

SRI KANYAKA INVESTMENTS LIMITED

SEVENTEENTH ANNUAL REPORT

2010-2011

**Regd. Office: Plot No.1268 A/2, Road No.63/A,
Jubilee Hills, Hyderabad – 500 033**

SRI KANYAKA INVESTMENTS LIMITED

C O N T E N T S

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6. Profit and Loss Account
7. Schedule to Balance Sheet and Profit and Loss Account
8. Notes forming part of the Balance Sheet

SRI KANYAKA INVESTMENTS LIMITED

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NOTICE

NOTICE is hereby given that the SEVENTEENTH Annual General Meeting of the members of “**SRI KANYAKA INVESTMENTS LIMITED**” will be held on 30th September, 2011 at 10.00 A.M. at the Registered Office of the Company at Regd. Office: Regd. Office: Plot No.1268 A/2, Road No.63/A,, Jubilee Hills, Hyderabad – 500 033, to transact the following business:

ORDINARY BUSIENSS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of SRI. T.RAMA MOHAN RAO who retires by rotation and being eligible, offers himself for re-appointment.
3. To appointment Auditors and to fix their remuneration.

By order of Board of Directors

Place : Hyderabad
Date : 01-09-2011


(Y.SAILAJA)
MANAGING DIRECTOR

NOTE:

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of him/herself and a proxy need not be a member.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
3. Members are requested to notify immediately any change in their address to the Company's Registered Office with their Ledger Folio No(s).

DIRECTOR'S REPORT

To
The Members of 'SRI KANYAKA INVESTMENTS LIMITED'
HYDERABAD

We have pleasure in presenting the SEVENTEENTH Annual Report and the Audited Statement of Accounts for the Financial Year ended 31-03-2011.

FINANCIAL RESULTS	(Rs.)	2010-2011	2009- 2010
Income		31250/-	30063/-
Profit before Interest & Depreciation		(-) 662/-	(-) 95/-
Interest		0	0
Depreciation		0	0
Profit/(Loss) Before Tax		(-) 662/-	(-) 95/-
Provision for Tax		0	0
Profit/ (Loss) after Tax		(-) 662/-	(-) 95/-

OPERATIONS:

Your directors report that during the period under review the performance of the company is not satisfactory. There is no turnaround in the financial position as the business of finance companies have fallen substantially. During the current financial year no activities were taken place in the company. To meet the working capital as well as proposed capital costs your directors could not propose payment of dividend.

DIRECTORS

SRI.T.RAMA MOHAN RAO retires on rotation and eligible for reappointment.

AUDITORS:

M/s. K V S R Y & ASSOCIATES(formerly known as M/s kari venkateswarlu & associates), Chartered Accountants, Hyderabad, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

PARTICULARS OF EMPLOYEES:

No employee was in receipt of remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956 and the rules framed thereunder, as amended to date.

INFORMATION UNDER SECTION 217 (1) (E) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

Particulars of conservation of energy, technology absorption or not applicable since the company is engaged in finance and investment activities. There is no Foreign exchange earning and out go during the year.

DIRECTORS RESPONSIBILITY STATEMENT

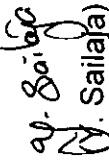
The Directors report that

- a) Applicable accounting standards had been followed in preparation of accounts under report.
- b) Reasonable and prudent accounting policies had been selected and applied which gives a true and fair view of the state of affairs of the company and of the Profit and Loss Account of the Company for the year under report.
- c) Proper and sufficient care had been taken for the maintaining of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company.
- d) Accounts are prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the services rendered by the employees of the Company. Also Your Directors wish to express their deep appreciation of the valuable support extended by the SBI, IDBI bankers and Institutions of the company.

for and on behalf of the Board


Y. Sailaja)

Managing Director



(T.RAMAMOCHAN RAO)
Director.

Place: Hyderabad
Date : 01.09.2011

AUDITOR'S REPORT

To
The Members of
M/S. SRI KANYAKA INVESTMENTS LIMITED

We have audited the attached Balance Sheet of **M/S. SRI KANYAKA INVESTMENTS LIMITED** as at 31st March, 2011 and Profit & Loss Account and the Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order wherever applicable.
1. Subject to our comments in the annexure referred to in paragraph 1 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in manner so required.
 - c) 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 such books.
 - d) The Company's Balance Sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the Books of Accounts.

- e) In our opinion the Balance Sheet, profit and loss account and cash flow statement is in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
- f) On the basis of the written representation from the directors as on 31 st March, 2011 and taken on record by the Board of Directors, We report that none of the Director is disqualified as on 31st March, 2011 from the appointment as a Director in terms of Clause(g) of sub-section (1) of Section 274 of the Companies act, 1956.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account and cash flow statement together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- i) in so far as it relates to the balance sheet, of the state of affairs of the company as at 31st March, 2010, and
- ii) in so far it relates to the profit and loss account, of the loss for the year ended on that date. "
- iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

for M/s. K V S R Y & Associates
CHARTERED ACCOUNTANTS.
FRN No.08169S

(K.Venkateswarlu)
PARTNER.
M.No.207068

Place: Hyderabad.

Date :01.09.2011

**ANNEXURE TO AUDITORS REPORT REFERRED TO IN PARAGRAPH 1 OF
OUR REPORT OF EVEN DATE**

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, the fixed assets have been physically verified by the management periodically which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
(c) In our opinion the company has not disposed off substantial part of Fixed Assets during the year and the going concern status of the company is not affected.
2. In respect of its inventories,
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the period.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are responsible and adequate in relation to the size of the company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us there are no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The company has neither taken nor granted any loans to/ from the companies, firms or other parties listed in the Registers maintained U/s. 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventories and fixed assets. During the course of the audit we have not observed any major weaknesses in internal controls.
5. There are no contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and hence requirements of reporting regarding transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of such contracts aggregating during the year to Rs. 5,00,000/- or more in respect of each party does not arise.
6. The company has not accepted any deposits from public with in the meaning of Rule 2(b) of the Companies (Acceptance of Deposits) Rule 1975, and the provisions of Sec. 58 A of the Companies Act, 1956.

7. In our opinion the Company has internal audit system commensurate with its size and nature of the business.
8. As explained to us, the Central Government has not prescribed the maintenance of Cost Records Under Section 209(1)(d) of the Companies Act, 1956 for the this type of Company.
9. According to the information and explanation given to us, provident fund, Investor Education and Protection Fund and ESI Act is not applicable to the company. According to books and records examined by us and the information and explanations given to us there were no undisputed amount payable in respect of wealth tax, customs duty, excise duty and sales tax which have remained outstanding as at 31st March, 2011 for a period exceeding six months from the date they become payable. TDS Rs.19500/- is out standing since 1999.
10. The company have accumulated losses and also incurred cash losses during the financial year covered by our audit and there is a loss in immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions.
12. In our opinion and according to the information and explanation given to us no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, the company is not a chit fund or nidhi/ mutual benefit fund/ society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments during the year under review. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has not raised any term loans during the year under review.
17. The company has not raised any short-term funds during the year under review and the surplus in long term funds have been deployed in working capital.
18. According to the information and explanations given to us, the company has not made any issue of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19. According to the information and explanations given to us, the company has not issued any debentures during the period.
20. During the year under review the Company has not issued any securities to public.
21. In our opinion, according to the information and explanations given to us no fraud on or by the company has been noticed or reported during the period under review that causes the financial statements to be materially misstated.

for M/s. K V S R Y & Associates
CHARTERED ACCOUNTANTS.
FRN No.08169S

(K.Venkateswarlu)
PARTNER.
M.No.207068

Place: Hyderabad.
Date :01.09.2011

SRI KANYAKA INVESTMENTS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	SCHE DULE NO.	As at 31/03/2011 Rs.	As at 31/03/2010 Rs.
A SOURCES OF FUNDS:			
1 Shareholders Funds			
a) Share Capital	A	29607728	29607728
TOTAL		29607728	29607728
B APPLICATION OF FUNDS:			
1 Investments	B	3300000	3300000
2 Current Assets, Loans and Advances	C	18520001	18520001
Less: Current Liabilities & Provisions	D	482500	482500
Net Current Assets		18037501	18037501
3 Miscellaneous Expenditure (To the extent not written off or adjusted)	E		
a) Profit and Loss account		8270889	8270227
TOTAL	G	29608390	29607728
Notes on Accounts (Accounting Policies and Notes annexed to and forming part of accounts)			

As per our report of even date

For K V S R Y & ASSOCIATES

Chartered Accountants
Firm Regd.No.08169S

KARI VENKATESWARLU

Partner
M.No.207068

Place: Hyderabad
Date : 01.09.2011

For and on behalf of the Board

Y. S. S. S. S.
Y.SAILAJA
Managing Director

T. Rama Mohan Rao
T.RAMA MOHANRAO
Director

SRI KANYAKA INVESTMENTS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

PARTICULARS	SCHE DULE NO.	As at 31/03/2011 Rs.	As at 31/03/2010 Rs.
INCOME:			
Interest on advances and deposits		31250	30063
TOTAL(A)		31250	30063
EXPENDITURE:			
Administrative Expenses	F	31912	30158
TOTAL(B)		31912	30158
Profit/before Tax		-662	-95
Provision for Income Tax		0	0
Profit for the year after tax		-662	-95
Notes on Accounts (Accounting Policies and Notes annexed to and forming part of accounts)	G		

As per our report of even date

For K V S R Y & ASSOCIATES
Chartered Accountants
Firm Regd.No.08169S

KARI VENKATESWARLU
Partner
m.No.207068

Place: Hyderabad
Date : 01.09.2011

For and on behalf of the Board

Y. Sailaja
Y.SAILAJA
Managing Director

T. Rama Mohan Rao
T.RAMA MOHANRAO
Director

SRI KANYAKA INVESTMENTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

PERTICULARS	As at 31/03/2011 Rs.	As at 31/03/2010 Rs.
Net cash flow from Operating activities:		
Net loss Before tax	-662	-95
Less:		
Written off of preliminary expenses	0	0
Depreciation	0	0
Net cash flows from operating activities	-662	-95
Cash or cash equivalents at the beginning of the year	325545	325640
Cash or cash equivalents at the beginning of the year	324883	325545

As per our report of even date

For K V S R Y & ASSOCIATES

Chartered Accountants

Firm Regd.No.08169S

For and on behalf of the Board

KARI VENKATESWARLU

Partner

M.No.207068

Y.SAILAJA

Managing Director

T.RAMA MOHANRAO

Director

Place: Hyderabad

Date : 01.09.2011

SRI KANYAKA INVESTMENTS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	As at 31/03/2011 Rs.	As at 31/03/2010 Rs.
SCHEDULE - A SHARE CAPITAL		
Authorized Share Capital:		
3500000 Equity Shares of Rs. 10/- each	35,000,000	35,000,000
Issued, Subscribed and Paidup Capital:		
3000000 Equity Shares of Rs. 10/- each	30,000,000	30,000,000
Less : Call in a Arrears	392,272	392,272
	29,607,728	29,607,728
SCHEDULE - B INVESTMENTS		
330000 Equity shares of Rs. 10/- each of Sri Kanyaka Securities Ltd	3300000	3300000
	3300000	3300000
SCHEDULE - C CURRENT ASSETS, LOANS AND ADVANCES		
I. CURRENT ASSETS		
Cash in hand	325545	325545
	325545	325545
II. LOANS & ADVANCES		
Total (I)		
(Advances recoverable in cash or in kind or for value to be received)	9327	9327
TDS	19500	19500
Deposits		
A. Sharma	300000	300000
CHPL Finance(Inter Corporate Deposit)	2500000	2500000
Rankilin Investment Limited	3889884	3889884
Sri Neelachal Laboratories	2476841	2476841
Sundry debtors	8340672	8340672
Interest Accrued	658232	658232
	18194456	18194456
Total (II)	18520001	18520001
Total (I+II)		

SRI KANYAKA INVESTMENTS LIMITED

PARTICULARS	As at 31/03/2011 Rs.	As at 31/03/2010 Rs.
SCHEDULE - D		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors for expenses	25700	25700
Secretarial fees	5000	5000
Bank Loan	400000	400000
Other fee payable	26800	26800
Audit fee payable	25000	25000
	482500	482500
SCHEDULE - E		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjustment)		
Preliminary expenses		
Profit and loss account debit balance		
Opening balance	8270227	8270132
Add: Current year Loss	662	95
Closing balance	8270889	8270227
SCHEDULE - F		
ADMINISTRATIVE EXPENSES		
Postage	1557	1162
Printing and stationery	2937	2192
Miscellaneous Expenses	2417	1804
Audit fee	25000	25000
	31912	30158

SCHEDULE - H

ACCOUNTING POLICES AND NOTES ON ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES:

1. The Accounts have been prepared on historical cost basis and confirm to the generally accepted accounting practices.
2. Basis of Accounting :
For recognition of income and expenses the company adopts the accrual basis in the preparation of accounts.
3. The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of Assets and Liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.
4. Preliminary and Pre-operative Expenses have been written off over a period of ten years.
5. Fixed Assets are stated at cost less accumulated depreciation. The actual cost capitalized comprises of cost of acquisition of the asset, clearing charges in case of imported assets, duties, taxes and other incidental expenditure incurred for acquiring the assets.
6. Depreciation on assets is provided on the written down value method at the rates and in the manner prescribed in Schedule-XIV of the Companies Act, 1956.

7. Deferred tax liability has not provided as the future profits are uncertain.

B) NOTES ON ACCOUNTS:

1. Previous year figures have been regrouped / rearranged wherever necessary
2. There were no employees who are in receipt of remuneration of Rs.24, 00,000/- or more per annum if employed throughout the financial year or Rs.2, 00,000 /- or more if employed for part of the financial year.
3. Remuneration to Statutory Auditors – Rs.25,000/-.
4. Paise have been rounded off to nearest rupee.
5. Deferred tax liability has not provided as the future profits are uncertain.
6. Balances of Banks, Loans and Advances are subject to confirmation.

7. Foreign Exchange Earnings & Out go -- NIL --

8. Contingent liabilities not provided for -- NIL --

9. There are no related party transactions

10. The additional information as per requirements of 4C & 4D part II of Schedule - VI of the Companies Act, 1956. Is not applicable to this company.

Signatories to the schedule A to H

As per our report of even date attached

For M/s. K V S R Y & Associates,
CHARTERED ACCOUNTANTS.
FRN : 08169S

For and on behalf of the Board of Directors

(Kari Venkateswarlu)
PARTNER.
M.NO.207068


Dr. Sailaja
DIRECTOR


(T.RAMA MOHAN RAO)
DIRECTOR

Place: Hyderabad.

Date: 01-09-2011