



Swarna Securities Limited

21st ANNUAL REPORT 2010 - 2011

Registered Office :
II Floor, Swarnalok Complex
Governorpet
VIJAYAWADA - 520 002
Phone : 2575928

BOARD OF DIRECTORS

Sri M. MURALI KRISHNA	..	Chairman & Managing Director
Smt. M.V.N.S. SUSHMA	..	Director
Sri PRADEEP KUMAR	..	Director
Sri K. SRIDHAR	..	Director
Sri T.V.S. Jawaharlal Nehru	..	Director

REGISTERED OFFICE

II Floor, Swarnalok complex
Governorpet
VIJAYAWADA - 520 002

AUDITORS

M/s. SESHADRY & COMPANY
Chartered Accountants
UGF 1 & 2, Ammana Estates
Prakasam Road, Governorpet
VIJAYAWADA - 520 002

BANKERS

PUNJAB NATIONAL BANK
Convent Street
VIJAYAWADA - 520 001

21st ANNUAL GENERAL MEETING

Day, Date	:	Thursday 7th July, 2011
Venue	:	D.No.54-15-3, Srinagar Colony, Ring Road Vijayawada - 8
Time	:	10.00 A.M.

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of the Company will be held on Thursday, the 7th Day of July, 2011 at D.No.54-15-3, Srinagar Colony, Ring Road, Vijayawada-8 at 10.00 AM to transact the following business:

AS ORDINARY BUSINESS :

01. To receive and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011 and the Audited Balance Sheet as at that date and the report of the Directors' and Auditors thereon.
02. To appoint a Director in place of Sri Pradeep Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint M/s. Seshadry & Co. Chartered Accountants, who retire at the conclusion of this Annual General Meeting, as auditors of the company and for the purpose of the same, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

"RESOLVED that M/s. Seshadry & Co., Chartered Accountants, Vijayawada be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on a remuneration that may be fixed by the Board of Directors."

BY ORDER OF THE BOARD

Regd. Office: II Floor , Swarnalok Complex
Governorpet, Vijayawada-2.
Date : 04.06.2011

(sd)
M. MURALI KRISHNA
Chairman & Managing Director

NOTICE

NOTES :

01. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER. THE PROXY FORMS, IN ORDER TO BE EFFECTIVE, SHALL BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
02. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 4th day of July, 2011 to Thursday, the 7th day of July, 2011 (Both days inclusive).
03. Shareholders desiring any information as regards accounts are requested to write to the Company seven days before the date of the Meeting so as to enable the Company to keep the information ready at the meeting.
04. As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

**PARTICULARS OF DIRECTORS RE-APPOINTED IN PURSUANCE
TO CLAUSE 49 OF THE LISTING AGREEMENT.**

01. Sri Pradeep Kumar is a Chartered Accountant and has more than 12 years experience in the fields of hire purchase finance and administration. He is a Director of M/s Raghava Estates Limited & Sha Nathmal Yeswanth Raj Finance Limited.

DIRECTORS' REPORT

Your Directors take pleasure in presenting their 21st Annual Report and the Audited Financial Statements of the Company for the year ending 31st March, 2011.

FINANCIAL RESULTS	(Rupees in Lakhs)	
	CURRENT YEAR	PREVIOUS YEAR
Total Income	25.12	23.66
Less: Expenditure	19.64	19.70
	-----	-----
Profit before depreciation	05.48	03.96
Less: Depreciation	00.70	00.90
	-----	-----
Profit before tax	04.78	03.06
Less: Provision for Taxation	00.35	01.16
	-----	-----
Profit after tax	04.43	01.90
Less: Reserve Fund	00.96	00.61
	-----	-----
	03.47	01.29
Add: Surplus carried forward	-45.03	-46.32
	-----	-----
Balance Carried to Balance Sheet	-41.56	-45.03
	-----	-----

DIVIDEND :

Due to constraints of profit, the Board do not recommend any dividend for the year 2010-11.

REVIEW OF OPERATIONS :

The industry of hire purchase and lease finance is in a very bad shape with increased competition and lack of support. Even the segment of mortgage and real estate loans has become non-profitable with difficulty in the collection of the installments. With great difficulty the company could collect the installments which are utilised for reduction of secured liabilities. Concentration has been made in collection of Hire purchase and Loan Instalments which are classified as NPA's and there has been satisfactory result on the same. The provision for NPA's could be reduced by Rs. 3.62 Lskhs. Hence, there has been a very marginal profit during the year under consideration.

PUBLIC DEPOSITS :

The Company had neither accepted nor held any public deposits during the year under review. In pursuance to Clause 5 (Part III) of the Non-Banking Finance Companies (Reserve Bank) Directions, 1998, your Directors wish to state that as on 31st March, 2011 there are no depositors who have not claimed or to whom the amount was not paid by the Company after the date on which the deposits became due for repayment and as on date there are no deposits that are matured and remained unclaimed or deposits that are claimed and remained unpaid.

FINANCE :

Your Company has issued Secured Redeemable Non-Convertible Debentures of Rs. 100/- each on private placement basis to the tune of Rs. 07.50 Lakhs (Series- AB), Rs. 51.65 Lakhs (Series-AC) and Rs. 43.25 Lakhs (Series-AD). While Series-Z and Series-AA are redeemed in full during the year under review, Series-AD is still open for subscription on private placement basis.

CHANGE IN REGISTERED OFFICE :

For more administrative convenience, the Registered Office of the Company was shifted from 27-21-36, 1st Floor, Kaleswara Rao Road, Governorpet, Vijayawada-2 to II Floor, Swarnalok Complex, Governorpet, Vijayawada - 2 with effect from 24.01.2011

FUTURE PROSPECTS :

With the future Hire Purchase and Lease sector appearing to be grim, the company is contemplating to diversify its activities towards the upcoming sectors of real estate, hospitality and tourism sectors. However, a final decision is yet to be taken in the matter which will be put before the members shortly.

DIRECTORS :

Sri Pradeep Kumar retires by rotation in the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' responsibility statement, your Directors wish to confirm that.

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

- (ii) 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 or loss of the company for that period;
- (iii) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting any fraud or other irregularities;
- (iv) Accounts for the financial year ended on 31st March, 2011 are prepared on a going-concern basis.

AUDITORS :

M/s Seshadry & Company, the auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and they have intimated that their re-appointment, if made, would be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956.

OBSERVATIONS OF AUDITORS :

The observations made in the audit report are self-explanatory as given in the notes of accounts attached thereto.

LISTING:

The shares of the Company were listed in Bombay Stock Exchange Ltd., Mumbai and the listing fee has been paid upto financial year 2010-11.

CORPORATE GOVERNANCE :

A detailed report on Corporate Governance along with the certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated under clause 49 of the listing agreement is attached to this report.

HUMAN RESOURCES :

There are no employees covered by Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

ADDITIONAL INFORMATION:

Your Company not being a Manufacturing Company is advised that Forms A & B of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 requiring the disclosure of particulars regarding conservation of energy and technology absorption, are not applicable.

There has been no foreign exchange inflow or outgo in the current year.

APPRECIATION :

Your Directors wish to place on record their sincere appreciation to the Company's customers, Bankers, Financial Institutions, debenture holders and share holders for their continued support and faith in the Company. A word of appreciation is also due to the employees of the Company for their hard work and commitment.

For and on behalf of the Board

(sd)

M. MURALI KRISHNA

Chairman & Managing director

Place: VIJAYAWADA

Date : 04.06.2011

REPORT ON CORPORATE GOVERNANCE

- I. Your Company has been practicing the principles of good corporate governance and lays a strong emphasis on transparency, accountability and integrity. All the matters of strategy, significant developments etc., are routinely placed before the Board. The Audit, Share Transfer and Investor Grievance Committees meet regularly to consider the aspects relevant to each committee.

II. BOARD OF DIRECTORS :

- a) Composition and Category of Directors as on 31st March, 2011.

Category	No. of Directors
Promoter Directors	1
Executive Directors	1
Non-Executive, Independent Directors	3
Total	5

- b) Attendance of each Director at the Board Meetings and the last AGM.

Director	No. of Board Meetings held	No. of Board Meetings Attendance	Last AGM Attendance (Yes/No)
Sri M. Murali Krishna	7	7	Yes
Smt. M.V.N.S. Sushma	7	7	Yes
Sri Pradeep Kumar	7	7	Yes
Sri K. Sridhar	7	7	Yes
Sri T.V.S. Jawaharlal Nehru	7	7	Yes

- c) Number of Other Directorships or Board Committees in which he/she is a member or Chairperson

Name of Director	Number of Directorships	No. of Member ships in Board Committees Other than SSL	Whether Member or Chairman
Sri M. Murali Krishna	5	1	Chairman
Smt. M.V.N.S. Sushma	3	--	
Sri Pradeep Kumar	2	--	
Sri K. Sridhar	2	0	
Sri TVS Jawaharlal Nehru	0	--	

- d) Number of Board Meetings held and dates on which held

Seven Board Meetings were held during the financial year from 01.04.2010 to 31.03.2011. The dates on which the meetings were held are as follows:

24.04.2010, 01.06.2010, 07.07.2010, 23.07.2010, 25.09.2010, 25.10.2010 and 24.01.2011.

III. AUDIT COMMITTEE :

- a) Terms of Reference :

The responsibilities of the Audit Committee include the overseeing of the financial reporting process to ensure a proper disclosure of the financial statements; recommending appointment / removal of the external auditors and fixing their remuneration; reviewing the quarterly, half yearly and annual financial results before submission to the Board; reviewing the adequacy of internal control systems; structure and staffing of the internal audit function, reviewing findings of the internal investigations and to make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.

- b) Composition

The Audit Committee consists of the following non-executive Directors

1. Sri Pradeep Kumar	Chairman
2. Sri K. Sridhar	Member
3. Sri T.V.S. Jawaharlal Nehru	Member

- c) Meetings and Attendance of the Audit Committee during the year

A total of 4 meetings were held during the financial year from 01.04.2010 to 31.03.2011 on 24.04.2010, 23.07.2010, 25.10.2011 and 24.01.2011.

All the Members and the Chairman attended all the meetings.

IV. SHAREHOLDERS COMMITTEE :

The Board has constituted the Shareholders committee which looks into shareholders and investors grievances. The following are the members of the Committee.

1. Sri Pradeep Kumar	Chairman
2. Sri K. Sridhar	Member
3. Sri T.V.S. Jawaharlal Nehru	Member

During the year 2010-11, a total number of 25200 shares were transferred and as at 31st March, 2011 there are No Equity shares pending for transfer.

There are no complaints received during the year under review and as on 31st March, 2011, there are no complaints that are pending. Since the company has an in-house secretarial department in addition to the common agency for transfers, the shareholders grievances, if any are promptly attended to.

V. GENERAL BODY MEETINGS :

The Location and Time of the Annual General Meetings held during the last 3 years are as follows:

AGM	Date	Time	Venue	No. of Special Resolution
18th	12.07.2008	10.00 A.M.	Hotel Swarna Palace Vijayawada	1
19th	09.07.2009	10.00 A.M.	Hotel Fortune Murali Park Vijayawada	1
20th	07.07.2010	10.00 A.M.	D.No.54-15-3, Ring Road Vijayawada	Nil

For the year ended 31st March, 2011 there have been no ordinary or special resolutions passed by the Company's shareholders through postal ballot.

VI. DISCLOSURES :

- The Registered office of the Company was shifted from 27-21-36, 1st Floor, Kaleswara Rao Road, Governorpet, Vijayawada-2 to II Floor, Swarnalok Complex, Governorpet, Vijayawada - 2
- There are no non-compliances by the Company, penalties strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- The suspension of trading in shares of the Company was revoked by BSE with effect from 15.04.2010.
- No personnel has been denied direct access to the Audit Committee.
- All the mandatory requirements with respect to Corporate Governance (Clause 49 of listing agreement) are complied with.

VII. MEANS OF COMMUNICATION :

The unaudited quarterly and annual financial results are sent to all the stock exchanges where the shares of the Company are listed. The results are also published in Andhra Bhoomi and Deccan Chronicle.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS :**a) INDUSTRY STRUCTURE AND DEVELOPMENT:**

With the entry of Banking Companies into the Non-banking Sector and the strict controls imposed by the Apex Bank, the NBFC sector is struggling for existence. The future of these Companies seems to be grim except for a few who have strong investor confidence and support. There shall be no development unless these Companies diversify to other fund/non-fund based activities.

b) OPPORTUNITIES AND THREATS:

At present there seems to be no good opportunities for NBFCs in future

c) SEGMENT WISE PERFORMANCE:

The Company is engaged in the hire purchase loans and advances segment, the performance of which was discussed earlier in the report.

d) RISKS AND CONCERNS:**RISK OF DELAYED RECEIPT OF INSTALLMENTS:**

In case of delayed receipts of installment amounts of the hire purchase finance given, the funds of the Company get blocked resulting in high non-performing assets.

To mitigate this risk, the Company is trying to put pressure on the delayed payers for payment of installments and in inevitable cases legal action is also being initiated.

RISK OF INSOLVENCY OF THE BORROWERS:

Where the borrower becomes insolvent, and is unable to clear the loan, the same becomes a bad debt and the total loan amount and the interest accrued thereon becomes a charge on the income generated by other good transactions.

To mitigate this risk, the company follows a very conservative policy of lending.

e) INTERNAL CONTROL SYSTEMS:

The Company has an adequate system of internal control and management with respect to disbursement of loans and follow-up action for collection of installments.

f) HUMAN RESOURCES:

There are no significant developments in this front during the year under review.

IX. GENERAL SHAREHOLDERS' INFORMATION :

- i) AGM Date, time and Venue : 07th July, 2011 at 10.00 A.M.
D.No. 54-15-3, Ring Road
VIJAYAWADA - 8.
- ii) Financial Year : 2010-11
- iii) Date of Book Closure : 4th July, 2011 to 07th July, 2011
(Both days inclusive)
- iv) Dividend Payment Date : Not Applicable
- v) Listing on Stock Exchanges : Bombay Stock Exchange Limited
- vi) Stock Code : SWRNASE
- vii) Market Price Data :

	Apr.	May	June	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
High	46.00	38.35	24.85	25.60	---	20.30	20.25	14.60	14.00	10.50	12.70	11.88
Low	20.00	16.00	19.00	18.60	---	19.30	11.85	11.65	07.50	06.80	11.00	11.22

- viii) Performance in comparison to Board based Indices : -----
- ix) Registrar & transfer Agents : M/s Aarthi Consultants Private Limited
1-2-285, Domalguda,
Hyderabad - 29
- x) Share Transfer System : Transfers and dematerialisation are
handled by Transfer Agents
- xi) Distribution of Shareholding:

Slab of share holding	Share holders	Percentage	No.of shares	Percentage
0-500	416	62	114256	4
501-1000	123	18	103636	4
1001-2000	59	9	88746	3
2001-3000	22	3	55547	2
3001-4000	10	2	35700	1
4001-5000	10	2	45300	1
5001-10000	7	1	55400	2
10001 and above	18	3	2501355	83
TOTAL	665	100	3000000	100

- xii) Dematerialisation of Shares and liquidating : As on 31.03.2011 a total number of 210950 shares have been dematerialised
- xiii) Outstanding GDRs/ADRs/Warrants or any Convertible Debentures : The Company has not issued any GDRs/ADRs/Warrants or any convertible Instruments.
- xiv) Plant Location : Not Applicable
- xv) Address for Correspondence : Smarna Securities Limited
II Floor, Swarnalok Complex
Governorpet
Vijayawada-520 002

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To
The Members
SWARNA SECURITIES LIMITED.

We have examined the compliance of conditions of Corporate Governance by **Swarna Securities Limited** for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per records maintained by the Shareholders / Investor's Grievances Committee.

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

Place: VIJAYAWADA
Date : 04.06.2011

for **SESHADRY & COMPANY**
Chartered Accountants
FRN: 0049935
(sd) **L. S. RAJENDRA**
Partner

AUDITORS' REPORT

To
The Members of
SWARNA SECURITIES LIMITED

1. We have audited the attached Balance Sheet of Swarna Securities Limited as at 31st March, 2011 and also the Profit and Loss Account 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.
2. 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 of our opinion.
3. As required by the Companies (Auditor's 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 Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. 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 accounts as required by law have been kept by the Company, so far as it appears from our examination of those books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account complies with the mandatory accounting standards referred to in section 211(3C) of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as director in terms of clause (g) of sub-section (1) of section 274 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 Balance Sheet and Profit & Loss Account read together with the significant accounting policies and other 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 case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and
 - (ii) in case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

Place: VIJAYAWADA
Date : 04.06.2011

for SESHADRY & COMPANY
Chartered Accountants
FRN: 0049935
(sd) **L.S. RAJENDRA**
Partner

ANNEXURE

(Referred to in Paragraph (3) of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verifications.
- (c) The Company has not disposed off any of its fixed assets so as to affect its going- concern status.
- (ii) (a) The nature of business of the Company does not involve holding inventories of finished goods, stores, spare parts or raw materials.
- (b) -Not Applicable-
- (c) -Not Applicable-
- (iii) (a) The Company has neither taken nor granted any loans, secured or unsecured from or to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or from companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
- (b) According to the information and explanations given to us and as per the records of the Company examined by us, the rate of interest and other terms and conditions of the loans given and taken by the Company are not prejudicial to the interests of the Company.
- (c) In respect of hire moneys due on stocks-on-hire under the hire purchase business transactions and general loans given by the Company in the ordinary course of its business, the parties are generally repaying the principal amount as stipulated and are also regular in payment of interest, wherever applicable.
- (d) Where the sums are overdue, we are of the opinion that the Company has taken reasonable steps for the recovery of the same.
- (iv) In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of consumables, plant and machinery, equipment and other assets; and there is no continuing failure to correct any weaknesses in the internal controls.
- (v) (a) According to the information and explanations given to us and as per the records of the Company examined by us the Company has not entered into any transaction, that needs to be entered into the register in pursuance of section 301 of the Companies Act, 1956.
- (b) -Not Applicable-
- (vi) The Company has neither accepted nor held any public deposits during the year under audit. Therefore, the provisions of sections 58A and 58AA of the Companies Act, 1956, the rules made thereunder are not applicable.
- (vii) In our opinion the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the activities of the company.
- (ix) As per the records of the Company examined by us and the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues with the appropriate authorities and there are no undisputed amounts payable in respect of any statutory dues outstanding as at the date of the Balance Sheet for a period more than six

- month from the date they became payable.
- (x) The accumulated losses of the Company as at the end of the financial year are less than fifty percent of the net worth of the Company and the Company has not incurred cash losses during the financial year under audit or the immediately preceding financial year.
- (xi) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not defaulted in repayment of any dues either to its debenture holders or to any financial institutions or banks.
- (xii) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) According to the information and explanations given to us the provisions of any special statute applicable to chitfund, nidhi or mutual benefit society are not applicable to the Company during the year.
- (a) -Not Applicable-
- (b) -Not Applicable-
- (c) -Not Applicable-
- (d) -Not Applicable-
- (xiv) In our opinion, the Company has maintained proper records of the transactions and contracts in respect of trading in shares, securities, debentures and other securities and timely entries have been made therein; and shares, securities, debentures and other investments are held by the Company in its own name.
- (xv) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not given any guarantee in respect of loans taken by others from banks or financial institutions.
- (xvi) As per the records of the Company examined by us, the Company has not obtained any term loans during the year under audit.
- (xvii) The amounts raised by the Company by the issue of secured redeemable debentures has been utilised for the purpose of lending moneys in the course of the business of the Company and not for the purpose of any long term investment.
- (xviii) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not made any allotment of shares, preferential or otherwise, during the year.
- (xix) The Company has created security in respect of the redeemable debentures issued, by way of a floating charge on stock on hire and lease receivables not specifically charged to the Company's Bankers; and other loans.
- (xx) The Company has not raised any money by public issue during the year under audit.
- (xxi) No fraud on or by the Company has been noticed or reported during the year in the course of our audit.

Place: VIJAYAWADA
Date : 04.06.2011

for **SESHADRY & COMPANY**
Chartered Accountants
FRN: 0049935
(sd) **L.S. RAJENDRA**
Partner

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule	2010-11 Rs.	2009-10 Rs.
<u>SOURCES OF FUNDS</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	I	3,00,00,000	3,00,00,000
Reserves & Surplus	II	25,83,000	24,87,000
<u>LOAN FUNDS</u>			
Secured Loans	III	1,08,59,161	1,53,94,269
TOTAL		4,34,42,161	4,78,81,269
<u>APPLICATION OF FUNDS</u>			
1. <u>FIXED ASSETS</u>			
GROSS BLOCK	IV	1,07,01,266	1,06,77,266
Less: Depreciation		18,19,817	17,50,200
		88,81,449	89,27,066
2. <u>INVESTMENTS</u>			
		0	0
3. <u>CURRENT ASSETS, LOANS & ADVANCES</u>			
A) Current Assets	V	3,05,59,793	3,41,06,416
B) Loans & Advances	VI	26,67,193	35,60,867
		3,32,26,986	3,76,67,283
Less: Current Liabilities & Provisions	VII	28,21,950	32,16,001
NET CURRENT ASSETS		3,04,05,036	3,44,51,282
4. <u>PROFIT & LOSS ACCOUNT</u>			
		41,55,676	45,02,921
TOTAL		4,34,42,161	4,78,81,269
<u>NOTES ON ACCOUNTS</u>			
	XIII		

Per our Report of even date
For SESHADRY & COMPANY
Chartered Accountants
(sd) **L. S. RAJENDRA**
Partner

For and on behalf of the Board
(sd) **M. MURALI KRISHNA**
Managing Director
(sd) **M. V. N. S. SUSHMA**
Director

Place: VIJAYAWADA
Date : 04.06.2011

PROFIT & LOSS A/C FOR THE PERIOD ENDING 31st MARCH, 2011

	Sche- dule	2010-11 Rs.	2009-10 Rs.
INCOME			
Hire Purchase Income		50,956	0
Interest on Hypothecation Loans		31,775	72,274
Interest Received		24,11,307	22,33,312
Sale of Shares		0	0
Other Income	VIII	17,957	60,203
TOTAL		25,11,995	23,65,789
EXPENDITURE			
Cost of Shares sold	IX	0	0
Personnel Expenditure	X	1,38,000	1,38,000
Operation & Administrative Expenses	XI	7,66,948	3,56,309
Interest	XII	14,21,608	16,36,704
Depreciation		69,617	89,781
TOTAL		23,96,173	22,20,794
PROFIT BEFORE TAX & N.P.A. PROVISION		1,15,822	1,44,995
Add: Provision for Non-Performing Assets - Reversed		3,62,235	1,61,295
PROFIT BEFORE TAX		4,78,057	3,06,290
Provision for Taxation	30,000		
Add: Deferred Tax	4,812	34,812	40,000
PROFIT AFTER TAX		4,43,245	2,66,290
Less: Short Provision for Tax		0	75,965
		4,43,245	1,90,325
Surplus Brought Forward		-45,02,921	-46,32,246
		-40,59,676	-44,41,921
APPROPRIATIONS			
Reserve Fund		96,000	61,000
Balance Carried to Balance Sheet		-41,55,676	-45,02,921
TOTAL		-40,59,676	-44,41,921

NOTES ON ACCOUNTS

XIII

Per our Report of even date
For SESHADRY & COMPANY
Chartered Accountants
(sd) **L. S. RAJENDRA**
Partner

For and on behalf of the Board
(sd) **M. MURALI KRISHNA**
Managing Director
(sd) **M. V. N. S. SUSHMA**
Director

Place: VIJAYAWADA

Date : 04.06.2011

	2010-11 Rs.	2009-10 Rs.
SCHEDULE - I		
SHARE CAPITAL		
AUTHORISED		
36,00,000 Equity Shares of Rs.10/- each	3,60,00,000	3,60,00,000
	=====	=====
ISSUED, SUBSCRIBED & PAID UP		
3000000 Equity Shares of Rs.10/- each	3,00,00,000	3,00,00,000
	-----	-----
	3,00,00,000	3,00,00,000
	-----	-----
SCHEDULE - II		
RESERVES AND SURPLUS		
General Reserve	8,05,000	8,05,000
Reserve Fund	17,78,000	16,82,000
	-----	-----
	25,83,000	24,87,000
	-----	-----
SCHEDULE - III		
SECURED LOANS		
Secured Redeemable Debentures (Series AB) 7,50,000		
Secured Redeemable Debentures (Series AC) 51,65,000		
Secured Redeemable Debentures (Series AD) 43,25,000		

	1,02,40,000	1,37,30,000
Add: Interest Accrued thereon 6,19,161		8,75,513
(Secured by a floating charge on Stock on Hire, Lease receivable and other loans) -----	1,08,59,161	1,46,05,513
	-----	-----
Loan against FDR	0	7,88,756
	-----	-----
	1,08,59,161	1,53,94,269
	-----	-----

SCHEDULE - IV : FIXED ASSETS

NAME OF THE ASSET	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Cost 31.03.10	Additions	Sale/ TFR	Total Cost	Rate %	Upto 31.03.10	For the Year	Sale/ TFR	Total 31.03.11	W.D.V. 31.03.10	W.D.V. 31.03.11
LAND	85,28,269	0	0	85,28,269	0.00%	0	0	0	0	85,28,269	85,28,269
BUILDING	2,98,141	0	0	2,98,141	5.00%	1,41,628	7,827	0	1,49,455	1,56,513	1,48,686
COMPUTERS	2,40,705	24,000	0	2,64,705	40.00%	2,18,596	10,444	0	2,29,040	22,109	35,665
FURNITURE & FITTINGS	6,09,590	0	0	6,09,590	18.10%	5,67,301	7,654	0	5,74,955	42,289	34,635
VEHICLES	8,35,475	0	0	8,35,475	25.89%	6,80,546	40,499	0	7,21,045	1,54,929	1,14,430
PLANT & MACHINERY	1,65,086	0	0	1,65,086	13.91%	1,42,129	3,193	0	1,45,322	22,957	19,764
OWN ASSETS	1,06,77,266	24,000	0	1,07,01,266		17,50,200	69,617	0	18,19,187	89,27,066	88,81,449

		2010-11 Rs.	2009-10 Rs.
<u>SCHEDULE - V - CURRENT ASSETS</u>			
<u>STOCK OF SHARES IN TRADE</u>			
<u>EQUITY SHARES</u>			
H.D.F.C. Bank Ltd.	1200	12000	12000
Infobin Technologies Ltd.,	200	1,080	1,080
Kinetic Finance Limited	66	1	1
Natco Laboratories Ltd.	80	1	1
Nicco Uco Alliance Credit Limited	100	1	1
Raghava Estates Ltd.	1000	1	1
Siva Credits Ltd.	55000	5,50,000	5,50,000
Sri Vani Sugars Ltd.	200	1	1
Tata Iron & Steel Company Ltd.	23	2,246	2,246
The Andhra Sugars Ltd.	500	10,750	10,750
The K.C.P. Ltd.	50	725	725
K.C.P.Sugars & Industries Corpn. Ltd.	500	800	800
Vantel Technologies Ltd.	300	840	840
		-----	-----
		5,78,446	5,78,446
<u>MUTUAL FUNDS</u>			
Tharus Star Share Mutual Fund	400	1,300	1,300
PNB - Mutual Fund		30,000	30,000
		-----	-----
		6,09,746	6,09,746

	2010-11 Rs.	2009-10 Rs.
<u>SCHEDULE - V : CURRENT ASSETS</u> (Contd.)		
<u>Stock on Hire as per Hirepurchase</u>		
<u>Agreements</u>		
Doubtful Assets	7,66,919	
	----- 7,66,919	9,17,396
<u>Hypothecation Loans</u>		
Sub-Standard Assets	0	9,60,000
Doubtful Assets	22,46,712	14,13,111
	----- 22,46,712	23,73,111
<u>Other Loans</u>		
Standard Assets	1,63,22,846	1,98,97,557
Sub-Standard Assets	64,50,000	54,80,000
Doubtful Assets	27,75,000	34,59,000
	----- 2,55,47,846	2,88,36,557
	----- 2,85,61,477	3,21,27,064
Cash on Hand	3,01,555	1,40,329
Cash at Bank	8,29,062	10,99,102
Income Tax Paid in Advance & TDS	1,90,603	58,014
Differed Tax Account	67,350	72,162
	-----	-----
	3,05,59,793	3,41,06,416

	2010-11 Rs.	2009-10 Rs.
<u>SCHEDULE - VI</u>		
<u>LOANS AND ADVANCES</u>		
Telephone Deposit	4,000	4,000
Other Advances	16,700	16,700
Electricity Deposit	16,493	16,493
Fixed Deposit in Bank	0	8,93,674
Advance for Land	26,30,000	26,30,000
	-----	-----
	26,67,193	35,60,867
	-----	-----

SCHEDULE - VII**CURRENT LIABILITIES & PROVISIONS**

Sundry Creditors	80,184	1,42,000
Provision for Income Tax	1,00,000	70,000
Provision for Non-performing Assets on :		
Hire Purchase	7,66,919	9,17,396
Hypothecation Loans	6,37,347	6,54,105
Other Loans	12,37,500	14,32,500
	-----	-----
	26,41,766	30,04,001
	-----	-----
	28,21,950	32,16,001

	2010-11 Rs.	2008-10 Rs.
<u>SCHEDULE - VIII</u>		
<u>OTHER INCOME</u>		
Dividend received from Indian Companies	17,957	16,529
Interest on FDR	0	43,674
	-----	-----
	17,957	60,203
	-----	-----
<u>SCHEDULE - IX</u>		
<u>COST OF SHARES SOLD</u>		
Opening Stock	6,09,746	6,09,746
Add: Purchases	0	0
	-----	-----
	6,09,746	6,09,746
Less: Closing Stock	6,09,746	6,09,746
	-----	-----
Cost of Shares Sold	0	0
	-----	-----
<u>SCHEDULE - X</u>		
<u>PERSONNEL EXPENDITURE</u>		
Salaries	1,38,000	1,38,000
	-----	-----
	1,38,000	1,38,000

2010-11
Rs.2009-10
Rs.**SCHEDULE - XI****OPERATION AND ADMINISTRATIVE
EXPENSES**

Fees, Licences & Taxes	5,40,447	62,719
Postage, Telephones and Telegrams	16,694	22,848
Conveyance and Travelling	17,424	20,830
Printing and Stationery	10,838	6,663
Audit Fee - Statutory	20,000	20,000
Bank Charges	150	910
Legal Charges	93,513	1,16,140
Advertisement	21,891	46,570
Miscellaneous Expenditure	10,404	11,595
Rent Paid	24,000	24,000
Repairs & Maintenance	4,787	2,237
Electricity Charges	6,800	11,686
Insurance	0	10,111
	-----	-----
	7,66,948	3,56,309
	-----	-----

SCHEDULE-XII**INTEREST**

on Bank Loan	0	9,681
on Debentures	14,05,382	15,88,267
on FDR Loan	16,226	38,756
	-----	-----
	14,21,608	16,36,704

**Schedule Under Paragraph 9BB of Non-Banking Financial
Companies Prudential Norms
(Reserve Bank) Directions, 1998**

Rs. in Lakhs

PARTICULARS	Amount Outstanding	Amount Overdue
-------------	-----------------------	-------------------

LIABILITIES SIDE :

01. Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
(a) Debentures : Secured	108.59	0.00
Unsecured (other than falling within the meaning of public deposits)*	0.00	0.00
(b) Deferred Credits	0.00	0.00
(c) Terms Loans	0.00	0.00
(d) Inter-Corporate Loans and Borrowings	0.00	0.00
(e) Commercial Paper	0.00	0.00
(f) Public Deposits	0.00	0.00
(g) Other Loans (Cash Credit)	0.00	0.00
* Please see Note 1 below.		
02. Break-up of (1)(f) above (Outstanding Public Deposits inclusive of Interest accrued thereon but not paid)		
(a) In the form of Unsecured Debentures	0.00	0.00
(b) In the form of partly secured debentures i.e., debentures where there is a short- fall in the value of security	0.00	0.00
(c) Other Public Deposits	0.00	0.00

Rs. in Lakhs

PARTICULARS	Amount Outstanding
ASSETS SIDE :	
03. Break-up of Loans and Advances including Bills receivables [other than those included in (4) below]:	
(a) Secured	260.65
(b) Unsecured	0.00
04. Break-up of Leased Assets and Stock on Hire and Hypothecation Loans counting towards EL/HP activities :	
(i) Lease Assets including lease rentals under Sundry Debtors :	
a) Financial Lease	0.00
(b) Operating Lease	0.00
(ii) Stock on Hire including Hire Charges under Sundry Debtors :	
a) Assets on Hire	9.97
b) Repossessed Assets	0.00
(iii) Hypothecation Loans Counting towards EL / HP Activities :	
a) Loans where assets have been repossessed	0.00
b) Loans other than (a) above	27.12
05. Break-up of Investments :	
Current Investments :	
1. Quoted	
(i) Shares	
(a) Equity	5.78
(b) Preference	0.00
(ii) Debentures and Bonds	0.00
(iii) Units of Mutual Funds	0.31
(iv) Government Securities	0.00
(v) Other (Please specify)	0.00

Rs. in Lakhs

PARTICULARS	Amount Outstanding
2. Un-Quoted	
(i) Shares	
(a) Equity	0.00
(b) Preference	0.00
(ii) Debentures and Bonds	0.00
(iii) Units of Mutual Funds	0.00
(iv) Government Securities	0.00
(v) Other (Please specify)	0.00

Long Term Investments :

1. Quoted		
(i) Shares		
(a) Equity		0.00
(b) Preference		0.00
(ii) Debentures and Bonds		0.00
(iii) Units of Mutual Funds		0.00
(iv) Government Securities		0.00
(v) Other (Please specify)		0.00
2. Un-Quoted		
(i) Shares		
(a) Equity		0.00
(b) Preference		0.00
(ii) Debentures and Bonds		0.00
(iii) Units of Mutual Funds		0.00
(iv) Government Securities		0.00
(v) Other (Please specify)		0.00

06. Borrower group-wise classification of all leased assets stock-on-hire and loans and advances:

CATEGORY	AMOUNT NET OF PROVISION		
	Secured	Unsecured	Total
01. Related Parties			
(a) Subsidiaries	0.00	0.00	0.00
(b) Companies in the same group	0.00	0.00	0.00
(c) Other Related Parties	0.00	0.00	0.00
02. Other than related parties	260.28	0.00	260.28
TOTAL	260.28	0.00	260.28

Rs. in Lakhs

07. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

CATEGORY	Market Value / Break-up or fair value or NAV	Book Value (Net of Provisions)
01. Related Parties		
(a) Subsidiaries	0.00	0.00
(b) Companies in the same group	5.50	5.50
(c) Other Related Parties	0.00	0.00
02. Other than related parties	0.60	0.60
Total	6.10	6.10

08. Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	0.00
(b) Other than related parties	122.39
(ii) Net Non-Performing Assets	
(a) Related Parties	0.00
(b) Other than related parties	95.97
(iii) Assets acquired in Satisfaction of Debt.	0.00

Per our Report of even date
For SESHADRY & COMPANY
Chartered Accountants
(sd) **L. S. RAJENDRA**
Partner

For and on behalf of the Board
(sd) **M. MURALI KRISHNA**
Managing Director
(sd) **M. V. N. S. SUSHMA**
Director

Place: VIJAYAWADA
Date : 04.06.2011

SCHEDULE - XIII**NOTES ON ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES :****01. INCOME RECOGNITION :**

- (a) The Company recognises Hirepurchase Finance Charges, Interest on Hypothecation Loans on equal spread method and interest on loans on accrual basis. Income for the year from Hire Purchase represents the income reversed during earlier years, now recognized on receipt basis.
- (b) In pursuance to the Non-Banking Finance Companies Prudential Norms (Reserve Bank) Directions, 1998, the income on Hire Purchase, Lease and other Loan Accounts which have been classified as Non-Performing Assets has been accounted for on realisation basis.
- (c) Additional Finance Charges and Dividends are accounted for as and when received. Dividend on Chit Subscription is accounted for on due basis.

02. FIXED ASSETS

All the Fixed Assets including assets given on lease are stated in the Balance Sheet at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of insurance, compensation charges, freight, duties, taxes and cost of installation as applicable.

03. DEPRECIATION

Depreciation is provided on Written Down Value Method at the rates specified in Schedule XIV to the Companies Act, 1956.

04. INVESTMENTS :

Investments are stated at cost.

05. STOCK OF SHARES IN TRADE :

Stock of shares in trade, where quoted are valued scrip wise at cost or market value as per quotations available as on the Balance Sheet date, whichever is less. Unquoted equity shares are valued at cost or break-up value, whichever is lower. Where the balance sheet of the invested company is not available, such shares are valued at one rupee.

06. CONTINGENT LIABILITIES :

There are no contingent liabilities.

- 07. The Balances on account of Lease, Hire Purchase, Other Debtors and Sundry Creditors are subject to confirmation. There are no dues to any SSI as on 31.03.2011.

08. MANAGERIAL REMUNERATION

No Remuneration is paid to the Managing Director.

09. PROVISION FOR NON-PERFORMING ASSETS :

In pursuance to the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 Provision for NPAs amounting to Rs.3.62 lakhs was reversed during the year 2010-11.

10. TRANSFER TO RESERVE FUND :

An amount of Rs.0.96 Lakhs is transferred to Reserve Fund in accordance with the provisions of Section 45(I)C of the RBI Act, 1934, for the current year.

11. The difference between the net profit as shown in the Profit & Loss Account and the net income as per the Income Tax Act, 1961 not being substantial, no deferred tax asset has been recognized for the year.
12. There was no expenditure on employees who are in receipt of remuneration in excess of the amounts prescribed under Sec.217(2A) of the Companies Act, 1956.
13. There was no consumption of imported raw materials, components or spare parts during the year.
14. There was no expenditure in foreign currency during the year.
15. There were no earnings in foreign currency.
16. Previous Year's Figures are regrouped wherever necessary.
17. Paises are rounded off to the nearest rupee.

SCHEDULES I TO XIII

Per our Report of even date
For SESHADRY & COMPANY
Chartered Accountants
(sd) **L. S. RAJENDRA**
Partner

For and on behalf of the Board
(sd) **M. MURALI KRISHNA**
Managing Director
(sd) **M. V. N. S. SUSHMA**
Director

Place: VIJAYAWADA
Date : 04.06.2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS PER SCHEDULE VI, PART (iv) OF THE COMPANIES ACT, 1956**

I. REGISTRATION DETAILS

Registration No. : 01-11031 State Code : 01
Balance Sheet Date : 31.03.2011

II. CAPITAL RAISED DURING THE YEAR (Amount Rs.in Thousands)

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

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs.in Thousands).

Total Liabilities 43442 Total Assets 43442

SOURCES OF FUNDS

Paid Up Capital 30000 Reserves & Surplus 2583
Secured Loans 10859 Unsecured Loans 0

APPLICATION OF FUNDS

Net Fixed Assets 8881 Investments 0
Net Current Assets 30405 Misc. Expenditure 0
Accumulated Losses 4156

IV. PERFORMANCE OF THE COMPANY (Amount Rs.in Thousands)

Total Income 2512 Total Expenditure 2034
Profit/Loss before Tax 478 Profit/Loss after Tax 443
Earning per Share 0.00 Dividend Rate (%) --

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. : N.A.
Product Description : Hire Purchase
Hypothecation Loans
Trading in Shares

Per our Report of even date
For SESHADRY & COMPANY
Chartered Accountants
(sd) **L. S. RAJENDRA**
Partner

For and on behalf of the Board
(sd) **M. MURALI KRISHNA**
Managing Director
(sd) **M. V. N. S. SUSHMA**
Director

Place: VIJAYAWADA
Date : 04.06.2011

CASH FLOW STATEMENT FOR THE YEAR 2010 - 11

	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items		1,15,822
ADJUSTMENT FOR :		
Depreciation	69,617	
Lease Equivalisation Account	0	
Preliminary Expenses written off	0	
Foreign Exchange	0	
Investments	0	
Profit/Loss on sale of Shares	0	
Profit/Loss on sale of Assets	0	
Interest / Dividend	- 17,957	
	-----	51,660
Operating Profit before Working Capital Changes		1,67,482
Adjustment for :		
Trade and Other receivables	33,06,624	
Inventories	0	
Trade payable	0	
	-----	33,06,624
Cash Generated from Operations		34,74,106
Interest paid	0	
Direct Taxes paid / Refund	4,812	
	-----	4,812
Cash Flow before Extraordinary Items		34,69,294
Extraordinary Items		0

Net Cash Flow from Operating Activities		34,69,294

CASH FLOW STATEMENT FOR THE YEAR 2010 - 11

	Rs.	Rs.
B. CASH FLOW FROM INVESTMENT ACTIVITIES:		
Purchase of Fixed Assets	-24,000	
Sale of Fixed Assets	0	
Hirepurchase Disbursements	1,50,477	
Acquisition of Companies	0	
Purchase of Shares	0	
Sale of Shares	0	
Interest received	0	
Dividend received	17,957	

Net cash used in investing activities		1,44,434

CASH FLOW STATEMENT FOR THE YEAR 2010 - 11

	Rs.	Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	0	
Proceeds from long term borrowing	-45,35,108	
Repayment of Finance / Lease Liabilities	0	
Increase in other Borrowings	0	
Dividend Paid	0	
Public Issue Expenditure	0	

Net Cash used in Financing Activities		-45,35,108

Net Increase in cash and cash equivalents		-9,21,380
Cash & Cash Equivalents as at 01.04.2010		
(Opening Balance)		47,88,474
Cash & Cash Equivalents as at 31.03.2011		
(Closing Balance)		38,67,093

CASH & CASH EQUIVALENTS	2010-11	2009-10
Cash on Hand	11,30,617	12,39,431
Deposits & Other Investments	0	0
Sundry Debtors	0	0
Loans & Advances	28,16,660	36,91,043
	-----	-----
	39,47,277	49,30,474
Less: Current Liabilities	80,184	1,42,000
	-----	-----
	38,67,093	47,88,474
	-----	-----

Per our Report of even date
For SESHADRY & COMPANY
Chartered Accountants
(sd) **L. S. RAJENDRA**
Partner

For and on behalf of the Board
(sd) **M. MURALI KRISHNA**
Managing Director
(sd) **M. V. N. S. SUSHMA**
Director

Place: VIJAYAWADA
Date : 04.06.2011

CERTIFICATE

We have examined the attached Cash Flow Statement of **Swarna Securities Limited** for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of the Listing Agreement of Bombay Stock Exchange Limited; and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 04.06.2011 to the members of the Company.

Place: VIJAYAWADA

Date : 04.06.2011

For SESHADRY & COMPANY

Chartered Accountants

FRN: 004993S

(sd) **L.S. RAJENDRA**

Partner

SWARNA SECURITIES LIMITED

Regd. Office: II Floor, Swarnalok Complex, Vijayawada - 520 002

ATTENDANCE SLIP

NAME OF THE SHAREHOLDER * / PROXY *	FOLIO NO.	NO.OF SHARES HELD

I hereby record my presence at the 21st Annual General Meeting held at Vijayawada, Andhra Pradesh on Thursday, the 7th Day of July, 2011 at D.No.54-15-3, Srinagar Colony, Ring Road, Vijayawada-8 at 10.00 A.M.

SIGNATURE OF THE SHAREHOLDER / PROXY

* Strike out whichever is not applicable.

NOTE: Please handover the slip at the entrance of the Meeting Venue.

SWARNA SECURITIES LIMITED

Regd. Office: II Floor, Swarnalok Complex, Governorpet, Vijayawada - 520 002

PROXY FORM

I/We
of in the District of being a
Member(s) of the above named Company hereby appoint
of or failing him
of in the district of
as my/our proxy to attend and vote for me/us on my/our behalf at the 21st Annual
General Meeting of the Company to be held on Thursday, the 7th Day of July, 2011 at
D.No.54-15-3, Srinagar Colony, Ring Road, Vijayawada-8 at 10.00 A.M.

Signed at this day of2011.

Folio No.

Number of Shares held :

Signature :

Affix Re.1
Revenue
Stamp

- NOTE: 1. The Proxy need not be a member.
2. The form of proxy, duly signed across Re.1/- Revenue Stamp should reach the Company, not less than 48 hours before the time fixed for the meeting.



PRINTED MATTER

BOOK - POST

To

IF UNDELIVERED PLEASE RETURN TO :

SWARNA SECURITIES LIMITED

II Floor

Swarnalok Complex

Governorpet

VIJAYAWADA - 520 002