

SRI KANYAKA INVESTMENTS LIMITED

EIGHTEENTH ANNUAL REPORT
2011-2012

BOARD OF DIRECTORS

1. Mrs. Sailaja Yarrapothu - Director
2. Mrs. Veeramachineni Anarkali - Director
3. Mr. Rama Mohana Rao Tummala - Director
4. Mr. Venkata Subba Rao Mandava - Director
5. Mr. Boddu Ramesh Naidu - Director
6. Mr. Nagallasagar - Director

REGISTERED OFFICE

H.No.2A, Flat No.1F, Parameswara Apartments
6-3-626, Beside SBH, Anand Nagar Main Road
Kharatabad, Hyderabad-500 004
Tel. No. 040-32991402
Email: srikanyakainvestments@gmail.com
URL : www.srikanyaka.in

STATUTORY AUDITORS

M/s Ghantasala & Co
Chartered Accountants
Address: 3-6-700 & 701, Flat No.103
Senate apartments, Near Oxford Grammar School
Street No.11, Himayathnagar, Hyderabad-29

SRI KANYAKA INVESTMENTS LIMITED

H.No.2A, Flat No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main Road, Kharatabad, Hyderabad-500 004

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of the Company will be held on Wednesday, May 30, 2012, at 11 A.M. at the registered office of the Company at H.No.2A, Flat No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main Road, Kharatabad, Hyderabad-500 004.

ORDINARY BUSINESS :

1. To consider, receive and adopt Audited Balance Sheet as on 31st March 2012 and Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Mrs. Veeramachineni Anarkali as Director who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Mr. Rama Mohana Rao Tummala as Director who retires by rotation and being eligible offers herself for reappointment.
4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution

“RESOLVED THAT M/s Ghantasala & Co., Chartered Accountant, Hyderabad, be and are hereby re-appointed as the statutory auditors of the Company, to hold office from conclusion of this annual general meeting until the conclusion of the next annual general meeting at a remuneration to be fixed by the Board.

By The Order Of The Board
for **Sri Kanyaka Investments Limited**

Sd/-
Sailaja Yarrapothu
Director

Date : 02.05.2012
Place : Hyderabad

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
2. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m upto the date of the Annual General Meeting
3. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Registered Office of the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of members and share transfer books of the Company will remain closed from 25-05-2012 to 30-05-2012 (both days inclusive) for the purpose of Annual General Meeting and for ascertaining eligible shareholders to exchange old share certificates with new share certificates, which are being issued with new logo, registered office address and also for administrative and technical reasons.
5. The members are required to notify the change in their address, if any, to the Share Transfer Agents and Registrars of the Company i.e. Venture Capital and Corporate Investments Private Limited, #12-10-167, Bharat Nagar, Hyderabad-18.
6. Members are requested to intimate their Permanent Account No. allotted to them by the Income Tax Department.
7. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the points.
8. Members who wish to make nomination for the shares held in the Company may kindly send the details in the form 2B as prescribed under the Companies Act, 1956 to the Registrars of the company.
9. Members are requested to bring their copies of the Annual Report to the Annual General Meeting and are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue.

By The Order Of The Board
for **Sri Kanyaka Investments Limited**

Sd/-
Sailaja Yarrapothu
Director

Date : 02.05.2012

Place : Hyderabad

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses. Members who hold shares in physical form are requested to register the same with the Registrar and Share Transfer Agent (RTA) M/s. Venture Capital and Corporate Investments Private Limited, #12-10-167, Bharat Nagar, Hyderabad-18. E-mail id: info@vccilindia.com.

DIRECTORS' REPORT

To The Members

Your Directors submit you this report for the Financial Year ended 31st March 2012.

Financial Performance of the Company

(Amount in Rupees)

Particulars	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Other Income	Nil	31,250
Expenses	3,80,173	31,912
Interest	Nil	Nil
Profit/(Loss) Before Exceptional Item and Tax	(3,80,173)	(662)
Exception Item	33,00,000	Nil
Profit / (Loss) Before Tax	(36,80,173)	(662)
Provision of Tax	Nil	Nil
Profit / (Loss) After Tax	(36,80,173)	(662)

OPERATIONS

During the year under review, no operations were carried out by the Company. However, the management of the Company is striving its best to explore business activities, in order to revive the Company's status.

The Company is still carrying valid license for carrying NBFC activities as issued by Reserve Bank of India and as per the directions of the RBI, the Company is not accepting any deposits from public.

DIRECTORS

During the year under review, Mrs. Veeramachineni Anarkali and Mr.Rama Mohana Rao Tummala, Directors, retire by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment, and your approval is sought for their re-appointment.

Mr. Venkata Subba Rao Mandava, Mr. Boddu Ramesh Naidu and Mr. Nagallasagar, were appointed as Directors of the Company at the Extraordinary General Meeting of the Company held on February 6, 2012.

Profile of Directors who are retiring at this AGM is furnished in the Corporate Governance Report.

STATUTORY AUDITORS

The statutory auditors of the Company M/s Ghantasala & Co., Chartered Accountants, Hyderabad, who have been appointed at the Extraordinary General Meeting of the Company held on February 6, 2012, in place of M/s. KVSRY & Associates, Chartered Accountants, and retire at this AGM, have signified their willingness for their re-appointment and hence, the Board of Directors have recommended their re-appointment as Statutory Auditors of the Company.

LISTING

Details of Listing are annexed to the Corporate Governance Report.

SHARE CAPITAL

The Issued, Subscribed and Paid up Capital of the Company as on March 31, 2012 is Rs. 2,96,07,728 (net of calls-in-arrears of Rs.3,92,272) divided into 30,00,000 equity shares of Rs.10 (Rupees Ten) each.

DEMATERIALIZATION OF SHARES

All the shares are held in physical mode and are not admitted in Demat mode by either NSDL and CDSL. The Directors of the Company are making their efforts to get the same admitted for Dematerialisation.

REQUIREMENTS UNDER CLAUSE 49 OF LISTING AGREEMENT.

In accordance with the Listing agreement, a report on (a) Corporate governance and (b) Management Discussion & Analysis Report is annexed herewith.

FIXED DEPOSITS

The Company has not raised any fixed Deposits as on 31st March, 2012 so as to attract the provisions of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 as amended from time to time. There is no amount outstanding or due to any deposit holder.

As per the directions of the RBI, the Company is not accepting any deposits from public.

INTERNAL CONTROL SYSTEMS

Your Company has adequate Internal Control Systems, commensurate with its size and operations.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY AND ABSORPTION, FOREIGN EXCHANGE OUT GO

Particulars with respect to Conservation of Energy as required under section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is Nil since there are no activities carried by the Company.

Foreign Exchange inflow :	Nil
Foreign Exchange outflow:	Nil

PARTICULARS OF EMPLOYEES

In pursuance of section 217(2A) of the Companies Act, 1956 none of the employees of the Company was drawing a remuneration exceeding Rs 60,00,000 per annum or Rs 5,00,000 per month or part thereof.

PERSONNEL

Since, there are no activities carried out by the Company, there are no employees on the rolls of the Company. Mrs. Sailaja Yarrapothu, Director of the Company is taking care of all roles and responsibilities of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, your Directors wish to confirm that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures , if any;
- (b) such Accounting policies have been selected and applied consistently and judgments and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting any fraud or other irregularities has been taken; and
- (d) accounts for the financial year ended on 31st March, 2012 are prepared on a going-concern basis.

AUDIT COMMITTEE

The company has constituted the Audit Committee details of which are given the Corporate Governance Report.

COMPLIANCE CERTIFICATE

Your Company has received the Compliance Certificate u/s 383A of the Companies Act, 1956, which is appended hereto and forms parts of this Directors Report.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their sincere appreciation and wish to express their thanks for the guidance and assistance received from State & Central government agencies and Share holders for their continued support and faith in the Company.

By Order of the Board
for **Sri Kanyaka Investments Limited**

Date: 02.05.2012
Place: Hyderabad

Sd/-
Sailaja Yarrapothu
Director

Sd/-
Rama Mohana Rao Tummala
Director

CORPORATE GOVERNANCE REPORT

1. Company's philosophy

The Company aims at achieving transparency, accountability in all facets of its operations on a continuous basis and in all interactions with the stakeholders. The Company is committed to achieve the good standards of Corporate Governance on a continuous basis.

2. (a) Composition, Category and attendance of Board of Directors

Name	Category	Designation	No. of Meetings held during the last financial year	No. of meetings attended	Directorship in other companies
Mrs. Sailaja Yarrapothu	Promoter and Non-Executive	Director	5	5	3
Mrs. Veeramachineni Anarkali	Promoter and Non-Executive	Director	5	5	2
Mr. Rama Mohana Rao Tummala	Promoter and Non-Executive	Director	5	5	2
Mr. Venkata Subba Rao Mandava	Non-Executive and Independent	Director	1	1	1
Mr. Boddu Ramesh Naidu	Non-Executive and Independent	Director	1	1	0
Mr. Nagallasagar	Non-Executive and Independent	Director	1	1	0

No Director is a member in more than 10 (ten) committees and chairman in more than 5 committees.

(b) Meetings of the Board of Directors

During the financial year 2011-2012, the Board of Directors met 5 (five) times, on the following dates

(i) 25-04-2011, (ii) 04-07-2011, (iii) 01-09-2011 (iv) 20-10-2011 and (v) 06-02-2012;

3. Pecuniary relationship or transactions of Non-Executive Directors:

Non-executive directors do not have any other material pecuniary relationship or transactions with the company, its promoters or its management which in the judgment of the board may affect independence of judgment of the director.

4. Code of Conduct

The Board of Directors of the Company laid a Code of Conduct for Directors and senior management personnel. All Directors affirmed compliance with the Code for the year under review. A declaration to this effect duly signed by the Managing Director of the Company is annexed to this report.

5. Audit Committee

The company has re-constituted the Audit Committee under section 292A of the Companies Act, 1956 and consists of following three Directors of the Company:

- | | |
|----------------------------------|------------|
| 1. Mr. Venkata Subba Rao Mandava | - Chairman |
| 2. Mrs. Sailaja Yarrapothu | - Director |
| 3. Mr. Nagallasagar | - Director |

The terms of reference as stipulated by the Board to the Audit Committee include:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information
- b. Recommending the appointment and removal of external auditors fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with the management, the annual financial statements prior to the submission to the Board, with key focus on :
 - Changes in accounting policies and practices
 - Major accounting entries based on exercise on judgment by management
 - Qualifications, if any in the draft audit report
 - Significant adjustments arising out of audit
 - Going concern assumption
 - Compliance with Accounting Standards
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Disclosure of any related party transactions
- d. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems
- e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- f. 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.
- g. Carrying out any other function as mentioned in the terms of reference of the Audit Committee

During the year under review, one meeting was held, since Audit Committee was re-constituted with two Independent Directors on February 6, 2012. Attendance of each member at the committee meeting were as follows:

S. No.	Name of the Member	No. of Meetings Attended
1	Mr. Venkata Subba Rao Mandava	1
2	Mrs. Sailaja Yarrapothu	1
3	Mr. Nagallasagar	1

6. Details of remuneration to Directors

No Directors were paid any remuneration. Further, no sitting fee was paid to the Directors for attending the meeting of the Company.

7 Investor' Grievance Committee

As a measure of Good Corporate Governance and to focus on the Shareholder's grievance and towards strengthening investor relations, as Investor's Grievance Committee has been re-constituted as a sub committee of the Board.

The Committee comprises of Mr. Venkata Subba Rao Mandava, Mrs. Sailaja Yarrapothu and Mr. Nagallasagar.

The Committee primarily focuses on shareholder grievances, *inter-alia*, approves the issue of duplicate share certificates and oversees and reviews all matters connected with servicing of investors. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall quality improvement of investor services.

The Company has appointed M/s Venture Capital and Corporate Investments Private Limited as Registrar & Share Transfer Agents and they will also attend to Investors Grievances.

8. General Body Meetings

a) Date, Venue and Time of the last three Annual General Meetings

Date	Venue	Time	No. of Special Resolutions
30.09.2011	Plot No.1268, A/2, Road No.63/A, Jubilee Hills, Hyderabad-500 033	10.00 AM	Nil
30.09.2010	Plot No.1268, A/2, Road No.63/A, Jubilee Hills, Hyderabad-500 033	10.00 AM	Nil
30.09.2009	Plot No.1268, A/2, Road No.63/A, Jubilee Hills, Hyderabad-500 033	10.00 AM	Nil

9. Disclosures

There are no materially significant related party transactions, ie., transactions material in nature, with its promoters, Directors or the Management their relatives etc., that may potentially conflict with the interests of the company.

The Company has not adopted the non-mandatory requirements. And no penalties of strictures as 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.

10. Means of Communication

The main channel of communication to the shareholders is through the annual report which inter alia includes the Directors' Report, the Report of the Board of Directors on Corporate Governance, Management Discussion and Analysis Report, along with the Auditors Report, and Shareholders Information.

The Quarterly Unaudited results are sent to the Madras Stock Exchange where shares are listed and also posted on the website of the Company viz. <http://srikanyaka.in>.

11. Profile of Director reappointed at the AGM

Brief profile of Directors seeking re-appointment at this Annual General (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mrs. Veeramachineni Anarkali	Mr. Rama Mohana Rao Tummala
Date of Appointment	09/08/1994	09/08/1994
Date of Birth	13/03/1943	20/08/1940
Qualification	Graduate	Graduate
Expertise in specific functional areas	Having long experience in NBFC business	Having long experience in NBFC business
List of Companies in which Directorship is held as on 31.03.2012	2	2
Chairman / Member of the *Committees of other Companies on which he is a Director as on 31.03.2012	Nil	Nil

**The Committee include the Audit Committee, the Remuneration Committee and the Shareholders / Investor Grievance Committee.*

12. Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company. as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company the prescribed Form 2B for this purpose.

13. Company's Policy on prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company had framed a Code of Conduct for prevention of insider trading. Mrs. Sailaja Yarrapothu had been appointed as the Compliance Officer for the purpose. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

14. Compliance with Clause 49 Mandatory Requirements

The Company complied with all the applicable mandatory requirements of Clause 49 of the listing agreement and is also submitting a quarterly compliance report duly certified by compliance officer of the company to the stock exchanges within the time frame prescribed under regulations.

15. General Information for shareholders

a. Annual General Meeting Day, date, time and venue	Wednesday, May 30, 2012 at 11.00 A.M. H.No.2A, Flat No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main Road, Kharatabad, Hyderabad-500 004
b. Book closure dates	From 25-05-2012 to 30-05-2012 (both days inclusive) for the purpose of Annual General Meeting and for ascertaining eligible shareholders to exchange old share certificates with new share certificates, which are being issued with new logo, registered office address and also for administrative and technical reasons.

<p>c. Tentative Calendar of events for the financial year April, 2012 – March, 2013 is as under:</p> <p>Un-audited Financial Results for</p> <p>-First Quarter -Second Quarter -Third Quarter -Fourth Quarter</p>	<p>July, 2012 October, 2012 January, 2013 April, 2013</p>
<p>d. Financial Year</p>	<p>Year ending March 31,</p>
<p>e. Listing of equity shares is at</p>	<p>The Madras Stock Exchange Limited No.30, Second Line Beach Chennai, 600 001, Tamilnadu, India</p>
<p>f. Stock Code</p>	<p>Nil</p>
<p>g. Share Transfer System</p>	<p>Share transfer requests, which are received in physical form are processed and the share certificates returned within a period of 15 days in most cases, and in any case within 30 days, from the date of receipt, subject to the documents being in order and complete in all respects.</p>
<p>h. Secretarial Audit</p>	<p>Secretarial Audit is being carried out every quarter by a Practicing Company Secretary and his audit report is placed before the Board for its perusal and filed with the Stock Exchange.</p>
<p>i. Location</p>	<p>Registered Office:</p> <p>H.No.2A, Flat No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main Road, Kharatabad, Hyderabad-500 004</p> <p>Email: srikanyakainvestments@gmail.com URL : www.srikanyaka.in</p>
<p>j. Registrar & Share Transfer Agents</p>	<p>Venture Capital and Corporate Investments Private Limited</p> <p>Registration No. with SEBI: INR00001203</p> <p>#12-10-167, Bharat Nagar, Hyderabad-18</p> <p>Tel: +91-40-23818475/476 Fax: +91-40-23868024 Email: info@vccilindia.com</p>

k. Query on the Annual Report	<p>Mrs. Sailaja Yarrapothu Director</p> <p>Sri Kanyaka Investments Limited Registered Office: H.No.2A, Flat No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main Road, Kharatabad, Hyderabad-500 004</p> <p>Email: srikanyakainvestments@gmail.com URL : www.srikanyaka.in</p>
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(l). Distribution of shareholding as on 31st March, 2012

Category	No. of shareholders	Total Shares	% of holding
Promoter & Promoter Groups	7	19,20,300	64.01
Foreign Institutional Investors	0	0	0.00
Bodies Corporate	6	2,67,800	8.93
Resident Individuals	664	8,11,900	27.06
Non Resident Indians	0	0	0.00
Total	677	30,00,000	100.00

(m) Categories of shareholders as on 31st March, 2012

Category	No. of Shared Held	Percentage
Promoters and Promoter Group	19,20,300	64.01%
Financial Institutional Investor	0	0.00%
Others	10,79,700	35.99%
Total	30,00,000	100.00%

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURES & DEVELOPMENTS:

The NBFC sector in India has undergone a significant transformation in the past few years and has come to be recognized as a systemically important element of the financial system. Further the recent global financial crisis has also highlighted the regulatory imperatives concerning the non-banking financial sector and the risks arising from regulatory gaps, arbitrage and systemic inter-connectedness.

2. OPPORTUNITIES & THREATS:

As a NBFC Company, the Company has opportunities, which the Company is exploring to tap and since the Company is not in operations, there are no threats faced by the Company.

3. OUTLOOK:

The Company as a revival measure is exploring various options to continue the business of NBFC.

4. SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE:

The Company has no operations for the year ended March 31, 2012, hence nothing to report under this para.

5. RISKS AND CONCERNS:

As there were no activities undertaken by the Company during the year review, no comments are offered under this section.

6. INTERNAL CONTROL SYSTEMS

The Company has basic/minimum proper and adequate systems of internal controls in order to ensure that all assets are safeguarded against loss from unauthorized use of disposition and that all transactions are authorised, recorded and reported correctly.

An Audit Committee headed by a non-executive Independent Director is in place to review various areas of the control systems.

7. DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements etc. appearing separately.

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2011-12 appearing separately.

8. HUMAN RESOURCES:

Since, there are no activities carried out by the Company, there are no employees on the rolls of the Company.

9. CAUTIONARY STATEMENT:

Certain statement in the Management Discussion and Analysis describing the Company's views about the industry, expectations/predictions, objectives etc, may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Company's operations may inter-alia affect with the supply and demand situations, input prices and their availability, changes in Government regulations, tax

laws and other factors such as Industrial relations and economic developments etc. Investors should bear the above in mind.

10. Declaration Under Code Of Conduct

As required under Clause 49(ID) of the Listing Agreement, it is hereby declared that the Company has obtained confirmation from all the Board Members of the Company for the compliance of the Code of Conduct of the Company for the year 2011-12.

By Order of the Board
for **Sri Kanyaka Investments Limited**

Date: 02.05.2012
Place: Hyderabad

Sd/-
Sailaja Yarrapothu
Director

Sd/-
Rama Mohana Rao Tummala
Director

Chief Executive Officer Certification Under Clause 49 Of The Listing Agreement With The Stock Exchange

To
The Board of Directors
Sri Kanyaka Investments Limited

In relation to the Audited Financial Accounts of the Company as at March 31, 2012, I hereby certify that

- I have reviewed the balance sheet and profit and loss account and all its schedules and notes on accounts, as well as the cash flow statements and the Directors' Report;
- These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
- These statements together present a true and fair view of the company, and are in compliance with the existing accounting standards and / or applicable laws / regulations;
- I am responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company; and they have also disclosed to the auditors, deficiencies in the design or operation of internal controls, if any, and what they have done or propose to do to rectify these;
- To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- I have indicated to the auditors, and in the notes on accounts, whether or not there were significant changes in internal control and / or of accounting policies during the year.

Place: Hyderabad
Date: 02.05.2012

Sd/-
. Sailaja Yarrapothu
Director

Auditors Certificate on Compliance With The Conditions Of Corporate Governance Under Clause 49 Of The Listing Agreement(s)

To
The Member of Sri Kanyaka Investments Limited

1. We have reviewed the implementation of Corporate Governance by Sri Kanyaka Investments Limited (The Company) during the year ended 31st March, 2012, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We further state that such compliance is neither an assurance as to the future viability of the Company as per the records maintained by the Shareholder's/Investors Grievance Committee.

3. We state that no investor grievance are pending for a period exceeding one month against the Company as per the records maintained by the Shareholder's/Investors Grievance Committee.
4. On the basis of our review and according to the information and explanations provided to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchange have been complied with in all material respect of the Company.

for **M/s. Ghantasala & Co.,**
Chartered Accountants

Sd/-
(CA. G V Pratap Kumar)
Partner
M.No.028128
FRNo.000921S

Place : 02.05.2012
Date : Hyderabad

AUDITOR'S REPORT

To

The Members,

M/s. SRI KANYAKA INVESTMENTS LIMITED.

We have audited the attached Balance Sheet of **SRI KANYAKA INVESTMENTS LTD** as at 31st March, 2012. Preparation of financial statements is the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditors Report) Order 2003, issued by the Central Government of India in terms of the sub-section (4A) of section 227 of the Companies Act, 1956, is applicable, CARO report is enclosed.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- iii. The Balance Sheet dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit & Loss A/c dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956.
- v. We Report that all the Directors present are qualified to Act as Directors of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order wherever applicable.

for **GHANTASALA&CO.,**
Chartered Accountants.

Sd/-
(CA.G.V.Pratap Kumar)
Partner
MRN 028128
FRN 000921S

Place: Hyderabad

Date: 02-05-2012

Annexure to the Auditors' Report

- I The Company has no fixed assets; hence clause 1(a), 1(b) & 1(c) are not applicable.
- II The Company has no inventory hence clause II (a), II (b), II(c) are not applicable
- III (a) The Company has not granted any loans, Secured or Unsecured to Companies, firms or to other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- The Sub clauses (b), (c) and (d) are not applicable to this company.
- (b) The Company has not taken any loans, Secured or Unsecured from Companies, firms or from other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- The Sub clauses (f) and (g) are not applicable to this company.
- IV In our opinion and according to the information and explanations given to us, there exists and adequate internal control system commensurate with the size of the Company and nature of its business with regard to the purchase of Inventory and fixed assets, and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system of the Company.
- V In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,
- (a) According to the information and explanation given to us, there were no such transactions which are required to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, there were no such transactions made in pursuance of contracts or arrangement which are required to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
- VI The Company has not accepted any deposit from public and therefore, the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and Rules made there under are not applicable to the Company.
- VII In our opinion, the Company has no internal audit system commensurate with the size and nature of its business.
- VIII Since the company is an investment company maintained cost records U/s 209(1) (d) of the Companies Act, 1956
- IX (a) The PF, ESI, Excise, Customs, VAT are not applicable
- (b) There are no statutory dues which are in dispute as on the date of balance sheet date.

- X The Company had accumulated losses as at the end of the financial year amounted to Rs.1, 19, 51,062(Rupees one crore nineteen lakhs fifty one thousand and sixty two only) and the company has suffered cash loss of Rs. 3, 23, 883 during the current year.
- XI Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of dues to financial institutions and Banks.i.e. to Andhra Bank. The company has defaulted in
Repayment of loan taken from Andhra Bank for last several years.
- XII According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of Shares, debentures and other Securities. Hence, maintenance of proper records doe not arise.
- XIII In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XIV In our opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XV According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions. Hence, the question does not arise whether the terms and conditions are prejudicial to the interest of the Company or not.
The Clauses XVI, XVII & XVIII of this report are not applicable to the company.
- XXI According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for **GHANTASALA & Co.**
Chartered Accountants

Sd/-
G. V. Pratap Kumar
Partner
MRN 028128
FRN 000921S

Place: Hyderabad
Date : 02-05-2012

SRI KANYAKA INVESTMENTS LIMITED

H.No.2A, Flat No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main Road, Kharatabad, Hyderabad-500 004

BALANCE SHEET AS AT 31.03.2012

Particulars	Note No.	AS AT 31.03.2012 (RS)	AS AT 31.03.2011 (RS)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	29,607,728	29,607,728
(b) Reserves and Surplus	2	(11,951,062)	(8,270,889)
(c) Money received against share warrants			
		17,656,666	21,336,839
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings		-	
(b) Deferred tax liabilities (Net)		-	
(c) Other Long term liabilities		-	
(d) Long term provisions		-	
(4) Current Liabilities			
(a) Short-term borrowings	3	5,482,500	482,500
(b) Trade payables			
(c) Other current liabilities	4	56,180	-
(d) Short-term provisions		-	-
		5,538,680	482,500
Total		23,195,346	21,819,339
II.Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets			
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments	5		3,300,000
(c) Deferred tax assets (net)			
(d) Long term loans and advances	6	18,194,456	18,194,456
(e) Other non-current assets			
		18,194,456	21,494,456
(2) Current assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables			
(d) Cash and cash equivalents	7	100,890	324,883
(e) Short-term loans and advances	8	4,900,000	-
(f) Other current assets			
		5,000,890	324,883
Total		23,195,346	21,819,339

as per report of our even date
for GHANTASALA & Co.,
Chartered Accountants

For SRI KANYAKA INVESTMENTS LIMITED

Sd/-
(G. V. PRATAP KUMAR)
Partner

Sd/-
Y.SAILAJA
Director

Sd/-
T. RAMA MOHAN RAO
Director

PLACE: HYDERABAD
DATE: 02.05.2012

SRI KANYAKA INVESTMENTS LIMITED

H.No.2A, Flat No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main Road, Kharatabad,
Hyderabad-500 004

PROFIT AND LOSS A/C FOR THE YEAR ENDED 31.03.2012

Particulars	Note No.	AS AT 31.03.2012 (RS)	AS AT 31.03.2011 (RS)
I. Revenue from operations		-	-
II. Other Income		-	31250
III. Total Revenue (I +II)		-	31250
<u>IV. Expenses:</u>			
Bank Charges		110	-
Audit Fees		50,000	-
Service tax		6,180	-
Other Expenses		323,883	31,912
Total Expenses		380,173	31,912
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(380,173)	(662)
VI. Exceptional Items		3,300,000	-
VII. Profit before extraordinary items and tax (V - VI)		(3,680,173)	(662)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(3,680,173)	(662)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations	(VII-X)	(3,680,173)	(662)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(3,680,173)	(662)

**For GHANTASALA & Co.,
Chartered Accountants**

Sd/-
(G. V. PRATAP KUMAR)
Partner
PLACE: HYDERABAD
DATE: 02.05.2012

For SRI KANYAKA INVESTMENTS LTD

Sd/- Sd/-
Y.SAILAJA T.RAM MOHAN RAO
Director Director

SRI KANYAKA INVESTMENTS LIMITED

SCHEDULE – 9

NOTES FORMING PART OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) General :

- i. These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- ii. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

b) Inventories:

Not Applicable

c) Retirement Benefits:

The provision of Employees Provident Fund and gratuity does not apply to the Company. Since the number of employees are less than required number PF & DSI are not applicable.

d) Foreign Currency Transactions:

There were no transactions in Foreign Currency during the year 2011-12

Taxation:

Provision and payment of taxes not applicable to the company since no business was carried out.

2) Contingent Liabilities:

The company has not provided any interest on the loan from Andhra Bank for the last several years. The interest accumulated may be Rs.9, 00, 000 (approximately) and not provided for in the books of Accounts.

3) Security for Secured Loans:

The Company has not borrowed any Secured Loan during the year, hence Not Applicable

C.I.F. value of Imports:

NO IMPORTS DURING THE YEAR

Expenditure in foreign currency:

Not Applicable since no transactions has been made by the company during the year.

Foreign Travel : NIL

Others : NIL

Consumption of Raw Material:

Imported : Not Applicable

Indigenous : Not Applicable

Consumption of Raw Material:

NOT APPLICABLE

Earnings in Foreign Currency:

F.O.B. value of Exports : NIL

Capacity and Production:

Licensed Capacity	Installed Capacity	Actual production
	NOT APPLICABLE	

Quantity details

Particulars	Qty	Purchase	Qty	Consump- Tion	Qty	Closing Stock
				NOT APPLICABLE		

Key Management Personnel:

Y. Sailaja Director

T.Ram Mohan Rao Director

Transaction with Related Parties:

Not Applicable. Since there are no transactions made by the company during the year.

NOTES ON ACCOUNTS

13) Particulars of Employees in accordance with Sub-section(2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975. NIL.

14) Auditor's Remuneration: Current Year

Rs.

Statutory Audit Fee

(Including service tax) 56,180

15) The investment of Rs 33, 00,000(Rupees thirty three lakhs) in subsidiary company i.e Sri

Kanyaka Securities Limited has become nil value. Since, the company Sri Kanyaka Securities Limited networth is nil as at 31.03.2012. Hence, the investments were written off.

16) Provision for leave encashment benefit under the accounting standard on accounting for retirement benefits in the financial statement of employers (AS-15) issued by the Institute of Chartered Accountants of India is Not Applicable to the company since no business operations were carried out during the year.

As per our report of even date
For GHANTASALA & CO,
Chartered Accountants

Sd/-
(G.V. PRATAP KUMAR)
Partner
MRN 028128

Place : Hyderabad
Date : 02.05.2012

For and on behalf of the Board

Sd/-
(Y.Sailaja)
Director

Sd/-
(T.Ram Mohan Rao)
Director

SRI KANYAKA INVESTMENTS LIMITED

H.No.2A, Flat No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main
Road, Kharatabad, Hyderabad-500 004

SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	AS AT	AS AT
	31.3.2012	31.3.2011
	Rs.	Rs.
NOTE:1		
Share Capital		
Authorised Share Capital	35,000,000	35,000,000
35,00,000 Equity shares of Rs.10. Each		
Issued and Subscribed Equity Capital	30,000,000	30,000,000
30,00,000 Equity shares of Rs.10. Each		
Paid-up Equity Share Capital		
30,00,000 Equity shares of Rs.10. Each	30,000,000	30,000,000
Less: Calls in arrears	392,272	392,272
Total Paid Up Equity Share Capital	29,607,728	29,607,728
Total	29,607,728	29,607,728

NOTE: No of shares individually held by each share holder
holder holding more than 5%

i. Y Koti Babu	- 13.71%	4,11,400	4,11,400
ii. Y Anarkali	- 11.34%	3,40,300	3,40,300
iii. T Ram Mohana Rao	- 13.76%	4,12,900	4,12,900
iv. Y Sailaja	- 25.19%	755,700	755,700
v. M/s Goldline Financial Service Limited	- 8.51%	255,500	255,500

Note -2		
Reserves & surplus		
Loss of the last year	(8,270,889)	-
Loss for the current year	(3,680,173)	(8,270,889)
Total	(11,951,062)	(8,270,889)

Note-3		
Short term Borrowings		
Loans repayable on demand		
From Andhra Bank (Unsecured - guanteed by Directors) (Since 1999 no interest is accounted i.e appox Rs 900000/- interst not provided and no confirmation letter is obtained to this effect)	482,500	482,500
From Others (Unsecured)	5,000,000	
Total	5,482,500	482,500

Note-4		
Other Current Liabilities		
Other payables		
Audit Fees	50,000	
Service tax payable	6,180	
Total	56,180	-

Note-5		
Other Non Current Investments:-		
Investments in Sri Kanyaka Securities	-	3,300,000
Total	-	3,300,000

Note-6		
Long Term Loans & Advances		
Advances to Corporates		
Other loans and advances (Unsecured & Doubtful)	18,194,456	18,194,456
Total	18,194,456	18,194,456

Note-7		
Cash and Cash Equivalents		
Cash in Hand	1,000	324,883
Balances with Banks -AXIS Bank	99,890	
Total	100,890	324,883

Note-8		
Short-term loans and advances		
Advances to Corporates		
Vasathi Housing Limited (Unsecured)	4,900,000	-
Total	4,900,000	-

SRI KANYAKA INVESTMENTS LIMITED

H.No.2A, Flat No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main Road
Kharatabad, Hyderabad-500 004

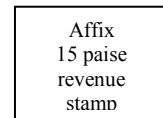
PROXY FORM

Registered Folio No./Client ID

Number of shares held

I/We being a member(s) of the above named
Company, do hereby appoint of address
..... as my/our proxy to attend and vote for me/us on
my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on
Wednesday, May 30, 2012, at 11 A.M. at the registered office of the Company at H.No.2A, Flat
No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main Road, Kharatabad,
Hyderabad-500 004 and at any adjournment thereof.

Signed on 2012



Signature of the Member

Note: The form of proxy should reach the Company, not less than 48 hours before the time fixed for the meeting.

.....

SRI KANYAKA INVESTMENTS LIMITED

H.No.2A, Flat No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main Road
Kharatabad, Hyderabad-500 004

(Please present this at the entrance of the meeting venue)

ATTENDANCE SLIP

Registered Folio No./Client ID

Number of shares held

Name of the shareholder

I hereby accord my/our presence at the Eighteenth Annual General Meeting of the Company to be held on Wednesday, May 30, 2012, at 11 A.M. at the registered office of the Company at H.No.2A, Flat No.1F, Parameswara Apartments, 6-3-626, Beside SBH, Anand Nagar Main Road, Kharatabad, Hyderabad-500 004 and at any adjournment thereof.

Signature of the member/Proxy

NOTES
