

26th
ANNUAL REPORT
2011 - 2012

USHAKIRAN FINANCE LIMITED

BOARD OF DIRECTORS

Mr. T. Adinarayana -- Chairman
Mr. Y.B.K. Murthy -- Director
Mr. P.R.K. Murthy -- Director

AUDITORS

M/s. Janardhanrao Deshmukh & Co.,
Chartered Accountants,
Flat No.304, Lumbini Apartments,
Dharam Karan Road, Ameerpet,
Hyderabad - 500 016.

BANKERS

The Lakshmi Vilas Bank Limited
ING Vysya Bank Limited
Andhra Bank

REGISTERED OFFICE

405, Raghava Ratna Towers,
Chirag Ali Lane,
Hyderabad - 500 001.

REGISTRARS & SHARE TRANSFER AGENTS

Venture Capital and Corporate Investments Private Limited
12-10-167, Bharat Nagar,
Hyderabad - 500 018.

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of **USHAKIRAN FINANCE LIMITED** will be held on Wednesday, the 26th day of September, 2012 at 10.00 A.M., at H.No:8-3-976/23A, Shalivahana Nagar Colony, Shalivahana Nagar Community Hall, Yellareddyguda, (Adjacent to Srinagar Colony), Hyderabad - 500073 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Sri P.R.K. Murthy, who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit pass, with or without modification(s) the following resolution as an ordinary resolution:

“RESOLVED THAT M/s. Janardhanrao Deshmukh & Co., Chartered Accountants (Firm Regn. No.005979S), be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of 26th Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be agreed upon between the Board of Directors and the Auditors.”

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
USHAKIRAN FINANCE LIMITED

Place: Hyderabad
Date : 14.08.2012

(T. ADINARAYANA)
Chairman

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and to vote instead of himself/herself and the proxy need not be a member of the company. The proxy in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2012 to 26th September, 2012 (both days inclusive).
3. Shareholders desiring any information regarding the Accounts are requested to write to the company atleast 7 days before the date of the Meeting so as to enable the Management to keep the information ready.

4. The members attending the meeting are requested to bring the enclosed attendance slip and deliver the same at the entrance of the meeting hall. Admission at the Annual General Meeting venue will be allowed only on producing the attendance slip duly signed.
5. Duplicate attendance slip shall not be issued at the Annual General Meeting venue, however the same shall be issued at the Registered Office of the company up to two days preceding the day of the Annual General Meeting.
6. Members are requested to bring their respective copies of the Annual Report for reference during the Annual General Meeting.
7. Members are requested to note that all correspondence relating to share transfers should be addressed to its Registrars and Share Transfer Agents, M/s. Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad - 500 018.
8. The Company's Shares have been listed at The Bombay Stock Exchange, Mumbai and the listing fee has been paid up to 2012-2013.
9. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circular stating that service of notice/documents including annual report can be sent by e-mail to its members. We fully support the Ministry's green initiative. Accordingly, the members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members, who hold shares in physical form, are requested to inform their e-mail addresses.

Memorandum of Interest:

None of the Directors is interested in the resolution regarding reappointment of Sri. P.R.K. Murthy, Director of the Company except, himself.

For and on behalf of the Board

Place: Hyderabad
Date : 14.08.2012

(T. ADINARAYANA)
Chairman

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of the Company with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS:

The following are the Financial Results of the Company for the year ended 31st March, 2012:

	Year Ended 31st March, 2012	(Rs. in Lakhs) Year Ended 31st March, 2011
Gross Income	22.35	23.92
Profit before Depreciation, Finance Cost, Exceptional Items and Tax	9.16	14.43
Add / (Less):		
Depreciation	1.31	0.18
Finance Cost	0.96	0.91
Exceptional Items	2.06	3.47
Taxation (Net)	1.54	3.05
Net Profit	3.29	6.82
Profit available for appropriation	3.29	6.82
Less: Statutory Reserve	0.66	1.36
Surplus carried to Balance Sheet	2.63	5.46

OPERATIONS:

During the year under review, the financial services sector especially small sized NBFC's were passing through an extremely difficult period. Your Company also had to bear the brunt of its impact. Further adverse capital market situation has also adversely effected the operations of the company.

DIVIDEND:

In view of the inadequate profits, your directors do not recommend any dividend for the Financial Year 2011-2012.

DIRECTORS:

Sri. P.R.K. Murthy, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

AUDITORS:

M/s. Janardhanrao Deshmukh & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

PUBLIC DEPOSITS:

Your Company has not accepted any public deposits from the public during the year.

CORPORATE GOVERNANCE:

The Company does not fall under the criteria prescribed for applicability of Corporate Governance under Clause 49 of the Listing Agreement.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

- i) that in the preparation of the accounts for the financial year ended 31st March, 2012 the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- ii) that the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that were 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 of the Company for the year under review:
- iii) that the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

PERSONNEL:

None of the employees were paid remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, hence no details are being provided.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO, INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:

Since yours is a Finance Company, provisions regarding conservation of energy and technology absorption are not applicable.

There were no Foreign Exchange earnings and outgo during the year.

COMPLIANCE CERTIFICATE:

The Company has obtained compliance certificate for the financial year 2011-2012, pursuant to the provisions of Section 383 A of the Companies Act, 1956 from M/s. P.S. Rao & Associates, Company Secretaries. A copy of the same is attached to this Report.

ACKNOWLEDGEMENTS:

Your Directors record their sincere appreciation for the continued support from the Shareholders, Bankers of the Company and Government authorities. Your Directors are also pleased to record their appreciation for the valuable services of all the employees.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 30.05.2012

(T. ADINARAYANA)
Chairman

P.S. Rao & Associates
Company Secretaries

Flat No.10, 4th Floor,
6-3-347/22/2, Ishwarya Nilayam,
Opp: Sai Baba Temple,
Dwarakapuri Colony, Panjagutta,
Hyderabad – 500 082.

FORM
(See Rule 3)

COMPLIANCE CERTIFICATE

Reg. No. of the Company: **01- 6294**
Authorised Capital : **Rs.4,00,00,000/-**
Paid-up Capital : **Rs.2,74,70,750/-**

To
The Members
USHAKIRAN FINANCE LIMITED,
405, Raghava Ratna Towers,
Chirag Ali Lane, Hyderabad - 500 001.

We have examined the registers, records, books and papers of **USHAKIRAN FINANCE LIMITED** as required to be maintained under the Companies Act, 1956, 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, 2012. 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:

1. The Company has kept and maintained all registers as stated in Annexure **A** to this certificate, for the financial year 2011-12, as per the provisions and the rules made thereunder and all entries therein have been recorded for the said period.
2. The Company has filed the forms and returns as stated in Annexure **B** to this certificate, with the Registrar of Companies, A.P.
3. The Company being a Public Limited Company has the minimum prescribed paid up capital.
4. The Board of Directors met six times on 30.05.2011, 10.08.2011, 26.09.2011, 14.11.2011, 14.02.2012 and 31.03.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from 21st September 2011 to 26th September, 2011 during the year under review.
6. The Annual General Meeting of the Company for the financial year ended on 31st March, 2011 was held on 26.09.2011 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 scrutiny.
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 scrutiny.
10. The Company has made necessary entries in the registers maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, during the financial year under scrutiny, the company has not obtained any approval from the Board of Directors, members and previous approval of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year 2011-12.
13.
 - i) The Company has delivered all the certificates on transfer of Securities in accordance with the provisions of the Act, during the financial year.
 - ii) The Company has not deposited any amount in a separate Bank account as no dividend was declared during the financial year.
 - iii) The Company has not posted warrants to any member of the Company as no dividend was declared during the financial year.
 - iv) There were no amounts lying with the Company 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.
 - v) The Company has complied with requirements of Section 217 of the Act.
14. The Board of Directors is constituted during the year :

Sri T. Adinarayana, Director of the company, retiring by rotation was re - appointed as Director at the AGM held on 26.09.2011.

There were no other instances of appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year 2011-12.
15. The Company has not appointed any Whole-time Director / Managing Director / Manager during the financial year 2011-12.
16. The Company has not appointed any sole-selling agents during the financial year 2011-12.
17. There were no instances wherein the Company has obtained any approval from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities, under the provisions of the Act during the financial year under scrutiny.
18. The Directors 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 year under review.
19. The Company has not issued / allotted any shares during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. There was no redemption of preference shares / Debentures during the year under review.

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. As per the information and explanation given by the Company and as per the Balance sheet as on 31.03.2012, the Company has not invited any deposits falling within the purview of Section 58A during the year under review.
24. The Company has not borrowed any amount from its Directors, members, public, financial institutions, banks and others during the financial year, falling within the purview of section 293(1)(d) of the Act except existing overdraft facility from bank, which is within its borrowing limits.
25. The Company has made investments in other bodies corporate. However since the principal business of the Company is acquisition of shares , stock, debentures or other securities, the provisions of section 372A of the Act are not applicable.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the year under review.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital during the year under scrutiny.
30. The Company has not altered the provisions of its Articles of Association during the year under review.
31. As per the information given by the Directors, 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 provisions of Section 418 of the Companies Act, 1956 are not applicable to the Company.

for P.S. Rao & Associates
Company Secretaries

(N.Vanitha)
Company Secretary
C.P. No.:10573

Place: Hyderabad
Date : 30.05.2012

ANNEXURE A

STATUTORY REGISTERS AS MAINTAINED BY THE COMPANY DURING THE YEAR.

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(3)
7. Register of Charges U/s 143
8. Register of Contracts U/s 301(1)
9. Register of Investments U/s 372A

ANNEXURE B

FORMS AND RETURNS FILED DURING THE YEAR.

1. Balance Sheet as at 31st March, 2011 U/s 220 of the Act filed on 25.10.2011 with Normal Fee.
2. Annual Return as on 26.09.2011 filed U/s 159 of the Act on 25.11.2011 with Normal Fee.
3. Compliance Certificate filed U/s 383A of the Act on 25.10.2011 with Normal Fee.

for P.S. Rao & Associates
Company Secretaries

(N.Vanitha)
Company Secretary
C.P. No.:10573

Place: Hyderabad
Date : 30.05.2012

AUDITORS' REPORT

To
The Members of
USHAKIRAN FINANCE LIMITED,

1. We have audited the attached Balance Sheet of M/s. USHAKIRAN FINANCE LIMITED, as at 31st March, 2012, the Profit and Loss Account and also the 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.
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 for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 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.
4. Further to our comments in the annexure referred to paragraph above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt by this report comply with the accounting standards referred to in sub – section (3C) of section 211 of the Companies Act, 1956;

- (v) On the basis of the written representations received from the directors, as on 31.03.2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - c) In the case of Cash flow statement, of the Cash flows for the year ended on that date.

for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
Firm Regn No.005979S

Place : Hyderabad
Date : 30.05.2012

(L. JANARDHAN RAO)
Proprietor
Membership No.18474

ANNEXURE TO AUDITORS' REPORT

USHAKIRAN FINANCE LIMITED

(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) As explained to us, all the fixed assets other than the assets on lease, have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its assets. No material discrepancies were noticed on such verifications.
 - (c) During the year, the company has not disposed off any of the fixed assets. According to the information and explanations given to us, the going concern status of the company is not affected.
- ii.
 - (a) As explained to us, inventories, (Shares and Securities) have been physically verified by the Management at reasonable intervals and on the basis of statements received from the depository participants also. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. According to the information and explanations given to us, the Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (iii) b to d of the order are not applicable.
- iv. According to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and sale of shares and services. We have not observed any continuing failure to correct major weaknesses in internal controls.
- v.
 - (a) According to the information and explanations given to us, we are of the opinion that the contracts or arrangements referred to in sec. 301 of the Companies Act, 1956, if any, have been entered in the registers required to be maintained under that section, and

- (b) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party, if any, during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted public deposits as defined under section 58A of the Companies Act, 1956 during the year under review. The Company has complied with the requirements of the prudential norms of Reserve Bank of India.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. In our opinion, the provisions of Section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- ix. (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it, and
- (b) No undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess were in arrears, as at 31.03.2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- x. The company has accumulated losses but these losses are not more than 50% of its net worth and it has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
- xii. In our opinion and according to the information and explanations given to us, adequate documents and records have been maintained by the Company in respect of loans and advances granted on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.

- xiv. The company has maintained proper records of transactions and contracts in respect of trading in shares, debentures, and other securities and timely entries have been made therein. The investments are held by the Company in its own name except for certain shares which are lodged for transfer or are pending for rectification of bad deliveries.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given to us, the company has not raised any term loan during the year under review and hence question of its applications does not arise.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the company, we report that the no funds raised on short-term basis have been used for long-term investments.
- xviii. According to the information and explanations given to us, during the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The company has not issued any debentures during the year, which requires the creation of security or charge and hence clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xx. During the year, the Company has not raised money by Public issue and hence the question of disclosure and verification of end use of such monies does not arise.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our Audit.

for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
Firm Regn No.005979S

Place : Hyderabad
Date : 30.05.2012

(L. JANARDHAN RAO)
Proprietor
Membership No.18474

Ushakiran Finance Limited
405, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001
Balance Sheet as at 31.03.2012

	Note No.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	27,470,750.00	27,470,750.00
(b) Reserves and Surplus	3	(9,592,325.15)	(9,921,236.75)
		17,878,424.85	17,549,513.25
(2) Non-Current Liabilities			
(a) Deferred-Tax Liabilities (Net)	4	40,870.00	-
(b) Long-Term Provisions	5	8,417,500.00	9,610,000.00
(3) Current Liabilities			
(a) Short Term Borrowings	6	811,937.33	1,155,664.12
(b) Other Current Liabilities	7	129,228.00	135,778.00
(c) Short Term Provisions	8	-	55,454.00
Total		27,277,960.18	28,506,409.37
II. ASSETS			
Non-Current Assets			
(1) (a) Fixed assets			
(i) Tangible Assets	9	2,173,122.00	1,598,951.00
(ii) Intangible Assets		1,302.00	2,170.00
		2,174,424.00	1,601,121.00
(b) Non-Current Investments	10	11,256,922.25	12,053,495.68
(c) Long Term Loans and Advances	11	37,600.00	37,600.00
(d) Other Non-Current Assets	12	68,094.35	1,060,634.30
(2) Current Assets			
(a) Inventories	13	1,143,365.00	1,564,866.00
(b) Cash and Cash Equivalents	14	5,959,025.26	5,445,952.39
(c) Short Term Loans and Advances	15	6,638,529.32	6,742,740.00
(d) Other Current Assets		-	-
Total		27,277,960.18	28,506,409.37
Notes forming part of the financial statements 1 - 36			

Per our report of even date annexed.
for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
Firm Regn. No.005979S

for and on behalf of the Board

(T. ADINARAYANA)
Chairman

(L. JANARDHAN RAO)
Proprietor

(P.R.K. MURTHY)
Director

Place : Hyderabad
Date : 30.05.2012

Ushakiran Finance Limited
405, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012

	Note No	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
I INCOME			
Revenue from Operations	16	1,821,701.12	1,928,690.43
Other Income	17	413,485.82	463,248.33
TOTAL INCOME		2,235,186.94	2,391,938.76
II EXPENSES			
Changes in Opening stock and Closing stock of shares	18	421,501.00	(33,007.00)
Employee benefits expenses	19	498,093.00	550,929.00
Finance Costs	20	95,630.66	91,779.07
Depreciation and amortization expenses	9	130,865.00	17,834.00
Other expenses	21	399,500.68	430,631.40
TOTAL EXPENSES		1,545,590.34	1,058,166.47
III Profit before exceptional and extraordinary items and tax (I-II)		689,596.60	1,333,772.29
IV Exceptional Items	22	206,307.00	347,087.00
V Profit before extraordinary Items and tax (III-IV)		483,289.60	986,685.29
VI Extraordinary Items		-	-
VII Profit before tax (V-VI)		483,289.60	986,685.29
VIII TAX EXPENSE			
Current Tax		113,508.00	305,000.00
Deferred Tax		40,870.00	-
TOTAL TAX EXPENSE		154,378.00	305,000.00
IX Profit/(Loss) for the period from continuing operations (VII-VIII)		328,911.60	681,685.29
X Profit/(Loss) from Discontinuing operations		-	-
XI Tax expense of Discounting operations		-	-
XII Profit/(Loss) from Discontinuing operations (X - XI)		-	-
XIII PROFIT/(LOSS) FOR THE YEAR (IX + XII)		328,911.60	681,685.29
XIV Earning per equity share:			
(1) Basic		0.12	0.25
(2) Diluted		0.12	0.25
Notes forming part of the financial statements 1 - 36			

Per our report of even date annexed.
for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
Firm Regn. No.005979S

for and on behalf of the Board

(T. ADINARAYANA)
Chairman

(L. JANARDHAN RAO)
Proprietor

(P.R.K. MURTHY)
Director

Place : Hyderabad
Date : 30.05.2012

USHAKIRAN FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-2012 Rs.	2010-2011 Rs.
A CASH FLOW FROM OPERATING ACTIVITY		
a. Net Profit/(Loss) before Tax & Extraordinary items	483,289.60	986,685.29
Adjustments for:		
Depreciation	130,865.00	17,834.00
Interest paid	95,630.66	91,779.07
	<u>709,785.26</u>	<u>1,096,298.36</u>
b. Operating Profit/(Loss) before Working Capital changes		
Adjustments for :		
Trade and other Receivables	1,096,750.63	(475,679.00)
Inventories	421,501.00	(33,007.00)
Trade Payables	(1,254,504.00)	329,305.00
	<u>973,532.89</u>	<u>916,917.36</u>
c. Cash generated from operations		
Interest paid	95,630.66	91,779.07
Taxes Paid	154,378.00	305,000.00
	<u>723,524.23</u>	<u>520,138.29</u>
d. Cash Flow before Extraordinary items		
Adjustments for:	-	-
Net Cash Flow from Operating Activities (A)	<u>723,524.23</u>	<u>520,138.29</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(704,168.00)	-
Sale/purchase of Investments	796,573.43	(77,009.44)
Deferred Tax Liability	40,870.00	-
Net Cash Flow from Investing Activities (B)	<u>133,275.43</u>	<u>(77,009.44)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of Share Capital	-	-
Dividend paid	-	-
Increase/Decrease in Borrowings	(343,726.79)	275,627.60
Net Cash Flow from Financing Activities (C)	<u>(343,726.79)</u>	<u>275,627.60</u>
D. NET INCREASE/(DECREASE) IN CASH		
And Cash Equivalent (A+B+C)	513,072.87	718,756.45
Cash and Cash Equivalent At the Beginning of the year	5,445,952.39	4,727,195.94
Cash and Cash Equivalent At the End of the year	5,959,025.26	5,445,952.39

Per our report of even date annexed.
for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
Firm Regn. No.005979S

for and on behalf of the Board

(T. ADINARAYANA)
Chairman

(L. JANARDHAN RAO)
Proprietor

(P.R.K. MURTHY)
Director

Place : Hyderabad
Date : 30.05.2012

Notes forming part of the Financial Statements:

Note 1.

- A. Corporate Information:** Ushakiran Finance Limited is a Non-Banking Finance Company listed on the Bombay Stock Exchange. It is engaged in the business of Financing, investments etc.,

Significant Accounting Policies:

B. Basis of Accounting:

The financial statements are prepared on the basis of historical cost convention and the accounts are prepared in accordance with the generally accepted accounting policies and accounting standards notified under section 211 (3C) Companies (Accounting Standards) Rules, 2006 and provisions of the Companies Act, 1956 as adopted consistently by the Company, unless otherwise stated.

C. Use of Estimates:

Estimates and assumptions used in the preparation of the financial statements are based on management's, evolution of the relevant facts and circumstances as of the date of the Financial statements which may differ from the actual results at a subsequent date.

D. Prudential Norms:

The company compiles its Financial Statements in accordance with the prudential norms prescribed by the Reserve Bank of India in respect of:

- a) Income recognition.
- b) Provisioning for standard, substandard, doubtful and loss Assets.
- c) Accounting for Investments.

E. Revenue Recognition:

Income from interest is accounted on due basis, subject to income recognition and prudential norms of Reserve Bank of India as mentioned above, interest income on Non-performing, doubtful/loss assets etc., are recognized as and when the amount is received and appropriated towards interest. Dividend Income is accounted when the right to receive the dividend is established.

F. Expenses:

All the expenses are accounted on accrual basis.

G. Fixed Assets:

Fixed Assets are stated at cost of acquisition.

H. Depreciation:

Depreciation has been provided on written down value method as per Schedule XIV of the Companies Act, 1956.

I. Investments:

Investments (Long Term) are stated at cost of acquisition.

The diminution in the value of quoted investments has been provided, if such decline is other than temporary in the opinion of management.

J. Inventories:

Shares and Securities held as Stock-in-Trade are valued scrip wise at cost or market value whichever is lower.

K. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

L. Retirement and other employee benefits:

All employees benefits due wholly within a year of rendering services are classified as short term benefits. These benefits like salaries, wages short term compensation absences, expected cost of bonus, ex-gratia are recognized as expenses on accrual basis of undiscounted amounts in the Profit and Loss Account. Retirement benefits to the Employees will be provided as and when the relevant acts are applicable to the Company.

M. Accounting for taxes on income:

- (a) Current Tax is determined as the amount of tax payable in respect of its taxable income as per the provisions of the Income Tax Act, 1961.
- (b) Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

N. Earnings per Share:

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equivalent shares outstanding during the year, except when the results would be anti-dilutive.

Note 2: Share Capital

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(a) Authorised Capital: 40,00,000 Equity Shares of Rs.10/- each	40,000,000.00	40,000,000.00
(b) Issued, Subscribed & Paid Up Capital: 33,54,700 Equity Shares of Rs.10/- each	33,547,000.00	33,547,000.00
(c) Less: Calls unpaid	6,076,250.00	6,076,250.00
	27,470,750.00	27,470,750.00

2.(a) Reconciliation of shares Outstanding

	As at 31.03.2012	As at 31.03.2011
At the beginning of the year		
No.of shares	3,354,700	3,354,700
Amount in Rs.	27,470,750	27,470,750
Issued during the year	-	-
Shares outstanding at the end of the year		
No.of shares	3,354,700	3,354,700
Amount in Rs.	27,470,750	27,470,750

2.(b) Terms / Rights attached

The Company has issued only one class of shares having face value of Rs.10/- each per share. Each holder of equity shares who has paid total amount of Rs.10/- per share is entitled to one vote per share.

2.(c) Details of Shares held by shareholders holding More than 5% shares (Fully paid) in the Company:

Name of the Shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Krishnaraj Securities Private Limited	562350	22.10%	527050	20.71%
T. Adinarayana	309385	12.16%	309385	12.16%
Andhra Pradesh Industrial Development Corporation Ltd.,	192900	7.58%	192900	7.58%

Note 3: Reserves and Surplus

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(a) General Reserve		
As per last Balance Sheet	752,106.39	752,106.39
Add: Transfer from Profit and Loss Account	-	-
	752,106.39	752,106.39
(b) Statutory Reserve		
As per last Balance Sheet	320,500.00	184,150.00
Add: Transfer from Profit and Loss Account	66,000.00	136,350.00
	386,500.00	320,500.00
Total Reserves (a + b)	1,138,606.39	1,072,606.39
(c) Surplus		
As per last Balance Sheet	(10,993,843.14)	(11,539,178.43)
Add: Profit / (Loss) for the year	328,911.60	681,685.29
	(10,664,931.54)	(10,857,493.14)
Less: Appropriations		
Transfer to Statutory Reserve	66,000.00	136,350.00
Transfer to general Reserve Reserve	-	-
	66,000.00	136,350.00
	(10,730,931.54)	(10,993,843.14)
Total Surplus	(9,592,325.15)	(9,921,236.75)

Note 4: Deferred Tax Liability

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Deferred Tax Liability		
On account of Depreciation	35,609.00	-
Others	5,261.00	-
	40,870.00	-

Note 5: Other Long-Term Provisions

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Provision for Substandard Assets	1,105,000.00	1,105,000.00
Provision for Diminution in the value of Investments	7,312,500.00	8,505,000.00
	8,417,500.00	9,610,000.00

Note 6: Short-Term Borrowings

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Loans repayable on demand from Banks:		
Secured against the FDRs	811,937.33	1,155,664.12
	811,937.33	1,155,664.12

Note 7: Other Current Liabilities

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Creditors for Expenses	16,198.00	22,748.00
Audit Fee Payable	13,030.00	13,030.00
Other Payables	100,000.00	100,000.00
	129,228.00	135,778.00

Note 8: Short-Term Provisions

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Provision for Income Tax	-	55,454.00
	-	55,454.00

Note 9: FIXED ASSETS

S.No.	Particulars	Gross Block			Depreciation			Net Block	
		As At 01.04.2011 Rs.	Additions Rs.	As At 31.03.2012 Rs.	As At 01.04.2011 Rs.	For the Year Rs.	As At 31.03.2012 Rs.	As At 31.03.2012 Rs.	As At 31.03.2011 Rs.
	Tangible Assets								
1	Land	1,536,075.00	-	1,536,075.00	-	-	-	1,536,075.00	1,536,075.00
2	Furniture	241,017.00	-	241,017.00	232,171.00	1,601.00	233,772.00	7,245.00	8,846.00
3	Equipment	412,745.00	42,000.00	454,745.00	376,497.00	8,450.00	384,947.00	69,798.00	36,248.00
4	Vehicles	96,456.00	662,168.00	758,624.00	86,124.00	116,966.00	203,090.00	555,534.00	10,332.00
5	Computer	88,435.00	-	88,435.00	80,985.00	2,980.00	83,965.00	4,470.00	7,450.00
	Total:	2,374,728.00	704,168.00	3,078,896.00	775,777.00	129,997.00	905,774.00	2,173,122.00	1,598,951.00
	Intangible Assets								
1	Tally Software	10,600.00	-	10,600.00	8,430.00	868.00	9,298.00	1,302.00	2,170.00
	Total:	10,600.00	-	10,600.00	8,430.00	868.00	9,298.00	1,302.00	2,170.00
	Grand Total:	2,385,328.00	704,168.00	3,089,496.00	784,207.00	130,865.00	915,072.00	2,174,424.00	1,601,121.00

Note 10: Non-Current Investments**INVESTMENTS (QUOTE)**

S.No.	INVESTMENTS (LONG TERM) Shares (Fully Paid Up) at cost	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
1	3I Infotech Limited 400 Equity Shares of Rs.10/- each	52,676.71	52,676.71
2	Bank of Maharashtra 2,000 Equity Shares of Rs. 10/- each	46,000.00	46,000.00
3	Bharat Heavy Electricals Limited 250 (50) Equity Shares of Rs.2/- (Rs.10/-)each	81,594.18	81,594.18
4	Central Bank of India 680 (380) Equity Shares of Rs.10/- each	62,610.79	31,710.79
5	Coal India Limited 89 Equity Shares of Rs.10/- each	21,805.00	21,805.00
6	Corporation Bank 200 Equity Shares of Rs.10/- each	16,000.00	16,000.00
7	Fineplast Polymers Limited 10,000 Equity Shares of Rs.10/- each - fully paid. 1,50,000 Equity Shares of Rs.10/- each - partly paid	100,000.00 -	100,000.00 800,000.00
8	Gas Authority of India Limited 1,350 Equity Shares of Rs.10/- each	227,295.00	227,295.00
9	Gateway Distriparks Limited 1,112 Equity Shares of Rs.10/- each	148,160.52	148,160.52
10	GIC Housing Finance Limited 200 Equity Shares of Rs.10/- each	8,000.00	8,000.00
11	GTL Limited 500 Equity Shares of Rs.10/- each	91,488.79	91,488.79
12	GMR Infrastructure Limited 2,200 Equity Shares of Rs.1/- each	254,030.13	254,030.13
13	Godrej Consumer Products Limited 200 Equity Shares of Rs 1/- each	24,600.00	24,600.00
14	Goldstone Technologies Limited 1,200 Equity Shares of Rs. 5/- each	104,848.00	104,848.00
15	Goldstone Infratech Limited 1,200 Equity Shares of Rs.4/- each	104,847.00	104,847.00
16	GTL Infrastructure Limited 1,000 Equity Shares of Rs.10/- each	55,815.00	55,815.00
17	Gujarat State Petronet Limited 1,718 Equity Shares of Rs.10/- each	108,232.56	108,232.56
18	HDFC Bank Limited 3,215 (643) Equity Shares of Rs. 2/- (Rs.10/-) each	37,000.00	37,000.00
19	Heidelberg Cement India Limited 2,000 Equity Shares of Rs.10/- each	94,160.48	94,160.48
20	Hemadri Cements Limited 3,200 Equity Shares of Rs.10/- each	32,000.00	32,000.00
21	Hindalco Industries Limited 272 Equity Shares of Rs.1/- each	49,164.00	49,164.00
22	Hindustan Unilever Limited 1,660 Equity Shares of Rs.1/- each	13,012.50	13,012.50
23	ICICI Bank Limited 300 Equity Shares of Rs.10/- each	10,500.00	10,500.00

S.No.	INVESTMENTS (LONG TERM) Shares (Fully Paid Up) at cost	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
24	IDBI Bank Limited 252 Equity Shares of Rs.10/- each	7,898.00	7,898.00
25	IDFC Limited 389 Equity Shares of Rs.10/-	13,226.00	13,226.00
26	Indian Oil Corporation Limited 250 Equity Shares of Rs.10/- each	81,160.48	81,160.48
27	Indraprasta Gas Limited 400 Equity Shares of Rs.10/- each	19,200.00	19,200.00
28	Infosys Limited 460 Equity Share of Rs.5/- each	442,022.29	442,022.29
29	ING Vysya Bank Limited 946 Equity Shares of Rs.10/- each	42,570.00	42,570.00
30	Jagson Airlines Limited 1,000 Equity Shares of Rs.10/- each	10,000.00	10,000.00
31	Karan Woosen Limited 300 Equity Share of Rs.10/- each	3,000.00	3,000.00
32	LGS Global Limited 1,000 Equity Shares of Rs.10/- each	40,360.00	40,360.00
33	Leena Textiles Limited 7,000 Equity Shares of Rs.10/- each	70,000.00	70,000.00
34	Mayura Alloy Industries Limited 33,800 Equity Shares of Rs.10/- each	326,529.00	326,529.00
35	McLEOD Russel Limited 1,000 Equity Shares of Rs.10/- each	56,249.37	56,249.37
36	Montana International Limited 1,000 Equity Share of Rs.10/- each	10,000.00	10,000.00
37	MPS Limited 1,000 Equity Shares of Rs 10/- each	57,305.29	57,305.29
38	NCC Blue Water Products Limited 2,400 Equity Shares of Rs.10/- each	24,000.00	24,000.00
39	NCL Industries Limited 7,500 Equity Shares of Rs.10/- each	189,097.51	189,097.51
40	NHPC Limited 3,000 Equity Shares of Rs.10/- each	92,264.02	92,264.02
41	Novatex Fabrics Limited 1,433 Equity Shares of Rs.10/- each	14,333.00	14,333.00
42	Nylofiles (India) Limited 44,000 Equity Shares of Rs.10/- each	462,175.00	462,175.00
43	Oil & Natural Gas Corporation Limited 448 Equity Shares of Rs.5/- each	46,320.00	46,320.00
44	Oswal Agro Furane Limited 100 Equity Shares of Rs.10/- each	6,300.00	6,300.00
45	Oswal Agro Mills Limited 100 Equity Shares of Rs.10/- each	5,000.00	5,000.00
46	Pennar Paterson Securities Limited 800 Equity Share of Rs.10/- each	12,000.00	12,000.00
47	Phytochem India Limited 14,100 Equity Shares of Rs.10/- each	141,000.00	141,000.00
48	Polaris Software Labs Limited 150 Equity Shares of Rs.5/- each	10,500.00	10,500.00

S.No.	INVESTMENTS (LONG TERM) Shares (Fully Paid Up) at cost	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
49	Power Grid Corporation of India Limited 435 Equity Shares of Rs.10/- each	29,954.00	29,954.00
50	Reliance Industries Limited 1,366 Equity Shares of Rs.10/- each	306,523.98	306,523.98
51	SCIL Ventures Limited (500) Equity Shares of Rs.10/- each	-	27,473.43
52	Sigachi Laboratories Limited 20,010 Equity Shares of Rs.10/- each	200,100.00	200,100.00
53	Sree Rayalseema Hi-Strength Hypo Limited 4,450 Equity Shares of Rs.10/- each	77,690.00	77,690.00
54	SRHHL Industries Limited 6,764 Equity Shares of Rs.10/- each	118,088.00	118,088.00
55	Sri Lakshmi Engineering Inds. Limited 30,000 Equity Shares of Rs.10/- each	300,000.00	300,000.00
56	Steel Authority of India Limited 1,000 Equity Shares of Rs.10/- each	51,875.00	51,875.00
57	Sunku Auto Limited 5,00,000 Equity Shares of Rs.10/- each	5,000,000.00	5,000,000.00
58	TCFC Finance Limited 500 Equity Shares of Rs.10/- each	12,825.00	12,825.00
59	T.V.Today Networks Limited 700 Equity Shares of Rs.5/- each	66,500.00	66,500.00
60	Vindhya Telelinks Limited 200 Equity shares of Rs.10/- each	32,719.05	32,719.05
61	Sigachi Chloro-Chemicals Private Limited (Un-Quoted) 15,000 Equity Shares of Rs.10/- each	150,000.00	150,000.00
	TOTAL (A)	10,272,625.65	11,069,199.08
	MUTUAL FUNDS (UNITS) AT COST		
1	UTI - Opportunities Fund - Dividend Plan 2,358.300 Units of Rs.10/- each	10,000.00	10,000.00
2	UTI - Midcap Fund - Dividend Plan-Reinvestment 21,935.57 Units of Rs.10/- each	479,396.60	479,396.60
3	UTI Banking Sector Fund - Dividend Plan 34,827.586 Units of Rs. 10/-	494,900.00	494,900.00
	TOTAL (B)	984,296.60	984,296.60
	TOTAL INVESTMENTS (A + B)	11,256,922.25	12,053,495.68
	Market Value		
	Aggregate Amount of Quoted shares	10,122,625.65	10,919,199.08
	Aggregate Value of Quoted shares	8,833,575.00	9,439,645.00
	Aggregate Amount of Unquoted shares	150,000.00	150,000.00
	Aggregate Value of Unquoted shares	150,000.00	150,000.00
	Aggregate Amount of Mutual Funds	984,296.60	984,296.60
	Aggregate Value of Mutual Funds	1,127,645.00	1,313,494.00

Note 11: Long-Term Loans and Advances

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Deposits:		
With Govt.	14,000.00	14,000.00
With Others	23,600.00	23,600.00
	37,600.00	37,600.00

Note 12: Other Non-Current Assets

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
TDS/Income Tax Refund Due	67,466.35	477,506.30
FBT Receivable	628.00	628.00
Other Advances - Unsecured - Doubtful	-	582,500.00
	68,094.35	1,060,634.30

Note : Current Investments

Particulars	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Total	-	-

Note 13: Inventories

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Stock in Trade - Shares and Securities (Valued at Lower of Cost and Market Value)	1,143,365.00	1,564,866.00
	1,143,365.00	1,564,866.00

Note 14: Cash and Cash Equivalents

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Cash on Hand	48,418.48	32,978.30
Balances with Banks		
In Current Account	150,110.78	119,619.72
In Fixed Deposits:		
Deposits with banks with in 12 months maturity	4,059,188.01	3,731,929.26
Deposits with bank more than 12 months maturity	1,384,307.99	1,265,777.75
Cheques and Drafts on hand	317,000.00	295,647.36
	5,959,025.26	5,445,952.39

Note 15: Short-Term Loans and Advances

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Loans & Advances - Secured, Considered Good	1,391,751.32	1,405,477.00
Loans & Advances - Unsecured, Considered Good	3,446,778.00	4,261,113.00
Loans & Advances - Unsecured, Doubtful	1,800,000.00	1,076,150.00
	6,638,529.32	6,742,740.00

Note 16: Revenue from Operations

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
a) Interest Income		
Interest on Loans & Advances	1,295,180.00	1,442,866.00
Interest on Fixed Deposits	526,521.12	485,824.43
b) Other Financial services	-	-
Total	1,821,701.12	1,928,690.43

Note 17: Other Income

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
a) Dividend Income		
On Long Term Investments		
From Equity	165,239.10	157,533.70
From Mutual Funds	87,068.97	166,076.13
On Stock in Trade	98,407.26	77,152.00
b) Bad Debts Recovery	-	60,000.00
c) Profit on Sale of Investments	34,026.57	-
d) Interest on Income Tax Refund	28,743.92	-
e) Sale of shares & securities	-	2,486.50
	413,485.82	463,248.33

Note 18: Changes in Opening stock and Closing stock of shares

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Opening Stock	1,564,866.00	1,531,859.00
Closing Stock	1,143,365.00	1,564,866.00
	421,501.00	(33,007.00)

Note 19: Employee Benefit Expenses

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Salaries	487,000.00	541,645.00
Staff Welfare	11,093.00	9,284.00
	498,093.00	550,929.00

Note 20: Finance Costs

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Interest to Banks	91,774.95	91,385.60
Bank Charges	3,855.71	393.47
	95,630.66	91,779.07

Note 21: Other Expenses

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Electricity Charges	16,812.00	22,593.00
Rent	67,200.00	64,200.00
Insurance	13,404.00	-
Audit Fee	13,330.00	15,830.00
Advertisement Expenses	35,646.00	23,275.00
Annual custody fee	13,236.00	13,236.00
Books & Periodicals	7,888.00	6,155.00
Computer Maintenance	9,750.00	250.00
Conveyance Expenses	20,650.82	3,743.00
Internet & Broadband Charges	9,329.86	9,264.00
Legal Fees	-	9,100.00
Listing Fees	16,545.00	11,030.00
Loss on Sale of Investments	-	56,459.77
Miscellaneous Expenses	16,098.00	21,335.03
Office Maintenance Charges	33,466.00	41,158.00
Postage & Telegrams	11,083.00	10,899.00
Printing & Stationery	12,576.00	18,451.60
Secretarial Audit Fee	11,030.00	13,788.00
Shares Transfer Fee	50,171.00	50,290.00
Sitting fee & Incidental expenses	18,000.00	6,000.00
Telephone Charges	11,547.00	11,384.00
Travelling Expenses	7,238.00	22,190.00
Website Design Charges	4,500.00	-
	399,500.68	430,631.40

Note 22: Exceptional Items

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Prior Period Tax	16,307.00	5,747.00
Provision for Diminution in the value of Investments	190,000.00	341,340.00
Loss due to Forfeiture of Shares	800,000.00	-
Bad Investments	582,500.00	-
Provision for Diminution in the value of Investments Written back	(1,382,500.00)	-
	206,307.00	347,087.00

23. Confirmation of balances of certain parties for amounts due to them/due from them as per the accounts of the Company have not been received. However, the balances stated in the books of account are final as it is indicated that the company's balances will be treated as final and correct if confirmation is not received by particular date.
24. As per the records and information available with the company, there are no dues to Micro, Small and Medium Enterprises. Hence, information as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is not furnished.
25. Balances in Fixed Deposits include deposits of **Rs. 18,81,964/-** (Rs. 17,30,706/-) in Adarsh Co- operative Urban Bank Limited and the same amounts are the maximum outstanding balances in the respective years. None of the Directors are interested in the above said co-operative bank.
26. None of the Directors or their relatives, firms/private companies in which any director is a partner/director/manager or companies under the same management have taken any loan/advance from the company.

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
27. Managerial Remuneration	Nil	Nil
28. Auditors' Remuneration.		
Audit Fee	13,030.00	13,030.00
Out of Pocket Expenses	300.00	2,800.00
	----- 13,330.00 -----	----- 15,830.00 -----

29. In the opinion of Board of Directors of the Company the Current Assets, Loans & Advances are approximately of the value stated in the accounts, if realised in the ordinary course of business, unless otherwise stated. The provisions for all known liabilities, unless otherwise stated are adequate and not in excess of the amount reasonably necessary.
30. Contingent Liabilities:
- Unpaid liability for partly paid shares amounts to Rs.**NIL** (Rs.7.00 Lakhs)

31. Earnings per share: The following reflects the Income and Share data used in the computation of Basic and diluted Earnings per share:

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
a) Amounts used as the numerator Net Profit/(Loss) (Rs.)	3,28,912	6,81,685
b) Weighted average number of equity shares after adjusting for the allotment amount due (Nos.)	27,47,075	27,47,075
c) Basic and Diluted Earnings per Share (Rs.)	0.12	0.25

32. The company is mainly engaged in the business of Investments and providing finance and all other activities of the company revolve around the main business and as such, there are no separate reportable segments.

33. Related Party Transactions:

Related party disclosures as required under Accounting Standard 18 are given below:

The following transactions were carried out during the year with related parties in the ordinary course of business:

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Sitting Fee and incidental expenses paid to Directors:		
Sri. T. Adinarayana	6,000/-	--
Sri. Y.B.K. Murthy	6,000/-	--
Sri. P.R.K. Murthy	6,000/-	6,000/-

34. Additional information required under paragraphs 3 & 4 of part II of Schedule VI of the Companies Act, 1956 to the extent applicable.

- (a) Quantitative details of (Stocks) Shares & Securities:

	2011-2012		2010-2011	
	Quantity No.	Value Rs.	Quantity No.	Value Rs.
Opening Stock	2,02,383	15,64,866	2,01,457	15,31,859
Purchases	--	--	--	--
Sales	--	--	200	2,487
Closing Stock	2,27,163	11,43,365	2,02,383	15,64,866

35. Foreign Exchange Transactions:

	As at	As at
Value of imports calculated on	31.03.2012	31.03.2011
a) C.I.F. basis during the year	NIL	NIL
b) Expenditure in Foreign Currency	NIL	NIL
c) Amount remitted during the year	NIL	NIL
d) Earnings in Foreign Exchange	NIL	NIL

36. Previous year figures have been regrouped/reclassified/rearranged, wherever necessary to conform to the current year presentation and also to be in conformity with revised schedule - VI.

Per our report of even date annexed.
for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
Firm Regn. No.005979S

for and on behalf of the Board

(T. ADINARAYANA)
Chairman

(L. JANARDHAN RAO)
Proprietor

(P. R. K. MURTHY)
Director

Place : Hyderabad
Date : 30.05.2012

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**i. REGISTRATION DETAILS**

Registration No.

6 2 9 4

State Code

0 1

Balance Sheet Date

3 1

0 3

2 0 1 2

Date

Month

Year

ii. CAPITAL RAISED DURING THE YEAR (Rs. In Thousands)

Public Issue

N I L
N I L

Rights Issue

N I L
N I L

Bonus Issue

Private Placement

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

Total Liabilities

2 7 2 7 8

Total Assets

2 7 2 7 8

SOURCES OF FUNDS

Paid-up Capital

2 7 4 7 1

Reserves & Surplus

(9 5 9 2)

Non-current Liabilities

8 4 5 8

Current Liabilities

9 4 1

APPLICATION OF FUNDS

Net Fixed Assets

2 1 7 4

Investments

1 1 2 5 7

Non-current Assets

1 0 6

Current Assets

1 3 7 4 1

iv. PERFORMANCE OF COMPANY (Rs. in Thousands)

Turnover & Other Income

2 2 3 5

Total Expenditure

1 7 5 2

Profit Before Tax

4 8 3

Profit/(Loss) after Tax

3 2 9

Earning Per Share in Rs.

. 1 2

Dividend Rate

N I L

v. GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY

Production Description

Item Code (ITC code)

Loans & Advances

N.A.

Leasing, Finance and Investments

N.A.

Per our report of even date annexed.
for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
Firm Regn. No.005979S

(L. JANARDHAN RAO)
Proprietor
Place : Hyderabad
Date : 30.05.2012

for and on behalf of the Board

(T. ADINARAYANA)
Chairman

(P. R. K. MURTHY)
Director

Assets Side	Amount Outstanding 2011-2012	Amount Outstanding 2010-2009
3. Break-up of Loans and Advances including Bills receivables (other than those included in (4) Below)		
(a) Secured	13.92	14.05
(b) Unsecured	52.47	59.20
4. 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:	NIL	NIL
(a) Financial Lease	--	--
(b) Operating Lease	--	--
ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	--	--
(b) Repossessed Assets	--	--
iii) Hypothecation loans counting towards EL/HP activities		
(a) Loans where assets have been repossessed	--	--
(b) Loans other than (a) above	--	--
5. Break up of investments :		
Current investments: (Stock-in-Trade)		
1. Quoted		
i) Shares		
(a) Equity	11.43	15.65
(b) Preference	--	--
ii) Debentures and Bonds	--	--
iii) Units of mutual funds	--	--
iv) Government securities	--	--
v) Others (please specify)	--	--
2. Unquoted		
(i) Shares		
(a) Equity	--	--
(b) Preference	--	--
(ii) Debentures and Bonds	--	--
(iii) Units of mutual funds	--	--
(iv) Government securities	--	--
(v) Others (please specify)	--	--

Long Term Investments :		
1. Quoted		
(i) Shares	(a) Equity	101.23
	(b) Preference	109.19
ii) Debentures and Bonds		--
iii) Units of mutual funds		--
iv) Government securities		9.84
v) Others (please specify)		--
2. Unquoted		
(i) Shares	(a) Equity	1.50
	(b) Preference	1.50
ii) Debentures and Bonds		--
iii) Units of mutual funds		--
iv) Government securities		--
v) Others (please specify)		--
6. Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances		
	NIL	NIL
	Amount	Amount
Category	(net of provisions)	(net of provisions)
1. Related Parties		
(a) Subsidiaries	N.A.	N.A.
(b) Companies in the same group	N.A.	N.A.
(c) Other related Parties	N.A.	N.A.
2. Other than related parties	55.34	62.20
Total	55.34	62.20
7. Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted, excluding Stock-in-Trade)		
	Market	Market
	Value/Break	Value/Break
	up or fair value or	up or fair value or
	NAV Book value	NAV Book value
Category	(net of Provisions)	(net of Provisions)
1. Related Parties		
(a) Subsidiaries	N.A.	N.A.
(b) Companies in the same group	N.A.	N.A.
(c) Other related Parties	2.00	2.00
2. Other than related parties	37.44	33.48
Total	39.44	35.48

8. Other Information		
Particulars		
i) Gross Non-performing Assets		
a) Related Parties	NIL	NIL
b) Other than related Parties	19.36	12.50
ii) Net Non-performing Assets		
a) Related Parties	NIL	NIL
b) Other than related parties	8.31	1.45
iii) Assets acquired in satisfaction of debt	NIL	NIL

Per our report of even date annexed.
for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
Firm Regn. No.005979S

for and on behalf of the Board

(T. ADINARAYANA)
Chairman

(L. JANARDHAN RAO)
Proprietor

(P.R.K. MURTHY)
Director

Place : Hyderabad
Date : 30.05.2012

USHAKIRAN FINANCE LIMITED

Regd. Office: 405, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001

PROXY FORM

DP. Id*	
Client Id*	

Folio No.	
No. of Share(s) held	

I/We -----
 ----- being a member/members of Ushakiran Finance Limited
 hereby appoint ----- of -----
 ----- or failing him -----
 ----- of -----

as my/our proxy to vote for me/us and on my/our behalf at the 26th Annual General Meeting to be held on Wednesday the 26th September, 2012 at 10.00 A.M. or at any adjournment thereof.

Signed this ----- day of -----2012.

Signature

Affix Re.1/- Revenue Stamp

* Applicable for investors holding shares in electronic/dematerialised form.

Note: The Proxy Form duly completed should be deposited at the Registered office of the company not less than 48 hours before the time fixed for holding the meeting.

-----T E A R H E R E -----

USHAKIRAN FINANCE LIMITED

Regd. Office: 405, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500001

ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting hall.

DP.Id*	
Client Id*	

Folio No.	
No.of Share(s) held	

NAME AND ADDRESS OF THE SHAREHOLDER	
NAME OF PROXY	

I, hereby record my presence at the 26th Annual General Meeting of the company held on Wednesday the 26th September, 2012 at 10.00 A.M. at H.No:8-3-976/23A, Shalivahana Nagar Colony, Shalivahana Nagar Community Hall, Yellareddyguda, (Adjacent to Srinagar Colony, Hyderabad - 500 073.

Signature of the Shareholder or Proxy

PLEASE NOTE THAT NO GIFTS WILL BE DISTRIBUTED AT THE AGM.

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USHAKIRAN FINANCE LIMITED

Regd. Office: 405, Raghava Ratna Towers,
Chirag Ali Lane, Hyderabad – 500 001.