

**17th**  
**ANNUAL REPORT**  
**2008 -2009**



**CITI PORT FINANCIAL SERVICES LIMITED**

**BOARD OF DIRECTORS**

Sri Ratan Kishan Musurnur	-	Director
Sri Suraj Thammineni	-	Director (Appointed w.e.f 10.01.2009)
Sri Miriyalad Ethirajan	-	Director (Appointed w.e.f 10.01.2009)
Sri Parthasarathi Prattipati	-	Director (Appointed w.e.f 10.01.2009)
Sri Anil Kumar Talasila	-	Director (Appointed w.e.f 10.01.2009)

**DIRECTORS RESIGNED**

Smt. Manju Agarwal	-	Director (resigned w.e.f 28.01.2009).
Sri Ashok Kumar Gupta	-	Director (resigned w.e.f 28.01.2009)
Sri Rahul Yadav	-	Director (resigned w.e.f 10.01.2009)
Sri Amarnath Adhya	-	Director (resigned w.e.f 10.01.2009)

**STATUTORY AUDITORS**

**M/s. K P JAIN & CO.**  
130, Thambu Chetty Street  
Chennai-600001

**LISTED AT:**

Bombay Stock Exchange Limited  
Madras Stock Exchange Limited  
The Delhi Stock Exchange Association Limited

**SECRETARIAL CONSULTANTS**

**M/s P S RAO & ASSOCIATES**  
Company Secretaries  
Flat No. 10, 4th Floor,  
Ishwarya Nilyam, Dwarkapuri Colony  
Punjagutta, Hyderabad-500082

**REGISTERED OFFICE**

41A, Vivek Nagar,  
Ambathur, Chennai - 53

**CORPORATE OFFICE**

No. 11& 12, 2nd floor,  
Sri Durga Chamber,  
Thakur Mansion Lane,  
Punjagutta, Hyderabad-500082

**SHARE TRANSFER AGENTS**

M/s. Skyline Financial Services Private Limited  
246, 1st Floor, Sanat Nagar,  
Main Iscon Temple Road  
East of Kailash  
New Delhi - 110 065

**NOTICE**

Notice is hereby given that the 17th Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at 41A, Vivek Nagar, Ambathur, Chennai – 53 on **SATURDAY, 19TH SEPTEMBER 2009** at 11.00 A.M to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 and the Profit and Loss account for the year ended on that date and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Sri. Ratan Kishan Musurnur who retires by rotation, being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board.

By order of the Board  
For CITI PORT FINANCIAL SERVICES LIMITED

sd/-  
SURAJ THAMMINENI  
Director

Place: Hyderabad  
Date: 30.07.2009

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of himself / herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hrs before the commencement of the meeting.
2. The Register of members and share transfer books of Company shall remain closed from **WEDNESDAY 16th SEPTEMBER, 2009 TO SATURDAY, 19TH SEPTEMBER, 2009 (BOTH DAYS INCLUSIVE)**.
3. Members are requested to notify any change in their addresses to the Company immediately.
4. Members desirous of obtaining any information on the Annual Accounts of the Company are requested to write to the Company at least 7 working days before the date of the meeting to enable the Company for compilation of the required information.
5. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and also in respect of their physical share folios, if any to M/s. Skyline financial services private limited having its office at 246, 1st Floor, Sanat Nagar, Main Iscon Temple Road East of Kailash New Delhi – 110 065

**ADDITIONAL INFORMATION ON THE DIRECTORS SEEKING RE-APPOINTMENT ON RETIRING BY ROTATION AT THE ENSUING ANNUAL GENERAL MEETING:**

**RATAN KISHAN MUSURNUR:**

Sri Ratan Kishan Musurnur s/o Sh. G Prakash Rao, aged 29 years is a Qualified MCA (Master of Computer Application) and has an experience of 5 years in software field.

**DIRECTOR'S REPORT**

To  
The Members,

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2009.

**FINANCIAL RESULTS:**

(Rs In Lakhs)

	For the Year ended 31.03.2009	For the Year ended 31.03.2008
Net Sales/income from operation	12.01	21.47
<b>TOTAL INCOME</b>	<b>12.01</b>	<b>21.47</b>
<b>TOTAL EXPENDITURE</b>	<b>5.94</b>	<b>5.93</b>
Profit/ (Loss) before depreciation & Financial Charges	6.07	15.54
Depreciation	0.56	1.06
Financial Charges	0.01	.03
Profit Before Tax	5.50	14.45
Prior period items	--	0.83
Provision for tax	1.84	4.67
Deferred Tax	--	--
<b>NET PROFIT / (LOSS)</b>	<b>3.66</b>	<b>8.95</b>
Surplus Brought forward from previous years	15.47	9.41
Transfer to Special Reserve @ 20%	1.10	2.89
Amount available for appropriation	18.03	15.47

**DIVIDEND:**

Your Company has recorded a nominal profit this year and hence your Directors do not recommend any dividend for the Financial Year.

**FIXED DEPOSITS:**

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 from the public during the Financial Year.

**DIRECTORS:**

Sri Ratan Kishan Musurnur, Director of your Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Sri Suraj Thammineni, Sri Miriyalad Ethirajan, Sri Parthasarathi Prattipati and Sri Anil Kumar Talasila were inducted as Additional Directors of the Company w.e.f. 10th January 2009.

The Company has received individual notices from the members of the Company complying with the provisions of the Section 257 of the Act, proposing their respective candidature for the office of Directors and subsequently appointed as Director of the Company by the members through Postal Ballot w.e.f. 10th April, 2009.

The following directors were resigned from the office Smt. Manju Agarwal and Sri Ashok Kumar Gupta w.e.f. 28th January 2009 and Sri Rahul Yadav and Sri Amarnath Adhya w.e.f. 10th January, 2009.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the Financial Year ended 31st March, 2009, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates 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 ended 31st March, 2009 and of the profit and loss of the Company for that period;

- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

#### **PARTICULARS OF EMPLOYEES:**

There are no employees drawing remuneration exceeding the limits as specified under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

#### **CHANGE IN MANAGEMENT:**

During the Financial Year M/s Golden Valley Holdings Private Limited having its registered office at No. 11& 12, 2nd floor, Sri Durga Chamber, Thakur Mansion Lane, Punjagutta, Hyderabad-500082 has acquired the Company under Regulation 10 & 12 of SEBI (Substantial Acquisition of shares & Takeover) Regulation 1997 subsequent to acquisition there was a change in Board of Directors wherein New Directors with rich experience in different fields were appointed to carry on the business.

#### **POSTAL BALLOT :**

During the Financial Year the company has conducted the postal ballot for the items specified as below dated 09.03.2009 and results declared on 10.04.2009 by the chairman on the basis of the report submitted by the scrutinizer.

#### **ITEMS OF POSTAL BALLOT :**

1. Shifting of registered office from Chennai in the state of Tamil Nadu to Hyderabad in the state of Andhra Pradesh
2. Appointment of Sri Suraj Thammineni as Director of the company

3. Appointment of Sri Miriyala D Ethirajan as Director of the company
4. Appointment of Sri Parthasarathi Prathipati as Director of the company
5. Appointment of Sri Anil kumar Talasila as Director of the company

#### **AUDITORS:**

M/s. K P JAIN & Co Chartered Accountant, Statutory Auditor of the Company retire at the ensuing Annual General Meeting and the company has received a notice in writing from Mr. K P Jain Chartered Accountant that in the event of re-appointment as Statutory Auditor at the ensuing Annual General Meeting, such appointment will be in accordance with the limits specified in section 224(1B) of the Companies Act, 1956.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company is under the business of investment and financing so the particulars of the Conservation of energy and Technology Absorption is NIL

Foreign Exchange Earnings and Out go: NIL

#### **MANAGEMENT DISCUSSION & ANALYSIS :**

Pursuant to the provision of clause 49 of the listing agreement a report on Management Discussion & Analysis is set out as an **ANNEXURE-- A**

#### **COMPLIANCE CERTIFICATE:**

Your Company has obtained the necessary Compliance Certificate as required in terms of Section 383A read with the Companies (Compliance Certificate) Rules 2001 of the Companies Act, 1956 for the financial year 2008-2009 from M/s P S Rao & Associates Practicing Company Secretary same is given in

**ANNEXURE - B****CORPORATE GOVERNANCE:**

The Company has been making every endeavor to bring more transparency in the conduct of business. As per the requirements of Listing Agreement with the Stock Exchanges, a compliance report on corporate Governance for the year 2008-09 and a certificate from the Auditors of the Company are furnished as a part of this Annual Report

**LISTING FEE:**

Your Company's shares are presently listed on the Bombay Stock Exchange Limited, The Delhi Association Limited and Madras Stock Exchange Limited Company is regular in paying the listing fee to the Stock Exchanges.

**ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their sincere appreciation and gratitude for the continuous support and assistance extended by all the Statutory Authorities. The Board also extends its heartfelt gratitude to the Creditors and Shareholders for the confidence reposed by them in the Company. Your Directors also place on record their appreciation for the continued contributions made by the employees at all levels.

By order of the Board

For CITI PORT FINANCIAL SERVICES LIMITED

Date : 30-07-2009  
Place : Hyderabad

Sd/-  
**SURAJ THAMMINENNI**  
Director

Sd/-  
**PARTHASARATHI PRATTIPATI**  
Director

## MANAGEMENT DISCUSSION & ANALYSIS ANNEXURE- A

Indian economy has been witnessing a phenomenal growth since the last decade. The country is still holding its ground in the midst of the current global financial crisis.

Quarterly gross domestic product (GDP) at factor cost at constant (1999-2000) prices for Q3 of 2008-09 is estimated at US\$ 171.24 billion, as against US\$ 162.57 billion in Q3 of 2007-08, showing a growth rate of 5.3 per cent over the corresponding quarter of previous year.

Despite the global slowdown

n, the Indian economy is estimated to have grown at close to 6.7 per cent in 2008-09. The Confederation of Indian Industry (CII) pegs the GDP growth at 6.1 per cent in 2009-10. This scenario factors in sectoral growth rates of 2.8-3 per cent, 5-5.5 per cent and 7.5-8 per cent, respectively, for agriculture, industry and services.

### The Economic scenario

Investor sentiment in India has improved significantly in the first quarter of 2009, according to a survey conducted by Dutch financial services firm ING. With foreign assets growing by more than 100 per cent annually in recent years, Indian multinational enterprises (MNEs) have become significant investors in global business markets and India is rapidly staking a claim to being a true global business power, according to a survey by the Indian School of Business and the Vale Columbia Center on Sustainable International Investment.

Despite the global financial crisis, inflow of foreign capital to the country has increased sharply in 2008-09.

- India's foreign exchange reserves increased by US\$ 4.2 billion to US\$ 255.9 billion for the week ended May 8, 2009,

according to figures released in the Reserve Bank of India's (RBI) weekly statistical supplement.

- Net inflows through various non-resident Indians (NRIs) deposits surged from US\$ 179 million in 2007-08 to US\$ 3,999 million in 2008-09, according to the RBI.
- FDI inflows during April 2008-January 2009 stood at US\$ 23.9 billion compared with US\$ 14.4 billion in the corresponding period of the previous fiscal, witnessing a growth of 65 per cent, according to the Department of Industrial Policy & Promotion.
- FIIs have made investments of around US\$ 2 billion as of May 14, 2009, including a record single day net purchase of US\$ 824.72 million on May 13, 2009, according to the Securities and Exchange Board of India (SEBI).
- Inflation for the week ended March 7, 2009, fell to an all time low of 0.44 per cent. The sharp fall in inflation was due to several factors including easing prices of food articles and fuel items along with a high base effect. Currently, the inflation rate stood at 0.7 per cent for the week ended April 25, 2009.
- The year-on-year (y-o-y) aggregate bank deposits stood at 21.2 per cent as on January 2, 2009. Bank credit touched 24 per cent (y-o-y) on January 2, 2009, as against 21.4 per cent on January 4, 2008.

### FUTURE OUTLOOK:

During the financial year under review the management of the company has changed and the New Directors with rich experience were inducted in the Board. The Board is looking for various new investment plans for the Company. Keeping in view the ups and downs in the stock Markets.

**ANNEXURE-B**  
**FORM**  
**(See Rule 3)**

**COMPLIANCE CERTIFICATE**

Reg. No. of the Company : 18 - 022986  
Authorized Capital : Rs. 3,20,00,000/-  
Paid-up Capital : Rs. 3,10,00,000/-

To  
The Members,  
**CITI PORT FINANCIAL SERVICES LIMITED**  
41A, Vivek Nagar,  
Ambathur, Chennai-600 053

We have examined the registers, records, books and papers of CITI PORT FINANCIAL SERVICES LIMITED (The Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, and its officers, we certify that in respect of the aforesaid financial year that:

1. The Company has kept and maintained all registers as stated in **Annexure I** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in **Annexure II** to this certificate, with the Registrar of Companies.
3. The company being a public limited company comments are not required.
4. The Board of Directors duly met eight times on 28.04.2008, 24.06.2008, 22.07.2008, 12.08.2008, 22.10.2008, 10.01.2009, 28.01.2009 and 05.03.2009 in respect of which proper notices were given and the proceedings were duly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members, during the financial year under review from 16th September, 2008 to 25th September, 2008.
6. The Annual General Meeting of the Company for the financial year ended 31st March, 2008 was held on 25.09.2008 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year under review except a postal ballot notice under section 192A of the Companies Act, 1956 has been send to members dated 09.03.2009.
8. The Company has not advanced any loans to its Directors and/or the persons or firms or companies referred to under Section 295 of the Act during year under review.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year under review.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act during

the financial year under review and as such company was not required to obtain any approval from the Board of Directors, members or the Central Government.

12. The Company has not issued any duplicate share certificates during the financial year under review.

13. The Company has

i) not made any allotment/ transmission of Securities during the financial year.

ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year under review.

iii) no amounts lying with it in unpaid dividend account or any application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years or more.

iv) complied with requirements of Section 217 of the Act for the financial year under review.

14. The Board of Directors is duly constituted during the financial year under review the following changes took place:

- Mr. Rahul Yadav and Mr. Amar Nath Adhya the retiring directors were reappointed as Directors by the members in the 16th Annual General Meeting of members held on 25.09.2008
- Sri Suraj Thammineni, Sri Miriyalad Ethirajan, Sri Parthasarathi Prattipati

and Sri Anil Kumar Talasila were appointed as Additional Director w.e.f. 10.01.2009.

- Sri Rahul Yadav and Sri Amrnath Adhya have resigned from the Board w.e.f. 10.01.2009.

- Smt. Manju Agarwal and Sri Ashok Kumar Gupta resigned as Director w.e.f 28.01.2009.

Relevant provisions of the Act were complied with in connection with the said changes in the Board. There were no other instances of appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year.

15. The Company has not appointed/ re-appointed any Managing Director / whole-time director / Manager during the financial year.

16. The Company has not appointed any sole-selling agents during the financial year under review.

17. There were no instances requiring the Company to obtain approval from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.

18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder during the financial year.

19. The Company has not allotted any shares/ debentures/other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of Preference Shares / Debentures during the financial year under review as the company has not issued any preference shares or debentures.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited any deposits falling within the purview of Section 58A during the financial year under review.
24. The company has not borrowed any amounts from its Directors, members, public, financial institutions, banks and others during the financial year under review.
25. The provisions of Section 372A of the Act are not applicable as the principle business of the Company is acquisition of shares, stocks or other securities.
26. The Company has send a Postal Ballot Notice under section 192A and section 17 of the Companies Act, 1956 dated 9th March, 2009 for shifting of registered office from Chennai in the state of Tamil Nadu to Hyderabad in the State of Andhra Pradesh during the financial year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year under review.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital during the financial year under review.
30. The Company has not altered its Articles of Association during the financial year under review.
31. As per the information given by the officers of the Company, there were no prosecutions initiated against or show cause notices received by the company during the financial year for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The Company has not constitutes a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

for P S Rao & Associates  
Company Secretaries

Sd/-

P.S. Rao

Company Secretary  
C.P.No:3829

DATE: 30.07.2009  
PLACE: Hyderabad

## ANNEXURE - I

## STATUTORY REGISTERS AS MAINTAINED BY THE COMPANY

1. Register of Directors' U/s 303
2. Register of Directors' Shareholdings U/s 307
3. Register of Members U/s 150
4. Minutes of Board Meetings U/s 193
5. Minutes of Annual and Extra-Ordinary General Meetings U/s 193
6. Register of contracts, firms and Companies in which Directors are interested U/s 301.
7. Register of Investment

## ANNEXURE - II

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March, 2009

Sl. No	Forms/ Returns	Section	Purpose	Remarks
1.	Form No 32	303	Appointment of Sri Suraj Thammineni, Sri Miriyalad Ethirajan, Sri Parthasarathi Prattipati, Sri Anil Kumar Talasila as Additional Director and resignation of Sri Rahul Yadav, Sri Amrnath Adhya, Smt. Manju Agarwal, Sri Ashok Kumar Gupta	Filed with Normal Fees on 03.02.2009
2.	Form No 18	146	Shifting of registered office within local limits	Filed with Normal Fees on 30.01.2009
3.	Form No 62	---	Calender of events for Postal Ballot	Filed with Normal Fees on 12.03.2009

for P S Rao & Associates  
Company Secretaries

Sd/-

P.S. Rao

Company Secretary  
C.P.No:3829

DATE: 30.07.2009  
PLACE: Hyderabad

## CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's philosophy of Corporate Governance is to maximize the shareholder value by adopting the principles of good Corporate Governance in line with the provisions stipulated in the Listing Agreement. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership, and governance of the Company, is an important part of Corporate Governance. Consequently, the organization is able to enhance the trust and confidence of the stakeholders.

## 2. BOARD OF DIRECTORS:

## • Composition of Board of Directors

At present, the strength of the Board is Five Directors. The Board comprises of 1 Executive, 1 Non Executive Not Independent Director and 3 Non-Executive Independent Directors.

## • Board meeting and attendance

Eight Board Meetings were held during the Financial Year and the gap between two board meetings did not exceed four months.

The dates on which meeting were held are as follows:

28.04.2008	24.06.2008	22.07.2008	12.08.2008	22.10.2008	10.01.2009	28.01.2009	05.03.2009
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The constitution of the Board is given below:

S. No	Director	Category	Attendance at AGM held on 25.09.2008	Attendance in Board Meeting		Other Boards		
				He ld	Atte nded	Direct orship	Comm ittee	Committee member ship
1	Sri Suraj Thammineni#	Executive	No	8	3	4	Nil	Nil
2	Sri Ratan Kishan Musurnur	Non Executive Not Independent Director	Yes	8	6	1	Nil	Nil
3	Sri Miriyalad Ethirajan#	Non Executive Independent Director	No	8	3	1	Nil	Nil
4	Sri Parthasarathi Prattipati#	Non Executive Independent Director	No	8	3	3	Nil	Nil
5	Sri Anil Kumar Talasila#	Non Executive Independent Director	No	8	3	2	-	-
6	Smt. Manju Agarwal@	Executive Director	Yes	8	5	-	-	-
7	Sri Ashok Kumar Gupta@	Executive Director	Yes	8	5	-	1	--
8	Sri Rahul Yadav\$	Non Executive Independent Director	Yes	8	4	-	1	1
9	Sri Amarnath Adhya\$	Non Executive Independent Director	Yes	8	4	-	1	-

#: Sri Suraj Thammineni, Sri Miriyalad Ethirajan, Sri Parthasarathi Prattipati and Sri Anil Kumar Talasila were appointed as directors of the Company w.e.f. 10th January, 2009

\$ Sri Rahul Yadav and Sri Amarnath Adhya have resigned as directors of the Company w.e.f 10th January, 2009

@: Smt. Manju Agarwal and Sri Ashok Kumar Gupta have resigned as directors w.e.f. 28th January 2009

### 3. AUDIT COMMITTEE:

Brief description of terms of reference

- Review the un-audited quarterly results, half yearly and annual accounts of the company
- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of Statutory auditors, fixation of audit fee and also approval for payment of any other services
- Reviewing with the management, the annual financial statements before submission to the Board focusing primarily on:
  - (i) Any changes in accounting policies and practices
  - (ii) Major accounting entries based on exercise of judgment by management
  - (iii) Qualifications in draft audit reports
  - (iv) Significant adjustments arising out of the audit
  - (v) The going concern assumption
  - (vi) Compliance with accounting standards
- Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relative etc.; that may have potential conflict with the interests of the company at large
- Reviewing with management, external and internal auditor's, the adequacy of internal control systems
- Reviewing the adequacy of internal audit function, 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

- Discussion with internal auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected of fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditors before the audit commences, on the nature and scope of audit as well as have post- audit discussion to ascertain any areas of concern
- Reviewing the company's financial and risk management policies
- To look into and review the reasons for substantial defaults, if any, in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

The Chairman of the Audit Committee shall be present at the Annual General Meeting of the Company to provide any clarification on queries from shareholders.

### Composition

The Audit Committee of the Company comprise of the following Directors:

Name of the Director	Designation
Sri Parthasarathi Prattipati	Chairman
Sri Anil Kumar Talasila	Member
Sri Suraj Thammineni	Member

*The Audit Committee was reconstituted w.e.f 10th January, 2009*

Meetings and Attendance during the Financial Year:

### MEETINGS:

The Audit committee of the Board met Five times during the year, the meetings was held for approval of Un- Audited Financial Results and Audited Financial results of the Company i.e. on:  
directors / non-executive directors

28.04.2008	24.06.2008	22.07.2008	22.10.2008	28.01.2009
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## ATTENDENCE:

Name	No of Meetings Held	No of Meetings Attended
Sri Parthasarathi Prattipati	5	1
Sri Anil Kumar Talasila	5	1
Sri Suraj Thammineni	5	1
Smt. Manju Agarwal	5	4
Sri Rahul Yadav	5	4
Sri Amarnath Adhya	5	4

The un- audited financial results for each quarter are approved by the Audit Committee before passed on to the Board of Directors for approval and adoption.

## 4. REMUNERATION COMMITTEE:

## ► Terms of Reference:

- The Remuneration Committee recommends to the board the compensation terms of the executive directors / non-executive directors
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

► **Composition**

Remuneration Committee of the Company consists of following non-executive Directors, which is as follows:

NAME OF THE DIRECTOR	DESIGNATION
Sri Parthasarathi Prattipati	Chairman
Sri Anil Kumar Talasila	Member
Sri Miriyalad Ethirajan	Member

*The Remuneration Committee was reconstituted w.e.f 10th January, 2009*

► Remuneration paid to Directors during the Financial Year

No Remuneration is paid to Directors

**5. INVESTORS AND SHAREHOLDERS GRIEVANCE COMMITTEE:**

► Brief description of terms of reference:

To supervise and ensure:

- (i) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- (ii) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- (iii) Issue of duplicate / split / consolidated share certificates;
- (iv) Allotment and listing of shares;
- (v) Review of cases for refusal of transfer / transmission of shares and debentures;
- (vi) Reference to statutory and regulatory authorities regarding investor grievances;
- (vii) And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

► **Composition**

The Committee comprises of the following members:

NAME OF THE DIRECTOR	DESIGNATION
Sri Parthasarathi Prattipati	Chairman
Sri Anil Kumar Talasila	Member
Sri Miriyalad Ethirajan	Member

*The Investor & Shareholders Grievance Committee was reconstituted w.e.f 10th January, 2009*

Name & Designation of the Compliance Officer : Sri Suraj Thammineni  
Director

No. of shareholders complaints received during the Financial Year : Nil

No. of complaints solved to the satisfaction of the share holders : Nil

No. of pending complaints : Nil

**6. LOCATION AND TIME WHERE THE LAST THREE AGMS HELD:**

Year	Date	Location	Time
2007-08	25-09-2008	27, Sembudoss Street, Chennai-600001	2.00 p.m.
2006-07	25-09-2007	27, Sembudoss Street, Chennai-600001	2.00 p.m.
2005-06	25-09-2006	27, Sembudoss Street, Chennai-600001	2.00 p.m.

No Special Resolution is passed in the Previous three Annual General Meeting.

**POSTAL BALLOT:**

During the Financial Year the company has conducted the postal ballot for the items specified as below dated 09.03.2009 and results declared on 10.04.2009 by the chairman on the basis of the report submitted by the scrutizer.

**ITEMS OF POSTAL BALLOT**

1. Shifting of registered office from Chennai in the state of Tamil Nadu to Hyderabad in the state of Andhra Pradesh
2. Appointment of Sri Suraj Thammineni as Director of the company
3. Appointment of Sri Miriyala D Ethirajan as Director of the company
4. Appointment of Sri Parthasarathi Prathipati as Director of the company
5. Appointment of Sri Anil kumar Talasila as Director of the company

The particulars of the Voting Pattern in the Postal Ballot are as:

No. of Members Voted for the Resolution	No. of Shares held by them	Votes cast in favour Resolution	Votes Cast against the Resolution	Invalid Votes	% Votes Cast in Favour of Resolution
50	2409904	2408004	1900	Nil	99.92%

Sri Suraj Thammineni Director of the Company was authorized to conduct the postal ballot process and Sri B.L. Chandra Sekhar Sarma Practicing Company Secretary was appointed as Scrutinizer for Postal Ballot process of the Company.

No Special Resolution is proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

#### 7. DISCLOSURES:

- a. Materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large. – NIL –
- b. Details on non-compliance by the Company, penalties and 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 -

#### 8. MEANS OF COMMUNICATION:

- The Quarterly results are usually published in the Business Standard (in English) and Tinabhoomi (in regional language) dailies.

#### 9. SHAREHOLDER INFORMATION:

- AGM: The 17th Annual General Meeting of the Company will be held on SATURDAY 19TH SEPTEMBER, 2009 at the Registered Office of the Company
- Financial Year: 1st April 2008 to 31st March 2009

#### CALENDER OF EVENTS:

Event	Dates
First Quarter un-audited (Provisional) Financial Results	Last Week of July, 2009
Second Quarter un-audited (Provisional) Financial Results	Last Week of October, 2009
Third Quarter un-audited (Provisional) Financial Results	Last Week of January, 2010
Fourth Quarter audited Financial Results	Last Week of June, 2010

#### • BOOK CLOSURE DATE:

From WEDNESDAY 16th SEPTEMBER, 2009 TO SATURDAY, 19TH SEPTEMBER, 2009 (Both days Inclusive).

- Listing on Stock Exchanges: The shares of the Company are listed at

Bombay Stock Exchange Limited  
 Madras Stock Exchange Limited  
 the Delhi Stock Exchange Association Limited

The company has paid the listing fees to the above Stock Exchange for the FY 2009 -10

- Dividend Payment Date: NA
- Stock Exchange Code: Bombay Stock Exchange Limited 531235  
 Madras Stock Exchange Limited CITIPORFIN  
 the Delhi Stock Exchange Association Limited 03193
- Demat ISIN Number

Under the Depository System the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares by NSDL & CDSL

INE494D01011

- Share Transfer System:

All the physical share transfers received are processed by the Share Transfer Agents M/s. Skyline financial services private limited New Delhi. The Company's shares are being traded in compulsory Demat form. The Company has entered into agreement with both NSDL and CDSL to dematerialize its shares, which enable the Company's shares to be transferred electronically through Depositories System.

- Market Price Data: During the last Financial Year 2008-09

Month	Bombay Stock Exchange Limited	
	High (Rs.)	Low (Rs.)
April, 2008	19.00	15.50
May, 2008	19.95	15.60
June, 2008	38.40	20.90
July, 2008	29.80	19.05
August, 2008	34.00	21.75
September, 2008	27.70	20.80
October, 2008	20.50	12.45
November, 2008	14.15	13.00
December, 2008	17.30	13.05
January, 2009	16.20	13.00
February, 2009	13.00	11.65
March, 2009	11.10	09.05

- Registrar and Transfer Agents

M/s. Skyline Financial Services Private Limited  
 246, 1st Floor, Sanat Nagar, Main Iscon Temple Road  
 East of Kailash, New Delhi - 110 065

• SHAREHOLDING PATTERN AS ON 31ST MARCH 2009:

Sl No	Category	No. of Shares Held	% of Shareholding
A1.	<b>SHAREHOLDING OF PROMOTERS &amp; PROMOTER GROUP</b>		
	<b>INDIAN</b>		
	Individuals/Hindu Undivided Family		
	Central Government /State Government(s)		
	Bodies Corporate	899304	29.01
	Financial Institutions/Banks		
	<b>Sub Total of A1</b>	<b>899304</b>	<b>29.01</b>
A2.	<b>FOREIGN</b>		
	Individuals (Non-Residents)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (Specify)	-	-
	<b>Sub Total of A2</b>	<b>-</b>	<b>-</b>
	<b>TOTAL PROMOTERS SHAREHOLDING ( A1 +A2)</b>	<b>899304</b>	<b>29.01</b>
B.	<b>Public Shareholdings</b>		
	Institutions	-	-
	Mutual Funds and UTI	-	-
	Banks/Financial Institutions	-	-
	Central Government/State Government	-	-
	Venture Capital Funds	-	-
	Insurance Companies	-	-
	Foreign Institution Investor	-	-
	Foreign Venture Capital Investors	-	-
	Any Other (Specify)	-	-
	<b>Sub Total B1</b>	<b>-</b>	<b>-</b>
B2.	<b>Non Institutions</b>		
	Bodies Corporate	647229	20.88
	Individuals		
	Individuals share holders holdings nominal share capital upto Rs. 1 Lakhs	340667	10.99
	Individual Shareholding holding nominal share capital in excess of Rs. 1 Lakhs	1212100	39.10
	Any Other (Specify)		
	NRIs/OCBs	-	-
	Foreign Collaborators	700	0.02
	HUF		
	<b>Sub Total B2</b>	<b>22,00,696</b>	<b>70.99</b>
	<b>TOTAL OF PUBLIC SHAREHOLDING (B1+B2)</b>	<b>22,00,696</b>	<b>70.99</b>
	Shares held by Custodian and against which Depository Receipts have been issued	-	-
	<b>TOTAL A+B+C</b>	<b>3100000</b>	<b>100</b>

## DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2009

Sl. No.	Category From - To	No. of Holders	% of Holders	No. of Shares	% of Shares
1	Upto - 500	493	75.73	87384	2.82
2	501 - 1000	64	9.83	51334	1.66
3	1001 - 2000	20	3.07	30185	0.97
4	2001 - 3000	8	1.23	20807	0.67
5	3001 - 4000	1	0.15	3460	0.11
6	4001 - 5000	8	1.23	36599	1.18
7	5001 - 10000	14	2.15	103386	3.34
8	10001 and above	43	6.61	2766845	89.25
	TOTAL	651	100.00	3100000	100.00

- **DEMATERIALIZATION OF SHARES AND LIQUIDITY:** Since the Company has already entered into agreement with both the depositories, viz., NSDL and CDSL for dematerialization of its shares, the shareholders are free to dematerialize their shares and keep them in dematerialized form with any Depository Participant.
- Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: **Not Issued**

- **ADDRESS FOR CORRESPONDENCE** : **SRI SURAJ THAMMINENI**  
Director  
No. 11& 12, 2nd floor,  
Sri Durga Chamber, Thakur Mansion Lane,  
Punjagutta, Hyderabad-500082,

- **CEO & CFO CERTIFICATION** : The CFO of the Company give annual certificates on financial reporting and internal controls to the board In terms of clause 49.

**DECLARATION BY DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS**

CITI PORT FINANCIAL SERVICES LIMITED has adopted Code of Business Conduct and Ethics ("the code") which applied to all the employees and Director of the Company. Under the Code, it is responsibility of all employees and Directors to familiarize themselves with the Code and comply with its Standards.

I hereby certify that the Board members and senior management personnel of CITI PORT FINANCIAL SERVICES LIMITED have affirmed compliance with the Code for the Financial Year 2008-09.

By order of the Board  
For CITI PORT FINANCIAL SERVICES LIMITED

Place: Hyderabad  
Date: 30.07.2009

Sd/-  
**SURAJ THAMMINENNI**  
Director

**AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Board of Directors  
Citiport Financial Services Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of Corporate Governance of Citiport Financial Services Limited ("the Company") for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the guidance note on "Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. K P JAIN & CO  
Chartered Accountants

Place: Chennai  
Date: 30.07.2009

Sd/-  
KISHORE P. JAIN  
Proprietor

**AUDITOR'S REPORT**

To  
THE MEMBERS,  
CITI PORT FINANCIAL SERVICES LIMITED  
CHENNAI

We have audited the attached Balance Sheet of M/s CITI PORT FINANCIAL SERVICES LIMITED at 31st March 2009 and also the Profit and Loss Account and Cash Flow Statement of the Company 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 free 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 (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 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.
2. Further to our comments in the Annexure referred to 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, proper books of account as required by law have been kept by the company, so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Profit and Loss Account and Cash Flow dealt With my this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Profit & Loss account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 Of the Companies Act, 1956
  - (e) On the basis of written representations received from the directors, As on 31st March 2009, and taken on record by the Board of Directors, We report that none of the directors is disqualified as on 31st March 2009 From being appointed as director in terms Section 274(1)(g) of the Companies Act, 1956;
  - (f) 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally Accepted in India:
    - (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2009.

- (ii) In the case of the Profit and Loss Account, of the Profit of the company for the year ended on that date. And
- (iii) In the case of the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

For **K.P. JAIN & Co.,**  
CHARTERED ACCOUNTANTS

Sd/-  
(KISHORE P.JAIN)  
Proprietor.

Place : CHENNAI  
Date : 30-06-2009

**AUDITORS CERTIFICATE ON  
CASHFLOW STATEMENT**

We have verified the above cash flow statement of M/s. CITI PORT FINANCIAL SERVICES LIMITED, CHENNAI, derived from the Audited Annual Accounts for the Year Ended 31st March 2009 and found the same to be drawn in accordance therewith and also with the requirements to clause 32 of the listing agreement entered with Stock Exchange.

For **K.P. JAIN & Co.,**  
CHARTERED ACCOUNTANTS

Sd/-  
(KISHORE P.JAIN)  
Proprietor.

Place : CHENNAI  
Date : 30-06-2009

## ANNEXURE TO THE AUDITOR'S REPORT

## 1. In respect of its Fixed Assets

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. The Fixed Assets have been physically verified by the management during the year, 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 verification
- c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year. Therefore, this not affects the going concern status of the Company on this account.

## 2. In respect of Inventories:

Being a Non-Banking finance Company, the matter in connection with verification, reporting and all other related matter on inventory are not applicable.

- a) The Company has not granted Unsecured Loan to the parties covered in the Register maintained U/s 301 of the Companies Act, 1956. The Maximum amount involved during the year is Rs. Nil and the Year Ended balance of Loans granted to such parties was Rs.Nil.
- b) In our opinion and according to the information and explanations given to us, the rate of interest, whenever applicable and other terms and conditions of the unsecured loans given by the Company are not prima

facie, prejudicial to the interest of the Company.

- c) In our opinion and according to the information and explanations given to us, the Company to whom loans are granted are regular in repaying interest and principal.
  - d) In our opinion and according to the information and explanations given to us, there is an amount Rs. 49.45 lakhs of Loans granted to companies, firms of other parties & company has not taken any steps to recover the same.
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 purchases of fixed Assets and for its business activities. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- a. In our opinion and according to the information and explanations given to us, we are of the opinion, that the transaction that need to be entered in the register maintained Under section 301 of the Companies Act, 1956, have been so entered.
  - b. In our opinion and according to the information and explanation given to us, no transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five Lakhs in respect of any party during the year have been made at price which are reasonable having regard to the prevailing market price at the relevant time.

6. The Company has not accepted any deposits from Public for the financial year 2008-2009
7. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
8. As explained to us the Company is not required to maintain books of accounts under section 209 (1) (d) of the Companies Act, 1956, are not applicable to non banking financial company.
9.
  - a. According to the information & explanation given to and best of our knowledge we report that the company is regular in depositing undisputed statutory dues including Provision of Employees State Insurance, Provident fund, Income Tax and Wealth Tax, and other applicable statutory dues with the appropriate authorities.
  - b. There are no statutory dues not deposited on account of dispute.
10. There are no accumulated losses of the company for the year ended 31st March 2009. However, the company has not incurred cash losses in the financial year under report and the immediately preceding financials year.
11. The company has not defaulted in repayment of dues to any financial institution or banks.
12. In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence the question of maintenance of records or reporting of deficiencies does not arise.
13. The company is not a chit fund, nidhi or mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, during the year under audit, the company did not engage in trading in shares, securities, debenture other than disposal of some of its quoted investment at prevailing market rates through registered brokers. Accordingly, the provision of clause 4(xiv) of the companies (Auditors Report) Order, 2003, is not applicable to the company.
15. The company has not given any guarantee for loans taken by other from banks or financial institutions.
16. In our opinion, the term loans have not been applied by the company during the financial year.
17. According to the information and explanations given to us and on overall examination of the balance sheet of the company we report that no funds raised on short-term basis have been used for long-term investment and vice-versa.
18. According to the information and explanations given to us, during the year under audit, the company has not made any preferential allotment of shares in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, and on an overall examination of the balance sheet the company has not issued any debenture in the financial year.

20. During the financial year, the company has not raised any money by public issue of securities.
21. According to the the information and explanations given to us, during the course of checks carried out by us, no fraud on or by the company has been noticed by us or reported to us during the year under report.

For **K.P. JAIN & Co.,**  
CHARTERED ACCOUNTANTS

Sd/-  
(KISHORE P.JAIN)  
Proprietor.

Place : CHENNAI  
Date : 30-06-2009

## BALANCE SHEET AS ON 31ST MARCH, 2009

Particulars	Sch. No.	Year ended 31.03.2009	Year ended 31.03.2008
<b>SOURCES OF FUNDS</b>			
God Account		22.00	22.00
Shareholders Fund			
Share Capital	1	31000000.00	31000000.00
Reserves & Surplus	2	2590841.30	2224419.83
Loan Fund		NIL	NIL
		<u>33590863.30</u>	<u>33224441.83</u>
<b>APPLICATION OF FUNDS</b>			
		<b>CURRENT YEAR</b>	<b>LAST YEAR</b>
Fixed Assets			
Gross Block		826975.80	1153802.80
Less: Depreciation		<u>734144.00</u>	<u>678271.00</u>
Investments	3	92831.80	475531.80
Current Assets & Loans and Advances	4	4898830.02	4971355.23
(a) Current Assets	5	6560644.80	7687716.14
(b) Loans & Advances	6	<u>21567388.68</u>	<u>20585406.68</u>
		28128033.48	28273122.82
Less: Current Liabilities & Provision			
(a) Current Liabilities	7	62953.00	28893.00
(b) Provision		<u>183656.00</u>	<u>466675.02</u>
		27881424.48	27777554.80
Miscellaneous Expenditure	8	717777.00	-
Notes to the Accounts	9	<u>33590863.30</u>	<u>33224441.83</u>

As per the report of evendate attached

For K.P. JAIN & CO.,  
Chartered AccountantsSd/-  
(KISHORE P. JAIN)  
Partner  
Membership No. 018465  
Place : Chennai  
Date : 30-06-2009

For and on behalf of the Board

Sd/-  
SURAJ THAMMINENNI  
DirectorSd/-  
PARTHASARATHI PRATTIPATI  
Director

## PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Sch. No.	Year ended 31.03.2009	Year ended 31.03.2008
<b>INCOME</b>	10	<b>1200927.84</b>	<b>2147212.90</b>
		<b>1200927.84</b>	<b>2147212.90</b>
<b>EXPENDITURE</b>			
Salary		153900.00	192000.00
Listing Fees		30911.00	30100.00
Printing & Stationary		30714.00	8560.00
Advertisement		19028.20	17640.00
Future & Option Trading		-	85428.21
Postage & Courier &		24297.00	0.00
Telephone Expenses		50182.00	70372.63
Conveyance Expenses		10311.00	11050.00
Audit Fees		27575.00	13483.00
Miscellaneous & Other Expenses	11	185056.76	131155.28
Interest & Financial Charges	12	1375.41	2960.00
Depreciation		55873.00	106476.00
Non Executive director's Sitting Fees		22800.00	21000.00
Loss on Sale of Car		38827.00	0.00
Fringe Benefit tax		-	11742.00
		<b>650850.37</b>	<b>701967.12</b>
<b>PROFIT BEFORE TAXATION</b>		<b>550077.47</b>	<b>1445245.78</b>
Provision For Taxation		183656.00	466675.02
<b>PROFIT AFTER TAXATION</b>		<b>366421.47</b>	<b>978570.76</b>
Previous Year Tax Adjustment		-	82650.00
		<b>366421.47</b>	<b>895920.76</b>
Surplus Brought forward from Previous year		1547443.22	940571.77
		<b>1913864.69</b>	<b>1836492.53</b>
Transfer to Special Reserve @ 20%		110015.00	289049.31
		<b>1803849.68</b>	<b>1547443.22</b>

as per the report of evendate attached

for K.P. JAIN & CO.,  
Chartered Accountants

Sd/-

KISHORE P. JAIN)

Partner

Membership No. 018465

Place : Chennai

Date : 30-06-2009

For and on behalf of the Board

Sd/-

SURAJ THAMMINENNI

Director

Sd/-

PARTHASARATHI PRATTIPATI

Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**  
(Pursuant to clause 32 of Listing Agreement as amended)

Particulars	(Rs.)	Current Year (Rs.)
<b>A. Cash Flow from operating activities</b>		
Profit before Tax and Extra-ordinary Items	550077.47	
Add:		
Depreciation on Fixed Assets	55873.00	
Extra-ordinary Items (Prior-period Expenses)	0	
Misc Expenditure to be written	(717777.00)	
Operating Profit before Working Capital changes		(111826.53)
Adjustment for working capital changes		
(Increase)/Decrease in Stock	0.00	
(Increase)/Decrease in Loans & Advances	(981982.00)	
(Increase)/Decrease in other Current Assets	0.00	
Tax Paid	(466675.00)	
Increase/(Decrease) in Other Liabilities	34060.00	
Net Cash from Operating Activities		(1414597.00)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets (Net Book Value)	326827.00	
(Increase)/Decrease in Investments	72525.21	
(Increase)/Decrease in Deferred Tax Asset		
Net Cash used in Investing Activity		399352.21
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Capital Reserve	0.00	
Increase/(Decrease) in Share Capital & Appli. Money	0.00	
Increase / (Decrease) in Borrowings	0.00	
Net Cash Flow from Financing Activities		0.00
Net Increase in Cash and Cash Equivalents :		(1127071.32)
Opening Balance of Cash & Cash Equivalents		7687716.14
Cash & Cash Equivalents as at the end of the year		6560644.00

The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 on Cash Flow Statements

As per the report of evendate attached

**For K.P. JAIN & CO.,**  
Chartered Accountants

Sd/-

**(KISHORE P. JAIN)**

Partner

Membership No. 018465

Place : Chennai

Date : 30-06-2009

**For and on behalf of the Board**

Sd/-

**SURAJ THAMMINENNI**

Director

Sd/-

**PARTHASARATHI PRATTIPATI**

Director

## SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
Authorised Capital 3200000 Equity shares of Rs.10/- Each	32000000.00	32000000.00
	<u>32000000.00</u>	<u>32000000.00</u>
Issued, Subscribed & Paid up Capital 3100000 Equity Shares of Rs.10/- Each	31000000.00	31000000.00
	<u>31000000.00</u>	<u>31000000.00</u>
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>		
Reserves & Surplus		
Special Reserve	786991.61	676976.61
Profit & Loss Account (As Per Appropriation Account)	1803849.68	1547443.22
	<u>2590841.30</u>	<u>2224419.83</u>

## SCHEDULE - 3 FIXED ASSETS

Particulars	Gross Block as on 1.4.2007	Add/(Del)	Gross Block	Rate of Depr.	Depre- ciation	Total Dep reciation	Net Block as on 31.3.2007	Net Block as on 31.3.2008
Car	612554.00	-333327.00	279227.00	9.5%	34409.00	279227.00	367736.00	0.00
Furniture & Fixture	277268.80		277268.80	6.33%	17551.00	236963.00	57856.80	40305.80
Computer	181630.00	6500.00	188130.00	16.21%	0.00	181630.00	0.00	6500.00
typewriter	8750.00		8750.00	4.75%	416.00	5493.00	3673.00	3257.00
Airconditioner	43800.00		43800.00	4.75%	2081.00	22335.00	23546.00	21465.00
Generator	29800.00		29800.00	4.75%	1416.00	8496.00	22720.00	21304.00
	1153802.80	-326827.00	826975.80	0.00	55873.00	734144.00	475531.80	92831.80

## SCHEDULES FORMING PART OF BALANCE SHEET

Particulars	No. of Shares	As At 31.03.2009	No. of Shares	As At 31.03.2008
<b>SCHEDULE -4 : DETAILS OF INVESTMENT ACCOUNT</b>				
Details of Investment Account				
Parasrampur Industries Ltd.,	200	6000.00	200	6000.00
Hotline glass Ltd.,	0	0.00	2000	12731.00
Prima solvent Ltd.,	100	2000.00	100	2000.00
Samtel Color Ltd.,	200	16940.00	200	16940.00
Uniroyal Ltd.,	1700	17000.00	1700	17000.00
Olympia Management Ltd.,	900	11250.00	900	11250.00
Jindal Vijayanagar Ltd.,	0	0.00	59	10383.41
Willway Fort Ltd.,	1600	26123.00	1600	26123.00
Jindal Lease Fin Ltd.,	14100	165070.00	14100	165070.00
Inertia Ind. Ltd.,	100	3880.00	100	3880.00
Mayar Finance Ltd.,	400	8160.00	400	8160.00
Magma Leasing Ltd.,	0	0.00	4	8230.00
Modi Luft Limited	100	2020.00	100	2020.00
Pankaj Polymers Ltd.,	3400	27167.62	3400	27167.62
Skypack Ltd.,	100	3155.00	100	3155.00
Modern Syntex Ltd.,(Debn)	400	12000.00	400	12000.00
Vinayal Chemicals Ltd.,	50	1000.00	50	1000.00
Suraj Diamonds Ltd.,	55	3850.00	55	3850.00
Patheja Forgings Ltd.,	2000	20500.00	2000	20500.00
Ballery Steel [Face Value Rs.1/-]	0	0.00	20000	25300.00
Vishal Lakto	2000	6000.00	2000	6000.00
Amrut Industries	1400	2800.00	1400	2800.00
Upcom Cables	1200	12000.00	1200	12000.00
Standard Industries	4000	20000.00	4000	20000.00
Nahar Spinning	50	12525.00	50	12525.00
Jindal Iron	500	12889.40	500	12889.40
Prakash Industries Ltd.,	0	0.00	600	6260.00
Ensa Steel	550	5500.00	550	5500.00
Jindal Photo Films Ltd.,	0	0.00	48	2309.00
Consolidated Finvest & Holding Ltd	0	0.00	152	7311.80
Jindal Steel & Power Ltd		<u>397830.02</u>		<u>470355.20</u>
Can pep 93	100	1000.00	100	1000.00
Akanksha Financial Services Ltd.,	210000	-	210000	-
Rambai Plastico (P) Ltd.,	21490	-	21490	-
Suryaudya Spinning Mills Ltd	-	2000000.00	-	2000000.00
Proton India P Ltd.,	-	-	-	-
Precision Infrastructural P Ltd		<u>2500000.00</u>		<u>2500000.00</u>
		<u>4898830.02</u>		<u>4971355.23</u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE -5 : CURRENT ASSETS</b>		
Current Assets		
Cash & Bank Balance		
Cash in hand	452940.00	10027.10
Balance With Schedule Banks	6107704.80	7677689.04
	<u>6560644.80</u>	<u>7687716.14</u>
<b>SCHEDULE -6 : LOANS &amp; ADVANCES</b>		
Venture Capital Corp Invest P Ltd	10000.00	0.00
T.D.S	286185.68	191105.68
Security Deposit Rent	75000.00	30000.00
Loans to Body Corporate & Others	21186841.00	20045939.00
Advance Income tax	0.00	309000.00
Prepaid Exp	9362.00	9362.00
	<u>21567388.68</u>	<u>20585406.68</u>
<b>SCHEDULE -7 CURRENT LIABILITIES</b>		
Expenses Payable	62953.00	28893.00
	<u>62953.00</u>	<u>28893.0</u>
(b).Provision		
Provision for Income Tax	183656.00	466675.02
	<u>183656.00</u>	<u>466675.02</u>
Miscellenous Expenditure		
Traveling Exp	373852.00	-
Legal & Professional Charges	343925.00	-
	<u>717777.00</u>	<u>0.00</u>

## SCHEDULES FORMING PART OF PROFIT &amp; LOSS ACCOUNT

Particulars	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE -10 DETAILS OF INCOME</b>		
Interest on Loan	1135657.00	1146684.00
Dividend Received	1303.07	1439.00
Interest recd. On LIC Mutual Fund	2153.93	-
Interest Recd. from Refund of Income Tax	0.00	12176.00
Profit/(Loss)From Trading of Shares	61813.84	986913.90
	<u>1200927.84</u>	<u>2147212.90</u>

## SCHEDULE -11 MISCELLANEOUS &amp; OTHER EXPENDITURE

Misc Exp	21.13	-
Boarding & Lodging Exp	17768.00	-
Repairs & Maintenance	16083.00	2875.00
Electricity Expenses	4239.00	6320.00
Legal Professional Expenses	10650.00	9461.00
Staff Welfare	9220.00	9465.00
Filing Fees	4413.00	4852.00
Vehicle Expenses	44887.00	54069.00
Insurance Expenses	-	748.00
Office Maintenance	52571.00	17860.00
Securities Transaction Tax	85.00	1579.00
Computer Software Exp	920.00	500.00
Festival Exp	3708.00	4579.00
Demat & RTA Charges	20491.63	18847.28
	<u>185056.76</u>	<u>131155.28</u>

## SCHEDULE -11 INTEREST &amp; FINANCIAL CHARGES

Bank Commission & Charges	1375.41	2960.00
	<u>1375.41</u>	<u>2960.00</u>

## NOTES TO THE ACCOUNTS

### 1. Significant Accounting Policies

#### (a) Income

- (i) All Incomes are accounted for on accrual basis.
- (ii) Accrued Interest on Loans & Advances is provided.

#### b) Expenditure

To Provide for all expenses on an accrual basis.

#### (c) Fixed Assets

To State fixed Assets at cost less accumulated Depreciation.

#### (d) Depreciation

To Provide for Depreciation on Straight Line Method at the Rate prescribed Under Schedule XIV to the Companies Act, 1956.

#### (e) Investments

All Investments representing Share, Debentures or other Forms of Money market/ Capital market instruments will be covered at cost.

2. Loans and Advances includes due from firms, in which Director is interested is Rs. NIL (Last year NIL)

3. Previous year figures have been regrouped/rearranged wherever considered necessary.

Auditor's Remuneration	Current Year	Previous Year
a. Towards Statutory Audit	27575.00	13483.00

5. The Balances in Sundry Debtors/Sundry Creditors, Loans and Advances, Un-Secured Loan are subject to their confirmation.

6. No Provision for fall in market value of quoted Investments has been made.

7. No Provision has been made for Interest-tax.

8. The Company is engaged primarily in the Business of Financing and accordingly there are no separate reportable segments as per accounting standard [ AS 17 ] "Segments Reporting".

9. No Provision for deferred Tax Liability has been made.

10. The company is basically a Finance Company. The Company does not hold any operating assets. Hence the provision as required in paragraph 94 of the accounting standard 28 is taken as NIL.
11. Value of Investments in Quoted Shares as on 31.3.2009 is Rs. 397830

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As per the report of eventdate attached

**For K.P. JAIN & CO.,**  
Chartered Accountants

Sd/-

**(KISHORE P. JAIN)**

Partner

Membership No. 018465

Place : Chennai

Date : 30-06-2009

**For and on behalf of the Board**

Sd/-

**SURAJ THAMMINENNI**

Director

Sd/-

**PARTHASARATHI PRATTIPATI**

Director

## BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

## I Registration Details

Registration No.	22986	State Code	18
Balance Sheet Date	3/31/09		

## II Capital Raised during the year ( Amount in Rs. Thousands )

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

## III Position of Mobilisation and Deployment of Funds ( Amount in Rs. Thousands )

Total Liabilities	33591	Total Assets	33591
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## Sources of Funds

Paid up Capital	31000	Reserves & Surplus	2591
Secured Loans	Nil	Unsecured Loans	Nil

## Application of Funds

Net Fixed Assets	93	Investments	4899
Net Current Assets	27881	Misc. Expenditure	718
Accumulated Losses	Nil		

## IV Performance of the Company ( Rs. In Thousands )

Turnover	1201	Total Expenditure	651
Profit (Loss) before Tax	550	Profit (Loss) after Tax	366
Earning per Share in Rs.	0.12	Dividend Rate %	Nil

## V General Names of three Principal Products / Services of Company

1 Item Code No. ( ITC Code )	Nil		
2 Product Description	Leasing and Investment in Shares and Loans		

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## CITI PORT FINANCIAL SERVICES LIMITED

Registered Office of the Company at 41A, Vivek Nagar, Ambathur, Chennai – 53

### ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

17TH ANNUAL GENERAL MEETING SATURDAY, 19TH SEPTEMBER 2009

I/We hereby record/my/our presence at the 17th' Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at 41A, Vivek Nagar, Ambathur, Chennai – 53 on Saturday, 19TH SEPTEMBER 2009 at 11.00 A.M

Full Name of the Member : .....  
(In Block Letters)

Regd. Folio No. : ..... No of Shares held.....  
Full Name of Proxy :

Full Name of Proxy : .....  
(In block Lettrs)

SIGNATURE(S) OF THE MEMBER(S) OR PROXY / PROXIES PRESENT

----- ✂ -----

### PROXY FORM

Regd. Folio No. : ..... No of Shares held.....

I/We..... of.....  
..... being a Member/Members of CITI PORT FINANCIAL SERVICES LIMITED here by  
appoint..... of.....  
.....failing him/her..... of.....  
.....of.....as my/our proxy to  
attend and vote for me/us and on my /our behalf on SATURDAY 19TH SEPTEMBER, 2009 at 11.00  
A.M. at Registered Office of the Company at 41A, Vivek Nagar, Ambathur, Chennai – 53

As Witnessed my hand / our hands this.....day of.....2009.

Signature.....

Signature across Re. 1 Revenue Stamp
--

Note : The form order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company 48 hours before the meeting.



UCP

## **CITI PORT FINANCIAL SERVICES LIMITED**

*if undelivered please return to :*

**CORPORATE OFFICE**

No. 11& 12, 2nd floor,  
Sri Durga Chamber,  
Thakur Mansion Lane,  
Punjagutta, Hyderabad-500082

**REGISTERED OFFICE**

41A, Vivek Nagar,  
Ambathur, Chennai - 53