretary

for **Brahmayya & Co.,**
Chartered Accountants
Firms Registration No: 000513S

Sd/-
P. Chandramouli
Partner
Membership No: 025211

Place : Hyderabad
Date : 21.05.2016

**SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2016**

Sl. No.	Particulars	(₹. In Lakhs)	
	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)	-	
	Non Current Investments:		
	1. Quoted:		
	(i) Shares: (a) Equity	409.26	
	(b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government Securities	-	
	(v) Others (please specify)	-	



Sl. No.	Particulars	(₹. In Lakhs)
2.	Unquoted:	
	(I) Shares:	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	2754.77
	(iv) Government Securities	-
	(v) Others - Investment Property	64.09

6 BORROWER GROUP-WISE CLASSIFICATION OF ALL LEASED ASSETS, STOCK -ON-HIRE AND LOANS AND ADVANCES:

CATEGORY	Amount net of provisions		Total
	Secured	Unsecured	
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
Total	-	-	-

7 INVESTOR GROUP - WISE CLASSIFICATION OF ALL INVESTMENTS (CURRENT, NON CURRENT AND LONG TERM) IN SHARES AND SECURITIES (BOTH QUOTED AND UNQUOTED)

CATEGORY	Market Value Break up or fair value or NAV	Book Value (Net of provisions)
1. Related parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	3063.47	3160.86
Total	3063.47	3160.86

8 OTHER INFORMATION

Particulars	Amount
(i) Gross Non-performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net Non-performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debts	

For and on behalf of the Board

Sd/-

R. Surender Reddy

Director (DIN: 00083972)

Sd/-

K. Harishchandra Prasad

Managing Director (DIN No. 00012564)

Place : Hyderabad

Date : 21.05.2016



This page is intentionally left blank



FORM 2B

NOMINATION FORM

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



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

NAME & ADDRESS OF NOMINEE:

Name:
Address:
.....Pin Code:.....

* Date of Birth :

Three empty boxes for date of birth

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

The Nominee is a minor whose Guardian is.....
(Name and Address of Guardian).....

Nominee Signature.....

Name :..... Address:.....
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(s).
3. Nomination stands rescinded upon transfer of shares





ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

ECS MANDATE FORM FOR PAYMENT OF DIVIDEND ON EQUITY SHARES

M/S.LAKSHMI FINANCE & INDUSTRIAL CORPORATION LTD.

1st Floor, 1-10-60/3, Begumpet, Hyderabad – 500 016.

- 1) First Shareholder's Name : (IN BLOCK LETTERS)
2) Address :
3) Shareholder's Folio No. :
4) Particulars of Bank Account :
A) Bank Name :
B) Branch Name & City (Pin Code) :
C) Account No. (as appearing the on cheque Book) :
D) Account Type (Please tick) : (SB Account/ Current A/c. or Cash Credit) SB [] Current [] Cash Credit []
E) Ledger Folio No. of the Bank A/c. (if appearing on the Cheque Book) :
F) 9-Digit Code No. of the Bank & Branch : appearing on the MICR Cheque issued by the Bank :
G) IFSC Code No :

Please attach a photocopy of the 'Cheque Leaf' or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the code numbers.

DECLARATION

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 or incorrect information, I would not hold Company responsible.

Place: _____

Date: _____

Signature of the First Shareholder

Certified that the particulars furnished above are correct as per our records.

NOTE: Shareholders are requested to furnish their Folio No. without fail



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LIMITED

ANNUAL REPORT 2015-2016

LAKSHMI FINANCE AND INDUSTRIAL CORPORATION LIMITED

(CIN: L65920AP1923PLC000044)

Registered Office: 1-10-60/3, 1st Floor, "Suryodaya", Begumpet, Hyderabad - 500016, Telangana.

Ph.No.040-27760301/27767794 Fax.No.040-27767793

E-mail: lakshmi_lfic@yahoo.com Website: www.lakshmi finance.org

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered Address: _____

E-mail ID: _____ Folio No./Client Id: _____ DP ID: _____

I/We, being member(s) of **LAKSHMI FINANCE AND INDUSTRIAL CORPORATION LIMITED**, holding _____ shares of the Company, hereby appoint:

1. Name: _____
Address: _____
E-mail Id: _____ Signature: _____
Or failing him/her

2. Name: _____
Address: _____
E-mail Id: _____ Signature: _____
Or failing him/her

3. Name: _____
Address: _____
E-mail Id: _____ Signature: _____
Or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **92nd Annual General Meeting of the Company, to be held on Friday, 12th day of August, 2016 at 9.30 a.m at Hotel Kamat Lingapur, Triveni Banquet Hall, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500 016** and at any adjournment thereof in respect of such resolutions as are indicated below::

Sl. No.	Resolution(s)	Vote	
		For	Against
	Ordinary Business :		
1	Adoption of statement of Profit & Loss, Balance sheet, report of Director's and Auditor's for the financial year 2015-16		
2	Declaration of Dividend for the Financial year 2015-16.		
3	Appointment of Sri.K.Kapil Prasad as Director who retires by rotation.		
4	Re-appointment of M/s M.Anandam & Co., Secunderabad & M/s. Brahmayya & Co., Hyderabad, Chartered Accountants, statutory Auditors & fixing their remuneration..		

Signed this _____ day of _____, 2016

Signature of shareholder _____

Signature of Proxy holder(s) _____

Note:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





This page is intentionally left blank



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LIMITED

ANNUAL REPORT 2015-2016

LAKSHMI FINANCE AND INDUSTRIAL CORPORATION LIMITED

(CIN: L65920AP1923PLC000044)

Registered Office: 1-10-60/3, 1st Floor, "Suryodaya", Begumpet, Hyderabad - 500016, Telangana.

Ph.No.040-27760301/27767794 Fax.No.040-27767793

E-mail: lakshmi_ific@yahoo.com Website: www.lakshmiifinance.org

92nd Annual General Meeting – Friday 12th August, 2016

Attendance Slip

(Please present this slip at the Meeting venue)

I hereby record my presence at the **92nd Annual General Meeting** of the members of the Company to be held on **Friday, 12th day of August, 2016 at 9.30 a.m at Hotel Kamat Lingapur, Triveni Banquet Hall, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500 016** and at any adjournment thereof.

Folio No./DP ID and Client ID:

No. of Shares held:

Name and address of
First/Sole Member:

I certify that I am a Member/Proxy/Authorised Representative for the member of the Company.

Name of the Member/Proxy
(In BLOCK Letters)

Signature of the Member/Proxy

Notes:

1. Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.

PRINTED MATTER

To,



If undelivered please return to :



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LIMITED

1st Floor, :Suryodaya, 1-10-60/3,
Begumpet, Hyderabad - 500 016.
Tel.:040-27760301 / 27767794
Fax: 040-27767793
E-mail: lakshmi_lfic@yahoo.com
Website: www.lakshminifinance.org