

NINETY FIFTH  
95  
ANNUAL REPORT 2018-19



*Lakshmi*

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FINANCE & INDUSTRIAL CORPORATION LIMITED

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# Lakshmi

## FINANCE & INDUSTRIAL CORPORATION LIMITED

## ANNUAL REPORT 2018 - 2019

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

Sri. R.Surender Reddy	(DIN:00083972)
Sri. Kapil Bhatia	(DIN:00090776)
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

Mrs.Prity Bokaria

#### AUDITORS

M/s. K.S. Rao & 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  
Tel Phone: 040-27760301/27767794, Fax.No.040-27767793  
E-mail: lakshmi\_ific@yahoo.com  
Website: www.lakshmiifinance.org

#### Corporate Identity Number:

L65920TG1923PLC000044

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

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95<sup>th</sup> Annual General Meeting



Day : Friday  
Date : 09<sup>th</sup> August, 2019  
Time : 9.30. A.M  
VENUE : "Triveni Banquet Hall"  
Kamat Lingapur Hotel, 1-10-44/2,  
Chikoti Gardens,  
(Lane Opp. to Allaaddin 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
Sri.K.Harishchandra Prasad	Member

#### 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

#### 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
Smt. Madhurika Nalluri Venkat	Member
Sri.Keshav Bhupal	Member

#### 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 95th Annual General Meeting of the Members of **LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED** will be held on Friday, the 9th day of August, 2019 at 9.30.A.M. at "Triveni Banquet Hall" Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, (Lane Opp. to Allaaddin 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, 2019 and the Statement of Profit & Loss and 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 2018-19.
2. To declare a Dividend of 25% i.e., Rs.2.50 per share on Equity Shares for the year ended 31st March, 2019.
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.

#### **SPECIAL BUSINESS:**

**4) Re-appointment of Sri.R.Surender Reddy (DIN: 00083972) as Independent Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, read with Schedule IV to the Act as amended from time to time, Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Sri.R.Surender Reddy (DIN: 00083972), an Independent Director of the Company, whose term expires on this 95th Annual General Meeting of the Company and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for another term of 5 (five) consecutive years (second term) i.e., upto to the conclusion of the 100th Annual General Meeting of the Company to be held in the calendar year 2024, notwithstanding that he has attained the age of 75 years."

**5) Re-appointment of Sri. Kapil Bhatia (DIN: 00090776) as Independent Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, read with Schedule IV to the Act as amended from time to time, Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Sri. Kapil Bhatia (DIN: 00090776), an Independent Director of the Company, whose term expires on this 95th Annual General Meeting of the Company and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for another term of 5 (five) consecutive years (second term) i.e., upto to the conclusion of the 100th Annual General Meeting of the Company to be held in the calendar year 2024, notwithstanding that he has attained the age of 75 years."

**6) Re-appointment of Sri. Keshav Bhupal (DIN 00123184) as Independent Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Sri. Keshav Bhupal (DIN: 00123184), an Independent Director of the Company, whose term expires on this 95th Annual General Meeting of the Company and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for another term of 5 (five) consecutive years (second term) i.e., upto to the conclusion of the 100th Annual General Meeting of the Company to be held in the calendar year 2024."

**By order of the Board**  
**Lakshmi Finance & Industrial Corporation Limited**

**REGISTERED OFFICE:**

1<sup>st</sup> Floor, "Suryodaya"  
1-10-60/3, Begumpet,  
Hyderabad-500 016.  
CIN No:L65920TG1923PLC000044  
E-mail:lakshmi\_lfic@yahoo.com  
Website: www.lakshmi finance.org

Sd/-  
**K.Harishchandra Prasad**  
**Managing Director**  
**DIN: 00012564**

Place: Hyderabad  
Date: 27-05-2019

**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. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 3rd August, 2019 to 09th August, 2019 (both days inclusive) for annual closing and determining the entitlement of the shareholders for the final dividend for 2018-19. The proposed dividend if approved will be paid to the Members, whose names appear in the register of members as on 02nd August, 2019.
5. The requirement to ratify the appointment of Auditors by the Members at every Annual General Meeting is done away with vide notification dated May 07, 2018 issued by the corporate affairs, New Delhi. Accordingly, no resolution is proposed for the ratification of appointment of auditors, who were appointed in the Annual General Meeting, held on 28th July, 2017 for the period of 5 years.
6. A dividend of Rs.2.50/- per share (25% on the face value of equity share) has been recommended by the Board of Directors for the year ended 31st March, 2019 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on or before 30 days from the date of Annual General Meeting.
7. 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 02nd August, 2019 a Bank Mandate (providing details of name and address of Banker, Branch, IFS Code, 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. You may avail of the Electronic Clearing Service (ECS) mandate facilities provided by the Company.

Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their Bank Account details. ECS mandates, nominations, power of attorney, change of address/ name etc. to their depository participant only and not to the Company or its Registrar and Transfer Agent. The said nominations will be automatically reflected in the Company's records.

8. (a) Shareholders who have not yet surrendered the existing Share Certificates representing equity shares of Rs.100/- each paid-up of your total shareholdings for exchange of new share certificates representing equity shares of Rs.10/-each paid-up for any reason may please contact Shares Department of the Company.
- (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 action to obtain the unclaimed Bonus Shares.
9. 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.
10. a). 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 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the unclaimed dividend amounts in respect of period 2010-11 has been transferred to the said fund on 12.10.2018 upon expiry of 7 years period. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company on the website of the Company at [www.lakshminfinance.org](http://www.lakshminfinance.org). The said details have also been uploaded on the website of the IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in)
- b). The unclaimed dividend for the year 2011-2012 is due for transfer to IEPF on or before 18.10.2019. Those members who have not en-cashed their dividend warrants(s) for the said year and for the years mentioned below are requested to make the claims to the Company without any further delay. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the IEPF or the Company in respect of any amounts which were unclaimed/unpaid for a period of 7 years from the dates 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
31.03.2012	13.08.2012	18.09.2019	18.10.2019
31.03.2013	03.08.2013	08.09.2020	08.10.2020
31.03.2014	05.08.2014	10.09.2021	10.10.2021
31.03.2015	13.08.2015	18.09.2022	18.10.2022
31.03.2016	12.08.2016	17.09.2023	17.10.2023
31.03.2017	28.07.2017	02.09.2024	02.10.2024
31.03.2018	10.08.2018	15.09.2025	15.10.2025

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.



- c) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and refund) Rules, 2016, as amended, the Company has, during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. October 31, 2017. Accordingly Company has transferred 2,67,938 equity shares to the IEPF Authority. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed on the website of the Company at [www.lakshmifinance.org](http://www.lakshmifinance.org). The said details have also been uploaded on the website of the IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in).
- d). Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned Members/investors/Nominee/Legal Heirs are advised to visit the website at [www.iepf.gov.in](http://www.iepf.gov.in) or contact Company/ Company Registrars and share Transfer agents i.e. M/s.Venture Capital & Corporate Investments Pvt. Ltd, for lodging claim for refund of shares and / or dividend from the IEPF Authority.
11. 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.
12. The Securities & Exchange Board of India (SEBI) has made it mandatory for all Companies to use the Bank account and PAN number 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.
13. 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.
14. 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.
15. a). 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 the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
- b). Members holding shares in physical mode are required to submit their permanent Account Number (PAN) and Bank account details submit (cancelled cheque of your bank account) to the Company/RTA viz. M/s. Venture Capital & Corporate Investments Pvt. Ltd., if not registered with the Company as mandated by SEBI.
- c). Members holding physical shares are requested to register/ update their e-mail address/ Telephone No. with the Company/ Venture Capital & Corporate Investments Pvt. Ltd for receiving all communications from the Company electronically and to immediately notify any change in their address to the Registered Office of the Company / RTA.
- d). SEBI has recently amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed Companies from accepting request for transfer of securities which are held in physical form, with effect from 1st April 2019. The shareholders who continue to hold shares in physical form even after this date, will not be able to lodge the shares with Company/its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.





16. 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.
17. Pursuant to the requirements on the Corporate Governance under the listing regulation, the information about the Directors proposed to be appointed /re- appointed is given in the annexure to the notice.
18. 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.
19. The Notice of the 95th 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.
20. Members may also note that the Notice of the 95th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website at [www.lakshmifinance.org](http://www.lakshmifinance.org). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id at [lakshmi\\_lfic@yahoo.com](mailto:lakshmi_lfic@yahoo.com).

**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 95th 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 95th 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 prior to the 95th Annual General Meeting (AGM) may also attend the 95th Annual General Meeting (AGM) but 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 06.08.2019 and ends at 5 P.M. on 08.08.2019**. 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 02.08.2019, 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](http://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](http://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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* 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.</p> <p>* 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.</p>
DOB or Dividend Bank Details	<p>* Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>* If both 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)</p>

- 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 - 190607018)>** 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 a demat account holder has forgotten the changed 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) Shareholders can also cast their vote using CDSL's mobile app M-Voting available for android based mobiles. The M-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix). 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](http://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](mailto: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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.

xx). 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 48 hours from the 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 95th 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 95th 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 Annual 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 95th 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 along with the report of the Scrutinizer shall be placed on the website of the Company at [www.lakshminfinance.org](http://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.



## **EXPLANATORY STATEMENT**

**(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

### **Item No. 4:**

Sri. R.Surender Reddy was appointed as an Independent Director of the Company by the Members at the 90<sup>th</sup> Annual General Meeting (AGM) held in the year 2014 for a period of FIVE years. As per section 149(10) of the Act, an Independent Director shall hold office for a term upto five years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another (second) term of 5 (five) years, subject to the approval of shareholders by Special Resolution. Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes his re-appointment as Independent Director of the Company to hold office for another 5 (five) (second term) i.e., up to the conclusion of the 100<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), with effect from April 1, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Independent Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment. Sri R.Surender Reddy is aged 88 years and his continuation on the Board is considered desirable.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

A brief justification for his continuation as Independent Director on the Board of the Company is as under:

Shri. R.Surender Reddy is a Graduate in Commerce. He joined the Board of Directors of the Company on 27.11.1968. Sri R. Surender Reddy was a Member of Parliament for four terms and was a member of Andhra Pradesh Legislative Assembly also for tenure four terms. Previously he was on the Board of A.P. State Financial Corporation. He has been the Chairman of Hyderabad Race Club for several years and is very well known in corporate circles. Presently he is on the Board of (1) Hyderabad Race Club (2) Suryalata Spinning Mills Limited (3) Bhagyanagar India Limited (4) Suryalakshmi Cotton Mills Limited (5) Surana Solar Limited. He has been very helpful and instrumental in guiding our Company management for the past 40 years. His rich and diverse experience in business and politics will immensely benefit the Company.

Sri.R.Surender Reddy holds 6,140 equity shares in the Company. The terms and conditions of approval for continuation of directorship shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri R. Surender Reddy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri R. Surender Reddy as an Independent Director, for the approval by the shareholders by way of special resolution.

Except Sri R. Surender Reddy, being appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in this resolution.

### **Item No. 5:**

Sri.Kapil Bhatia was appointed as an Independent Director of the Company by the Members at the 90<sup>th</sup> Annual General Meeting (AGM) held in the year 2014 for a period of FIVE years. As per section 149(10) of the Act, an Independent Director shall hold office for a term upto five years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another (second) term of 5 (five) years, subject to the approval of shareholders by Special Resolution. Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes his re-appointment as Independent Director of the Company to hold office for another 5 (five) years (second term) i.e., upto to the conclusion of the 100<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.



As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), with effect from April 1, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Independent Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment. Sri.Kapil Bhatia is aged 87 years and his continuation on the Board is considered desirable.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

A brief justification for his continuation as Independent Director on the Board of the Company is as under:

Shri.Kapil Bhatia is a Graduate in Commerce. He is a Director on the Boards of several prominent companies in India. He joined the Board of Directors of the Company on 22.05.1979.

Sri.Kapil Bhatia has to his credit more than 40 years of the Industrial/Business experience and is currently the Managing Director of M/s.Inter Globe Enterprises Private Limited. He is also a Director in several other Public/Private Companies i.e., (1) Inter Globe Aviation Limited, (2) Inter Globe Air Transport Limited, (3) Inter Globe Luxury Products Pvt. Ltd., (4) Inter Globe Education Foundation (5) Accent Hotels Pvt Ltd., (6) Delta Air Lines Pvt Ltd (7) AAPC India Hotel Management Pvt. Ltd., (8). Triguna Hospitality Ventures (India) Pvt Ltd., (9). Inter Globe Foundation (10). Inter Globe Technology Quotient Pvt Ltd., (11). Navigator travel Services Pvt Ltd., (12). Caddie Hotels Pvt Ltd., (13). Srilanand Mansions Pvt Ltd (14) Techpark Hotels Pvt Ltd (15). Inter Globe Hotels Pvt.Ltd., (16). Acquire Buildcon Pvt Ltd., (17). Progress Corporation Singapore PTE Ltd., (18). Inter Globe Real Estate Ventures Pvt Ltd., (19). Inter Globe Business Solutions Pvt Ltd., (20) Acquire Propbuild Private Limited.

Sri. Kapil Bhatia is holding 740 shares of the Company. The terms and conditions of approval for continuation of his directorship shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. Kapil Bhatia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. Kapil Bhatia as an Independent Director, for the approval by the shareholders by way of special resolution.

Except Shri.Kapil Bhatia, being appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in this resolution.

#### **Item No. 6:**

Sri. Keshav Bhupal was appointed as an Independent Director of the Company by the Members at the 90<sup>th</sup> Annual General Meeting (AGM) held in the year 2014 for a period of FIVE years. As per section 149(10) of the Act, an Independent Director shall hold office for a term upto five years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another (second) term of 5 (five) years, subject to the approval of shareholders by Special Resolution. Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes his re-appointment as Independent Director of the Company to hold office for another 5 (five) years (second term) i.e., upto to the conclusion of the 100<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2024. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

A brief justification for his continuation as Independent Director on the Board of the Company is as under:

Sri. Keshav Bhupal is a Post Graduate with degree in Engineering from Georgia Institute of Technology, Atlanta GA, U.S.A and Master of Business Administration degree from University of Michigan Ann Arbor, MI U S A with more than 30 years of the Industrial experience and is currently the Managing Director of M/s.Indus Medicare Limited, an



export oriented Public Limited Company. His presence, expertise and experience would benefit to the Company. Other Directorships of Sri. Keshav Bhupal are as follows: (1) Fulcrum Power and Finance Pvt. Ltd., (2) Jade Textiles Pvt. Ltd., (3) Shruthi Finlease pvt. Ltd., (4) Partner in Wood Star Industries. Sri.Keshav Bhupal is holding 3,300 shares of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri. Keshav Bhupal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri. Keshav Bhupal as an Independent Director, for the approval of shareholders of the Company by way of special resolution.

Except Sri. Keshav Bhupal, being an appointee, none of the Directors and Key Managerial Personnel of the Company/ their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.6

**By order of the Board**  
**Lakshmi Finance & Industrial Corporation Limited**  
Sd/-  
**K.Harishchandra Prasad**  
**Managing Director**  
**DIN: 00012564**

Place: Hyderabad

Date: 27-05-2019

<b>DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING.</b> <b>Disclosure Required Under Section 196(4) of the Companies Act,2013 and</b> <b>Pursuant to Regulation 36(3) of SEBI(Listing Obligation and Disclosure Requirements) Regulation 2015</b>				
<b>Name of the Director</b>	<b>Sri.R.Surender Reddy</b>	<b>Sri.Kapil Bhatia</b>	<b>Sri. Keshav Bhupal</b>	<b>Sri. K.Kapil Prasad</b>
Date of Birth	10.10.1931	01.06.1932	08.08.1958	31.10.1983
Date of Appointment	Original date of appointment is on 27.11.1968 Re-appointed as an Independent Director w.e.f 90th AGM, 2014	Original date of appointment is on 22.05.1979 Re-appointed as an Independent Director w.e.f 90th AGM, 2014	Original date of appointment is on 07.02.2014. Re-appointed as an Independent Director w.e.f 90th AGM, 2014	Original date of appointment is on 07.02.2014 retires by rotation
Qualification	Graduate	Graduate	M.B.A	M.S
No of Shares held in the Company	6,140	740	3,300	81,085
Directorships held in other Companies (excluding Foreign Companies)	1) Suryalata Spinning Mills Limited, 2). Hyderabad Race Club. 3) Bhagyanagar India Limited 4) Suryalakshmi Cotton Mills Limited 5) Surana Solar Limited	1) Inter Globe Aviation Limited, 2) Inter Globe Air Transport Limited, 3) Inter Globe Luxury Products Pvt. Ltd., 4) Inter Globe Education Foundation 5) Accent Hotels Pvt Ltd., 6) Delta Air Lines Pvt Ltd 7) AAPC India Hotel Management Pvt. Ltd.,	1) Fulcrum Power and Finance Pvt. Limited, 2) Indus Medicare Ltd., 3) Jade Textiles Pvt. Limited, 4) Shruthi Finlease pvt. Limited,	1). Kapil Motors Pvt Limited. 2).Jarsh Innovation Pvt Ltd.



		<p>8) Triguna Hospitality Ventures (India) Pvt Ltd.,</p> <p>9) Inter Globe Foundation</p> <p>10) Inter Globe Technology Quotient Pvt Ltd.,</p> <p>11) Navigator travel Services Pvt Ltd.,</p> <p>12) Caddie Hotels Pvt Ltd.,</p> <p>13). Srilanand Mansions Pvt Ltd</p> <p>14) Techpark Hotels Pvt Ltd</p> <p>15).Inter Globe Hotels Pvt.Ltd.,</p> <p>16).Acquire Buildcon Pvt Ltd.,</p> <p>17). Progress Corporation Singapore PTE Ltd.,</p> <p>18).Inter Globe Rel Estate Ventures Pvt Ltd.,</p> <p>(19). InterGlobe Business Solutions Pvt Ltd.,</p> <p>(20) InterGlobe Enterprises Pvt Ltd.,</p> <p>(21) Acquire Propbuild Private Limited</p>		
Positions held in mandatory committees of other Companies	<p>1).Suryavanshi Spinning Mills Limited, Chairman Audit Committee</p> <p>2). Suryalata Spinning Mills Limited, Chairman Audit Committee</p> <p>3). Bhagyanagar India Limited Member Audit Committee</p> <p>4). Suryalakshmi Cotton Mills Limited Chairman Audit Committee</p> <p>5). Surana ventures Limited Member Audit Committee</p>			

**DIRECTORS' REPORT**

To  
The Members,

Your Directors take great pleasure in presenting this 95th Annual Report on the business and operations of your Company, together with the Audited Financial Statements for the financial year ended 31st March, 2019.

**1. FINANCIAL HIGHLIGHTS**

(₹ in lakhs)

Particulars	2018-19	2017-18
Gross Income	398.73	664.83
Profit before Depreciation and Tax	191.18	478.91
Depreciation	3.54	4.99
<b>Profit for the year before taxation</b>	<b>187.64</b>	<b>473.92</b>
Provision for Taxation	5.00	11.50
<b>Profit after tax</b>	<b>182.64</b>	<b>462.42</b>
Prior year taxes	0.05	0.67
<b>Net Profit after Tax</b>	<b>182.59</b>	<b>461.75</b>
Profit Brought Forward	1,189.96	954.58
Total Profit available for appropriation	1,372.55	1,416.33
Dividend pertaining to previous year paid during the year	120.00	105.00
Corporate Dividend Tax	24.67	21.37
Transfer to Reserve Fund (per RBI Guide Lines)	37.60	100.00
<b>Balance carried over to Balance Sheet</b>	<b>1,190.28</b>	<b>1,189.96</b>

**2. OPERATIONAL PERFORMANCE :**

The financial performance of your Company during the year ended March 31, 2019, decreased with Revenue from Operations lower by 43.37 per cent to Rs.344.49 lakhs from Rs.611.93 lakhs in the previous year. Other Income marginally increased to Rs.54.24 lakhs from Rs.52.90 lakhs during the previous year. The Net Profit after Tax is Rs.182.59 lakhs after providing Current Year Income Tax (MAT) of Rs.5.00 lakhs as against Rs.461.75 lakhs in the previous year. The decrease in profitability is mainly on account of unfavourable Stock Market conditions, Categorization and Rationalization of Mutual Fund Schemes by SEBI and the imposition of the new capital gains tax and dividend tax from Financial Year 2018-19. 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. The rental incomes have been on expected basis.

**3. DIVIDEND:**

Your Company has a dividend policy that, inter alia balances the objectives appropriately rewarding shareholders and retaining capital in order to fund future growth. It has a consistent track record of dividend distribution to Company Shareholders. In recognition of the overall performance during the year under review, your Directors are pleased to recommend a dividend at the rate of 25% (i.e., Rs.2.50 per Equity Share of Rs.10/- each) for the financial year 2018-19 as against 40% dividend rate in the previous year. The proposed dividend, if approved at the 95th Annual General Meeting by the Members, will be paid to all those Equity Shareholders whose names appear in the Register of Members as on 02.08.2019 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 Company has not appropriated proposed dividend from Statement of Profit and Loss for the year ended March 31, 2019. The outflow on account of the dividend payout would be Rs. 90.42 lakhs including tax on dividends.

**4. TRANSFER TO RESERVE :**

The Company Directors have decided to retain the Surplus amount in Statement of Profit and Loss of Rs.1,190.28 lakhs in the retained earnings only. However the Company transferred a sum of Rs. 37.60 Lakhs i.e., 20% of its Net Profit for the year 2018-19 to Reserve Fund in Terms of Sec 45-1c of the RBI Act, 1934.

**5. DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:**

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

**6. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONAL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR :**





Sri. K.Kapil Prasad, Director of the Company retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Shareholders of the Company at their 90th Annual General Meeting held on 5th August, 2014 have appointed Sri. R.Surender Reddy (DIN 00083972), Sri. Kapil Bhatia (DIN 00090776) and Sri. Keshav Bhupal (DIN 000123184) as Independent Directors of the Company till the 95th Annual General Meeting of the Company to be held in the year 2019.

As their term of appointment would expire at the ensuing Annual General Meeting, based on the recommendation of Nomination and Remuneration Committee, it is proposed to re-appoint them as Independent Directors of the Company for another term of 5 consecutive years, not liable to retire by rotation, subject to the approval of Shareholders by passing Special Resolutions.

**7. DECLARATIONS 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 27th, 2019.

**8. 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 Board's 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 judgment, 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.

**9. 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.

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

The Board of Directors duly met 4 times during the Financial Year from 1st April, 2018 to 31st March, 2019. The dates on which the meetings were held are as follows:

11th May, 2018, 10th August, 2018, 10th November, 2018 and 8th February, 2019.

**11. AUDIT COMMITTEE:**

The details pertaining to composition and term of reference of the Audit Committee Members, 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 2019-20 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 2019, 74.06% of the shares in your Company have been dematerialized.

**(ii) UN PAID /UN CLAIMED DIVIDEND:**

In terms of the provisions of the Companies Act, the Company is obliged to transfer dividends which remain unpaid or 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 2011-2012 will expire on September 18, 2019 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 28.07.2017, M/s. K.S.Rao & Co., Chartered Accountants, Hyderabad was appointed as Statutory Auditors of the Company to hold the office for a period of 5 years commencing



from the conclusion of 93rd Annual General Meeting till the conclusion of 98th Annual General Meeting of the Company, subject to ratification at every subsequent Annual General Meeting of the Company. However ratification of appointment of Statutory Auditors by the Members at every Annual General Meeting is done away with vide notification dated May 07th, 2018 issued by the Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for the ratification of appointment of Auditors.

The Auditors' Report for F.Y. 2018-19 does not contain any qualifications. The Auditors' Report is enclosed with the Financial Statements in this Annual Report.

**ii. Internal Auditors:**

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

**iii. Secretarial Auditors:**

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 Smt. N. Madhavi, Company Secretary in Practice is enclosed as a part of this report. The Secretarial Audit Report does not contain any qualifications, reservations and adverse remarks.

**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, 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 all that 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 2018-19 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 2018-19 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 2019. 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 of 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](http://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.lakshmi-finance.org](http://www.lakshmi-finance.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. 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.

**24. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

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

**25. 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.

**26. 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 three Independent Directors and one Non-Independent Director, namely Sri.R.Surender Reddy, Sri.Keshav Bhupal, Sri.Kapil Bhatia 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.

**27. 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 given in **Annexure-III**.

**28. MATERIAL CHANGES AND COMMITMENTS:**

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

**29. 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.

**30. 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.

**31. 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 Financial Year:

No. of complaints received: Nil

No. of complaints disposed off: Nil

**32. 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: 27.05.2019

**Annexure - A**

**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2019**

[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**

1<sup>st</sup> 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 2019, 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 2019 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, 2015;



- (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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**Mr. Keshav Bhupal (DIN 00123184), an Independent Director of the Company was disqualified Ministry of Corporate Affairs (MCA) u/s 164 in respect of his other Directorship(s), ROC has activated his DIN based on the Interim order from Hon'ble High Court, Karnataka.**

#### **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.
- 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.

Sd/-

**N. MADHAVI**

**COMPANY SECRETARY IN PRACTICE**

**M.NO.A16866; CP NO. 11732**

Date : 27-05-2019

Place: Hyderabad

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**'Annexure A'**

To,  
The Members, Lakshmi Finance & Industrial Corporation Limited  
Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

**N. MADHAVI**

**COMPANY SECRETARY IN PRACTICE**

**M.NO.A16866; CP NO. 11732**

Date : 27-05-2019

Place: Hyderabad

**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 transactions 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	FOUR WHEELER SERVICES AVAILED
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	11.05.2018	11.05.2018
8.	Amount incurred during the year (₹. In lakhs)	12.35	0.21





### ANNEXURE-II

#### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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	L65920TG1923PLC000044
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 <sup>st</sup> Floor, "SURYODAYA", 1-10-60/3, BEGUMPET, HYDERABAD-500 016. Phone No:040-27760301 Fax: 040-27767793, e-mail:lakshmi_ific@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	78.26

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

#### 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	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	5,51,152	0	5,51,152	18.37	5,51,502	0	5,51,502	18.38	0.01
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	6,19,680	0	6,19,680	20.66	6,19,680	0	0	20.66	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other (Trust)	1,34,280	0	1,34,280	4.48	1,34,280	0	1,34,280	4.48	0
<b>Sub-total (A) (1) :-</b>	<b>13,05,112</b>	<b>0</b>	<b>13,05,112</b>	<b>43.51</b>	<b>13,05,462</b>	<b>0</b>	<b>13,05,462</b>	<b>43.52</b>	<b>0.01</b>



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	
<b>(2) Foreign</b>									
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
<b>Sub-total (A) (2):-</b>	<b>1,04,640</b>	<b>0</b>	<b>1,04,640</b>	<b>3.49</b>	<b>1,04,640</b>	<b>0</b>	<b>1,04,640</b>	<b>3.49</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>14,09,752</b>	<b>0</b>	<b>14,09,752</b>	<b>46.99</b>	<b>14,10,102</b>	<b>0</b>	<b>14,10,102</b>	<b>47.00</b>	<b>0.01</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	00
b) Banks / FI	498	900	1398	0.05	0	900	900	0.03	-0.02
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	0	0	0	0	0	0	0	0	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
<b>Sub –total (B) (1)</b>	<b>498</b>	<b>900</b>	<b>1,398</b>	<b>0.05</b>	<b>0</b>	<b>900</b>	<b>900</b>	<b>0.03</b>	<b>-0.02</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
i) Indian	16,623	7,440	24,063	0.80	19,831	7,440	27,271	0.91	0.11
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	3,49,301	7,93,451	11,42,752	38.09	3,59,401	7,32,769	10,92,170	36.41	-1.68
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,15,285	34,320	1,49,605	4.99	1,58,132	36,420	1,94,552	6.48	1.49
<b>c) Others</b>									
1. NRI	2,340	740	3,080	0.10	3,928	740	4,668	0.16	0.06
2. Clearing Members	852	0	852	0.03	1,659	0	1,659	0.06	0.03
3. Trust	740	0	740	0.02	740	0	740	0.02	0
4. IEPF AUTHORITY *	2,67,938	0	2,67,938	8.93	2,67,938	0	2,67,938	8.93	0
<b>Sub – Total (B)(2)</b>	<b>7,53,079</b>	<b>8,35,771</b>	<b>15,88,850</b>	<b>52.96</b>	<b>8,11,629</b>	<b>7,77,369</b>	<b>15,88,998</b>	<b>52.97</b>	<b>-0.01</b>
<b>Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>7,53,577</b>	<b>8,36,671</b>	<b>15,90,248</b>	<b>53.01</b>	<b>8,11,629</b>	<b>7,78,269</b>	<b>15,89,898</b>	<b>53.00</b>	<b>-0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>21,63,329</b>	<b>8,36,671</b>	<b>30,00,000</b>	<b>100</b>	<b>22,21,731</b>	<b>7,78,269</b>	<b>30,00,000</b>	<b>100</b>	<b>00.00</b>

\* The voting right on these shares shall remain frozen till the rightful owner claims the shares.



**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.	UNIJOPLY INVESTMENTS COMPANY LTD	2,96,060	9.87	0	2,96,060	9.87	0	0
2.	HEALTHY INVESTMENTS LTD	2,17,340	7.24	0	2,17,340	7.24	0	0
3.	KLN AND KP TRUST	1,34,280	4.48	0	1,34,280	4.48	0	0
4.	SHANTHA PRASAD CHALLA	1,20,020	4.00	0	1,20,020	4.00	0	0
5.	K L N HOLDINGS PRIVATE LIMITED.	1,06,280	3.54	0	1,06,280	3.54	0	0
6.	K.RAMA KRISHNA PRASAD	1,04,640	3.49	0	1,04,640	3.49	0	0
7.	K.HARISHCHANDRA PRASAD	90,000	3.00	0	90,000	3.00	0	0
8.	K. KAPIL PRASAD	81,085	2.70	0	81,085	2.70	0	0
9.	K. VIDYA DEVI	64,362	2.15	0	64,362	2.15	0	0
10.	MOMMANENI RADHA	45,000	1.50	0	45,000	1.50	0	0
11.	K. JYOTHI	37,061	1.24	0	37,061	1.24	0	0
12.	KANURI JAGADISH PRASAD	32,402	1.08	0	32,752	1.09	0	0.01
13.	K.SATYAVATHI	27,150	0.91	0	27,150	0.91	0	0
14.	K.L.N.ADITYA	26,666	0.89	0	26,666	0.89	0	0
15.	KANURI ARUN PRASAD	26,666	0.89	0	26,666	0.89	0	0
16.	M.RAM MOHAN	440	0.01	0	440	0.01	0	0
17.	CHALLA RAJENDRAPRASAD	300	0.01	0	300	0.01	0	0
<b>TOTAL</b>		<b>14,09,752</b>	<b>46.99</b>	<b>0</b>	<b>14,10,102</b>	<b>47.00</b>	<b>0</b>	<b>0.01</b>

**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	<b>KANURI JAGADISH PRASAD</b>				
	At the beginning of the year	32,402	1.08	32,402	1.08
	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):	Demat transfer of 350 equity shares			
	At the end of the year	32,752	1.09	32,752	1.09

**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.	<b>MAHENDRA GIRDHARILAL</b>				
	At the beginning of the year	73,166	2.44	73,166	2.44
	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):	Demat transfer of 8,561 equity shares			
	At the end of the year	53,099	1.77	53,099	1.77



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.	<b>S.R.Y.ANKINEEDU PRASAD</b>				
	At the beginning of the year	15,600	0.52	15,600	0.52
	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):	Transmission of Shares 9,360			
	At the end of the year	24,960	0.83	24,960	0.83
3.	<b>R RAGHURAM REDDY</b>				
	At the beginning of the year	18,440	0.61	18,440	0.61
	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):	NIL			
	At the end of the year	18,440	0.61	18,440	0.61
4.	<b>V S N H U PRASAD BABU</b>				
	At the beginning of the year	13,451	0.45	13,451	0.45
	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):	Demat transfer of 4,910 equity shares			
	At the end of the year	18,361	0.61	18,361	0.61
5.	<b>MANORAMA PALIWAL</b>				
	At the beginning of the year	9,000	0.30	9,000	0.30
	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):	Demat transfer of 2,000 equity shares			
	At the end of the year	11,000	0.37	11,000	0.37
6.	<b>AGARWAL VITTU BAJRANGLAL HUF</b>				
	At the beginning of the year	10,228	0.34	10,228	0.34
	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):	NIL			
	At the end of the year	10,228	0.34	10,228	0.34



Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
7.	S R Y PADMANABHA 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	0	0	0	0
	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):	Transmission of shares 9,360			
	At the end of the year	9,360	0.31	9,360	0.31
Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
8.	RAJESWARI DEVI VADLAPATLA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6,020	0.20	6,020	0.20
	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):	Demat transfer of 3,000 equity shares			
	At the end of the year	9,020	0.30	9,020	0.30
Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
9.	DEEPAK TANNIRU	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	8,460	0.28	8,460	0.28
	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):	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	
10.	SUSHEELA NARASIMHA MURTHY	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	8,100	0.27	8,100	0.27
	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):	NIL			
	At the end of the year	8,100	0.27	8,100	0.27

**E. Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
1.	K.HARISHCHANDRA 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	90,000	3.00	90,000	3.00
	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):	NIL			
	At the End of the year	90,000	3.00	90,000	3.00



2.	R.SURENDER REDDY	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6,140	0.20	6,140	0.20
	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):	NIL			
	At the End of the year	6,140	0.20	6,140	0.20
3.	KAPIL BHATIA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	740	0.02	740	0.02
	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):	NIL			
	At the End of the year	740	0.02	740	0.02
4.	KESHAV BHUPAL	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3,300	0.11	3,300	0.11
	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):	NIL			
	At the End of the year	3,300	0.11	3,300	0.11
5.	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	81,085	2.70	81,085	2.70
	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):	NIL			
	At the End of the year	81,085	2.70	81,085	2.70
6.	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 Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	NIL			
	At the End of the year	0	0	0	0
7.	PRITY BOKARIA, COMPANY SECRETARY (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 Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	NIL			
	At the End of the year	0	0	0	0
8.	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 Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	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				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year Addition/Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

**VII. REMUNERATION OF DIRECTORS.**

**A. Remuneration to Managing Director.**

SN.	Particulars of Remuneration	Name of MD	Total Amount (In ₹)
		<b>K.HARISHCHANDRA PRASAD (Managing Director)</b>	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	60,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,30,523	2,30,523
	(c) Profits in lieu of salary under section 17(3) 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 (Contribution to various fund)	14,80,500	14,80,500
	<b>Total (A)</b>	<b>77,11,023</b>	<b>77,11,023</b>
	Ceiling as per the Act		84,00,000

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

SN.	Particulars of Remuneration	Name of Directors					Total Amount (In ₹)
1.	Independent Directors	<b>R.Surender Reddy</b>	<b>Kapil Bhatia</b>	<b>KeshavBhupal</b>	<b>Madhurika N. Venkat</b>		
	Fee for attending Board and committee meetings	43,000	20,000	43,000	33,000	0	<b>1,39,000</b>
	Commission	NIL	NIL	NIL	NIL	0	NIL
	Others, please specify	NIL	NIL	NIL	NIL	0	NIL
	<b>Total (1)</b>	<b>43,000</b>	<b>20,000</b>	<b>43,000</b>	<b>33,000</b>	<b>0</b>	<b>1,39,000</b>
2.	Other Non-Executive Directors				<b>K.KapilPrasad</b>		
	Fee for attending board and committee meetings	NIL	NIL	NIL	NIL	40,000	40,000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>40,000</b>	<b>40,000</b>
	<b>Total (B)=(1+2)</b>	<b>43,000</b>	<b>20,000</b>	<b>43,000</b>	<b>33,000</b>	<b>40,000</b>	<b>1,79,000</b>
	<b>Total Managerial Remuneration</b>	<b>43,000</b>	<b>20,000</b>	<b>43,000</b>	<b>33,000</b>	<b>40,000</b>	<b>1,79,000</b>



**VIII. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB**

SN.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In ₹)
		CS (Prity Bokaria)	CFO (Vijaya Kumar U)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,19,000	7,21,764	9,40,764
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	1,96,811	1,96,811
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as a % of profit - others, specify...	0	0	0
5.	Others, please specify	0	0	0
	<b>Total</b>	<b>2,19,000</b>	<b>9,18,575</b>	<b>11,37,575</b>

**IX. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	--	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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: 27.05.2019

**REPORT ON MANAGERIAL REMUNERATION**

As per Section 197 of the Companies Act, 2013

Read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i). The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2018-19, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	*Remuneration of Director/ KMP for the financial year 2018-19 (in Lacs)	% of increase in Remuneration in the Financial year 2018-19	Ratio of remuneration of each Director/to median remuneration of employees
1.	K. Harishchandra Prasad (Managing Director)	77.11	10.13	32.42
2.	U. Vijaya Kumar (Chief Financial Officer)	9.18	8%	4.26
3.	Prity Bokaria (Company Secretary)	2.19	8%	1.02

\*Remuneration excludes Commission paid to the Directors as a % of Profits

**ii) The median remuneration of employees' of the Company during the financial year:**

The median remuneration of employees 'of the Company during the financial year was Rs.. 2,15,654/-

**iii) The percentage of increase in the median remuneration of the employees in the financial year:**

The percentage of increase in the median remuneration of the employees in the financial year ending March 31, 2019 was 6.43%.

**iv) The number of permanent employees on the rolls of the Company as on March 31, 2019:**

There were 9 permanent employees on the rolls of Company as on 31st March, 2019.

**v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase across the organization was around 8 %. The percentile increase in managerial remuneration is Nil.

There were no exceptional circumstances for increase in the managerial remuneration.



**Statement of particulars of employees pursuant to provisions of Rule 5(2) of section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sl No	Name of the employee	Designation	Remuneration per annum	Nature of employment	Qualification & Experience	Date of commencement of employment	Age	Last employment of such employee	% of equity shares held of the employee	Whether the employee is relative of any Director/ Manager
1.	Sri. K. Harishchandra Prasad	Managing Director	69,91,023	Whole time	MS.MBA 49 Years	11.05.1985	66	Amphenol,an Allied Co.,	3%	NA
2.	U. Vijaya Kumar	Chief Financial Officer	9,18,575	Whole time	M.Com 33 Years	22.10.1997	56	Sri Chakra Financial Ser. Ltd.,	Nil	NA
3.	Prity Bokaria	Company Secretary	2,19,000	Whole time	Company Secretary	17.03.2016	30	Nil	Nil	NA
4.	V.V.S.R. Murthy	Asst. Manager	3,05,725	Whole time	M.Com 30 Years	06.12.2004	55	Sidvin Financial Ser.Pvt. Ltd.,	Nil	NA
5	D. Badarinarayana	Office Assistant	2,15,654	Whole time	B.Com 20 Years	15.05.2000	53	Madhuri Motors Pvt Ltd.,	Nil	NA
6.	Mukiri Prasad	Driver	1,84,224	Whole time	7th Class 20 Years	01.08.2016	50	Nil	Nil	NA
7.	D. Narasaiah	Attender	1,49,912	Whole time	7th Class 26 Years	24.10.2013	45	Nil	Nil	NA
8.	P. Suvarna	Office Assistant	1,39,281	Whole time	B.Com, MBA 4 Years	06.01.2016	26	Atcis Technology	Nil	NA
9.	D. Padma	Office Assistant	1,23,657	Whole time	M.COM 7 Years	20.04.2018	39	Gemini International	Nil	NA

**MANAGEMENT'S DISCUSSIONS AND ANALYSIS REPORT****INDUSTRY OVERVIEW AND OUTLOOK:**

The cyclical upswing in global economic activity since the last quarter of 2016 continued to persist until the middle of 2018, resulting in the highest degree of synchronized global expansion during the post-crisis period. However, momentum in Global GDP growth started to peter out thereafter, amid broad-based moderation in activity across developed and emerging economies.

The trajectory of India's economic expansion behaved in line with the global trend. The first half of FY 2018-19 saw GDP growth printing at 7.5%. However, as per implied Central Statistical Organization's forecast for the full financial year GDP growth momentum could slip sharply to 6.4-6.6% in the second half of FY 2018-19. Increase in crude oil prices during the course of the financial year to USD 70 pb from USD 56 pb in FY 2017-18 and adverse spillover impact of recent tightness in financial conditions for the Non-Banking Financial Company sector provided headwinds for domestic growth momentum.

The overall performance of the Company is quite low because of unfavourable stock market conditions during the Financial Year 2018-19, imposition of the new capital gains tax and dividend tax from F Y 2018-19 and categorization and rationalization of Mutual Fund Schemes by SEBI. 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 as on March 31, 2019 is Rs.3,670.34 lakhs excluding Rs.425 lakhs of Bank Fixed Deposits as against Rs.3,400.50 lakhs as at March 31, 2018.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

**KEY FINANCIAL INDICATORS: LAST THREE YEARS:****(Rs. in lakhs)**

	<b>F.Y 2018-19</b>	<b>F.Y.2017-18</b>	<b>F.Y.2016-17</b>
Equity Capital and Reserves	<b>4,247.38</b>	4,209.46	3,874.08
Non Current Investments	<b>3,670.34</b>	3,400.50	3,651.29
Gross Profit (profit before tax)	<b>187.64</b>	473.92	318.67
Net Profit (profit after tax)	<b>182.59</b>	461.75	314.60
Dividend (%)	<b>25%</b>	40%	35%
Earnings per share	<b>6.09</b>	15.39	10.49

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

Sd/-

**K. HARISHCHANDRA PRASAD**

Managing Director

(DIN: 00012564)

Date: 27.05.2019

Place: Hyderabad



## REPORT ON CORPORATE GOVERNANCE

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

The Company believes that the Corporate Governance is integral to all the functions and divisions of the organization for creating value for all the stakeholders. In this competitive business environment, both the management and employees vigorously uphold the values of integrity, transparency, responsibility and accountability.

The Company's philosophy on code of governance in conducting all activities of the Company in a fair and transparent manner, enhancing stakeholders' value. 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 Six (6) Directors comprising of (2) Promoter Directors - Managing Director & a Non Executive Director and Four (4) Independent Directors. The Composition of the Board as on 31.03.2019 is as under:

Name of the Director	Category	Attendance at Board Meetings	Whether attended AGM on 10.08.18	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 Non – Executive Director	4	Yes	5	NIL	3	5
Sri Kapil Bhatia	Independent Non – Executive Director	2	No	2	20	0	0
Sri K.Harishchandra Prasad (Managing Director)	Executive Director & Promoter	4	Yes	4	2	7	3
Sri. Keshav Bhupal	Independent Non – Executive Director	4	Yes	1	3	NIL	NIL
Sri.K.Kapil Prasad	Non –executive Director & Promoter	4	Yes	NIL	1	NIL	NIL
Smt. Madhurika Nalluri Venkat	Independent Non – Executive Director	3	No	NIL	4	NIL	NIL

### Details of Directorships in other listed entities as on 31st March, 2019

Name of the Director	Directorships in other listed entities (Category of Directorships)
Sri R. Surender Reddy	(1) Suryalata Spinning Mills Limited, Independent Non –Executive Director (2) Bhagyanagar India Limited, Independent Non –Executive Director (3) Suryalakshmi Cotton Mills Limited, Independent Non –Executive Director (4) Surana Solar Limited, Independent Non –Executive Director
Sri Kapil Bhatia	Inter Globe Aviation Limited
Sri K.Harishchandra Prasad (Managing Director)	(1). B N Rathi Securities Ltd, Independent Non –Executive Director , (2). Keerthi Industries Ltd., Independent Non –Executive Director
Sri. Keshav Bhupal	NIL
Sri.K.Kapil Prasad	NIL
Smt. Madhurika Nalluri Venkat	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.
- Mr. K Kapil Prasad, Non Executive Director of the Company is the son of Mr. K.Harishchandra Prasad, Managing Director of the Company.
- During the Financial Year 2018-19, Four Board Meetings were held on 11.05.2018, 10.08.2018, 10.11.2018 and 08.02.2019. The gap between two Meetings did not exceed 120 days.
- 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.
- Details of equity shares of the Company held by the Directors as on March 31, 2019 are given below:



Sl. No.	Name of Director	No. of shares held
1	Sri R. Surender Reddy	6,140
2	Sri Kapil Bhatia	740
3	Sri K. Harishchandra Prasad	90,000
4	Sri. Keshav Bhupal	3,300
5	Sri.K. Kapil Prasad	81,085
6	Smt. Madhurika Nalluri Venkat	Nil

7. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Strategy and Planning	Appreciation of long term trends, strategic choices and expertise in guiding and leading management teams to make decision in uncertain environments.
Governance	Experiencing in developing governance practices, serving the best interests of all stakeholders, maintain board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values.

8. Independent Directors confirmation by the Board

All Independent Directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions of independence specified in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

### 3. 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.

#### a) Brief Description of terms of reference

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:

- (1) 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;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) 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;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) 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.

**b) Composition, Name of Members and Chairperson:**

S. No	Name	Designation in Committee	Category of Directorship	Number 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	4
3.	Sri Kapil Bhatia	Member	Non-Executive & Independent	4	2
4.	Smt. Madhurika Nalluri Venkat	Member	Non-Executive & Independent	4	3
5.	Sri. K. Kapil Prasad	Member	Promoter, Non-Executive & Non-Independent	4	4
6.	Sri.K Harischandra Prasad	Member	Promoter, Executive & Non- Independent	4	4

**c) Meetings and attendance during the year:**

During the financial year ended 31st March, 2019, Four Audit Committee Meetings were held on 11.05.2018, 10.08.2018, 10.11.2018 and 08.02.2019 the attendance details of the Members are as above.

**4) 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). Nomination and Remuneration Policy:****1. Introduction:**

Lakshmi Finance and Industrial Corporation Limited (LFIC), 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, LFIC 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. LFIC recognizes the importance of Independent Directors in achieving the effectiveness of the Board. LFIC aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

LFIC 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 keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- b) Ensuring that the relationship of remuneration to performance is clear and meets the performance benchmarks.

**2. Scope:**

This policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the Independence of Directors, in case of their appointment as Independent Directors of the Company and also for recommending to the Board the remuneration of the Directors, Key Managerial Personnel..

**3. Selection of Directors and determining Director's Independence****3.1 Qualifications and criteria**

3.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual Members. The objective is to have a Board with diverse background and experience that is relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board Members, the NR Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, business and social perspective;
- Educational and professional background standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;;
- Shall disclose his concern or interest in any Company or companies or bodies corporate, firms or other association of Individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI(LODR) Regulations, 2015 and other relevant laws.



3.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

### 3.2 Criteria of Independence

3.2.1. The NR Committee shall assess the Independence of Directors at the time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of Independence when any new interests or relationships are disclosed by a Director.

## 4. Other Directorships / Committee Memberships

4.1 The Board Members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, Members should voluntarily limit their directorships in other listed public limited Companies in such a way that it does not interfere with their role as Directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.4 A Director shall not be a Member in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he holds Directorships. For the purpose of considering the limit of the committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other Companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

## 5. Remuneration to Executive Director, Key Managerial Personnel and Non Executive Director

### 5.1 Remuneration to Executive Director, Key Managerial Personnel

5.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Director of the Company within the overall limits approved by the shareholders.

5.1.2 The Board on recommendation of NR Committee shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

5.1.3 The remuneration structure to the Executive Director shall include the following components: (i) Basic Pay (ii) Perquisites and Allowances (iii) Commission (iv) Retiral benefits, (v) Annual Performance Bonus..

### 5.2 Remuneration to Non-Executive Directors

5.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders..

5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related Commission in addition to the sitting fees.

## 6). Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.



- Recommendation of fee/compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- Payment/revision of remuneration payable to Managerial Personnel..
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
- Any other functions/powers/duties as may be entrusted by the Board from time to time.

The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company, [www.lakshmi-finance.org.in](http://www.lakshmi-finance.org.in).

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

S.No	Name	Designation in Committee	Category of Directorship	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	Member	Non-Executive & Independent	1	1

During the financial year ended 31st March, 2019, one Remuneration Committee Meeting was held on 08.02.2019, the attendance details of the Members are as above.

**C) Performance evaluation criteria for Directors**

The Nomination and Remuneration Committee of the Board has laid down the criteria for performance evaluation of all the Directors of the Company. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

**i) Role and Accountability**

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to the management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

**ii) Objectivity**

- Non-partisan appraisal issues.
- Own recommendations given professionally without tending to majority or popular views.

**iii) Leadership and Initiative**

- Heading Board sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

**iv) Personal Attributes**

- Commitment to role and fiduciary responsibilities as a Board Member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

**d) Remuneration of Directors:**

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.

- Mr. K Kapil Prasad, Non Executive Director of the Company is the son of Mr. K Harishchandra Prasad, Managing Director of the Company.
- There are no Non Executive Director having any pecuniary relationship or transaction with the Company during the financial year under review.
- Company does not pay any remuneration to Non Executive Directors except payment of the sitting fees.
- Details of remuneration paid during the financial year ended 31st March 2019 to the Managing Director/ Directors are furnished hereunder:

Name	Designation	Salary (Rs.)	Perquisites (Rs.)	Contribution to Various Funds (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Sri K.Harishchandra Prasad	Managing Director	60,00,000	2,30,523	14,80,500	-	77,11,023
Sri R.Surender Reddy	Director	-	-	-	43,000	43,000
Sri Kapil Bhatia	Director	-	-	-	20,000	20,000
Sri.Keshav Bhupal	Director	-	-	-	43,000	43,000
Sri.K.Kapil Prasad	Director	-	-	-	40,000	40,000
Smt.Madhurika Nalluri Venkat	Director	-	-	-	33,000	33,000

**5) Meeting of Independent Directors**

During the year under review, the Independent Directors met on 08th February, 2019, inter alia, to discuss:

Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole:

Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Director;

Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties;

Majority of the Independent Directors were present at the meeting.

**Performance Evaluation**

The performance evaluation of the Board as a whole as well as that of its Committees, Independent Directors and Non Independent Directors and Chairman of the Board was done in accordance with the relevant provisions of the Companies Act, 2013, the relevant Rules made there under and the Listing Regulations relating to Corporate Governance. The NRC reviews and advises the criteria for such evaluation process and oversees the performance evaluation. Pursuant to the recommendation of the NRC, the Board has adopted a formal mechanism for evaluating the performance of its Committees, Individual Directors including the Independent Directors and Non-Independent Directors, the Chairman of the Board and the Board as a whole.

**6) 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 3 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.

**b) Composition, Name of Members and Chairperson:**

S.No	Name	Designation in Committee	Category of Directorship	Number of Meetings held	No. of the Meetings attended
1	Sri. Keshav Bhupal	Chairman	Non-Executive & Independent	2	2
2.	Sri.K Kapil Prasad	Member	Promoter, Non-Executive & Non-Independent	2	2
3.	Sri Kapil Bhatia	Member	Non-Executive & Independent	2	1
4.	Sri. R. Surender Reddy	Member	Non-Executive & Independent	2	2
5.	Sri. K. Harishchandra Prasad	Member	Promoter ,Executive & Non Independent Director	2	2

During the financial year ended 31<sup>st</sup> March, 2019, two Stakeholders Relationship Committee Meetings were held on 11.05.2018 and 10.08.2018 the attendance details of the Members are as above.

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

Sl.No.	Particulars	No. of compliants received	No. of compliants resolved	Pending complaints
1.	Non receipt of dividends	NIL	NIL	NIL
2.	Non receipt of annual reports	NIL	NIL	NIL
3.	Transmission & Duplicates	NIL	NIL	NIL
<b>Total</b>		NIL	NIL	NIL

- d). Mrs. Prity Bokaria, Company Secretary of the Company, acts as the Compliance Officer and Mr.U. Vijaya Kumar, Chief Financial Officer of the Company is a Member of Share Transfer Sub-Committee of the Company.

**7) 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. Kapil Bhatia	Member	Non Executive Independent Director
Sri.K.Harishchandra prasad	Member	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.



### 8) Corporate Social Responsibility Committee (CSR):

#### i) Terms of reference:

The Committee formulates 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. Keshav Bhupal	Chairperson	Non Executive Independent Director
Sri. R.Surender Reddy	Member	Non Executive Independent Director
Sri.Kapil Bhatia	Member	Non Executive Independent Director
Sri.K.Harishchandra Prasad	Member	Executive & Non Independent Director

### 9) GENERAL BODY MEETINGS:

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

Year	Location	Date	Time
2016 92 <sup>nd</sup> AGM	"Triveni Banquet Hall",Kamat Lingapur Hotel,1-10-44/2,Begumpet, Hyderabad-16.	12.08.2016	9.30.A.M
2017 93 <sup>rd</sup> AGM	"Anupama Banquet Hall" Kamat Lingapur Hotel,1-10-44/2,Begumpet, Hyderabad-16.	28.07.2017	9.30.A.M
2018 94 <sup>th</sup> AGM	"Triveni Banquest Hall", Kamat Lingapur Hotel, 1-10-44/2, Begumpet, Hyderabad	10.08.2018	9.30 A. M

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

Year	Details of Special Resolution
2015-16 92 <sup>nd</sup> AGM	NIL
2016-17 93 <sup>rd</sup> AGM	Reappointment of Managing Director
2017-18 94 <sup>th</sup> AGM	NIL

#### C) Details of special resolution passed through postal ballot:

During the year under review, the Company completed process of one postal ballot as per provisions of section 110 of the Company Act, 2013. Smt. N. Madhavi, Practising Company Secretary, was appointed as scrutinizer for conducting postal ballot in a fair and transparent manner. The voting was conducted through physical mode as well as electronic mode. The Company had engaged the services of CDSL to provide e-voting facility to its Members. The notice of postal was accompanied with detailed instructions kit to enable the Members to understand the procedure and manner in which postal ballot voting (including remote e-voting) to be carried out. The following resolutions are deemed to have been passed on the last date of e-voting and receipt of postal ballot forms i.e on Thursday, March 28, 2019. The aforesaid voting results along with the scrutinizer report has been displayed at the registered office of the Company and on the website of the Company viz. [www.lakshmifinance.org](http://www.lakshmifinance.org) and [cdsl viz.www.evotingindia.com](http://cdsl.viz.www.evotingindia.com). Both resolutions were approved with requisite majority. The details of results of postal ballot are as under:

Particulars	No. and % of votes received	No. and % of votes in favour	No. and % of votes in against
Approval for continuation of Directorship of Shri R.Surender Reddy, Non-Executive Independent Director	5,83,918 19.46%	5,80,405 99.40%	3,513 0.60%
Approval for continuation of Directorship of Shri.Kapil Bhatia, Non-Executive Independent Director	5,83,918 19.46%	5,82,549 99.77%	1,369 0.23%

At present there is no special resolution proposed to be conducted through postal ballot.



**10) MEANS OF COMMUNICATION.**

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

**11) GENERAL SHAREHOLDER INFORMATION:**

AGM Date	9th August, 2019
Time	9.30 A.M
Venue	Kamat Lingapur Hotel, Begumpet , Hyderabad- 500 016
Financial Year	2018-2019
Book Closure date	03.08.2019 to 09.08.2019(Inclusive of both days)
Rate of Dividend recommended	25% (Rs. 2.50 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 (NSE) Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E)- Mumbai - 400 051
Stock Code	LFIC
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 2019-20.
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	1st. Floor, "Suryodaya", 1-10-60/3, Begumpet, Hyderabad-500016 Tel.Phone.040-27760301/27767794 Fax.040-27767793. E-mail: lakshmi_lfic@yahoo.com Website:www.lakshmifinance.org.

**12) 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.

**13) Dematerialisation of Shares:**

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

**Share Dematerialisation Records:**

The Company received and confirmed demat request for 22,21,731 (74.06%) Shares (NSDL+ CDSL) during the period from 01st January 2002 to 31st March, 2019.

The total percentage of the Shares of the Company in Dematerialized form, as on 31st March, 2019 is 74.06%.

**14) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or Any Convertible Instruments, Conversion:**

**Nil**

**15) Commodity price risk or foreign exchange risk and hedging activities:**

**NIL**

**16) Plant Location:**

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



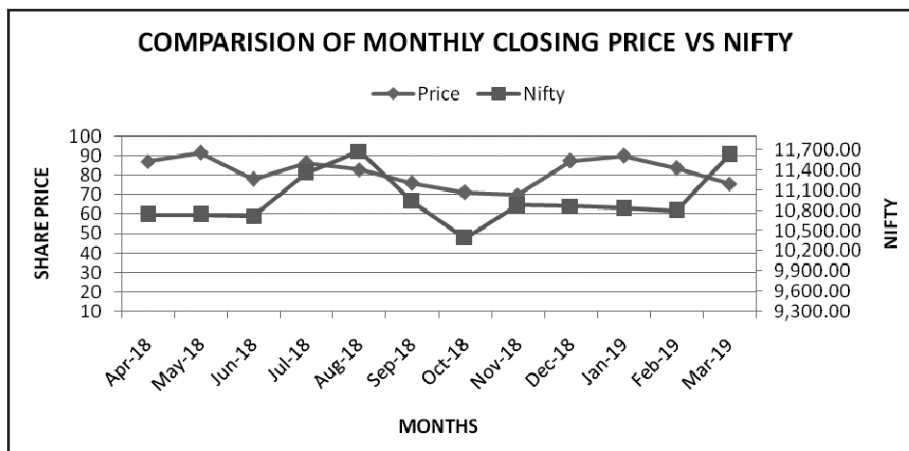
**17) Market Price Data:**

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. 2018-19 are set out in the following Table:

Month	High (Rs)	Low (Rs)	Volume
April 2018	95.50	83.10	30,570
May 2018	97.50	83.00	38,793
June 2018	91.65	75.10	8,481
July 2018	86.50	73.00	9,878
August 2018	88.95	73.30	11,103
September 2018	84.90	74.50	6,764
October 2018	78.55	64.60	6,525
November 2018	77.95	68.55	7,942
December 2018	87.70	62.00	4,751
January 2019	92.80	84.55	1,720
February 2019	89.90	80.80	368
March 2019	83.75	73.00	5,780

**18). Performance in comparison to broad-based indices such as NIFTY:**



**19) Distribution of Shareholding as on 31st March, 2019:**

Shareholding (Range)	No. of Share holders	% of holders	No. of Shares	% of Shares
Upto - 500	2,260	78.69	3,90,641	13.02
501 - 1000	357	12.43	2,53,270	8.44
1001 - 2000	140	4.87	1,99,627	6.65
2001 - 3000	49	1.71	1,31,304	4.38
3001 - 4000	19	0.66	67,194	2.24
4001 - 5000	6	0.21	27,086	0.90
5001 - 10000	18	0.63	1,26,850	4.23
10001 and above	22	0.80	18,04,028	60.13
<b>Total</b>	<b>2,871</b>	<b>100.00</b>	<b>30,00,000</b>	<b>100.00</b>
<b>Demat mode</b>	<b>1,163</b>	<b>40.50</b>	<b>22,21,731</b>	<b>74.06</b>
<b>Physical mode</b>	<b>1,708</b>	<b>59.50</b>	<b>7,78,269</b>	<b>25.94</b>



#### 20) Shareholding Pattern as on 31st March, 2019:

S.No.	Category	No.of Cases	Total Shares	% Total Equity
1.	Promoters and Promoter Group. (including NRI's & Bodies Corporates)	17	14,10,102	47.00
2.	Banks & Insurance Companies	1	900	0.03
3.	Bodies Corporates	25	27,271	0.91
4.	Clearing Members	4	1,649	0.05
5.	Trust	1	740	0.02
6.	Non Resident Individuals (NRI)	10	4,668	0.16
7.	Resident Individuals	2,812	12,86,732	42.90
8.	IEPF Authority	1	2,67,938	8.93
	<b>TOTAL</b>	<b>2,871</b>	<b>30,00,000</b>	<b>100</b>

#### 21) Other Disclosures:

- Besides the transactions mentioned elsewhere in the Annual Report and notes to account, there were no materially significant related party transactions with its promoters, the Directors or the Management, etc., having potential Conflict with the interest of the Company at large during the year.
- 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.
- 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.
- 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.
- A Certificate duly signed by the Managing Director & CEO and Chief Financial Officer (CFO) 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, took the same on record.
- Compliance Certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this Report
- 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.
- Related Party Transactions.  
Details of materially significant related party transactions with its promoters, the Directors or the management, etc. are presented in the Financial Statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. During the F.Y 2018-19, there were no related party transactions of material nature that may have a potential conflict with the interests of the Company..
- 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 (Father of Sri.K.Kapil Prasad)
2.	Sri.K.Kapil Prasad	Related to Sri.K.Harishchandra Prasad(son of Sri.K.Harishchandra Prasad)
3.	Sri.R.Surender Reddy	None
4.	Sri.Kapil Bhatia	None
5.	Sri.Keshav Bhupal	None
6.	Smt. Madhurika Nalluri Venkat	None

**22) Investor Relations:**

Enquiries, if any relating to shareholder accounting records, share transfers, transmission of shares, change of address/bank mandate/PAN 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,

1<sup>st</sup> Floor, 1-10-60/3 "Suryodaya", Begumpet, Hyderabad-500 016.

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

**23). 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.

**24). Policies of the Company****a) Vigil 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](http://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](http://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 measureable 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:



- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) 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](http://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 programmes. 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](http://www.lakshmifinance.org).

**25) 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.

- 26)** A certificate has been received from Smt. N. Madhavi, Practising Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

- 27)** M/s. K.S.Rao & Co., Chartered Accountants, Hyderabad have been appointed as Statutory Auditors of the Company. The particulars of payment of statutory auditor's fees is given below:

Particulars	Amount (in Rs.)
Services as Statutory Auditors	59,000
Certification Fees	21,240

- 28)** Disclosure under the Sexual Harrasment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018

The details have been disclosed in the Directors Report forming part of the Annual Report.

**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: 27.05.2019

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**

Sd/-

Place: Hydrerabad

Date: 27.05.2019

**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, 2019, 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 that 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 such 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:
- 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: and
  - 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.

Sd/-

U.Vijaya Kumar  
**Chief Financial Officer**

Place:Hyderabad  
Date:27.05.2019

Sd/-

K.Harishchandra Prasad  
**Managing Director**  
(DIN: 00012564)

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

The Members of  
Lakshmi Finance & Industrial Corporation Limited  
1st Floor, Suryodaya, Begumpet,  
Hyderabad – 500 016, Telangana.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Lakshmi Finance & Industrial Corporation Limited having CIN L65920TG1923PLC000044 and having registered office at 1st Floor, Suryodaya, Begumpet, Hyderabad – 500 016, Telangana (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority except **Mr. Keshav Bhupal (DIN 00123184), who has been disqualified Ministry of Corporate Affairs (MCA) u/s 164 in respect of his other Directorship(s), ROC has activated his DIN based on the Interim order from Hon'ble High Court, Karnataka.**



Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. HARISHCHANDRA PRASAD KANURI	00012564	01/04/2013
2	Mr. SURENDER REDDY RAMASAHAYAM	00083972	27/11/1968
3	Mr. KAPIL BHATIA	00090776	22/05/1979
4	Mr. KESHAV BHUPAL	00123184	07/02/2014
5	Mr. KAPIL PRASAD KANURI	02940558	07/02/2014
6	Mrs. NALLURI MADHURIKA VENKAT	07147974	04/04/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Sd/-  
N. Madhavi  
Membership No.: A16866  
CP No: 11732

Place: Hyderabad

Date : 27.05.2019

## **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, 2019, 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 K.S. Rao & Co.,**  
Chartered Accountants  
Firms' Registration Number: 003109S

Sd/-  
**(T. SUKESH KUMAR)**  
Partner  
Membership Number: 229963

Place : Hyderabad

Date : 27.05.2019



**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF****LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED, HYDERABAD.****Report on the Financial Statements:****Opinion**

We have audited the financial statements of LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, (AS), of the state of affairs of the Company as at March 31, 2019, its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Key Audit Matters**

Key Audit Matters ('KAM') are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

**KAM Title****Deferred Tax Assets****KAM Description**

The Company has not recognised deferred tax asset for deductible temporary differences and unused tax losses. As, the utilisation of deferred tax assets is dependent on the Company's ability to generate future taxable profits sufficient to utilize deductible temporary differences and tax losses before they expire. We determined this to be a key audit matter due to the inherent limitations in estimation and uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences and utilization of tax losses.

Management has supported the non-utilisation of the deferred tax assets mainly with taxable income projections which contain estimates of and tax strategies for future taxable income. Changes in the industrial scenario, the business and its markets and changes in regulations may impact these projections.

**Our Response**

Our audit procedures included, among others, evaluating the future estimated business projections and projected tax computations prepared by the Company to assess the recognition and measurement of the current tax and deferred tax assets and liabilities and evaluate the compliance with the tax legislation. We paid attention to the long-term forecasts and critically assessed the assumptions and judgments underlying these forecasts by considering the historical accuracy of forecasts and the sensitivities of the profit forecasts. We assessed the adequacy and the level of estimation involved.

**KAM Title****Unused MAT Credit****KAM Description**

At present the Company is paying income taxes only on book profits which are higher than the normal taxable profits mainly due to the Dividend income which is exempt as per the normal tax provisions and Rental Income which is taxable under the head Income from House Property as per the normal tax provisions after claiming the standard deductions



available there in. The Company is not recognizing such MAT Credit Entitlement in respect of Tax paid on book profits in earlier years. As, the utilisation of MAT Credit Entitlement is dependent on the company's ability to generate future normal taxable profits sufficient to utilise the available MAT Credit before they expire which depends on the country's fiscal policies to be announced in future years. We determined this to be a key audit matter due to the inherent limitations in estimation and uncertainty in forecasting the amount and timing of future taxable profits, changes in fiscal policies and utilization of MAT credit.

Management has supported the non-utilisation of the MAT Credit Entitlement mainly with taxable income projections which contain estimates of and tax strategies for future taxable income. Changes in the industrial scenario, the business and its markets and changes in regulations may impact these projections.

### **Our Response**

Our audit procedures included, among others, evaluating the projected tax computations prepared by the company to assess the recognition and measurement of the current tax and evaluate the compliance with the tax legislation. We paid attention to the long-term forecasts and critically assessed the assumptions and judgments underlying these forecasts by considering the historical accuracy of forecasts and the sensitivities of the profit forecasts. We assessed the adequacy and the level of estimation involved.

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance 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. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **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 Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its Managing Director during the year is in accordance with the provisions of Section 197 of the Act.
- (h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements
  - (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 K.S. Rao & Co.,**

Chartered Accountants

Firms' Registration Number: 003109S

Sd/-

**(T. SUKESH KUMAR)**

Partner

Membership Number: 229963

Place : Hyderabad

Date : 27.05.2019

**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, 2019.

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 except the following
  - (i) Pattadar Pass books in respect of Land admeasuring 40.86 acres situated at Adoni, Kurnool Dist., (A.P.) are yet to be obtained in the name of the company.
  - (ii) Title in respect of the Building costing ₹ 6,00,000/- situated at A C Guards, Hyderabad is yet to be transferred 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, 2019 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
Income Tax Act, 1961	Income Tax	708,308	A.Y. 2016-17	CIT - (Appeals) -IV, Hyderabad

\* Net of payment made under protest

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, the provisions of paragraph 3 (ix) of the Companies (Auditor's Report) Order 2016 are 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 give 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, the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 are 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 give 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, the provisions of paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 are 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 K.S. Rao & Co.,**

Chartered Accountants

Firms' Registration Number: 003109S

Sd/-

**(T. SUKESH KUMAR)**

Partner

Membership Number: 229963

Place : Hyderabad

Date : 27.05.2019

## **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 2019 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 2019, 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 K.S. Rao & Co.,**

Chartered Accountants

Firms' Registration Number: 003109S

Sd/-

**(T. SUKESH KUMAR)**

Partner

Place : Hyderabad

Date : 27.05.2019

Membership Number: 229963



**BALANCE SHEET AS AT MARCH 31, 2019.**

PARTICULARS	NOTES	31.03.2019 ₹	31.03.2018 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	04	30,000,000	30,000,000
Reserves and Surplus	05	394,738,471	390,945,737
		424,738,471	420,945,737
<b>NON - CURRENT LIABILITIES</b>			
Other Long - term liabilities	06	1,342,680	1,342,680
Long - term provisions	07	5,488,330	3,799,726
		6,831,010	5,142,406
<b>CURRENT LIABILITIES</b>			
Trade Payables	08	37,206	16,133
Other Current liabilities	09	8,672,411	8,642,761
Short - term provisions	10	373,060	299,330
		9,082,677	8,958,224
	<b>TOTAL</b>	<b>440,652,158</b>	<b>435,046,367</b>
<b>ASSETS</b>			
<b>Non - Current assets</b>			
Property, Plant and Equipment	11	470,030	653,328
Non - current investments	12	367,033,905	340,050,226
Long-term loans and advances	13	211,855	1,211,855
		367,715,790	341,915,409
<b>CURRENT ASSETS</b>			
Trade receivables	14	-	27,706,515
Cash and cash equivalents	15	68,452,907	59,933,790
Other current assets	16	4,483,461	5,490,653
		72,936,368	93,130,958
	<b>TOTAL</b>	<b>440,652,158</b>	<b>435,046,367</b>
NOTES FORMING PART OF FINANCIAL STATEMENTS	01 - 36		

for and on behalf of the Board

per our report of even date  
for K. S . Rao & Co.,  
Chartered Accountants  
Firms' Registration Number: 003109S

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

Sd/  
**R.SURENDER REDDY**  
DIRECTOR

Sd/  
**U.VIJAYA KUMAR**  
CHIEF FINANCIAL OFFICER

Sd/  
**PRITY BOKARIA**  
COMPANY SECRETARY

Sd/  
**T.SUKESH KUMAR**  
Partner  
Membership Number: 229963

Place: Hyderabad  
Date : 27.05.2019





**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

PARTICULARS	NOTES	31.03.2019	31.03.2018
<b>INCOME</b>		₹	₹
Revenue from operations	17	34,449,488	61,193,271
Other Income	18	5,423,874	5,289,642
<b>TOTAL REVENUE</b>		<b>39,873,362</b>	<b>66,482,913</b>
<b>EXPENSES</b>			
Employee Benefits Expense	19	12,659,105	12,526,423
Depreciation expense	20	353,946	499,226
Other Expenses	21	8,096,417	6,065,250
<b>TOTAL EXPENSES</b>		<b>21,109,468</b>	<b>19,090,899</b>
<b>PROFIT BEFORE TAX</b>		<b>18,763,894</b>	<b>47,392,014</b>
<b>TAX EXPENSE</b>			
Current Tax		500,000	1,150,000
Earlier years Tax		4,524	66,662
		<b>504,524</b>	<b>1,216,662</b>
<b>PROFIT FOR THE YEAR</b>		<b>18,259,370</b>	<b>46,175,352</b>
<b>EARNINGS PER EQUITY SHARE OF ₹ 10/-EACH</b>			
Basic and diluted	22	6.09	15.39
<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>	<b>01 - 36</b>		

for and on behalf of the Board

per our report of even date  
for K. S. Rao & Co.,  
Chartered Accountants  
Firms' Registration Number: 003109S

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

Sd/  
**R.SURENDER REDDY**  
DIRECTOR

Sd/  
**U.VIJAYA KUMAR**  
CHIEF FINANCIAL OFFICER

Sd/  
**PRITY BOKARIA**  
COMPANY SECRETARY

Sd/  
**T.SUKESH KUMAR**  
Partner  
Membership Number: 229963

Place: Hyderabad  
Date : 27.05.2019



#### CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS		31.03.2019 ₹	31.03.2018 ₹
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit/(Loss) before Tax	18,763,894	47,392,014
	<b>Adjustments for:</b>		
	Depreciation	353,946	499,226
	Loss/(Profit) on Sale of Investments (Net)	(10,457,867)	(16,278,378)
	Fixed Assets Written off	-	2,966
	Excess Provision written back	-	(161,392)
	Interest (Net)	(3,249,207)	(845,415)
	Diminution in the value of Non Current Investments (Net)	4,411,783	2,449,257
	Income From Non Current Investments	(20,742,414)	(44,069,478)
	Rents Earned	(5,380,467)	(4,846,585)
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(16,300,332)</b>	<b>(15,857,785)</b>
	<b>Adjustments for:</b>		
	Increase/(Decrease) in Trade Payables	21,073	7,047
	Increase/(Decrease) in Long Term Provisions	1,688,604	2,943,807
	Increase/(Decrease) in Other Current Liabilities	(35,143)	228,416
	Increase/(Decrease) in Short Term Provisions	73,730	299,330
	(Increase)/Decrease in Long term loans and advances	1,000,000	(1,000,000)
	(Increase)/Decrease in Trade Receivables	27,706,515	(22,405,745)
	(Increase)/Decrease in Other current assets	289,061	(123,646)
	Direct Taxes Paid	(2,897,718)	(3,723,287)
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>11,545,790</b>	<b>(39,631,863)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Purchase of Tangible Fixed Assets	(12,980)	(88,400)
	Purchase of Non Current Investments	(87,389,750)	(241,705,599)
	Sale of Non Current Investments	6,62,94,483	280,448,410
	Income received from Non Current Investments	22,395,203	42,221,453
	Interest received	2,712,686	714,719
	Rents Earned	4,908,892	4,851,319
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>8,908,534</b>	<b>86,441,902</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Dividend Paid	(11,935,207)	(10,117,904)
	<b>NET CASH GENERATED IN FINANCING ACTIVITIES</b>	<b>(11,935,207)</b>	<b>(10,117,904)</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>8,519,117</b>	<b>36,692,135</b>
	Cash and Cash equivalents as at beginning of the year	59,933,790	23,241,655
	Cash and Cash equivalents as at the end of the year	68,452,907	59,933,790

For and on behalf of the Board

per our report of even date  
for K. S. Rao & Co.,  
Chartered Accountants  
Firms' Registration Number: 003109S

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

Sd/  
**R.SURENDER REDDY**  
DIRECTOR

Sd/  
**U.VIJAYA KUMAR**  
CHIEF FINANCIAL OFFICER

Sd/  
**PRITY BOKARIA**  
COMPANY SECRETARY

Sd/  
**T.SUKESH KUMAR**  
Partner  
Membership Number: 229963

Place: Hyderabad  
Date : 27.05.2019

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****1. CORPORATE INFORMATION:**

The Company is a Public Limited Company listed on the National Stock Exchange (NSE) and is engaged in the business of investment 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 as amended from time to time, 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. 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.

**e. 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 income is recognized when the right to receive payment is established.



**f. 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 II to the Companies Act, 2013.

**g. 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.

**h. 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.

**i. 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.

**j. 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.

**k. 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.

**l. 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.

**m. 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.

**n. 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.

**o. Others:**

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



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019**

S.NO	PARTICULARS	31.03.2019	31.03.2018
<b>04. SHARE CAPITAL:</b>		₹	₹
<b>AUTHORISED:</b>			
6,000,000 Equity Shares of Rs.10/- each		60,000,000	60,000,000
<b>TOTAL</b>		<b>60,000,000</b>	<b>60,000,000</b>
<b>ISSUED ,SUBSCRIBED AND PAID - UP:</b>			
3,000,000 Equity Shares of Rs. 10/- each Fully paid up:		30,000,000	30,000,000
<b>TOTAL</b>		<b>30,000,000</b>	<b>30,000,000</b>

**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.

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	31.03.2019		31.03.2018	
	No of Shares	% in the class	No of Shares	% in the class
Equity Shares of Rs.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	31.03.2019	31.03.2018
<b>05. RESERVES AND SURPLUS:</b>		₹	₹
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 and at the end of the year		122,500,000	122,500,000
Reserve Fund as per RBI guidelines:			
Balance at the beginning of the year		98,450,000	88,450,000
Add: Additions during the year		3,760,000	10,000,000
Balance at the end of the year		102,210,000	98,450,000



S.NO	PARTICULARS	31.03.2019	31.03.2018
		₹	₹
	Surplus in Statement of Profit and Loss		
	Balance at the beginning of the year	118,995,737	95,457,938
	Add: Profit after tax transferred from Statement of Profit and Loss	18,259,370	46,175,352
	Amount available for appropriation	137,255,107	141,633,290
	Appropriations:		
	Reserve Fund as per RBI guidelines	(3,760,000)	(10,000,000)
	Dividend paid on Equity Capital	(12,000,000)	(10,500,000)
	Corporate Dividend Tax thereon	(2,466,636)	(2,137,553)
	Closing Balance	119,028,471	118,995,737
	<b>TOTAL</b>	<b>394,738,471</b>	<b>390,945,737</b>
<b>06.</b>	<b>OTHER LONG TERM LIABILITIES:</b>		
	Others:		
	Security deposits	1,342,680	1,342,680
	<b>TOTAL</b>	<b>1,342,680</b>	<b>1,342,680</b>
<b>07.</b>	<b>LONG TERM PROVISIONS:</b>		
	Provision for employee benefits:		
	Provision for Gratuity	4,666,018	3,070,165
	Provision for Compensated absences	822,312	729,561
	<b>TOTAL</b>	<b>5,488,330</b>	<b>3,799,726</b>
<b>08.</b>	<b>TRADE PAYABLES:</b>		
	Creditors for Supplies and Services ( refer note : 29)*	37,206	16,133
	<b>TOTAL</b>	<b>37,206</b>	<b>16,133</b>
	* including due to a related Party	17,259	2,903
<b>09.</b>	<b>OTHER CURRENT LIABILITIES:</b>		
	Unpaid Dividends	8,051,429	7,986,636
	Other Payables:		
	Withholding Taxes payable	298,148	213,312
	Statutory dues payable	236,094	354,273
	Others	86,740	88,540
	<b>TOTAL</b>	<b>8,672,411</b>	<b>8,642,761</b>
<b>10.</b>	<b>SHORT TERM PROVISIONS:</b>		
	Provision for employee benefits:		
	Provision for Gratuity	225,014	166,386
	Provision for Compensated absences	148,046	132,944
	<b>TOTAL</b>	<b>373,060</b>	<b>299,330</b>





11. PROPERTY, PLANT AND EQUIPMENT:

(amount in ₹.)

S. NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		AS AT 01.04.2018	ADDITIONS	DEDUCTIONS	AS AT 31.03.2019	UP TO 01.04.2018	FOR THE YEAR	ON DEDUCTIONS	UP TO 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018	
1	Furniture and Fixtures	33,664	12,980	-	46,644	29,950	3,922	-	33,872	12,772	3,714	
2	Vehicles	3,324,457	-	-	3,324,457	2,846,492	147,052	-	2,993,544	330,913	477,965	
3	Office Equipment:											
	Own use	206,375	-	-	206,375	152,184	21,005	-	173,189	33,186	54,191	
	Given on Lease	852,647	-	-	852,647	758,354	12,924	-	771,278	81,369	94,293	
4	Air conditioners	36,200	-	-	36,200	34,200	-	-	34,200	2,000	2,000	
5	Computers	91,120	-	-	91,120	69,955	11,375	-	81,330	9,790	21,165	
	Total	4,544,463	12,980	-	4,557,443	3,891,135	196,278	-	4,087,413	470,030	653,328	
	Previous Year	4,953,645	88,400	497,582	4,544,463	4,051,966	333,785	494,616	3,891,135	653,328	901,679	



S. No	PARTICULARS	31.03.2019 ₹	31.03.2018 ₹
<b>12.</b>	<b>NON - CURRENT INVESTMENTS:</b>		
	Investment in Property ( at cost less accumulated depreciation )		
	Land at cost (refer Note:25)	2,701,799	2,701,799
		2,701,799	2,701,799
	Cost of buildings given on operating leases (refer Note:26)	9,880,612	9,880,612
	Less: accumulated depreciation	6,670,088	6,512,420
		3,210,524	3,368,192
		5,912,323	6,069,991
	Other investments ( at cost unless otherwise stated)		
	Equity Shares - (Quoted) (fully paid-up unless otherwise stated) (A)	51,810,971	67,785,453
	Equity Shares - (Un - Quoted) (fully paid-up unless otherwise stated) (B)	-	-
	Preference Shares - (Un - Quoted) (C)	1,000,440	1,000,440
	Debentures - (Un - Quoted) (D)	-	-
	Mutual Funds - ( Un - Quoted ) (E)	308,310,171	265,194,342
		361,121,582	333,980,235
	<b>TOTAL</b>	<b>367,033,905</b>	<b>340,050,226</b>
	Aggregate cost of quoted Investments	58,564,723	68,136,868
	Aggregate market value of quoted Investments	53,563,166	78,408,041
	Aggregate cost of unquoted Investments	309,568,104	268,442,830
	Aggregate provision for diminution in the value of investments	7,011,246	2,599,463

**Details of other investments:**

PARTICULARS	Face Value ₹	31.03.2019		31.03.2018	
		No of Shares	Value ₹	No of Shares	Value ₹
<b>A. EQUITY SHARES (QUOTED)</b>					
Amara Raja Batteries Limited *	1	-	-	4,000	3,180,000
Apollo Tyres Limited **	1	9,000	2,004,750	9,500	2,239,903
Ashok Leyland Limited **	1	12,000	1,063,200	14,000	1,289,660
Asian Paints Limited	1	1,100	1,387,997	2,400	2,476,880
B.N.Rathi Securities Limited	10	33,074	438,665	33,074	438,665
Bharat Forge Limited**	2	3,000	1,537,200	3,000	1,975,726
C C L Products (India) Limited	2	8,000	2,039,690	15,000	3,546,626
Castrol India Limited**	5	8,600	1,431,040	8,600	1,724,675
Cipla Limited*	2	-	-	2,200	1,199,990
Dabur India Limited	1	3,500	1,371,907	6,100	1,839,496
Granules (India) Limited	1	14,500	1,458,605	-	-
Greaves Cootton Limited	2	6,700	823,170	-	-
Gujarat Heavy Chemicals Limited***	10	12,500	3,088,125	12,500	3,230,625
HDFC Bank Limited	2	-	-	1,900	2,999,856
Hero Moto Corporation Limited**	2	2,000	5,106,300	2,000	6,827,445
Hindustan Zinc Limited***	2	5,000	1,384,250	3,000	901,500
Infosys Limited	5	2,400	1,716,341	-	-
KNR Constructions Limited	2	10,000	2,488,529	20,000	4,977,029
Kansai Nerolac Paints Limited	1	4,500	1,919,536	5,500	2,346,096
Mahindra & Mahindra Limited**	5	3,700	2,493,430	3,600	2,599,967
Maruti Suzuki India Limited**	5	1,600	10,676,080	1,550	10,275,829
Motherson Sumi Systems Limited**(1)	1	15,000	2,245,500	9,300	2,487,516
NCL Industries Limited**	10	15,000	2,182,500	15,000	2,946,444



PARTICULARS	Face Value ₹	31.03.2019		31.03.2018	
		No of Shares	Value ₹	No of Shares	Value ₹
P I Industries Limited	1	-	-	1,800	1,463,166
Pidilite Industries Limited	1	-	-	900	641,604
NMDC Limited**	1	5,000	522,250	-	-
Reliance Industries Limited	10	600	599,406	5,000	3,732,326
Tata Consultancy Services Limited**	1	1,200	2,401,980	-	-
Yes Bank Limited**	2	5,200	1,430,520	8,700	2,444,429
<b>TOTAL</b>			<b>51,810,971</b>		<b>67,785,453</b>
<b>B.EQUITY SHARES - (UN QUOTED)</b>					
A.P.Mahesh Co-Operative Urban Bank Limited *	20	-	-	250	-
(held in the name of the Managing Director)					
<b>TOTAL</b>		-	-	-	-
<b>C.PREFERENCE SHARES - (UN QUOTED)</b>					
0.001% - Convertible Preference Shares in					
Green India Building Systems & Services					
Private Limited ( Class C )	10	180	1,000,440	180	1,000,440
<b>TOTAL</b>			<b>1,000,440</b>		<b>1,000,440</b>
<b>D.DEBENTURES - (UN QUOTED)</b>					
Non-Convertible Debentures of NTPC Limited	12.5	3,500	-	3,500	-
(allotted as bonus)					
<b>TOTAL</b>			-		-

E. MUTUAL FUNDS ( UN QUOTED)		31.03.2019		31.03.2018	
		No of units	Value ₹	No of units	Value ₹
<b>EQUITY ORIENTED FUNDS: (DIVIDEND PAYOUT)</b>					
Aditya Birla Sun Life Equity Fund		138,849	14,805,955	138,849	14,805,955
Aditya Birla Sun Life Equity Hybride ' 95 Fund		95,014	13,732,700	95,014	13,732,699
(Formerly Aditya Birla Sun Life Balanced ' 95 Fund)					
Aditya Birla Sun Life Front Line Equity Fund Plan A		665,186	17,781,048	665,186	17,781,048
Aditya Birla Sun Life India GenNext Fund		717,172	17,047,002	372,742	9,047,002
Aditya Birla Sun Life MNC Fund		83,285	13,898,101	83,285	13,898,101
Aditya Birla Sun Life Focused Equity Fund		244,687	4,268,251	244,687	4,268,251
(Formerly Aditya Birla Sun Life Top 100 Fund)					
Aditya Birla Sun Life Midcap Fund*		318,193	11,485,331	276,775	9,861,482
Aditya Birla Sun Life Digital India Fund		210,977	5,000,000	154,560	5,000,000
(Formerly Aditya Birla Sun Life India Opportunities Fund)					
Canara Robeco Equity Debt Allocation Fund		148,254	11,650,465	129,871	10,150,464
(Formerly Canara Robeco Balance Fund)					
DSP Black Rock Equity Fund		39,911	2,500,000	39,911	2,500,000
DSP Black Rock Equity Opportunities Fund		407,386	12,109,744	371,758	11,109,743
DSP Black Rock Midcap Fund		633,499	14,860,493	395,149	9,360,492
Franklin India Blue Chip Fund*		310,350	12,462,414	284,471	10,974,148
Franklin India Prima Fund*		244,307	15,572,978	220,238	13,376,559
Franklin India Equity Fund		233,680	8,556,452	286,106	10,492,744
(Formerly Franklin India Prima Plus)					
Franklin India Smaller Companies Fund		574,696	16,398,326	380,299	11,398,325
HDFC Balanced Advantage Fund		375,366	11,999,900	390,974	11,999,900
(Formerly HDFC Prudence Fund)					
HDFC Small Cap Fund		366,821	10,000,000	172,354	5,000,000
HDFC TOP 100 Fund		95,846	5,000,000	-	-
ICICI Prudential Equity & Debt Fund		344,837	8,500,000	282,287	7,000,000
(Formerly ICICI Prudential Balanced Fund)					



E. MUTUAL FUNDS ( UN QUOTED)	31.03.2019		31.03.2018	
	No of units	Value ₹	No of units	Value ₹
ICICI Prudential Value Discovery Fund	173,870	5,410,279	74,140	2,133,749
ICICI Prudential Multi Asset fund* (Formerly ICICI Prudential Dynamic Plan )	437,648	10,000,000	437,648	10,000,000
ICICI Prudential Blue Chip Fund (Formerly ICICI Prudential Focused Blue Chip Equity Fund )	611,902	14,296,312	478,178	11,296,312
ICICI Prudential Large & Midcap Fund (Formerly ICICI Prudential Top 100 Fund)	338,661	6,033,237	338,661	6,033,237
IDFC Multicap Fund (Formerly IDFC Premier Equity Fund - Plan A)	475,798	16,543,530	304,553	10,132,700
Principal Emerging Bluechip Fund*	98,680	4,877,117	98,680	4,877,117
L & T Large & Midcap Fund**	67,513	1,742,506	-	-
L & T Emerging Business Fund	180,703	3,500,000	-	-
Reliance Regular Savings Fund Balanced Plan Qtly. Dividend	-	-	209,629	3,000,000
SBI Blue Chip Fund	-	-	163,297	3,243,877
SBI Magnum Equity Fund*	-	-	78,433	2,270,977
SBI Emerging Businesses Fund	-	-	285,521	6,671,430
Templeton India Value Fund (Formerly Templeton India Growth Fund)	195,925	13,778,030	195,925	13,778,030
<b>EQUITY ORIENTED FUNDS: (GROWTH)</b>				
HDFC Smallcap Fund	106,338	4,500,000	-	-
<b>TOTAL</b>		<b>308,310,171</b>		<b>265,194,342</b>

(1) includes 5000 Shares received during the year as Bonus

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

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

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

S. NO	PARTICULARS	31.03.2019	31.03.2018
		₹	₹
<b>13. LONG TERM LOANS AND ADVANCES:</b>			
(Unsecured ,Considered good )			
Security Deposits			
with Related Parties	85,443	85,443	
with Others	126,412	126,412	
Advance for purchase of Units in Mutual Funds	-	1,000,000	
<b>TOTAL</b>	<b>211,855</b>	<b>1,211,855</b>	
<b>14. TRADE RECEIVABLES:</b>			
(Unsecured ,Considered good )			
Outstanding for a period not exceeding six months from the date they are due for Payment	-	27,706,515	
<b>TOTAL</b>	<b>-</b>	<b>27,706,515</b>	
<b>15. CASH AND CASH EQUIVALENTS:</b>			
Balances with Banks:			
in Current accounts	17,874,638	11,921,891	
Cash on Hand	26,840	25,262	
Other Bank Balances:			
in un paid dividend accounts	8,051,429	7,986,637	
in Deposit accounts	42,500,000	40,000,000	
<b>TOTAL</b>	<b>68,452,907</b>	<b>59,933,790</b>	



S. NO	PARTICULARS	31.03.2019	31.03.2018
		₹	₹
<b>16. OTHER CURRENT ASSETS:</b>			
Advance Income Tax ( Net of Provision )		2,448,696	2,522,134
GST paid in advance		5,400	302,848
Advance for expenses		-	223
Rent Receivable		986,111	514,536
Accrued Interest		678,437	141,916
Accrued Dividend		316,712	1,969,501
Prepaid Expenses		48,105	39,495
	<b>TOTAL</b>	<b>4,483,461</b>	<b>5,490,653</b>
<b>17. REVENUE FROM OPERATIONS:</b>			
Profit on sale of Non Current Investments ( net)		10,457,867	16,278,378
Dividends on non current investments		20,742,414	44,069,478
Interest on Debentures		3,704	3,704
Interest on Deposits with Banks		3,245,503	841,711
	<b>TOTAL</b>	<b>34,449,488</b>	<b>61,193,271</b>
<b>18. OTHER INCOME:</b>			
Interest Received - Income Tax and others		41,406	278,133
Other Non Operating Income(net of expenses)			
Rental Income from Investment Property		5,380,467	4,846,585
Misc Receipts		2,001	3,532
Excess Provision written back		-	161,392
	<b>TOTAL</b>	<b>5,423,874</b>	<b>5,289,642</b>
<b>19. EMPLOYEE BENEFITS EXPENSE:</b>			
Salaries, Wages and Bonus		8,259,660	7,329,832
Contribution to Provident and Other Funds		1,788,450	1,628,708
Staff Welfare Expenses		332,015	331,332
Gratuity		2,278,980	3,236,551
	<b>TOTAL</b>	<b>12,659,105</b>	<b>12,526,423</b>
<b>20. DEPRECIATION AND AMORTISATION EXPENSE:</b>			
Depreciation on Tangible Fixed assets		196,278	333,785
Depreciation on Investment property		157,668	165,441
	<b>TOTAL</b>	<b>353,946</b>	<b>499,226</b>
<b>21. OTHER EXPENSES:</b>			
Electricity Charges		44,821	45,812
Communications		272,857	223,138
Rent and Service Charges		1,235,317	1,022,889
Rates and Taxes		381,730	321,488
Insurance		51,220	51,477
Travelling and Conveyance		146,745	146,777
Vehicle Maintenance		182,856	147,212
Directors Sitting Fees		179,000	179,000
Legal and Professional Charges		391,544	320,563
Payments to Auditors			
as auditors		59,000	59,000
for certification		21,240	17,520
Repairs and Maintenance to:			
Own Buildings		32,416	341,695
Other Assets		26,825	18,155
General Charges		659,063	718,301
Fixed Assets Written off		-	2,966
Adjustments to the carrying amount of investments		4,411,783	2,449,257
	<b>TOTAL</b>	<b>8,096,417</b>	<b>6,065,250</b>



S. NO	PARTICULARS	31.03.2019 ₹	31.03.2018 ₹
<b>22. EARNINGS PER SHARE:</b>			
	Net Profit for the year attributable to Equity Shareholders	18,259,370	46,175,352
	Weighted average number of equity Shares of Rs.10/- each	3,000,000	3,000,000
	<b>Earnings per Share (Basic and Diluted)</b>	<b>6.09</b>	<b>15.39</b>
<b>23. DEFERRED TAX ASSETS (Net):</b>			
<b>ASSET:</b>			
	Difference between book and tax WDV of Assets	225,584	232,319
	Provision for other expenses	1,563,815	1,088,347
	Provision for diminution in the value of investments	1,822,924	669,362
	<b>TOTAL</b>	<b>3,612,323</b>	<b>1,990,028</b>

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.

S. NO	PARTICULARS	31.03.2019 ₹	31.03.2018 ₹
<b>24. CONTINGENT LIABILITIES:</b>			
	Claims against the Company not acknowledged as debts		
	Income Tax*	858,308	-
	<b>TOTAL</b>	<b>858,308</b>	<b>-</b>

\* The company has certain disputes in ongoing Income Tax Assessment relating to the Assessment Year 2016-17 and had received a demand from Income Tax authorities by making certain addition in accordance with the provisions of the Income Tax Act, 1961, amounting to ₹ 858,308/- and the same is contested by the company before CIT (A) and is of the opinion that its position will likely be upheld and may not have a material impact on the company's financial position.

25. Out of 87.78 acres of land costing ₹ 1,158,871/- situated at Adoni, Kurnool Dist., (A.P.), the Company is in the process of obtaining pattadar pass books in respect of 40.86 acres in its favour. As the land is not in the possession, the company has initiated proceedings before RDO, Adoni, Kurnool Dist. to regain the possession from trespassers.
26. Title in respect of the Building costing ₹ 6,00,000/- situated at A C Guards, Hyderabad is in dispute and the Company filed suit before Hon'ble High Court and the proceedings are in progress.
27. 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.
28. 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.
29. 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.
30. Disclosure relating to the Gratuity liability as per Accounting Standard 15 "Employee Benefits"

Particulars	31.03.2019 ₹	31.03.2018 ₹
a) The amounts recognised in the Balance Sheet:		
Present Value of obligation	7,753,258	5,309,130
Fair value of plan assets	(2,862,226)	(2,072,579)
Amount recognized in the Balance sheet	4,891,032	3,236,551
b) <b>Changes in the present value of the defined obligation:</b>		
Opening defined benefit obligation	5,309,130	1,439,139



Particulars		31.03.2019 ₹	31.03.2018 ₹
	Current service Cost	257,112	292,580
	Interest Cost	424,730	114,185
	Past Service Cost	--	3,400,000
	Benefits Paid	--	(23,646)
	Actuarial (gains)/Losses on obligation	1,762,285	86,872
	Closing defined benefit obligation	7,753,258	5,309,130
<b>c)</b>	<b>The amounts recognised in the Profit and Loss account</b>		
	Current service Cost	257,112	292,580
	Interest Cost	424,730	114,185
	Past Service Cost	--	3,400,000
	Expected Return on plan assets	(181,843)	(155,262)
	Actuarial (gains)/Losses to be recognised	1,778,981	98,504
	Excess fair value of plan assets not considered earlier	--	(513,456)
	<b>Expense recognised in the statement of Profit and Loss</b>	<b>2,278,980</b>	<b>3,236,551</b>
<b>d)</b>	<b>Reconciliation of opening and closing balance of fair value of assets:</b>		
	Fair value of plan assets at the beginning of the year	2,072,579	1,952,595
	Contributions Made	624,499	--
	Expected Return	181,843	155,262
	Actuarial (gains)/Losses on Plan Assets	(16,696)	(11,632)
	Benefits Paid	--	(23,646)
	Fair value of plan assets at the end of the year	2,862,226	2,072,579
<b>e)</b>	<b>Principal actuarial assumptions:</b>		
	Rate of escalation in Compensation	6.00%	6.00%
	Discount Rate	7.63%	8.00%
	Expected Rate of Return on Plan Assets	7.63%	8.00%
	Attrition Rate	1.00%	1.00%
	Retirement age in years	60/70	60/70

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 as certified by an Actuary.

31. There are no separate reportable segments as per the Accounting standard "Segment Reporting" (AS 17).
32. 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.
33. 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 ₹ 15,307,953/- and the situation shall be reviewed at each Balance Sheet date.
34. 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. Wood star Industries                       |





b	Transactions with related Party during the year:	31.03.2019	31.03.2018
		₹	₹
	Key Management Personnel		
	Sri K. Harishchandra Prasad		
	Managerial Remuneration <sup>*1</sup>	7,711,023	7,001,825
	M/s.Kapil Motors Private Limited		
	Services availed	21,205	16,531
	M/s. Wood star Industries		
	Rent and Service Charges	1,235,317	1,022,889
c)	<b>Balances due from/ (due to) related parties as at the year end:</b>		
	Sri K. Harishchandra Prasad	(17,259)	(2,903)

<sup>\*1</sup> Remuneration does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

35. The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the company. The Board of Directors of the company have proposed a final dividend of ₹ 2.50 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 9,041,647 /- inclusive of dividend distribution tax of ₹ 1,541,647/-.

36. 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 K. S . Rao & Co.,  
Chartered Accountants  
Firms' Registration Number: 003109S

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

Sd/-  
**R.SURENDER REDDY**  
DIRECTOR

Sd/-  
**U.VIJAYA KUMAR**  
CHIEF FINANCIAL OFFICER

Sd/-  
**PRITY BOKARIA**  
COMPANY SECRETARY

Sd/-  
**T.SUKESH KUMAR**  
Partner  
Membership Number: 229963

Place: Hyderabad  
Date : 27.05.2019



**SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2019**

SL.NO.	PARTICULARS	₹ in lakhs	₹ in lakhs
	<b>LIABILITIES SIDE:</b>		
<b>1</b>	<b>LOANS AND ADVANCES AVAILED BY THE NBFCs INCLUSIVE OF INTEREST ACCRUED</b>	<b>Amount outstanding</b>	<b>Amount overdue</b>
	(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)	-	-
<b>2</b>	<b>BREAK-UP OF (1) (f) ABOVE (OUTSTANDING PUBLIC DEPOSITS INCLUSIVE OF INTEREST ACCRUED THEREON BUT NOT PAID):</b>		
	(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	-	-
	<b>ASSETS SIDE:</b>		
<b>3</b>	<b>BREAK-UP OF LOANS AND ADVANCES INCLUDING BILLS RECEIVABLES [OTHER THAN THOSE INCLUDING IN (4) BELOW]:</b>	<b>Amount outstanding</b>	<b>Amount overdue</b>
	(a) Secured	-	
	(b) Unsecured	-	
<b>4</b>	<b>BREAK-UP OF LEASED ASSETS AND STOCK ON HIRE AND HYPOTHECATION LOANS COUNTING TOWARDS EL/HP ACTIVITIES</b>		
	(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	-	
<b>5</b>	<b>BREAK-UP OF INVESTMENTS:</b>		
	<b>Current Investments:</b>		
	1. Quoted:	-	
	(i) Shares: (a) Equity		
	(b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government Securities	-	
	(v) Others (please specify)	-	
	<b>Non Current Investments:</b>		
	1. Quoted:		
	(i) Shares: (a) Equity	518.11	
	(b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government Securities	-	
	(v) Others (please specify)	-	



SL.NO.	PARTICULARS	₹ in lakhs	₹ in lakhs	
	2. Unquoted:			
	(I) Shares: (a) Equity	-		
	(b) Preference	10.00		
	(ii) Debentures and Bonds	-		
	(iii) Units of mutual funds	3083.10		
	(iv) Government Securities	-		
	(v) Others - Investment Property	59.12		
<b>6</b>	<b>BORROWER GROUP- WISE CLASSIFICATION OF ALL LEASED ASSETS, STOCK -ON-HIRE AND LOANS AND ADVANCES:</b>			
	<b>CATEGORY</b>	<b>Amount net of provisions Secured</b>	<b>Unsecured</b>	<b>Total</b>
	1. Related parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	-	-	-
	<b>Total</b>	-	-	-
<b>7</b>	<b>INVESTOR GROUP - WISE CLASSIFICATION OF ALL INVESTMENTS (CURRENT, NON CURRENT AND LONG TERM) IN SHARES AND SECURITIES (BOTH QUOTED AND UNQUOTED)</b>			
	<b>CATEGORY</b>	<b>Market Value Break up or fair value or NAV</b>	<b>Book Value (Net of provisions)</b>	
	1. Related parties			
	(a) Subsidiaries	-	-	
	(b) Companies in the same group	-	-	
	(c) Other related parties	-	-	
	2. Other than related parties	3,411.46	3,611.22	
	<b>Total</b>	<b>3,411.46</b>	<b>3,611.22</b>	
<b>8</b>	<b>OTHER INFORMATION</b>			
	<b>Particulars</b>	<b>Amount</b>		
	(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/-

**K. HARISHCHANDRA PRASAD**  
MANAGING DIRECTOR

Sd/-

**R.SURENDER REDDY**  
DIRECTOR

Place: Hyderabad

Date : 27.05.2019



# Lakshmi

**FINANCE & INDUSTRIAL CORPORATION LIMITED****ANNUAL REPORT 2018 - 2019**

## Form No. SH-13 Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,  
Name of the company: **Lakshmi Finance and Industrial Corporation Limited**

Address of the company: **1<sup>st</sup> Floor, "Suryodaya" 1-10-60/3, Begumpet, Hyderabad-500 016.**

I/We ..... the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) **PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.
----------------------	-----------	-------------------	-----------------	-----------------

(2) **PARTICULARS OF NOMINEE/S —**

(3) **IN CASE NOMINEE IS A MINOR—**

- (a) Name: \_\_\_\_\_
- (b) Date of Birth: \_\_\_\_\_
- (c) Father's/Mother's/  
Spouse's name: \_\_\_\_\_
- (d) Occupation: \_\_\_\_\_
- (e) Nationality: \_\_\_\_\_
- (f) Address: \_\_\_\_\_
- (g) E-mail id: \_\_\_\_\_
- (h) Relationship with the security holder: \_\_\_\_\_

- (a) Date of birth: \_\_\_\_\_
- (b) Date of attaining majority: \_\_\_\_\_
- (c) Name of guardian: \_\_\_\_\_
- (d) Address of guardian: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name of the Security Holder (s) \_\_\_\_\_ Signature \_\_\_\_\_

Signature Witness with name and address: \_\_\_\_\_ Signature \_\_\_\_\_

### 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 on the 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 Lakshmi Finance & Industrial Corporation Ltd. 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 2018 - 2019

#### LAKSHMI FINANCE AND INDUSTRIAL CORPORATION LIMITED

(CIN: L65920TG1923PLC000044)

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

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

E-mail: lakshmi\_lfic@yahoo.com Website: www.laksmifinance.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 the member (s) holding of ..... shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

I/we, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

I/we, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 95TH Annual General Meeting of the Company, to be held on Friday, 9th day of August, 2019 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	Vote For	Vote Against
1.	Adoption of statement of Profit & Loss, Balance sheet, report of Director's and Auditor's for the financial year 2018-19		
2.	Declaration of Dividend for the Financial year 2018-19.		
3.	Appointment of Sri.K.Kapil Prasad as Director who retires by rotation.		
	<b>SPECIAL BUSINESS</b>		
4.	Re-appointment of Sri.R.Surender Reddy as Independent Director		
5.	Re-appointment of Sri. Kapil Bhatia as Independent Director		
6.	Re-appointment of Sri. Keshav Bhupal as Independent Director		

Signed this ..... day of ..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Note: 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.

Affix  
Revenue  
Stamp



*Lakshmi*

**FINANCE & INDUSTRIAL CORPORATION LIMITED**

**ANNUAL REPORT 2018 - 2019**

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# Lakshmi

**FINANCE & INDUSTRIAL CORPORATION LIMITED**

**ANNUAL REPORT 2018 - 2019**

**LAKSHMI FINANCE AND INDUSTRIAL CORPORATION LIMITED**

(CIN: L65920TG1923PLC000044)

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

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

E-mail: lakshmi\_ific@yahoo.com Website: www.laksmifinance.org

**95th Annual General Meeting - Friday, 9th day of August, 2019**

**ATTENDANCE SLIP**

(Please present this slip at the Meeting venue)

I hereby record my presence at the 95th Annual General Meeting of the members of the Company to be held on Friday, 9th day of August, 2019 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. / 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

Note:

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.
4. The submission by a Member of this form of proxy will not preclude such Member from attending in person and voting at the Meeting.

Members who have not dematerialized their holdings are requested to do so at the earliest  
in compliance with the requirement of SEBI.



**PRINTED MATTER  
REGISTERED - BOOK POST**

**To.**



*If Undelivered Please return to:*



*Lakshmi*

---

FINANCE & INDUSTRIAL CORPORATION LIMITED

---

1st Floor, Suryodaya, 1-10-60/3,  
Bagumpet, Hyderabad - 500 016  
Ph: 040-27760301 / 27767794  
Fax: 040-27767763  
E-mail: lakshmi\_ific@yahoo.com  
Website: www.lakshmifinance.org