



Lakshmi
FINANCE & INDUSTRIAL CORPORATION LTD.

Registered Office : 1-10-60/3, "Suryodaya", 1st Floor, Begumpet, HYDERABAD - 500 016.

Phone : 040-2776 0301, 2776 7794, Fax: 040-2776 7793

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

CIN: L65920TG1923PLC000044

LFIC/SEC/ AR-2019-20

Dt: 06-08-2020.

The Manager

Listing Department

National Stock Exchange of India Ltd.

Exchange Plaza,

Plot no. C/1, G Block,

Bandra-Kurla Complex

Bandra (E)- Mumbai - 400 051.

Tel No: (022) 26598235/36

Fax No: (022) 26598237/38

Dear Sir

Sub:96th Annual Report

Ref: Listing Regulation 34 (1)

Symbol: **LFIC**

Please find enclosed herewith PDF cope of 96th Annual Report for the year 2019-20 of Lakshmi Finance and Industrial Corporation Limited.

Kindly acknowledge.

Thanking you

Yours faithfully

for **LAKSHMI FINANCE & INDUSTRIAL CORPN.LTD**

(K Harishchandra Prasad)

MANAGING DIRECTOR

DIN:00012564

Encl: as above



NINETY SIXTH
96
ANNUAL REPORT 2019-20



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LIMITED

IMPORTANT MESSAGE TO THE SHAREHOLDERS OF THE COMPANY

- We wish to inform you that the trading of “**LAKSHMI FINANCE AND INDUSTRIAL CORPORATION LIMITED (LFIC)** is **under compulsory demat mode**. Company Shares are traded on National Stock Exchange of (India) Limited (NSE) with effect from 15.04.2015 (Company Symbol /Stock Code: **LFIC**). **Company ISIN No in NSDL & CDSL : INE850EO1012**. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form (electronic mode). Demat the shares to participate in trading through Stock Exchange.
- SEBI has 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, transposition and Issue of Duplicate Share Certificates of securities in physical form, will be accepted by the RTA.
- Members holding **shares in physical mode** are requested to submit their Permanent Account Number (PAN) and Bank account details (cancelled cheque of your bank account) and request register to update their e-mail address/ Telephone number and can nominate a person in respect of all the shares to the Company/ RTA viz. M/s. Venture Capital & Corporate Investments Private Limited.
- 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.
- The Company proposed a dividend of Rs.2/- per each Equity Share for the F.Y.2019-20 for the Members approval at the ensuing 96th Annual General Meeting to be held on 29.08.2020. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The Shareholders are requested to update their PAN with the Company/ RTA M/s. Venture Capital & Corporate Investments Private Limited. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
- No tax shall be deducted for resident individual Shareholders, if the aggregate amount of dividend to be paid for F.Y 2020-21 does not exceed Rs. 5,000/-. Tax shall be deducted at source in accordance with Section 194 of the Act @ 7.5%, if the amount of dividend payable exceeds Rs. 5,000/-, where PAN is available on record. Where PAN is either not available or is invalid, tax shall be deducted at source @ 20% as per Section 206 AA of the Income Tax Act,1961.

Registered Office of the Company:

**LAKSHMI FINANCE AND
INDUSTRIAL CORPORATION LIMITED**
1st FLOOR, “SURYODAYA”
1-10-60/3, BEGUMPET, HYDERABAD
Fax.No.040-27767793,
Tel Phone: 040-27760301/27767794
E-mail: lakshmi_lfic@yahoo.com
Website: www.lakshmifinance.org.in

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



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LIMITED



Day : **SATURDAY**
Date : **29th AUGUST, 2020**
Time : **10.30. A.M**
VENUE : **Through Video Conferencing (VC)/**
Other audio-Visual Means (OAVM).

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)
Smt. Madhurika Nalluri Venkat	(DIN:07147974)
Sri. K. Harishchandra Prasad, Managing Director	(DIN: 00012564)

Sri. U.Vijaya Kumar
Chief Financial Officer

Mrs.Prity Bokaria (up to 01.07.2019)
Company Secretary & Compliance Officer

Shri P. Venkatanaryana (from 01.01.2020)
Company Secretary & Compliance Officer

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
- Union Bank of India
- 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.lakshmifinance.org.in

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

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



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**NOTICE**

Notice is hereby given that the 96th Annual General Meeting of the Members of **LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED** will be held on Saturday the 29th day of August, 2020 at 10.30 A.M. through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss & Cash Flow Statement of the Company for the year ended on that date and the Reports of the Directors and Auditors for the financial year 2019-20.
2. To declare a Dividend of 20% i.e ₹ 2.00 per share on Equity Shares for the year ended 31st March, 2020.
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 Smt. Madhurika Nalluri Venkat (DIN: 07147974) as an 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, Smt. Madhurika Nalluri Venkat (DIN: 07147974), a Non-Executive Director of the Company, whose term expires on ensuing 96th Annual General Meeting-2020 of the Company be and is hereby appointed as Independent Director of the Company to hold office for another 5 (five) consecutive years (second term) i.e., upto to the conclusion of the 101st Annual General Meeting of the Company to be held in the calendar year 2025.”

- 5). **Re-appointment of Sri. K.Harishchandra Prasad as a Managing Director.**

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the

provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the re-appointment of Shri. K. Harishchandra Prasad (DIN:00012564) as Managing Director of the Company with effect from April 1, 2020 to March 31, 2023 as well as the payment of salary, and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Shri K. Harishchandra Prasad.”

“RESOLVED FURTHER THAT that in the absence of or inadequacy of profits in any financial year during his tenure of office, the remuneration will be paid as a Minimum Remuneration to Shri. K. Harishchandra Prasad, subject to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

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

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

REGISTERED OFFICE:

1st Floor, “Suryodaya”
1-10-60/3, Begumpet,
Hyderabad-500 016.
CIN No:L65920TG1923PLC000044
E-mail:lakshmi_ific@yahoo.com
Website: www.lakshmifinance.org.in

Place: Hyderabad
Date: 29-06-2020

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio- Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
 2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice.
 3. The Register of Members and the Share Transfer Books of the Company will remain closed from **22nd August, 2020 to 29th August, 2020** (both days inclusive) for annual closing and determining the entitlement of the shareholders for the final dividend for 2019-20. The proposed dividend if approved will be paid to the Members, whose names appear in the register of Members as on 21st August, 2020.
 4. 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.
 5. A dividend of ₹ 2/- per share (20% on the face value of equity share) has been recommended by the Board of Directors for the year ended 31st March, 2020 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.
 6. In order to avoid fraudulent encashment of dividend warrants, Members holding shares in physical forms are requested to send to the Registrar and Transfer Agents of the Company, on or before 17.08.2020 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.
7. (a) Shareholders who have not yet surrendered the existing Share Certificates representing equity shares of ₹ 100/- each paid-up of your total shareholdings for exchange of new share certificates representing equity shares of ₹ 10/-each paid-up for any reason may please contact Shares Department of the Company.
 - (b) Shareholders/Legal heirs of shareholders, who have not collected/ received the Bonus Shares issued by the Company in 1996 and in 2009, are requested to contact Shares Department of the Company for necessary action to obtain the unclaimed Bonus Shares.
 8. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company, enclosing their share certificates to enable the Company to consolidate their holdings in one folio to facilitate better service.
 9. 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 2011-12 has been transferred to the said fund on 18.10.2019 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.lakshmifinance.org.in. The said details have also been uploaded on the website of the IEPF Authority at www.iepf.gov.in
 - b). The unclaimed dividend for the year 2012-2013 is due for transfer to IEPF on or before 08.10.2020. Those Members who have not encashed their dividends 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 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 IEPF
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
31.03.2019	09.08.2019	14.09.2026	14.10.2026

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.lakshmi finance.org.in. The said details have also been uploaded on the website of the IEPF Authority at 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 or contact Company/ Company Registrars and share Transfer agents i.e. M/s. Venture Capital & Corporate Investments Private Limited, for lodging claim for refund of shares and/or dividend from the IEPF Authority.
10. Members desiring any information as regards the accounts are requested to write to the Company at least seven days before the date of the Meeting to enable the management to keep the information ready at the Meeting.
 11. The Securities & Exchange Board of India (SEBI) has made it mandatory for all Companies to use the Bank account 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. .
 12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
 13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
 14. 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 Private Limited, 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 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.**
15. Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed companies to send documents such as Notice of the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc., to the shareholders in electronic form instead of the paper form. Members are requested to send/ update their email address with their Depository or Registrar and Transfer Agents of the Company.
16. Pursuant to the requirements 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.
17. All the documents referred to in the Notice and explanatory statement will be available to the Members at the Registered Office of the Company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the Meeting.
18. The Notice of the 96th AGM along with Annual Report for FY 2019-20, is available on the website of the Company at www.lakshminfinance.org.in on the website of Stock Exchange i.e National Stock Exchange of India Limited at www.nseindia.com respectively and on the website of CDSL at www.evoting@cdslindia.com
19. Statement as required under section 102 of the Companies Act, 2013, in respect of items of special business is annexed hereto.
20. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA M/s. Venture Capital & Corporate Investments Private Limited. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to lakshmi_lfic@yahoo.com. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to lakshmi_lfic@yahoo.com. The aforesaid declarations and documents need to be submitted by the shareholders by 5.00 p.m. IST on August 21, 2020.



E-Voting for transaction of Business:

CDSL e-Voting System – For Remote e-voting and e-voting during AGM.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general Meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, in pursuance of Section 112 and Section

113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.lakshmifinance.org.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:

- (i) The voting period begins on Wednesday, August 26, 2020 at 09.00 hrs and ends on Friday, August 28, 2020 at 17.00 hrs (5.00P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, August 20, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote during the Meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.



(viii) If you are a first time user follow the steps given below:

For Shareholders 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> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact RTA/Company.
Dividend Bank Details OR Date of Birth (DOB)	<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> <ul style="list-style-type: none"> 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 (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant **<Lakshmi Finance and Industrial Corporation Limited (EVSN-200715008)>** on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image

verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

(xx) Board of Directors have appointed Smt.N.Madhavi, Practising Company Secretary, to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to **lakshmi_ific@yahoo.com**.
- For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to **lakshmi_ific@yahoo.com**.
- The Company shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM:

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access



the same at <https://www.evotingindia.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance, i.e., from August 20, 2020(9.00am.IST) to August 25,2020(5.00pm.IST) mentioning their name, demat account number/folio number, email id, mobile number at lakshmi_ific@yahoo.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance i.e from August 20,2020(9.00am IST) to August 25,2020(5.00pm IST) mentioning their name, demat account number/folio number, email id, mobile number at (Company email id). These queries will be replied to by the Company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending the availability of time during the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only

to the shareholders attending the Meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; lakshmi_ific@yahoo.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

General Instructions:

- i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share



- capital of the Company as on August 20, 2020.
- ii. The Scrutinizer, after scrutinising the votes cast at the Meeting through remote e-voting and during AGM will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.lakshmifinance.org.in and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

- iii. The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

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

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

Place: Hyderabad
Date: 29.06.2020



EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4:

As Members are aware, **Smt. Madhurika Nalluri Venkat** was appointed as an Non-Executive Independent Director of the Company by the Members at the 91st Annual General Meeting (AGM) held in the year 2015 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 Resolutions. Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes her re-appointment as Independent Director of the Company to hold office for another 5(five) years (second term) i.e., upto the conclusion of the 101st Annual General Meeting of the Company to be held on in the calendar year 2025. The Company has, in terms of section 160(1) of the Act received in writing a notice from a Member, proposing her candidature for the office of Director.

The Company has received a declaration from her to the effect that she 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, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

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

Smt. Madhurika Venkat Nalluri a Bachelor of Science with a Law degree from Nagarjuna University, Guntur, with more than 26 years experience in the Banking field, 9 years experience in Pharma Industry. Her presence, expertise and experience would immensely benefit the Company. Director ship of Smt. Madhurika Venkat Nalluri are as follows: 1). Iquest Enterprises Private Limited 2). Maple Enterprises Private Limited 3). Magica Sports Ventures Private Limited 4). Moschip Technologies Limited.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Smt. Madhurika Venkat Nalluri as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Madhurika Venkat Nalluri as an Independent Director, for the approval by the shareholders of the Company.

Except, Smt. Madhurika Venkat Nalluri. 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. 4.

Item No. 5:

The term of office of Shri K. Harishchandra Prasad, Managing Director expired on 31st March, 2020, Shri K. Harishchandra Prasad has been in the office as Managing Director since 11th May 1985 thus completing a period of 35 Years. During the tenure of Shri K. Harishchandra Prasad as Managing Director, the Company has made considerable progress in all the spheres and is optimistic on the future progress. He is also on the Board of Directors of several Public/Private Limited Companies. In the interest of the Company, the Board of Directors re-appointed Shri K. Harishchandra Prasad as Managing Director, from 1st April 2020 for a further period of 3 years. The Nomination and Remuneration Committee and the Board of Directors of the Company recommended the re-appointment of Shri K. Harishchandra Prasad in accordance with the terms and conditions and guidelines specified in Schedule V of the Companies Act, 2013. Pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 any such remuneration needs to be ratified by the Members in their General Meeting. The main terms of the agreement to be entered into by the Company with Shri K. Harishchandra Prasad are as follows:

The main terms of agreement are: -

- SALARY:** ₹ 5,00,000/- per month in the scale of ₹ 5,00,000/- - ₹ 50,000/- - ₹ 6,00,000/-
- COMMISSION:** Two percent of the net profit computed in accordance with Section 198 of the Companies Act, 2013, subject to a ceiling of fifty percent of the salary.
- PERQUISITES:** In addition to salary and commission, he shall be entitled to the allowances and other perquisites provided that the value thereof shall be restricted to an amount equal to the annual salary as set out below:
- Medical Reimbursement** for self and family: Reimbursement of expenses actually incurred for self and family, the total cost of which to the Company shall not exceed two month's salary in a year;
- Leave Travel Allowance:** For self and family, once in a year either in India or Abroad travel shall not exceed one month's salary in a year;
- Club fees:** Fees of clubs, subject to a maximum of two clubs;
- Personal accident insurance:** Premium not to exceed ₹ 50,000/- per annum;
- Car:** Free use of Company's car with driver;
- Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company;
- Gratuity payable shall not exceed, half a month's salary, for each completed year of service;



11. **Communication Facilities:** Free communication facilities like Telephones / Internet / Mobiles at residence;
12. The expenditure incurred by the Company on gas, electricity, water will be subject to a ceiling of 10% of the salary.
13. Leave on full pay and allowances as applicable to other employees of the Company.
14. He shall also be entitled to reimbursement of expenses actually incurred for the business of the Company;
15. **Minimum Remuneration:** Notwithstanding herein, in the event of absence or inadequacy of profits of the Company in any financial years, the Company may remunerate to Shri.K Harishchandra Prasad by way of Salary and perquisites in accordance with the limits

prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 or any statutory modifications, substitutions, re-enactments or amendment thereof as may be agreed to by the Board of Directors and Shri.K. Harishchandra Prasad.

The draft agreement between the Company and Shri. K.Harishchandra Prasad is available for inspection by the Members of the Company at its Registered Office between 10.30 A.M to 12.30 P.M. on any working day prior to the date of the Annual General Meeting and will also be available at the Annual General Meeting. None of the Directors, Key Managerial Persons or their relatives, except Shri. K.Harishchandra Prasad and Shri K. Kapil Prasad are any way concerned or interested in the Resolution set out in special Business Item No.5.

Your Directors recommend the resolution for approval.

STATEMENT PURSUANT TO PART II of SECTION II OF SCHEDULE V, OF THE COMPANIES ACT, 2013

I GENERAL INFORMATION

(1) Nature of Industry: Non-Banking Finance Company

The Company's primary business activity is to invest in shares and mutual funds.

(2) Date of commencement of commercial production/Business activity: 16.04.1980.

(3) Financial performance during last three years:

Financial Parameter	2019-20 (As PER IND AS)	2018-19 (AS PER GAAP)	2017-18 (AS PER GAAP)
Total Income	331.15	398.73	664.83
Profit/ (Loss) After Tax	(658.63)	182.59	461.75
Book Value in ₹	112.39	141.58	140.32
EPS in ₹	(21.95)	6.09	15.39

(4) Foreign investments or collaborations, if any: NIL

Operations) Industrial Electro Plating Labs and later at Allied Corporation.

II. INFORMATION ABOUT THE APPOINTEE:

1. Background of the Appointee:

Shri Kanuri Harishchandra Prasad, was born on September 15, 1952. After his B.Tech., (Chemical Technology) from Madras University in 1973, Shri.K.Harishchandra Prasad did M.S., in Chemical Engineering at Washington University., St., Louis in USA(1975). He was a Research Assistant at the University. Later, he did his M.B.A., (special emphasis on Finance) from, St.Louis University, St.Louis, USA (1977).

Shri.K.Harishchandra Prasad worked in United States of America as Plant Manager, Senior Manufacturing Engineer and Manager (Plating

He is also Director in several other Public and Private Limited Companies like K L N Holding Private Limited, Kapil Motors Private Limited, Keerthi Industries Limited, B N Rath Securities Limited, and Andhra Printers Limited.

Shri K.Harishchandra Prasad is actively involved in social and philanthropic activities. He is General Secretary of the Vignana Jyothi Educational Society. He is the Past President of FTAPCCI (Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry) and President elect for Hyderabad Management Association for the year 2017-18.



2. **Past remuneration (including contribution to PF, Superannuation fund and Gratuity fund) for last 3 years:**

(Amount in ₹/ P.A)

2019-20	2018-19	2017-18
84,45,389	77,11,023	70,01,825

3. **Recognition and award:**

He received "Outstanding performance Award" while working in Allied Corporation, USA in 1983.

4. **Job profile and his suitability:**

(a) Job Profile

- He will exercise the management control over the whole of the affairs of the Company.
- Providing leadership and strategic guidance to the Company
- Profitable operations of the Company through efficient and optimum utilization of Company's resource viz., man, material and money.
- Entering into strategic tie-ups and alliances for advancement of the business of the Company.
- Development of new businesses.
- Employee satisfaction.
- Customer satisfaction.

(b) Suitability

Shri K.Harishchandra Prasad belongs to the promoter group of the Company. He has been at the helm of the affairs of the Company since 1985. Under his able leadership and guidance the Company has been making steady progress and has been maintaining continuous dividend payment track record. He has vast experience in the field of Finance. Given the profile of Shri. K.Harishchandra Prasad, it is imperative that he be shouldered with responsibility of Managing Director and draw the remuneration as proposed.

5. **Remuneration proposed:** As detailed in the Explanatory Statement.

6. **Comparative remuneration profile with respect to Industry, size of the Company, Profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**

The proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.

7. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Sri K.Harishchandra Prasad has no pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration in the Company. Sri K. Kapil Prasad is the son of Sri K. Harishchandra Prasad, who is the Non- Executive Director of the Company.

III. OTHER INFORMATION:

- (1) **Reason of inadequate profits:**

The Company has achieved operating profits from its operations during the year and it is expected to earn profits in the future years also. The Company is seeking the permission of the shareholders for paying remuneration to Sri K.Harishchandra Prasad, Managing Director, in accordance with the provisions as laid down in Schedule V of the Companies Act, 2013, in the event the Company has no profit or inadequate profits in any such financial year.

- (2) **Steps taken or proposed to be taken for improvement:** The Company is striving hard to get new business and the Directors of the Company have been working towards getting new business activities.

- (3) **Expected increase in productivity and profits in measurable terms:** Not Applicable as the Company is not into production activities.

- IV. **DISCLOSURES:** The details of the remuneration package, benefits and details are provided in Corporate Governance Report.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING.**

**Disclosure Required under Section 196(4) of the Companies Act, 2013 and
Pursuant to Regulation 36(3) of SEBI(Listing Obligation and Disclosure Requirements) Regulation 2015.**

Name of the Director	Smt.Madhurika Venkat Nalluri	Sri. K Harishchandra Prasad	Sri. K.Kapil Prasad
Date of Birth	23.11.1954	15.09.1952	31.10.1983
Date of Appointment	Original date of appointment is on 04.04.2015	Original date of appointment is on 11.05.1985 Re-appointed as Managing Director w.e.f 01.04.2017 (93 rd AGM) 28/07/2017	07.02.2014
Qualification	BSC-BL	MS. MBA	M.S
No of Shares held in the Company	Nil	90,000	81,085
Directorships held in other Companies (excluding Foreign Companies)	Iquest Enterprises Private Limited, Mapple Enterprises Private Limited, Magica Sports Ventures Private Limited, Moschip Technologies Limited.	K L N HOLDING PRIVATE LIMITED, KAPIL MOTORS PRIVATE LIMITED, KEERTHI INDUSTRIES LIMITED, B N RATHI SECURITIES LIMITED, ANDHRA PRINTERS LIMITED AND GREENPARK HOTELS & RESORTS LIMITED.	KAPIL MOTORS PVT LIMITED. JARSH INNOVATION PVT LTD.
Positions held in mandatory committees of other companies	No	KEERTHI INDUSTRIES LIMITED- Audit Committee-Member, Nomination & Remuneration Committee-Chairman, Corporate Social Responsibility Committee (CSR)- Member. B N RATHI SECURITIES LIMITED, Audit Committee-Member, Nomination & Remuneration Committee-Chairman, Stakeholders relationship Committee-Member	No

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

Place : Hyderabad
Date: 29-06-2020.

Sd/-
K.HARISHCHANDRA PRASAD
MANAGING DIRECTOR



DIRECTORS' REPORT

To

The Members of

Lakshmi Finance & Industrial Corporation Limited

Your Directors take pleasure in presenting this 96th Annual Report on the business and operations of your Company, along with the Audited Financial Statements for the financial year ended March 31, 2020.

1). FINANCIAL RESULTS

(₹ in lakhs)

Particulars	2019-20	2018-19
Gross Income	331.15	349.23
Profit/(Loss) before Depreciation and Tax	(907.46)	12.51
Depreciation	13.20	14.01
Profit/(Loss) for the year before taxation	(920.66)	(1.50)
Provision for Taxation	3.65	5.00
Profit/(Loss) after tax	(924.31)	(6.50)
Prior year taxes	(0.49)	0.04
Net Profit/(Loss) after Tax	(923.82)	(6.54)
Deferred tax (Liability)/Asset	265.18	68.67
Profit/(Loss) for the year after Tax	(658.63)	62.13
Profit Brought Forward	1,087.88	1,208.02
Total Profit available for appropriation	429.25	1,270.15
Dividend pertaining to previous year paid during the year	75.00	120.00
Corporate Dividend Tax	15.42	24.67
Transfer to Reserve Fund (per RBI Guide Lines)	—	37.60
Balance carried over to Balance Sheet	338.83	1,087.88

2). OPERATIONAL PERFORMANCE:

The financial performance of your Company for the year ended March 31, 2020, decreased with Revenue from Operations lower by 5.18 percent to ₹ 331.15 lakhs from ₹ 349.23 lakhs in the previous year. Other Income marginally increased to ₹ 57.54 lakhs from ₹ 54.95 lakhs during the previous year. The Net Loss after Tax is ₹ 658.63 lakhs after providing Current Year Income Tax (MAT) of ₹ 3.65 lakhs as against Net Profit after Tax of ₹ 62.13 lakhs in the previous year. The decrease in profitability is mainly on account of unfavourable Stock Market conditions and due to pandemic Covid-19, which have impacted the entire Stock Market and Financial Operations of the entire Country and the World at large. The World is facing challenges due to pandemic Covid-19, which has locked down entire humanity and business operations. The business operations of your Company were also suspended for some time. Due to lockdown the operational performance of the Company got severely impacted and the Management is taking all proactive steps Keeping in view the continued impact of Covid-19, to have sustainable operations going forward. Further the Company has adopted the Indian Accounting Standards (Ind AS) during the year and accordingly these are Company's first financial statements prepared in accordance with Ind AS. As per the

Ind AS 101 first time adoption of Indian Accounting Standards, first time adopted Company shall prepare and present an opening Ind AS Balance Sheet at the date of transition to Ind AS. This is the starting point for accounting in accordance with Ind AS. The date of transition for the Company is April 01, 2018.

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 20% (i.e., ₹ 2/- per Equity Share of ₹ 10/- each) for the financial year 2019-20 as against 25 % dividend rate in the previous year. The proposed dividend, if approved at the 96th Annual General Meeting by the Members, will be paid to all those Equity Shareholders whose names appear in the Register of Members as on 21.08.2020 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, 2020. The outflow on account of the dividend payout would be ₹ 60 lakhs.

**4). TRANSFER TO RESERVES**

The Company Directors have decided not to transfer any amounts to General Reserve and not transferred any amount to Reserve Fund in Terms of Sec 45-1c of the RBI Act, 1934 as during the F.Y 2019-20 the Company made a Net Loss of ₹ 658.63 lakhs.

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 91st Annual General Meeting held on 13th August, 2015 have appointed Smt. Madhurika Nalluri Venkat (DIN 07147974), as Independent Director of the Company till the 96th Annual General Meeting of the Company to be held in the year 2020.

As her term of appointment would expire at the ensuing Annual General Meeting, it is proposed to re-appoint her as Independent Director 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 Resolution.

As the term of appointment of Sri K.Harishchandra Prasad, Managing Director expires on 31.03.2020, the Nomination & Remuneration Committee and the Board of Directors recommended the re-appointment of Sri K.Harishchandra Prasad for 3 years w.e.f 01.04.2020 as per the terms/conditions mutually agreed upon. Special Resolution in this regard is included in the AGM Notice.

Sri. P. Venkata Narayana, the Company Secretary, resigned from the Company Services on 30th April, 2020 and the Company is taking steps to fill in the post of Company Secretary as per the provisions of the Companies Act, 2013.

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 June 29, 2020.

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, 2019 to 31st March, 2020. The dates on which the Meetings were held are as follows:

27th May, 2019, 9th August, 2019, 13th November, 2019 and 12th February, 2020.

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 2020-21 have been paid. The Company's shares are listed and traded at NSE with ISIN code '**INE 850E01012**' and Stock Code is '**LFIC**' with effect from 15.04.2015.

13). 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 2020, 75.24% of the shares in your Company have been dematerialized.

14). 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 2012-2013 will expire on September 8th, 2020 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.

15). AUDITORS:

i). Statutory Auditors:

At the Annual General Meeting held on 28.07.2017, M/s. K.S.Rao & Co., Chartered Accountants, Hyderabad were 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.

The Auditors' Report for F.Y. 2019-20 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 reports are 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.

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

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

17). 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 2019-20 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 2019-20 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.

18). 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

19). 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 2020. Further, the Company is registered with RBI as a "Non-Banking Financial Institution without accepting public Deposits".

20). CHANGE IN NATURE OF BUSINESS:

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

21). 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.lakshminfinance.org.in.

22). RELATED PARTY TRANSACTIONS :

Related party transactions that were entered during the financial year were on an arm's length basis and



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

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

23). 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,

24). MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

25). CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in the Listing 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.

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

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

27). CORPORATE SOCIAL RESPONSIBILITY (CSR) :

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee w.e.f 25.05.2015. The Committee Comprises of 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.

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

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

29). 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.

30). RISK MANAGEMENT COMMITTEE

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

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

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

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

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



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

33). ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board

LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED

Place: Hyderabad
Date: 29.06.2020

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

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

ANNEXURE-A**FORM No.MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020**

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 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 2020, 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 Lakshmi Finance & Industrial Corporation Limited for the financial year ended on 31st March 2020 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.

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

Date : 29.06.2020

M.NO.A16866; CP NO. 11732

Place: Hyderabad

UDIN: A016866B000395915

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

Date : 29.06.2020

M.No.A16866; CP NO. 11732

Place: Hyderabad

UDIN: A016866B000395915

**FORM AOC-2****ANNEXURE-I**

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

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

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

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

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

Sl. No	Particulars	Details	
1.	Name (s) of the related party	WOOD STAR INDUSTRIES	KAPIL MOTORS PVT LTD
2.	Nature of Relationship	DIRECTOR IS INTERESTED	DIRECTORS ARE INTERESTED
3.	Nature of contracts /arrangements / transaction	BY AGREEMENT	SERVICE AVAILED
4.	Duration of the contracts/ arrangements / transaction	FROM 01.04.2018	—
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	0.58

ANNEXURE-II**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

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 st 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 Private Limited 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	73.30

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	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5,51,502	0	5,51,502	18.38	5,51,502	0	5,51,502	18.38	0.0
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	6,19,680	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
Sub-total (A) (1) :-	13,05,462	0	13,05,462	43.52	13,05,462	0	13,05,462	43.52	0.00
(2) Foreign									
a) NRIs - Individuals	1,04,640	0	1,04,640	3.49	1,04,640	0	1,04,640	3.49	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	1,04,640	0	1,04,640	3.49	1,04,640	0	1,04,640	3.49	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	14,10,102	0	14,10,102	47.00	14,10,102	0	14,10,102	47.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	900	900	0.03	0	900	900	0.03	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	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
Sub –total (B) (1)	0	900	900	0.03	0	900	900	0.03	0
2. Non Institutions									
a) Bodies Corp.									
i) Indian	19,831	7,440	27,271	0.91	12,837	7,440	20,277	0.69	-0.22
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	3,59,401	7,32,769	10,92,170	36.41	4,88,020	7,33,848	12,21,868	40.73	4.32
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,58,132	36,420	1,94,552	6.48	74,510	0	74,510	2.48	-4.00
c) Others									
1. NRI	3,928	740	4,668	0.16	2,305	740	3,045	0.10	-0.06
2. Clearing Members	1,659	0	1,659	0.06	920	0	920	0.03	-0.03
3. Trust	740	0	740	0.02	740	0	740	0.02	0.0
4. IEPF Authority*	2,67,938	0	2,67,938	8.93	2,67,638	0	2,67,638	8.92	-0.01
Sub – Total (B)(2)	8,11,629	7,77,369	15,88,998	52.97	8,46,990	7,42,028	15,88,998	52.97	0.0
Sub-Total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	8,11,629	7,78,269	15,89,898	53.00	8,46,970	7,42,928	15,89,898	53.00	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	22.21.731	7.78.269	30.00.000	100	22.57.072	7.42.928	30.00.000	100	00.00

* 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.	UNIJOLLY 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	32,752	1.09	0	32,752	1.09	0	0
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
	TOTAL	14,10,102	47.00	0	14,10,102	47.00	0	0.0

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.	NILL				
	At the beginning of the year				
	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				

D. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (other than Directors, Promoters and Holders of GDR and ADRs)

Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The Company	No. of shares	% of total shares of the Company
1.	MAHENDRA GIRDHARILAL				
	At the beginning of the year	53,099	1.77	53,099	1.77
	Date wise Increase /Decrease in 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	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.	V S N H U PRASAD BABU V MAHA RANI SAMYUKTA				
	At the beginning of the year	18361	0.61	18361	0.61
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):	Demat transfer of 3,050 equity shares			
	At the end of the year	21411	0.71	21411	0.71



Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The Company	No. of shares	% of total shares of the Company
3.	R RAGHURAM REDDY				
	At the beginning of the year	18,440	0.61	18,440	0.61
	Date wise Increase /Decrease in Share holding 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
Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The Company	No. of shares	% of total shares of the Company
4.	S R Y ANKINEEDU PRASAD				
	At the beginning of the year	24,960	0.83	24,960	0.83
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer /bonus/sweat equity etc):	Demat transfer of 9,360 equity shares			
	At the end of the year	15,600	0.52	15,600	0.52
Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The Company	No. of shares	% of total shares of the Company
5.	ARIHANT CAPITAL MARKETS LTD				
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer /bonus/sweat equity etc):	Demat transfer of 11,000 equity shares			
	At the end of the year	11000	0.37	11000	0.37
Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of The Company	No. of shares	% of total shares of the Company
6.	SUSHELLA NARASIMHA MURTHY				
	At the beginning of the year	8100	0.27	8100	0.27
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g.allotment /transfer /bonus/sweat equity etc):	Demat transfer of 2569 equity shares			
	At the end of the year	10669	0.36	10669	0.36
Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The Company	No. of shares	% of total shares of the Company
7.	AGARWAL VITTU BAJRANGLAL HUF				
	At the beginning of the year	10,228	0.34	10,228	0.34
	Date wise Increase /Decrease in 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	
		No. of shares	% of total shares of The Company	No. of shares	% of total shares of the Company
8.	S R Y PADMANABHA PRASAD				
	At the beginning of the year	9,360	0.31	9,360	0.31
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g.allotment /transfer /bonus/sweat equity etc):	Demat transfer of 80 equity shares			
	At the end of the year	9440	0.31	9,440	0.31



Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The Company	No. of shares	% of total shares of the Company
9.	RAJESWARI DEVI VADLAPATLA				
	At the beginning of the year	9020	0.30	9020	0.30
	Date wise Increase /Decrease in 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	9020	0.30	9020	0.30
Sl. No	Shareholder Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The Company	No. of shares	% of total shares of the Company
10.	DEEPAK TANNIRU				
	At the beginning of the year	8460	0.28	8460	0.28
	Date wise Increase /Decrease in 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	8460	0.28	8460	0.28

E. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	K.HARISHCHANDRA PRASAD				
	At the beginning of the year	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				
	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				
	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				
	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				
	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



Sl. No.	For Each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
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) (UP TO 01.07.2019)	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
9.	P VENKATA NARAYANA COMPANY SECRETARY, (KMP) (W.E.F. 01.01.2020)	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				
Total (i+ii+iii)		NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year Addition/ Reduction		NIL	NIL	NIL	NIL
Net Change		NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year					
i)	Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)		NIL	NIL	NIL	NIL



VII. REMUNERATION OF DIRECTORS -

A. Remuneration to Managing Director.

SN.	Particulars of Remuneration	Name of MD	Total Amount (In ₹)
		K.HARISHCHANDRA PRASAD (Managing Director)	
	Gross salary		
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	66,00,000	66,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,14,889	2,14,889
	(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)	16,30,500	16,30,500
	Total (A)	84,45,389	84,45,389
	Ceiling as per the Act		1,68,00,000

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	R.Surender Reddy	Kapil Bhatia	Keshav Bhupal	Madhurika Nalluri Venkat		
	Fee for attending Board and committee Meetings	46,000	10,000	46,000	36,000	0	1,38,000
	Commission	NIL	NIL	NIL	NIL	0	NIL
	Others, please specify	NIL	NIL	NIL	NIL	0	NIL
	Total (1)	46,000	10,000	46,000	36,000	0	1,38,000
2.	Other Non-Executive Directors				K.Kapil Prasad		
	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
	Total (2)	NIL	NIL	NIL	NIL	40,000	40,000
	Total (B)=(1+2)	46,000	10,000	46,000	36,000	40,000	1,78,000
	Total Managerial Remuneration	46,000	10,000	46,000	36,000	40,000	1,78,000

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

SN.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (In ₹)
1.		CS (Prity Bokaria)	CS (P V NARAYANA)	CFO (Vijaya Kumar U)	
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,750 (up to 01.07.2019)	60,000 (from 01.01.2020)	7,65,072	8,79,822
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	2,11,693	2,11,693
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as a % of profit - others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
		54,750	60,000	9,76,765	10,91,515

**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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	--	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
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: 29.06.2020

**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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20, 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 2019-20 (in Lacs)	% of increase in Remuneration in the Financial year 2019-20	Ratio of remuneration of each Director/to median remuneration of employees
1.	K. Harishchandra Prasad (Managing Director)	84.45	9.52	37.37
2.	U. Vijaya Kumar (Chief Financial Officer)	9.76	6.33	4.32
3.	P Venkata Narayana (Company secretary)	2.40	9.58	1.06

* 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 ₹ 2,26,783.

- 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, 2020 was 5.16%.

- iv) **The number of permanent employees on the rolls of the Company as on March 31, 2020:**

There were 9 permanent employees on the rolls of Company as on 31st March, 2020.

- 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 7.87%. 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 2019-20	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	84,45,389	Whole time	MS,MBA 40 Years	11.05.1985	67	Amphenol,an Allied Co.,	3%	NA
2	U. Vijaya Kumar	Chief Financial Officer	9,76,765	Whole time	M.Com 34 Years	22.10.1997	57	Sri Chakra Financial Ser. Ltd.,	Nil	NA
3	V.V.S.R. Murthy	Asst. Manager	3,25,757	Whole time	M.Com 31 Years	06.12.2004	56	Sidvin Financial Ser.Pvt.Ltd.,	Nil	NA
4	P Venkata Narayana	Company Secretary	2,40,000	Whole time	Company Secretary	01.01.2020	40	Haritha Fertilisers Ltd	Nil	NA
5	D. Badarinarayana	Office Assistant	2,26,783	Whole time	B.Com 21 Years	15.05.2000	54	Madhuri Models Pvt Ltd.,	Nil	NA
6	Mukiri Prasad	Driver	1,98,264	Whole time	7 th Class 21 Years	01.08.2016	51	Nil	Nil	NA
7	P. Suvarna	Office Assistant	1,65,527	Whole time	B.Com, MBA 5 Years	06.01.2016	27	Atcis Technology	Nil	NA
8	D. Narasaiah	Attender	1,59,839	Whole time	7 th Class 27 Years	24.10.2013	46	Nil	Nil	NA
9	D. PADMA	Office Assistant	1,59,010	Whole time	M.COM 8years	20.04.2018	40	Gemini International	Nil	NA

**MANAGEMENT DISCUSSION AND ANALYSIS****REVIEW OF ECONOMY:**

As per the Economic Survey 2019-20 by the Ministry of Finance, Government of India, the GDP growth moderated around 4.8 percent in 2019, amidst a weak environment for global manufacturing, trade and demand. Inflation also increased from 3.3 percent in the first half of the financial year 2019-20 to 7.35 percent in December'2019 because of a temporary increase in food inflation. Similarly the World Bank, in its January 2020 Global Economic Prospects, has stated that weakness in credit from non-banking financial companies is expected to linger and the growth is estimated to slow down to 5 percent by end of the financial year 2019-20 (March 2020) and recover to 5.8 percent in the next fiscal year. However, as the forecasts were projected before the occurrence of COVID-19 pandemic, the growth projection for the next fiscal year is expected to plunge. The World Bank estimation is forecasted based on monetary policy stance remaining accommodative and stimulative fiscal and structural measures taken to pay off. However, this projection is under the assumption that the COVID-19 pandemic fades in the second half of 2020 and containment efforts can be gradually unwounded. If recovery takes root in the third quarter, the global economy could rebound to 4.8 percent in 2021.

The overall performance of the Company is quite low because of unfavourable stock market conditions during the Financial Year 2019-20, due to pandemic Covid-19, which has impacted the entire Stock Market and Financial Operations of the entire Country. 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, 2020 is ₹ 2,611.81 lakhs excluding ₹ 450 lakhs of Fixed Deposits as against ₹ 3,411.46 lakhs as at March 31, 2019.

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:

(₹ in lakhs)

	F.Y 2019-20	F.Y.2018-19	F.Y.2017-18
Equity Capital and Reserves	3,371.75	4,131.67	4,227.52
Non Current Investments	2,611.81	3,411.46	3,346.16
Gross Profit/(Loss) (before tax)	(920.66)	(1.50)	473.92
Net Profit/(Loss) (after tax)	(658.63)	62.13	461.75
Dividend (%)	20%	25%	40%
Earnings per share	(21.95)	2.07	15.39

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

Sd/-
K.HARISHCHANDRA PRASAD
MANAGING DIRECTOR
DIN:00012564

Place: Hyderabad
Date : 29.06.2020



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 31.03.2020 is as under:

Name of the Director	Category	Attendance at Board Meetings	Whether attended AGM on 09.08.2019	Number of other Boards in which he/she is a Director Public Limited	Number of other Boards in which he/she is a Director Private Limited	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	4	NIL	3	5
Sri Kapil Bhatia	Independent Non – Executive Director	1	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	2	NIL	NIL
Smt. Madhurika Nalluri Venkat	Independent Non – Executive Director	3	Yes	1	3	NIL	NIL

Details of Directorship in other Listed entities as on 31st March,2020:

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 Limited, Independent Non –Executive Director, 2). Keerthi Industries Limited., 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.
- Sri.K Kapil Prasad, Non-Executive Director of the Company is the son of Sri. K.Harishchandra Prasad, Managing Director of the Company.
- During the Financial Year 2019-20, Four Board Meetings were held on 27.05.2019, 09.08.2019, 13.11.2019 and 12.02.2020. 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/she is a Director.
- None of the Directors serves as an Independent Director in more than 7 Companies.



6. Details of equity shares of the Company held by the Directors as on March 31, 2020 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	1
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 Harishchandra Prasad	Member	Promoter, Executive & Non- Independent	4	4

c) Meetings and attendance during the year:

During the financial year ended 31st March, 2020, Four Audit Committee Meetings were held on 27.05.2019, 09.08.2019, 13.11.2019 and 12.02.2020 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/her concern or interest in any Company or companies or bodies corporate, firms or other association of Individuals including his/her 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.lakshminfinance.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	2	2
2.	Sri.R.Surender Reddy	Member	Non-Executive & Independent	2	2
3.	Sri Kapil Bhatia	Member	Non-Executive & Independent	2	0
4.	Smt. Madhurika Nalluri Venkat	Member	Non-Executive & Independent	2	2

During the financial year ended 31st March, 2020, two Remuneration Committee Meetings were held on 31.12.2019 and 12.02.2020, 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, 2020 to the Managing Director/ Directors are furnished hereunder:

Name	Designation	Salary (₹)	Perquisites (₹)	Contribution to Various Funds (₹)	Sitting Fees (₹)	Total (₹)
Sri K.Harishchandra Prasad	Managing Director	66,00,000	2,14,889	16,30,500	-	84,45,389
Sri R.Surender Reddy	Director	-	-	-	46,000	46,000
Sri Kapil Bhatia	Director	-	-	-	10,000	10,000
Sri.Keshav Bhupal	Director	-	-	-	46,000	46,000
Sri.K.Kapil Prasad	Director	-	-	-	40,000	40,000
Smt.Madhurika Nalluri Venkat	Director	-	-	-	36,000	36,000



5). Meeting of Independent Directors

During the year under review, the Independent Directors met on 12th February, 2020, 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 overseas 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 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	3	3
2.	Sri.K Kapil Prasad	Member	Promoter, Non-Executive & Non- Independent	3	3
3.	Sri. R. Surender Reddy	Member	Non-Executive & Independent	3	3
4.	Sri. K. Harishchandra Prasad	Member	Promoter, Executive & Non-Independent Director	3	3
5.	Sri. Kapil Bhatia	Member	Non-Executive & Independent	3	0

During the financial year ended 31st March, 2020, Three Stakeholders Relationship Committee Meetings were held on 27.05.2019,09.08.2019 and 12.02.2020 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 complaints received	No. of complaints 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
	Total	NIL	NIL	NIL

d) Mrs. Prity Bokaria, Company Secretary of the Company, acts as the Compliance Officer (Up to 01.07.2019) Sri.K.Harishchandra Prasad (From 09.08.2019 to 31.12.2019) acts as the Compliance Officer, Sri. P Venkata Narayana, Company Secretary of the Company, acts as the Compliance Officer (from 01.01.2020) and Sri.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 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
2017, 93 rd AGM	"Anupama Banquet Hall" Kamat Lingapur Hotel, 1-10-44/2, Begumpet, Hyderabad-16.	28.07.2017	9.30 A. M
2018, 94 th AGM	"Triveni Banquest Hall", Kamat Lingapur Hotel, 1-10-44/2, Begumpet, Hyderabad	10.08.2018	9.30 A.M
2019, 95 th AGM	"Triveni Banquest Hall", Kamat Lingapur Hotel, 1-10-44/2, Begumpet, Hyderabad	09.08.2019	9.30 A.M



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

Year	Details of Special Resolution
2016-17, 93 rd AGM	Reappointment of Managing Director
2017-18, 94 th AGM	NIL
2018-19, 95 th AGM	Reappointment of Independent Director's

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.in and are normally published in Business Standard (English) and Navatelangana (Telugu).

11). GENERAL SHAREHOLDER INFORMATION:

AGM Date	29 th August, 2020
Time	10.30 A.M
Financial Year	2019-2020
Book Closure date	22.08.2020 to 29.08.2020(Inclusive of both days)
Rate of Dividend recommended	20% (₹ 2/- 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 2020-21.
Registrar & Transfer Agents	Venture Capital & Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad -500 018 Tel. Nos: 040-23818475/23818476 & 23868023, E-mail:info@vccilindia.com
Address for correspondence	1 st . Floor, "Suryodaya", 1-10-60/3, Begumpet, Hyderabad-500016 Tel.Phone.040-27760301/27767794. Fax.040-27767793. E-mail: lakshmi_lfic@yahoo.com Website:www.lakshmifinance.org.in.

12). Share Transfer System:

The Company has appointed **M/s. Venture Capital & Corporate Investments Private Limited**, Hyderabad as Registrars and Share Transfer Agents for Physical and Demat share transfer work. The Share Transfer Agents processes shares sent for Transmission, two times in a month. 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 22,57,072 (75.24%) Shares (NSDL+ CDSL) during the period from 01st January 2002 to 31st March, 2020.

The total percentage of the Shares of the Company in Dematerialized form, as on 31st March, 2020 is 75.24%.

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. 2019-20 are set out in the following Table:

Month	High (₹)	Low (₹)	Volume
April 2019	76.50	73.00	3223
May 2019	76.90	66.50	1118
June 2019	75.45	55.25	10097
July 2019	63.75	56.05	2803
August 2019	60.65	51.50	2453
September 2019	58.50	46.20	4690
October 2019	56.65	44.10	5000
November 2019	60.75	45.30	9777
December 2019	54.50	45.20	9202
January 2020	58.90	48.70	29660
February 2020	69.95	47.75	110953
March 2020	54.85	32.25	31288

18). Distribution of Shareholding as on 31st March, 2020:

Shareholding (Range)	No. of Share holders	% of holders	No. of Shares	% of Shares
Upto - 500	2297	79.15	388676	12.96
501 - 1000	346	11.92	245144	8.17
1001 - 2000	145	5.00	206626	6.89
2001 - 3000	46	1.59	123879	4.13
3001 - 4000	20	0.69	69830	2.33
4001 - 5000	8	0.28	35953	1.20
5001 - 10000	16	0.55	112445	3.75
10001 and above	24	0.83	1817447	60.58
Total	2902	100.00	30,00,000	100.00
Demat mode	1232	42.45	2257072	75.24
Physical mode	1670	57.55	742928	24.76

19). Shareholding Pattern as on 31st March, 2020

S.No.	Category	No. of Cases	Total Shares	% Total Equity
1.	Promoters and Promoter Group. (including NRI's & Bodies Corporates)	18	14,10,102	47.00
2.	Banks & Insurance Companies	1	900	0.03
3.	Bodies Corporate	22	20,277	0.68
4.	Clearing Members	9	920	0.03
5.	Trust	1	740	0.02
6.	Non Resident Individuals (NRI)	8	3,045	0.10
7.	IEPF Authority	1	2,67,638	8.92
8.	Resident Individuals	2842	12,96,378	43.22
	TOTAL	2902	30,00,000	100.00

20). 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.



- c). The Company has complied with all the mandatory requirements of Listing Obligation and Disclosure Regulations, 2015 and is in the process of implementation of Non- mandatory requirements.
- d). The Company has adopted a whistle blower policy and has established the necessary vigil mechanism as defined under regulation 22 of SEBI Listing Regulations for Directors and employees to report concerns about unethical behavior. No person has denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company.
- e). A Certificate duly signed by the Managing Director & CEO and 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.
- f). Compliance Certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this Report

g). Share Capital Audit. (Secretarial Audit)

A qualified practicing Company Secretary carried out Share Capital Audit (secretarial audit) to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total Paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

h). Related Party Transactions.

Details of materially significant related party transactions with its promoters, the Directors or the management, etc. are presented in the 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 2019-20, there were no related party transactions of material nature that may have a potential conflict with the interests of the Company.

i). The Company Directors and their relationship:

Sl.No	Name of the Director	Relationship with other Director
1.	Sri.K.Harishchandra Prasad	Related to Sri.K.Kapil Prasad (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

21) Investor Relations:

Enquiries, if any relating to shareholder accounting records, share 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 Private Limited, 12-10-167, Bharat Nagar, Hyderabad-500 018.** (or) for any further information/ clarifications in connection of Dividend Warrant revalidation and issue of duplicate Dividend Warrants, directly contact to:

Asst.Manager (Secretarial Dept.)

Lakshmi Finance & Industrial Corporation Limited,

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

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

22). 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. 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.

23). 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.in.

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 Exchange 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.in.

c). Nomination and Remuneration Policy

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

Towards this, the Company ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. The Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board. The Company aims to have an optimum combination of Executive, Non-Executive and Independent Directors. It also recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

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

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.in.

24). 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.

- 25)** A certificate has been received from Smt.N. Madhavi, Practicing 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.

- 26)** 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 ₹)
Services as Statutory Auditors	59,000
Certification Fees	24,780



- 27)** 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: 29.06.2020

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/-

K.HARISHCHANDRA PRASAD

MANAGING DIRECTOR

DIN No:00012564

Place: Hydrerabad

Date: 29.06.2020.

CERTIFICATE BY CEO/CFO UNDER REGULATION 17 (8)

In relation to the Audited Financial Accounts of the Company as at March 31, 2020, we hereby certify that

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

Sd/-

U.Vijaya Kumar

Chief Financial Officer

Sd/-

K.Harishchandra Prasad

Managing Director

DIN No:00012564

Place: Hyderabad

Date: 29.06.2020



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) 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, 2020 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.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. HARISHCHANDRA PRASAD KANURI	00012564	11/05/1985
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

(UDIN:AO16866B000395827)

Place: Hyderabad

Date : 29.06.2020

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, 2020, 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

UDIN:20229963AAAAAG3320

Place: Hyderabad

Date: June 29, 2020



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

LAKSHMI FINANCE & INDUSTRIAL CORPORATION LIMITED, HYDERABAD.

Report on the Audit of 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 2020, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS), of the state of affairs of the Company as at March 31, 2020, its loss, the total comprehensive income, changes in equity 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

Transition to Ind AS accounting framework

KAM Description

The Company has adopted Ind AS from 1st April 2019 with an effective date of 1st April 2018 for such transition. For periods up to and including the year ended on 31st March 2019, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended on 31st March 2020, together with the comparative financial information for the previous year ended on 31st March 2019 and the transition date Balance Sheet as at 1st April 2018 have been prepared under Ind AS.

The transition has involved significant change in the Company's policies and procedures for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under other applicable Regulations.

In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.

Our Response

We have read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework. We evaluated the exemption and exception allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as on the transition date. We tested the accounting adjustments posted as on the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS and tested the disclosures prescribed under Ind AS.

KAM Title

Deferred Tax Assets

KAM Description

As per Ind AS 12 on 'Income Taxes', the Company has recognised deferred tax asset in respect of deductible temporary differences. However, the deferred tax asset has not been recognised for unused tax losses as the utilisation of deferred tax assets is dependent on the Company's ability to generate future taxable profits sufficient to utilise 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 utilisation of tax losses.

Management is of the opinion that utilisation of the deferred tax assets arising on unused tax losses mainly depends



on future taxable income generated by the Company. The future taxable income projections contain estimates and tax strategies which may be significantly impacted by changes in the Regulations, industrial scenario, the business and market conditions. Hence, not recognised the deferred tax asset on unused tax losses.

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

The Company is recognising the MAT credit entitlement only to the extent that can be utilised in the current financial year out of the total MAT credit available 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 utilisation of MAT credit.

Management is of the opinion that utilisation of the MAT credit mainly depends on future taxable income generated by the Company. The future taxable income projections contain estimates and tax strategies which may be significantly impacted by changes in the regulations, industrial scenario, the business and its markets and therefore has not recognised the MAT credit entitlement.

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.

Emphasis of Matter

We draw attention to Note 44 to the financial statements which explains the management's assessment of the internal and external information in respect of the ongoing

global COVID-19 pandemic and its financial impact. The actual impact may be different from that is considered in assessing the Company's financial performance as the same is highly dependent on future global economic development indicators.

Our report is not modified in respect of this matter.

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2019 and the transition date opening balance sheet as at 1st April, 2018 included in this financial statements, have been prepared after adjusting previously issued financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 to comply with Ind AS. The previously issued financial statements were audited by us and we have expressed an unmodified opinion on those Ind AS financial statements. Adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us.

Our opinion is not modified in respect of this matter.

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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 20 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

Place: Hyderabad
Date: 29.06.2020

Membership Number: 229963
UDIN:20229963AAAAAG3320



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, 2020.

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 that 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.
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 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, 2020 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.
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 given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, 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 given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records



of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, 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

Place: Hyderabad
Date: 29.06.2020

Membership Number: 229963
UDIN: 20229963AAAAAG3320

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 2020 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 2020, 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: 29.06.2020

Membership Number: 229963
UDIN: 20229963AAAAAG3320



BALANCE SHEET AS AT MARCH 31, 2020

(Amount in ₹)

PARTICULARS	NOTES	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
ASSETS				
Financial Assets				
Cash and Cash Equivalents	04	19,228,035	22,901,478	11,947,153
Bank Balances other than above	05	28,094,132	45,551,429	47,986,637
Receivables				
Trade Receivables	06	-	-	27,706,515
Investments	07	261,181,245	341,146,054	334,616,459
Other Financial Assets	08	3,938,361	2,180,968	2,823,583
		312,441,773	411,779,929	425,080,347
Non - Financial Assets				
Current Tax Assets (net)		1,285,201	2,448,696	2,522,134
Deferred Tax Assets (net)	09	35,217,590	8,698,866	1,384,154
Investment Property	10	5,490,884	5,626,899	5,769,573
Property, Plant and Equipment	11	1,414,861	2,594,469	653,328
Other Non - Financial Assets	12	1,054,625	62,989	1,356,791
		44,463,161	19,431,919	11,685,980
TOTAL ASSETS		356,904,934	431,211,848	436,766,327
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises		-	-	
Total outstanding dues of other than micro enterprises and small enterprises	13	35,837	37,206	16,133
Other Payables				
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of other than micro enterprises and small enterprises	14	108,000	86,740	88,540
Other Financial Liabilities	15	10,615,383	11,073,784	8,722,712
		10,759,220	11,197,730	8,827,385
Non - Financial Liabilities				
Provisions	16	8,123,870	5,861,390	4,099,056
Other Non - Financial Liabilities	17	846,354	985,972	1,087,987
		8,970,224	6,847,362	5,187,043
EQUITY				
Equity Share Capital	18	30,000,000	30,000,000	30,000,000
Other Equity	19	307,175,490	383,166,756	392,751,899
		337,175,490	413,166,756	422,751,899
Contingent Liabilities and Commitments	20			
TOTAL LIABILITIES AND EQUITY		356,904,934	431,211,848	436,766,327
NOTES FORMING PART OF FINANCIAL STATEMENTS	01-45			

per our report of even date

For K.S. Rao & Co.,

Chartered Accountants

Firm's Registration Number: 003109S

Sd/-

T. Sukesh Kumar

Partner

Membership Number: 229963

Place: Hyderabad

Date : 29.06.2020

for and on behalf of the Board

Sd/-

K.HARISHCHANDRA PRASAD

Managing Director

Sd/-

R.SURENDER REDDY

Director

Sd/-

U.VIJAYA KUMAR

Chief Financial Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in ₹)

PARTICULARS	NOTES	For the Year ended 31.03.2020	For the Year ended 31.03.2019
INCOME			
Revenue from operations			
Interest Income	21	3,086,310	3,249,207
Dividend Income		21,241,754	20,742,414
Net gain on sale of financial instruments		3,033,271	5,436,416
		27,361,335	29,428,037
Other Income	22	5,754,104	5,494,624
TOTAL INCOME		33,115,439	34,922,661
EXPENSES			
Finance Cost	23	236,340	334,938
Net loss on Fair Value Changes		109,460,556	20,002,055
Employee Benefits Expenses	24	11,904,343	10,880,124
Depreciation expense	25	1,319,721	1,401,171
Other Expenses	26	2,260,609	2,454,087
TOTAL EXPENSES		125,181,569	35,072,375
PROFIT/(LOSS) BEFORE TAX		(92,066,130)	(149,714)
TAX EXPENSE			
Current Tax			
Relating to current year		365,000	500,000
Relating to earlier years		(49,340)	4,524
		315,660	504,524
Deferred tax (liability) /Asset			
On Temporary Differences		26,153,368	6,866,942
MAT Credit entitlement		365,000	-
Total Tax Expenses		26,202,708	6,362,418
PROFIT/(LOSS) FOR THE YEAR AFTER TAX		(65,863,422)	6,212,704
OTHER COMPREHENSIVE INCOME	27		
Items that will not be reclassified subsequently to profit or loss		(1,451,553)	(1,778,981)
Income tax relating to items that will not be reclassified to profit or loss		365,356	447,770
		(1,086,197)	(1,331,211)
Total Comprehensive Income for The Year		(66,949,619)	4,881,493
EARNINGS PER EQUITY SHARE OF ₹ 10/-EACH			
Basic and diluted	28	(21.95)	2.07
NOTES FORMING PART OF FINANCIAL STATEMENTS	1-45		

per our report of even date

For K.S. Rao & Co.,

Chartered Accountants

Firm's Registration Number: 003109S

Sd/-

T. Sukesh Kumar

Partner

Membership Number: 229963

Place: Hyderabad

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Sd/-

K.HARISHCHANDRA PRASAD

Managing Director

Sd/-

R.SURENDER REDDY

Director

Sd/-

U.VIJAYA KUMAR

Chief Financial Officer



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
i. At the beginning of the year	30,000,000	30,000,000	30,000,000
ii. Changes during the year	-	-	-
iii. At the end of the year	30,000,000	30,000,000	30,000,000

B. Other Equity

Particulars	Capital Reserve	Securities Premium	General Reserve	Reserve Fund as per RBI guidelines	Surplus in Statement of Profit and Loss	OCI - Actuarial Gain(Loss)	Total
I. Balance as at April 01, 2018	50,351,780	648,220	122,500,000	98,450,000	120,801,899	-	392,751,899
Profit for the year	-	-	-	-	6,212,704	-	6,212,704
Other Comprehensive income for the year	-	-	-	-	-	(1,331,211)	(1,331,211)
Transfer to Reserve Fund as per RBI guidelines	-	-	-	-	(3,760,000)	-	(3,760,000)
Dividend paid on Equity Capital	-	-	-	-	(12,000,000)	-	(12,000,000)
Corporate Dividend Tax thereon	-	-	-	-	(2,466,636)	-	(2,466,636)
Transferred from Surplus	-	-	-	3,760,000	-	-	3,760,000
II. Balance as at March 31, 2019	50,351,780	648,220	122,500,000	102,210,000	108,787,967	(1,331,211)	383,166,756
Profit for the year	-	-	-	-	(65,863,422)	-	(65,863,422)
Other Comprehensive income for the year	-	-	-	-	-	(1,086,197)	(1,086,197)
Transfer to Reserve Fund as per RBI guidelines	-	-	-	-	-	-	-
Dividend paid on Equity Capital	-	-	-	-	(7,500,000)	-	(7,500,000)
Corporate Dividend Tax thereon	-	-	-	-	(1,541,647)	-	(1,541,647)
Transferred from Surplus	-	-	-	-	-	-	-
III. Balance as at March 31, 2020	50,351,780	648,220	122,500,000	102,210,000	33,882,898	(2,417,408)	307,175,490

per our report of even date

For K.S. Rao & Co.,

Chartered Accountants

Firm's Registration Number: 003109S

Sd/-

T. Sukesh Kumar

Partner

Membership Number: 229963

Place: Hyderabad

Date : 29.06.2020

for and on behalf of the Board

Sd/-

K.HARISHCHANDRA PRASAD

Managing Director

Sd/-

R.SURENDER REDDY

Director

Sd/-

U.VIJAYA KUMAR

Chief Financial Officer



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020 Amount in ₹

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
I. Cash flow from operating activities:		
Profit/ (Loss) before tax	(92,066,130)	(149,714)
Add: Other Comprehensive Income before Tax	(1,451,553)	(1,778,981)
	(93,517,683)	(1,928,695)
Adjustment for non-cash transactions:		
Depreciation and amortization expenses	1,319,721	1,401,171
Deferred Rental Income	(68,672)	(68,672)
Amortisation of Prepaid Lease Rentals	4,744	4,741
Profit on Sale of Fixed Assets	(4,563)	-
Fair Value gain/loss on Investments	109,460,556	20,002,055
	17,194,103	19,410,600
Adjustment for investing and financing activities:		
Interest Income:		
From bank deposits and others	(2,949,764)	(3,290,613)
On Financial Assets	(5,784)	(2,078)
Dividends Received	(21,241,754)	(20,742,414)
Profit/loss on Sale of Investments	(3,033,271)	(5,436,416)
Interest Expense on Rental Deposit	60,960	55,416
Interest Expense on Lease Liability	175,380	279,522
	(26,994,233)	(29,136,583)
Adjustment for changes in working capital:		
Decrease / (increase) in trade receivables	-	27,706,515
Decrease / (increase) in other financial assets	(1,751,609)	644,693
Decrease / (increase) in other non financial assets	(380,209)	172,793
Decrease / (increase) in Other Bank Balances	17,457,297	2,435,208
(Decrease) /Increase in trade payables	(1,369)	21,073
(Decrease) /Increase in Other payables	21,260	(1,800)
(Decrease) /Increase in other financial liabilities	(737,444)	(1,235,317)
(Decrease) /Increase in other non financial liabilities	(70,946)	(33,343)
(Decrease) /Increase in provisions	2,262,480	1,762,334
	16,799,460	31,472,156
Cash generated from operations	6,999,330	21,746,173
Less: Direct taxes paid (net of refunds)	(328,809)	(2,897,713)
Net cash flow from operating activities (I)	6,670,521	18,848,460
II. Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(6,149)	(12,980)
Sale of Fixed Assets	6,614	-
Purchase of Investments	(87,546,953)	(103,537,162)
Sale of Investments	61,084,474	82,441,919
Dividend Received	20,612,970	22,395,203
Interest Income received	2,962,377	2,754,092
Net cash flow from/ (used in) investing activities (II)	(2,886,667)	4,041,072
III. Cash flows from financing activities		
Dividend Paid	(7,457,297)	(11,935,207)
IV. Net (decrease)/increase in cash and cash equivalents (I+II+ III)	(3,673,443)	10,954,325
Cash and cash equivalents at the beginning of the period	22,901,478	11,947,153
V. Cash and cash equivalents at the end of the period	19,228,035	22,901,478
VI. Components of cash and cash equivalents:		
Cash on hand	13,757	26,840
With banks:		
On Current Account	14,214,278	17,874,638
On Deposit Account	5,000,000	5,000,000
Total cash and cash equivalents	19,228,035	22,901,478

per our report of even date

For K.S. Rao & Co.,
Chartered Accountants
Firm's Registration Number: 003109S
Sd/-

T. Sukesh Kumar
Partner
Membership Number: 229963

Place: Hyderabad
Date : 29.06.2020

for and on behalf of the Board

Sd/-
K.HARISHCHANDRA PRASAD
Managing Director
Sd/-

R.SURENDER REDDY
Director
Sd/-

U.VIJAYA KUMAR
Chief Financial Officer

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****1. Corporate Information:**

The Company is a Public Limited Company listed on the National Stock Exchange (NSE) and is a Non - Deposit Accepting Non - Banking Finance Company (NBFC) registered as an Investment Company with the Reserve Bank of India engaged in the business of investment in Equity Shares and Mutual Funds.

2. Basis of Preparation and Presentation:

These are the first financial statements prepared complying in all material respects with the Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Companies Act, 2013 ("the Act") and in accordance with the generally accepted accounting principles in India.

The Company has consistently applied the accounting policies used in the preparation of opening balance sheet as at April 01, 2018 throughout all periods presented in these financial statements, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Previous GAAP") as defined in Ind AS 101. The reconciliation of effects of the transition as required by Ind AS 101 is disclosed in Note no 45 to these financial statements.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards.

The financial statements have been prepared on historical cost basis, except for financial instruments which have been measured at fair value at the end of each reporting period, as required by relevant Ind AS and as explained in the accounting policies mentioned below. The Company's functional and reporting currency is Indian National Rupee (INR).

These financial statements were approved by the Board of Directors and authorised for Issuance in their Meeting held on June 29, 2020.

3. Significant Accounting policies:**a) Significant accounting estimates, assumptions and judgements:**

The preparation of Company's financial statements requires management to make accounting estimates, assumptions and judgements that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures of contingencies at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates made by the Company are based on parameters available/prevaling when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii. Defined Benefit Plans:

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.



iii. Fair Value measurement:

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

iv. Contingencies:

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claims/litigations against the Company/by the Company as it is not possible to predict the outcome of pending matters with accuracy.

v. Property, Plant and Equipment:

The Company has elected to adopt as deemed cost, the carrying value of PPE measured as per Previous GAAP on the transition date of April 1, 2018. Based on internal technical assessment, the management has adopted the useful life and residual value of its Property, Plant and Equipment. Management believes that the assigned useful lives and residual value are reasonable.

vi. Income Taxes:

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

vii. Lifetime Expected Credit Loss on Trade and Other Receivables:

Trade and Other Receivables do not carry any interest and are stated at their transaction value as reduced by lifetime expected credit losses ("LTECL"). Management has evaluated LTECL for different class of its trade and other receivables as follows:

Particulars	Up to 1 Year	1-2 years	2-3 years	Beyond 3 years
Expected loss Rate (%)	0.00	50.00	100.00	Write off

b) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment 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.

The Company adopted cost model as its accounting policy in recognition of the property, Plant and Equipment and recognises the transaction value as the cost.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value if any is charged to Statement of Profit and Loss.

Assets costing five thousand rupees or less are fully depreciated in the year of purchase.

Depreciation on Property, Plant and Equipment is provided based on the useful lives of the assets as estimated by the Management, which are in line with Schedule II to the Companies Act, 2013

Estimated useful life of the assets are as follows:

Type of the Asset	Method of Depreciation	Useful life considered (Years)
Buildings	WDV	60
Office Equipment	WDV	5
Furniture and Fittings	WDV	10
Vehicles	WDV	8-10
Computers	WDV	3
Air Conditioners	WDV	5
Right of Use Asset	SLM	Lease Period

**c) Impairment of non-financial assets:**

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exists or have decreased. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

d) Leases:

The determination of whether an agreement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Classification on inception of lease:**a. Operating lease:**

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

b. Finance Lease:

A lease is classified as a financial lease where the lessor transfers substantially all the risks and rewards incidental to the ownership of the leased item.

Accounting of Operating leases:**a. Where the Company is the lessee:**

The Company has elected not to recognise right-of-use assets and lease liabilities for short- term and Cancellable leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. In case the escalation in operating lease payments are in line with the expected general inflation rate then the lease payments are charged to statement of profit and loss instead of straight-line method.

b. where the Company is the lessor:

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Initial direct costs such as legal costs, brokerage costs, etc., are added to the carrying amount of the leased asset and recognised as an expense over the lease term.

e) Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances

Specifically, the following basis is adopted for various sources of income:

i. Interest Income

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

ii. Dividend Income

Dividend income is recognized when the right to receive payment is established and no significant uncertainty as to collectability exists.

iii. Income from Investments

Profit/loss earned on sale of investments is recognised on settlement date basis. Profit or loss on sale of investments is determined on the basis of weighted average cost method. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

f) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist



of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) Retirement and other employee benefits:

- i. Employer's contribution to Provident Fund which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- ii. The Company operates a gratuity plan which is in the nature of defined benefit obligation. The Company's liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee Benefits".
- iii. Gratuity liability is considered as post-employment benefit expense as per Ind AS -19. Accordingly, re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity and in the balance sheet.
- iv. Accumulated leaves, which are expected to be utilised within the next twelve months, are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

h) Earnings Per Share:

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

For the purpose of calculating diluted earnings per share, the profit 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.

i) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

j) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of balance sheet and is disclosed as a contingent asset or contingent liability. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent assets or contingent liabilities.

k) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company write-off the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-off is reversed to



the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Prior period items:

In case prior period adjustments are material in nature the Company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". In case of immaterial items pertaining to prior periods shown under respective items in the Statement of Profit and Loss.

m) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for Meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

n) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

a. Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b. Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified into following categories

- a. Debt instruments at amortised cost
- b. Debt Instruments at fair value through profit and loss (FVTPL)
- c. Equity instruments at fair value through profit and loss (FVTPL)

a. Debts Instruments at amortised cost:

A 'Debt Instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

b. Debt Instruments at Fair value through profit and loss (FVTPL):

As per the Ind AS 101 and Ind AS 109, the Company is permitted to designate the previously recognised financial asset at initial recognition irrevocably at fair value through profit and loss on the basis of fact and circumstances that exists on the date of transition to Ind AS. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of Profit and Loss.

c. Equity instruments at fair value through profit and loss (FVTPL):

Equity instruments in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the Statement of Profit and Loss.

c. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

- a. The rights to receive cash flows from the asset have expired, or



- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates, if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

d. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial instruments.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as an adjustment from the specific financial asset.

Financial liabilities:

a. Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

b. Subsequent measurement:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the profit or loss. The Company doesn't designate any financial liability at fair value through profit or loss.

ii. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss. Financial liability with maturity of less than one year is shown at transaction value.

c. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Reclassification:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

o) Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- in the principal market for such asset or liability, or
- in the absence of a principal market, in the most advantageous market which is accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2020

(Amount in ₹)

SI. NO	PARTICULARS	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
04. CASH AND CASH EQUIVALENTS:				
	Cash on Hand	13,757	26,840	25,262
	Balances with Banks:			
	in Current accounts	14,214,278	17,874,638	11,921,891
	in Deposit accounts with maturity of less than 3 months	5,000,000	5,000,000	-
	TOTAL	19,228,035	22,901,478	11,947,153
05. BANK BALANCES				
	Other Bank Balances:			
	in un paid dividend accounts	8,094,132	8,051,429	7,986,637
	in Deposit accounts with maturity of more than 3 months and less than 12 months	20,000,000	37,500,000	40,000,000
	TOTAL	28,094,132	45,551,429	47,986,637
06. TRADE RECEIVABLES				
	(Unsecured ,Considered good)			
	Due from Others	-	-	27,706,515
	TOTAL	-	-	27,706,515
07. INVESTMENTS:				
	(in India)			
	At Fair Value through Profit and Loss (FVTPL)			
	i) Investments in Mutual Funds	201,713,068	287,582,888	256,203,418
	ii) Investments in Equity Instruments	39,468,177	53,563,166	78,413,041
	At amortised cost			
	Investments in public Deposits with NBFCs	20,000,000	-	-
	Total	261,181,245	341,146,054	334,616,459

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2020**

(Amount in ₹)

SI. NO	PARTICULARS	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
08	OTHER FINANCIAL ASSETS			
	Security Deposits			
	with Related Parties	79,080	73,296	71,218
	with Others	126,412	126,412	126,412
	Rent Receivable	2,032,392	986,111	514,536
	Interest Receivable	89,157	-	-
	Accrued Interest but not due	665,824	678,437	141,916
	Dividend Receivable	945,496	316,712	1,969,501
	TOTAL	3,938,361	2,180,968	2,823,583
09	DEFERRED TAX ASSETS (Net):*			
	Asset:			
	Fair value of financial assets/liabilities	32,938,312	6,966,590	93,235
	Difference in WDV of fixed assets	197,909	218,383	227,086
	Other disallowances	2,081,369	1,513,893	1,063,833
	TOTAL	35,217,590	8,698,866	1,384,154
* The Company has not recognised deferred tax asset arising on account of unused tax losses in accordance with Ind AS 12 - Income Taxes.				
10	INVESTMENT PROPERTY			
	Land at cost	2,701,799	2,701,799	2,701,799
		2,701,799	2,701,799	2,701,799
	Cost of buildings given on operating leases	9,280,612	9,280,612	9,280,612
	Less: accumulated depreciation	6,491,527	6,355,512	6,212,838
		2,789,085	2,925,100	3,067,774
	TOTAL	5,490,884	5,626,899	5,769,573



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

11 PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED 31 MARCH 2020

FOR THE YEAR ENDED 31 MARCH 2020											(Amount in ₹)
Sl. NO	PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		AS AT 01.04.2019	ADDITIONS	DEDUCTIONS	AS AT 31.03.2020	UP TO 01.04.2019	FOR THE YEAR	ON DEDUCTIONS	UP TO 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
1	Furniture and Fixtures	46,644	-	-	46,644	33,872	3,037	-	36,909	9,735	12,772
2	Vehicles	3,324,457	-	41,011	3,283,446	2,993,544	92,603	38,960	3,047,187	236,259	330,913
3	Office Equipment:										
	Own use	206,375	6,149	-	212,524	173,189	12,956	-	186,145	26,379	33,186
	Given on Lease	852,647	-	-	852,647	771,278	9,153	-	780,431	72,216	81,369
4	Air conditioners	36,200	-	-	36,200	34,200	-	-	34,200	2,000	2,000
5	Computers	91,120	-	-	91,120	81,330	3,737	-	85,067	6,053	9,790
6	Right of Use Asset	3,186,658	-	-	3,186,658	1,062,219	1,062,220	-	2,124,439	1,062,219	2,124,439
	Total	7,744,101	6,149	41,011	7,709,239	5,149,632	1,183,706	38,960	6,294,378	1,414,861	2,594,469

FOR THE YEAR ENDED 31 MARCH 2019

FOR THE YEAR ENDED 31 MARCH 2019											(Amount in ₹)
Sl. 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
6	Right of Use Asset	-	3,186,658	-	3,186,658	-	1,062,219	-	1,062,219	2,124,439	-
	Total	4,544,463	3,199,638	-	7,744,101	3,891,135	1,258,497	-	5,149,632	2,594,469	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



(Amount in ₹)

SI. NO	PARTICULARS	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
12	OTHER NON - FINANCIAL ASSETS			
	Advance for purchase of Units in Mutual Funds	1,000,000	-	1,000,000
	Prepaid Lease Rentals	4,741	9,484	14,225
	GST paid in advance	5,400	5,400	302,848
	Advance for expenses	-	-	223
	Prepaid Expenses	44,484	48,105	39,495
	TOTAL	1,054,625	62,989	1,356,791
13	TRADE PAYABLES			
	Related Parties	16,027	17,259	2,903
	Others	19,810	19,947	13,230
	TOTAL	35,837	37,206	16,133
14	OTHER PAYABLES			
	Due to Others	108,000	86,740	88,540
	TOTAL	108,000	86,740	88,540
15	OTHER FINANCIAL LIABILITIES			
	Security deposits	852,452	791,492	736,076
	Unclaimed Dividends	8,094,132	8,051,429	7,986,636
	Salaries and Wages payable	497,871	-	-
	Lease Liability	1,170,928	2,230,863	-
	TOTAL	10,615,383	11,073,784	8,722,712
16	PROVISIONS			
	Provision for employee benefits:			
	Provision for Gratuity	7,028,926	4,891,032	3,236,551
	Provision for Compensated absences	1,094,944	970,358	862,505
	TOTAL	8,123,870	5,861,390	4,099,056
17	OTHER NON - FINANCIAL LIABILITIES			
	Deferred Rental Income	383,058	451,730	520,402
	Withholding Taxes payable	231,696	298,148	213,312
	Statutory dues payable	231,600	236,094	354,273
	TOTAL	846,354	985,972	1,087,987
18	EQUITY SHARE CAPITAL:			
	AUTHORISED:			
	6,000,000 Equity Shares of ₹ 10/- each	60,000,000	60,000,000	60,000,000
	TOTAL	60,000,000	60,000,000	60,000,000
	ISSUED ,SUBSCRIBED AND PAID - UP:			
	3,000,000 Equity Shares of ₹ 10/- each Fully paid up:	30,000,000	30,000,000	30,000,000
	TOTAL	30,000,000	30,000,000	30,000,000



a. Rights attached to equity Shares:

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

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. Reconciliation of the shares outstanding at the beginning and at the end of year:

(Amount in ₹)

SI. NO	PARTICULARS	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
	In no. of Shares			
	At the Beginning of the Year	3,000,000	3,000,000	3,000,000
	Add: Issued During the Year	-	-	-
	At the end of the Year	3,000,000	3,000,000	3,000,000
	In value of Shares			
	At the Beginning of the Year	30,000,000	30,000,000	30,000,000
	Add: Issued During the Year	-	-	-
	At the end of the Year	30,000,000	30,000,000	30,000,000
	c. Details of Shareholders holding more than 5% shares in the Company:			
	Unijolly Investments Company Limited - in Nos	296,060	296,060	296,060
	- in %	9.87	9.87	9.87
	Healthy Investments Limited - in Nos	217,340	217,340	217,340
	- in %	7.24	7.24	7.24
19	OTHER EQUITY			
	Capital Reserves			
	Balance at the beginning and at the end of the year	50,351,780	50,351,780	50,351,780
	Securities Premium			
	Balance at the beginning and at the end of the year	648,220	648,220	648,220
	General Reserve			
	Balance at the beginning of the year	122,500,000	122,500,000	122,500,000
	Add: Additions during the year	-	-	-
	Balance at the end of the year	122,500,000	122,500,000	122,500,000
	Reserve Fund as per RBI guidelines:			
	Balance at the beginning of the year	102,210,000	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	102,210,000	98,450,000
	Surplus in Statement of Profit and Loss			
	Balance at the beginning of the year	108,787,967	120,801,899	95,457,938
	Add: Adjustment on Adoption of Ind AS		-	1,806,162
	Add: Profit after tax transferred from Statement of Profit and Loss	(65,863,422)	6,212,704	46,175,352
	Amount available for appropriation	42,924,545	127,014,603	143,439,452



(Amount in ₹)

Sl. NO	PARTICULARS	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
	Appropriations:			
	General Reserve	-	-	-
	Reserve Fund as per RBI guidelines	-	(3,760,000)	(10,000,000)
	Dividend paid on Equity Capital	(7,500,000)	(12,000,000)	(10,500,000)
	Corporate Dividend Tax thereon	(1,541,647)	(2,466,636)	(2,137,553)
	Closing Balance	33,882,898	108,787,967	120,801,899
	Other Comprehensive Income			
	On actuarial Gain/(loss) on post employment benefits			
	At the beginning of the year	(1,331,211)	-	-
	Transferred from the statement of Profit and loss	(1,086,197)	(1,331,211)	-
	At the end of the year	(2,417,408)	(1,331,211)	-
	TOTAL	307,175,490	383,166,756	392,751,899
20	CONTINGENT LIABILITIES			
	Claims against the Company not acknowledged as debts			
	Income Tax *	-	858,308	-
	TOTAL	-	858,308	-

* 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). During the current financial year the appeal has been decided in favour of the Company and consequential orders are awaited.

(Amount in ₹)

Sl. NO	PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
21	INTEREST INCOME:		
	Interest on: Debentures	3,714	3,704
	Interest on: Public Deposits with NBFCs	289,650	-
	Interest on: Deposits with Banks	2,792,946	3,245,503
	TOTAL	3,086,310	3,249,207
22	OTHER INCOME:		
	Interest Received - Income Tax and Others	153,104	41,406
	Interest Income on Financial Assets	5,784	2,078
	Others		
	Rental Income from Investment Property	5,515,722	5,380,467
	Deferred Rental Income	68,672	68,672
	Profit on Sale of Fixed Assets	4,563	-
	Misc Receipts	6,259	2,001
	TOTAL	5,754,104	5,494,624
23	FINANCE COSTS		
	On financial liabilities measured at FVTPL		
	Interest on rental deposit	60,960	55,416
	Interest on Lease Liability	175,380	279,522
	TOTAL	236,340	334,938



(Amount in ₹)

Sl. NO	PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
24	EMPLOYEE BENEFITS EXPENSE:		
	Salaries, Wages and Bonus	8,932,459	8,259,660
	Contribution to Provident and Other Funds	1,956,032	1,788,450
	Staff Welfare Expenses	326,890	332,015
	Gratuity	688,962	499,999
	TOTAL	11,904,343	10,880,124
25	DEPRECIATION AND AMORTISATION EXPENSE:		
	Depreciation on Tangible Fixed assets	1,183,706	1,258,497
	Depreciation on Investment property	136,015	142,674
	TOTAL	1,319,721	1,401,171
26	OTHER EXPENSES:		
	Rent, taxes and energy Costs	366,260	426,551
	Amortisation of Prepaid Lease Rentals	4,744	4,741
	Communications	135,704	272,857
	Printing and Stationery	100,848	125,687
	Advertisement and Publicity	29,066	29,689
	Insurance	46,998	51,220
	Travelling and Conveyance	124,420	146,745
	Vehicle Maintenance	194,944	182,856
	Directors Sitting Fees	178,000	179,000
	Legal and Professional Charges	383,520	391,544
	Payments to Auditors		
	as auditors	59,000	59,000
	for certification	24,780	21,240
	Repairs and Maintenance to:		
	Own Buildings	49,794	32,416
	Other Assets	43,200	26,825
	General Charges	519,331	503,716
	TOTAL	2,260,609	2,454,087
27	OTHER COMPREHENSIVE INCOME:		
	Actuarial Gain/(Losses) on Gratuity Expense for the year	(1,451,553)	(1,778,981)
	Deferred Taxes on above	365,356	447,770
	TOTAL	(1,086,197)	(1,331,211)
28	EARNINGS PER SHARE:		
	Net Profit/ (loss) for the year attributable to Equity Shareholders	(65,863,422)	6,212,704
	Weighted average number of equity Shares of ₹ 10/- each	3,000,000	3,000,000
	Earnings per Share (Basic and Diluted)	(21.95)	2.07

29. 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.



30. 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.
31. In the absence of convincing evidence that the Company will pay normal Income Tax within the specified period, the Minimum Alternative Tax (MAT) credit is recognised only to the extent of set off that can be availed up to this financial year amounting to ₹ 365,000/- out of the total entitled amount of ₹ 15,231,164/- as an asset and the situation shall be reviewed at each balance sheet date.
32. 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 ₹ 2.00 per share in respect of the year ended March 31, 2020 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 6,000,000 /-.

33. Movements in Provisions:

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gratuity: (Refer Note: 34 also)		
At the beginning of the year	4,891,032	3,236,551
Charge for the year	2,140,515	2,278,980
Released during the year	(2,620)	(624,499)
At the end of the year	7,028,926	4,891,032
Compensated Absences:		
At the beginning of the year	970,358	862,505
Charge for the year	124,586	107,853
At the end of the year	1,094,944	970,358
34. Retirement and other Benefit Obligations:		
A. Defined Contribution Plan (Expenses)		
Contribution to Provident Fund	949,100	865,829
B. Post – employment Defined Benefit Plan (Gratuity)		
1. Movement in Obligation		
Present Value of Obligation at the beginning of year	7,753,258	5,309,130
Current Service Cost	316,121	257,112
Interest Cost	591,186	424,730
Actuarial (Gain)/Loss on Obligation	1,440,818	1,762,285
Present Value of Obligation at the end of year	10,101,383	7,753,258
2. Movement in Plan Assets		
Fair Value of Planned assets at the beginning of the year	2,862,226	2,072,579
Return of Plan Assets	218,345	181,843
Contributions during the year	2,621	624,499
Actuarial Gain/(Loss) on Plan Asset	(10,735)	(16,696)
Fair Value of Planned assets at the end of the year	3,072,457	2,862,226
3. Expenses recognised in Profit and Loss Statement:		
Current Service Cost	316,121	257,112
Net Interest Cost	591,186	424,730
Return on Plan Assets	(218,345)	(181,843)
Expense for the year	688,962	499,999
4. Recognised in Other Comprehensive Income:		
Actuarial (Gain) /loss for the year	1,451,553	1,778,981
Total Expenditure recognised	1,451,553	1,778,981



(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
5. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:		
a. Attrition Rate	PS: 0 to 40: 1 %	PS: 0 to 40: 1 %
b. Discount Rate	6.76%	7.63%
c. Expected Rate of Increase in Salary	6.00%	6.00%
d. Retirement Age	60-70 years	60-70 years
e. Mortality Rate	IALM (2006-08) Ult.	IALM (2006-08) Ult.
f. Expected Average remaining working lives of employees (years)	11.23	12.21

6. Sensitivity Analysis

(Amount in ₹)

Sensitivity	Change	Effect on obligations	
Discount Rate	+1%	(232,694)	(252,081)
	-1%	242,026	266,347
Salary Escalation Rate	+1%	293,026	114,890
	-1%	(285,983)	(108,369)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

6.1 Expected Payout - Gratuity

Expected payments – 1st Year	298,273	225,014
Expected payments – 2nd Year	324,565	233,894
Expected payments – 3rd Year	10,882,235	2,181,784
Expected payments – 4th Year	137,020	5,805,848
Expected payments – 5th Year	3,883	541,551
Expected payments – 6th year to 10th Year	186,892	587,646

7. Other Information:

i. Plan Assets:

The Company has invested plan assets with Life Insurance Corporation of India (LIC). Expected Return on Assets is based on rate of return declared by fund managers.

ii. Present value of defined benefit obligation:

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active Members of the Plan. The "projected accrued benefit" is based on the Plan's accrual formula and upon service as of the beginning or end of the year but using a member's final compensation projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active Members.

iii. Expected average remaining service Vs. Average Remaining Future Service:

The average remaining service can be arithmetically arrived by deducting current age from normal retirement age whereas the expected average remaining future service is arrived actuarially by applying multiple



decrements to the average remaining future service namely mortality and withdrawals. Thus, the expected average remaining service is always less than the average remaining future service.

- iv. 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.

35. Disclosure of Trade Payables under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors. There are no amounts due to them as at the end of the year and there is no interest paid/payable during the year by the Company in terms of section 16 of the said Act.

36. Income tax expense and Deferred Taxes

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Income Tax Expense: -		
a. Current Tax	365,000	500,000
b. Deferred Tax (arising on temporary differences)	(26,153,368)	(6,866,942)
c. Income Tax relating to earlier years	(49,340)	4,524
d. MAT credit entitlement relating to earlier years	365,000	--
Total Tax Expense/(Income) for the year	(26,202,708)	(6,362,418)

Effective Tax Reconciliation: -

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Net Profit/(Loss) before taxes including OCI	(93,517,683)	18,763,894 *
b. Tax rate applicable to the Company as per normal provisions	26.00%	26.00%
c. Tax expense on net profit (c = a*b)	(24,314,598)	4,878,612
d. Increase/(decrease) in tax expenses on account of:		
i. Accelerated Depreciation	293,958	33,613
ii. Expenses not allowed under income tax	30,808,867	3,673,227
iii. Net Expenses allowed under payment basis	588,926	458,207
iv. Income not taxable under income tax	(5,522,856)	(5,393,028)
v. Income taxable under other heads of account	(2,222,738)	(4,117,967)
vi. Adjustment of brought forward losses	--	(496,764)
vii. Other adjustments	733,441	1,009,042
Total Increase/(decrease) in tax expenses (d)	24,679,598	(4,833,670)
e. Tax as per normal provision under Income tax (c + d)	365,000	44,942
f. Tax rate applicable to the Company as per MAT provisions	15.60%	19.24%
g. MAT tax expense on net profit	(14,588,759)	3,610,173
h. Increase/ (decrease) in MAT tax expense on account of		
i. Fair Value Change/Diminution on Investments	17,075,862	848,827
ii. Dividends received and credited to P & L account	(5,522,856)	(3,990,840)
iii. Other Adjustments	--	31,840
iv. 1/5th of the transition amount u/s 115JB (2C)	(451,297)	--
	11,101,709	(3,110,173)
i. MAT Tax provision under section 115JB (g+h)	(3,487,050)	500,000

* Profit before Tax is considered as per previous GAAP which is appropriate for tax computation for that year.



(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred Taxes: -		
As on the reporting date:		
A. On OCI Component		
-Actuarial Gain/(Losses) on Defined Benefit Plans	365,356	447,770
B. Other than OCI component		
-Difference in WDV of fixed assets	197,909	218,383
-Fair Value of Financial Assets/liabilities	32,938,312	6,966,590
-Other disallowances	1,716,013	1,066,123
C. Total	35,217,590	8,698,866
Expense/(Income) Recognised for the year ended:		
A. Deferred tax liability/(asset) recognised in statement of profit and loss:	(26,153,368)	(6,866,942)
B. Deferred tax recognised in Other Comprehensive Income	(365,356)	(447,770)
C. Deferred tax recognised in Total Comprehensive Income	(26,518,724)	(7,314,712)

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
37. Fair Value of financial instruments:			
Financial Assets: -			
At Amortised Cost			
Security Deposits	205,492	199,708	197,630
Investments in Public Deposits with NBFCs	20,000,000	--	--
At FVTPL			
Investments in Mutual Funds	201,713,068	287,582,888	256,203,418
Investments in Equity Instruments	39,468,177	53,563,166	78,413,041
Carrying Value			
Security Deposits	211,855	211,855	211,855
Investments in Mutual Funds	313,286,827	308,567,659	265,550,757
Investments in Equity Instruments	58,070,731	58,564,720	70,028,501
Investments in Public Deposits with NBFCs	20,000,000	--	--
Financial Liabilities: -			
At Amortised Cost			
Repayable Security Deposits	852,452	791,492	736,076
Carrying Value			
Repayable Security Deposits	1,342,680	1,342,680	1,342,680

The management assessed that cash and cash equivalents, trade receivables, trade payables and other assets/liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financials assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted equity shares are based on price quotations at the reporting date. The fair value of unquoted instruments in Mutual funds are based on the Net Asset Value provided by the Fund Manager as on the date of reporting.
- Fair value of security deposits have been calculated by discounting future cashflows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Description of significant observable inputs to valuation:

- a. Interest free Security Deposits (assets):
Interest Rate factor has been considered at a rate of 10% p.a. by the Company for discounting the amount receivable at the time of maturity.
- b. Interest free Security Deposits (liabilities):
Interest Rate factor has been considered at a rate of 10% p.a. by the Company for discounting the amount payable at the time of maturity.

38. Fair Value hierarchy:

The following table provide the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2020:

(Amount in ₹)

Particulars	Total	Fair Value measurement using	
		Quoted prices in active markets	Significant observable inputs
Financial Assets measured at Amortised Cost:			
Security Deposits	205,492	--	205,492
Investments in Public Deposits with NBFCs	20,000,000	--	20,000,000
Financial Assets measured at FVTPL:			
Investments in Mutual Funds	201,713,068	--	201,713,068
Investments in Equity Instruments	39,468,177	39,468,177	--
Financial Liability measured at Amortised Cost:			
Repayable Security Deposits	852,452	--	852,452

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

(Amount in ₹)

Particulars	Total	Fair Value measurement using	
		Quoted prices in active markets	Significant observable inputs
Financial Assets measured at Amortised Cost:			
Security Deposits	199,708	--	199,708
Financial Assets measured at FVTPL:			
Investments in Mutual Funds	287,582,888	--	287,582,888
Investments in Equity Instruments	53,563,166	53,563,166	--
Financial Liability measured at Amortised Cost:			
Repayable Security Deposits	791,492	--	791,492

Quantitative disclosures fair value measurement hierarchy for assets as at April 01, 2018:

(Amount in ₹)

Particulars	Total	Fair Value measurement using	
		Quoted prices in active markets	Significant observable inputs
Financial Assets measured at Amortised Cost:			
Security Deposits	197,630	--	197,630
Financial Assets measured at FVTPL:			
Investments in Mutual Funds	256,203,418	--	256,203,418
Investments in Equity Instruments	78,413,041	78,413,041	--
Financial Liability measured at Amortised Cost:			
Repayable Security Deposits	736,076	--	736,076

**39. Segment Information:**

The executive management of Company monitors the operating results of its business as a single unit for the purpose of resource allocation and performance assessment which is "Investment Activities". Hence segment information is not applicable.

Entity Wide Disclosures:

(Amount in ₹)

Revenue from external customers	For the year ended March 31, 2020	For the year ended March 31, 2019
India	27,361,335	29,428,037
Outside India	--	--
Total	27,361,335	29,428,037

40. The details of the transactions with related parties to be disclosed as required by Indian Accounting Standard – 24 are as follows.**Names of the Related parties and description of relationship:**

- i) Key Management Personnel (KMP) : Sri K. Harishchandra Prasad : Managing Director
- ii) Relatives of KMP : Sri K. Kapil Prasad : Son of Managing Director
- ii) Other Related Parties : M/s. Kapil Motors Private Limited
- : M/s. Wood Star Industries

Transactions with Related Parties:

(Amount in ₹)

Particulars	31.03.2020	31.03.2019	31.03.2018
i) Key Management Personnel			
Sri. K. Harishchandra Prasad			
Managerial Remuneration	8,445,389	7,711,023	7,001,825
ii) Relatives of KMP			
Sri. K. Kapil Prasad			
Sitting Fee Paid	40,000	40,000	40,000
Expenses reimbursed	12,000	12,000	12,000
iii) Other Related Parties			
M/s. Kapil Motors Private Limited			
Services Availed	58,235	21,205	16,531
M/s. Wood Star Industries			
Rent and Service Charges paid	1,235,317	1,235,317	1,022,889
Year end Balances {due from/ (due to)}			
Sri. K. Harishchandra Prasad	(16,027)	(17,259)	(2,903)

41. Financial Risk Management objectives and policies:

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The Company's risk management policies focus on the unpredictability of financial risks and seek guidelines, where appropriate, to minimize the potential adverse impact of such risks. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives policies and processes for the management of these risks.

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include Investments, trade and other receivables and cash and cash equivalents are derived from its operations

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the mitigation of the risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management / board reviews and agrees policies for managing each of these risks, which are summarized below.

**i. Market Risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk interest rate risk and other price risks such as equity risk. Financial instruments affected by market risk include loans and advances and deposits.

a. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the employee benefit plan, investment in debt mutual funds, fixed deposits and cash and cash equivalents.

As the Company invests primarily in fixed rate interest bearing deposits, the Company is not significantly exposed to interest rate risk. Further as there are no borrowings the Company's policy to manage its interest cost does not arise.

The Company is not exposed to significant interest risk as at the respective reporting dates.

b. Foreign Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

As there were no transactions denominated in foreign currencies in any of the reporting periods, the Company is not exposed to any foreign currency risk as at the respective reporting dates.

c. Other price risk:

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as FVTPL. Mutual fund investments are susceptible to market price risk mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the long tenor of the underlying portfolio in the equity shares and growth funds they do not pose any significant price risk.

ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposit) the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

a. Exposure to credit risk:

At the end of the reporting period the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

b. Credit risk concentration profile:

At the end of the reporting period there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

**c. Financial assets that are neither past due nor impaired:**

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits that are neither past due nor impaired are placed with or entered with reputable banks financial institutions or companies with high credit ratings and no history of default.

iii. Liquidity risk:

The risk that an entity will encounter difficulty in Meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company ensures that it has sufficient cash on demand to meet expected operational demands including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in ₹)

Particulars	On demand	< 12 months	> 12months	Total
Year ended 31 March, 2020				
Trade Payable	35,837	--	--	35,837
Other Payable	108,000	--	--	108,000
Other financial liabilities	8,592,003	1,709,923	377,845	10,679,771
Year ended 31 March, 2019				
Trade Payable	37,206	--	--	37,206
Other Payable	86,740	--	--	86,740
Other financial liabilities	8,051,429	1,235,316	2,026,808	11,313,553
As at 1 April, 2018				
Trade Payable	16,133	--	--	16,133
Other Payable	88,540	--	--	88,540
Other financial liabilities	7,986,636	--	736,076	8,722,712

Excessive Risk Concentration:

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographical region or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

42. Leases:**Operating Lease:**

The Company has applied Ind AS 116 retrospectively to each prior reporting period presented by restating the figures reported earlier.

43. Capital Management:

Capital includes equity attributable to the equity holders of the parent. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder's value.



The Company manages its capital structure and make adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Currently the Company doesn't have loans and borrowings and maintains the entire capital in form of equity share capital.

44. The Company has considered the possible effects that may result due to the national lockdown announced on March 23, 2020 owing to the COVID-19 pandemic, which affected activities of organizations across the economic ecosystem, impacting earning prospects and valuations of investments and creating volatility in the stock markets. The resultant impact on the fair value of the investments held by the Company are reflected in the Total Comprehensive Income and Total Equity of the Company for the year ended March 31, 2020, in line with the Accounting Policy adopted by the Company. The future income from investments and the valuation of Investments would depend on the global economic developments in the coming months.

45. First Time Adoption of Ind AS:

For all periods, up to and including the year ended March 31, 2019 the Company has prepared its financial statements in accordance with generally accepted accounting principles and accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 ("Previous GAAP").

The Company is required to prepare its financial statements for the year ended March 31, 2020 under the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for period ending on March 31, 2020, together with the comparative data for the year ended March 31, 2019, for this purpose the opening balance Sheet as at April 01, 2018 (being the transition date) was also prepared. This note explains the principal adjustment made by the Company in restating its Previous GAAP Balance Sheet.

- a. **Optional Exemptions applied:** The Company has applied the following exemptions from the retrospective application of certain requirements as allowed by Ind AS 101 for the first-time adopters:

- i. For transition to Ind AS the Company has elected to carry the values of Property, Plant and Equipment as well as Buildings classified as investment Property recognised as of March 31, 2018 measured as per previous GAAP and used that carrying value as its deemed cost.
- ii. On the date of transition, the Company has elected to designate all the investments in financial instruments at Fair Value through profit or loss, that were acquired before the date of transition.

b. **Mandatory Exceptions applied:**

i. **Estimates:**

An entity's estimate in accordance with the Ind AS as at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with 'Previous GAAP' (after adjustments to reflect any differences in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has estimated the Impairment of Financial Assets based on expected credit loss model in accordance with Ind AS as at the date of transition as this was not required under previous GAAP.

ii. **De-recognition of financial assets and liabilities:**

The Company has chosen to apply the de-recognition requirements for financial assets and liabilities as per Ind AS 109 prospectively for the transactions occurring on or after the date of transition to Ind AS.

iii. **Classification and measurement of financial assets:**

The Company has classified financial assets in accordance with condition that existed at the date of transition to Ind AS.

The reconciliation of equity as at April 01, 2018 and March 31, 2019 and profit for the year ended March 31, 2019 is as follows:



Reconciliation of Equity as at 01.04.2018

(Amount in ₹)

PARTICULARS	NOTES	IGAAP	IMPACT	IND AS
ASSETS				
Financial Assets				
Cash and Cash Equivalents		11,947,153	-	11,947,153
Bank Balances other than above		47,986,637	-	47,986,637
Receivables		-	-	-
Trade Receivables		27,706,515	-	27,706,515
Investments	1	333,980,235	636,224	334,616,459
Other Financial Assets		2,837,808	(14,225)	2,823,583
		424,458,348	621,999	425,080,347
Non - Financial Assets				
Current Tax Assets (net)		2,522,134	-	2,522,134
Deferred Tax Assets (net)	2	-	1,384,154	1,384,154
Investment Property	3	6,069,991	(300,418)	5,769,573
Property, Plant and Equipment		653,328	-	653,328
Other Non - Financial Assets		1,342,566	14,225	1,356,791
		10,588,019	1,097,961	11,685,980
TOTAL ASSETS		435,046,367	1,719,960	436,766,327
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises				-
Total outstanding dues of other than micro enterprises and small enterprises		16,133	-	16,133
Other Payables				
Total outstanding dues of micro enterprises and small enterprises				-
Total outstanding dues of other than micro enterprises and small enterprises		88,540	-	88,540
Other Financial Liabilities	4	9,329,316	(606,604)	8,722,712
		9,433,989	(606,604)	8,827,385
Non - Financial Liabilities				
Provisions		4,099,056	-	4,099,056
Other Non - Financial Liabilities	4	567,585	520,402	1,087,987
		4,666,641	520,402	5,187,043
EQUITY				
Equity Share Capital		30,000,000	-	30,000,000
Other Equity		390,945,737	1,806,162	392,751,899
		420,945,737	1,806,162	422,751,899
TOTAL LIABILITIES AND EQUITY		435,046,367	1,719,960	436,766,327

Explanatory Notes:

- Under previous GAAP, Investments were carried at weighted average cost. Based on requirement of Ind AS 109, investments have been designated at fair value through profit and loss and reported at fair value as at April 01, 2018.
- The Company has accounted for deferred tax in accordance with Ind AS 12 on Income Taxes at the tax rate at which they are expected to be reversed.
- Impact is on account of write off of Investment Property.
- Repayable Security deposits were recognised at transaction value under previous GAAP. Based on Ind AS 109 these security deposits have to be recognised at amortised cost and the difference between fair value and carrying cost has been treated as Deferred Rental Income and classified under Non Financial Liabilities.



Reconciliation of Equity as at 31.03.2019

(Amount in ₹)

PARTICULARS	NOTES	IGAAP	IMPACT	IND AS
ASSETS				
Financial Assets				
Cash and Cash Equivalents		22,901,478	-	22,901,478
Bank Balances other than above		45,551,429	-	45,551,429
Receivables			-	-
Trade Receivables		-	-	-
Investments	1	361,121,582	(19,975,528)	341,146,054
Other Financial Assets		2,193,115	(12,147)	2,180,968
		431,767,604	(19,987,675)	411,779,929
Non - Financial Assets				-
Current Tax Assets (net)		2,448,696	-	2,448,696
Deferred Tax Assets (net)	2	-	8,698,866	8,698,866
Investment Property	3	5,912,323	(285,424)	5,626,899
Property, Plant and Equipment	4	470,030	2,124,439	2,594,469
Other Non - Financial Assets		53,505	9,484	62,989
		8,884,554	10,547,365	19,431,919
TOTAL ASSETS		440,652,158	(9,440,310)	431,211,848
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of other than micro enterprises and small enterprises		37,206	-	37,206
Other Payables				
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of other than micro enterprises and small enterprises		86,740	-	86,740
Other Financial Liabilities	4,5	9,394,109	1,679,675	11,073,784
		9,518,055	1,679,675	11,197,730
Non - Financial Liabilities				-
Provisions		5,861,390	-	5,861,390
Other Non - Financial Liabilities	5	534,242	451,730	985,972
		6,395,632	451,730	6,847,362
EQUITY				-
Equity Share Capital		30,000,000	-	30,000,000
Other Equity		394,738,471	(11,571,715)	383,166,756
		424,738,471	(11,571,715)	413,166,756
TOTAL LIABILITIES AND EQUITY		440,652,158	(9,440,310)	431,211,848

Explanatory Notes:

- Under previous GAAP, Investments were carried at weighted average cost. Based on requirement of Ind AS 109, investments have been designated at fair value through profit and loss and reported at fair value.
- The Company has accounted for deferred tax in accordance with Ind AS 12 on Income Taxes at the tax rate at which they are expected to be reversed.
- Impact is on account of write off of Investment Property.
- In accordance with Ind AS 116, Right of use assets and lease liabilities have been recognised as on April 01, 2019 for long term non cancellable leases.
- Repayable Security deposits were recognised at transaction value under previous GAAP. Based on Ind AS 109 these security deposits have to be recognised at amortised cost and the difference between fair value and carrying cost has been treated as Deferred Rental Income and classified under Non Financial Liabilities.



Reconciliation of Statement of Profit and Loss for the year ended 31.03.2019 (Amount in ₹)

PARTICULARS	NOTES	IGAAP	IMPACT	IND AS
INCOME				
Revenue from operations				
Interest Income		3,249,207	-	3,249,207
Dividend Income		20,742,414	-	20,742,414
Net gain on sale of financial instruments	1	10,457,867	(5,021,451)	5,436,416
		34,449,488	(5,021,451)	29,428,037
Other Income	2	5,423,874	70,750	5,494,624
TOTAL INCOME		39,873,362	(4,950,701)	34,922,661
EXPENSES				
Finance Cost	3	-	334,938	334,938
Net loss on Fair Value Changes	1	4,411,783	15,590,272	20,002,055
Employee Benefits Expense		12,659,105	(1,778,981)	10,880,124
Depreciation expense	4	353,946	1,047,225	1,401,171
Other Expenses	4	3,684,634	(1,230,547)	2,454,087
TOTAL EXPENSES		21,109,468	13,962,907	35,072,375
PROFIT/(LOSS) BEFORE TAX		18,763,894	(18,913,608)	(149,714)
TAX EXPENSE				
Current Tax				
Relating to current year		500,000	-	500,000
Relating to earlier years		4,524	-	4,524
		504,524	-	504,524
Deferred tax (liability) /Asset				
On Temporary Differences		-	6,866,942	6,866,942
MAT Credit entitlement		-	-	-
Total Tax Expenses		(504,524)	6,866,942	6,362,418
PROFIT/(LOSS) FOR THE YEAR AFTER TAX		18,259,370	(12,046,666)	6,212,704
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss		-	(1,778,981)	(1,778,981)
Income tax relating to items that will not be reclassified to profit or loss		-	447,770	447,770
		-	(1,331,211)	(1,331,211)
				-
Total Comprehensive Income for The Year		18,259,370	(13,377,877)	4,881,493
EARNINGS PER EQUITY SHARE OF ₹ 10/-EACH				
Basic and diluted		6.09	(4.02)	2.07

Explanatory Notes:

- Impact is on account of change in carrying value of investments from weighted average cost basis to Fair Value basis.
- Interest income on security deposits receivable and amortisation of deferred rental income arising on account of fair valuation of repayable security deposits have been credited to Other Income in the Statement of Profit and Loss.
- Interest expense arising on account of fair valuation of repayable security deposits and interest expense on Lease Liability recognised in accordance with Ind AS 116 is charged to Finance Cost in the Statement of Profit and Loss.
- Impact is on account of depreciation on Right of Use assets and Rent and Service charge payments previously charged to other expenses now adjusted to Lease Liability in accordance with Ind AS 116 - Leases.

per our report of even date

For K.S. Rao & Co.,

Chartered Accountants

Firm's Registration Number: 003109S

Sd/-

T. Suresh Kumar

Partner

Membership Number: 229963

Place: Hyderabad

Date : 29.06.2020

for and on behalf of the Board

Sd/-

K.HARISHCHANDRA PRASAD

Managing Director

Sd/-

R.SURENDER REDDY

Director

Sd/-

U.VIJAYA KUMAR

Chief Financial Officer



SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in lakhs)

Sl. No.	Particulars	Amount outstanding	Amount overdue
	LIABILITIES SIDE:		
1	LOANS AND ADVANCES AVAILABLE BY THE NBFCs INCLUSIVE OF INTEREST ACCRUED		
(a)	Debentures: Secured	-	-
	: Unsecured	-	-
(b)	Deferred Credits	-	-
(c)	Term Loans	-	-
(d)	Inter-corporate loans and borrowings	-	-
(e)	Commercial paper	-	-
(f)	Public Deposits	-	-
(g)	Other Loans (specify nature)	-	-
2	BREAK-UP OF (1) (f) ABOVE (OUTSTANDING PUBLIC DEPOSITS INCLUSIVE OF INTEREST ACCRUED THEREON BUT NOT PAID):		
(a)	In the form of unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	-	-
(c)	Other Public Deposits	-	-
	ASSETS SIDE:		
3	BREAK-UP OF LOANS AND ADVANCES INCLUDING BILLS RECEIVABLES [OTHER THAN THOSE INCLUDING IN (4) BELOW]:		
(a)	Secured	-	
(b)	Unsecured	-	
4	BREAK-UP OF LEASED ASSETS AND STOCK ON HIRE AND HYPOTHECATION LOANS COUNTING TOWARDS EL/HP ACTIVITIES		
(i)	Leased assets including lease rentals under sundry debtors		
(a)	Financial lease	-	
(b)	Operating lease	-	
(ii)	Stock on Hire including hire charges under sundry debtors:		
(a)	Assets on hire	-	
(b)	Repossessioned Assets	-	
(iii)	Hypothecation loans counting towards EL/HP activities		
(a)	Loans where assets have been repossessioned	-	
(b)	Loans other than above	-	
5	BREAK-UP OF INVESTMENTS:		
	Current Investments:		
1.	Quoted:		
(i)	Shares: (a) Equity	-	
	(b) Preference	-	
(ii)	Debentures and Bonds	-	
(iii)	Units of mutual funds	-	
(iv)	Government Securities	-	
(v)	Others (please specify)	-	
	Non Current Investments:		
1.	Quoted:		
(i)	Shares: (a) Equity	394.68	
	(b) Preference	-	
(ii)	Debentures and Bonds	-	
(iii)	Units of mutual funds	-	
(iv)	Government Securities	-	
(v)	Others (please specify)	-	
2.	Unquoted:		
(i)	Shares: (a) Equity	-	
	(b) Preference	-	
(ii)	Debentures and Bonds	-	
(iii)	Units of mutual funds	2,017.13	
(iv)	Government Securities	-	
(v)	Others - Public Deposits with NBFCs	200.00	



6 BORROWER GROUP- WISE CLASSIFICATION OF ALL LEASED ASSETS, STOCK -ON-HIRE AND LOANS AND ADVANCES: (Amount in ₹)

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

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

CATEGORY	Market Value Break up or fair value or NAV	Book Value (Net of provisions)
1. Related parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	2,611.81	3,706.42
Total	2,611.81	3,706.42

8 OTHER INFORMATION

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

For and on behalf of the Board

sd/-

R. Surender Reddy
Director

sd/-

K.Harishchandra Prasad
Managing Director

Place : Hyderabad
Date : 29.06.2020



Lakshmi

FINANCE & INDUSTRIAL CORPORATION LIMITED

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Notes

IMPORTANT MESSAGE TO THE SHAREHOLDERS OF THE COMPANY

- We wish to inform you that the trading of “**LAKSHMI FINANCE AND INDUSTRIAL CORPORATION LIMITED (LFIC)** is **under compulsory demat mode**. Company Shares are traded on National Stock Exchange of (India) Limited (NSE) with effect from 15.04.2015 (Company Symbol /Stock Code: **LFIC**). **Company ISIN No in NSDL & CDSL : INE850EO1012**. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form (electronic mode). Demat the shares to participate in trading through Stock Exchange.
- SEBI has 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, transposition and Issue of Duplicate Share Certificates of securities in physical form, will be accepted by the RTA.
- Members holding **shares in physical mode** are requested to submit their Permanent Account Number (PAN) and Bank account details (cancelled cheque of your bank account) and request register to update their e-mail address/ Telephone number and can nominate a person in respect of all the shares to the Company/ RTA viz. M/s. Venture Capital & Corporate Investments Private Limited.
- 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.
- The Company proposed a dividend of Rs.2/- per each Equity Share for the F.Y.2019-20 for the Members approval at the ensuing 96th Annual General Meeting to be held on 29.08.2020. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The Shareholders are requested to update their PAN with the Company/ RTA M/s. Venture Capital & Corporate Investments Private Limited. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
- No tax shall be deducted for resident individual Shareholders, if the aggregate amount of dividend to be paid for F.Y 2020-21 does not exceed Rs. 5,000/-. Tax shall be deducted at source in accordance with Section 194 of the Act @ 7.5%, if the amount of dividend payable exceeds Rs. 5,000/-, where PAN is available on record. Where PAN is either not available or is invalid, tax shall be deducted at source @ 20% as per Section 206 AA of the Income Tax Act, 1961.

Registered Office of the Company:

**LAKSHMI FINANCE AND
INDUSTRIAL CORPORATION LIMITED**
1st FLOOR, “SURYODAYA”
1-10-60/3, BEGUMPET, HYDERABAD
Fax.No.040-27767793,
Tel Phone: 040-27760301/27767794
E-mail: lakshmi_lfic@yahoo.com
Website: www.lakshmifinance.org.in

Registrars & Share Transfer Agents:

**VENTURE CAPITAL &
CORPORATE INVESTMENTS PVT.LTD**
12-10-167,BHARAT NAGAR,
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