

# **Annual Report 2009-2010**

**YAMINI INVESTMENTS COMPANY LIMITED**

# **YAMINI INVESTMENTS COMPANY LIMITED**

## **BOARD OF DIRECTORS**

Shri SHANTILAL MANGALDAS PATEL	-	DIRECTOR
Shri SAMIR DAHYABHAI JANI	-	DIRECTOR
Shri JAYESH KANTILAL SHAH	-	DIRECTOR
Shri MUSUNURI HANUMANTHA RAO	-	DIRECTOR
Shri NARAYAN JHA	-	DIRECTOR
Smt YENIKAPATI RADHA RANI	-	DIRECTOR

## **AUDITORS**

M/s Kari Venkateswarlu & Associates  
Chartered Accountants  
H O No. 402, Ramakrishna Residency,  
6-3-609/150, Anand Nagar, Khairtabad,  
Hyderabad – 500 004

## **REGISTERED OFFICE**

Flat No 603, A-Wing, 6<sup>th</sup> Floor, Pruthvi Enclave II,  
Western Express Highway, Opp. Bhor Industries,  
Borivali East, Mumbai – 400 066

Tel No. 022 - 28845756, Fax No. 022 - 28845756  
EMail:Yamini\_investments@rediffmail.com

## **REGISTRARS**

Venture Capital & Corporate Investment Ltd  
12-10-167, Bharat Nagar Colony, Hyderabad-500 018  
Tel No.23818475, Fax No.23868024

### **NOTICE**

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of YAMINI INVESTMENTS COMPANY LIMITED will be held at its Registered Office at Flat No. 603, A-Wing, 6<sup>th</sup> Floor, Pruthvi Enclave-II, Western Express Highway, Borivali East, Mumbai – 400 066 on 30<sup>th</sup> September, 2010 at 2:30 PM to transact the following business.

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010 and Profit & Loss A/c for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Narayan Jha who retires by rotation at the ensuing Annual general meeting and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Musunuri Hanumantha Rao who retires by rotation at the ensuing Annual general meeting and being eligible offers himself for re-appointment.
4. To appoint the Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution

“RESOLVED THAT Kari Venkateswarlu & Associates, Chartered Accountants, Hyderabad be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

By order of the Board

sd/-

Director

Place: New Delhi

Date: 29.06.2010

### **NOTES:**

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing a proxy, to be effective, should be deposited at the registered office of the Company within 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27<sup>TH</sup> September, 2010 to 30<sup>TH</sup> September, 2010 (both days inclusive)
3. All Correspondence and share transfer documents must be addressed to the Share Transfer Agents or to the Investors Relation Cell.
4. Members are requested to notify changes, if any, in their addresses to the Share Transfer Agents.

# YAMINI INVESTMENTS COMPANY LIMITED

Flat No. 603, A-Wing, 6<sup>th</sup> Floor, Pruthvi Enclave-II, Western Express Highway  
Borivili East, Mumbai-400066, Maharashtra

## DIRECTORS' REPORT

Dear Shareholders

The Directors have pleasure in presenting **27<sup>th</sup>** Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March 2010.

### Financial Results

PARTICULARS	2009-10	2008-09
Total Income	289334.69	1635472.52
Total Expenditure	284585.56	1600251.49
Operating Profit	4749.13	35221.03
Interest Cost	0.00	0.00
Profit Before Depreciation and Tax	4749.13	35221.03
Depreciation	0.00	0.00
Profit before Tax	4749.13	35221.03
Provision for Taxation	(822.00)	(9505.00)
Fringe Benefit Tax	0.00	(538.00)
Profit for the year after Tax	3927.13	25178.03
Balance Transfer to General Reserve	3927.13	25178.03

### Dividend

With the view to conserve the resource and in view of the volatile business climate, the Directors have not recommended any dividend during the year.

### Public Deposit

Company has not accepted or repaid any public deposits during the year.

### Directors

During the year under review, Mr. Narayan Jha and Mr. Musunuri Hanumantha Rao, directors of your company, retire by rotation and being eligible, offer themselves for reappointment.

### Corporate Governance

As per listing agreement with the stock exchanges, listed companies are required to implement the Corporate Governance Code from the financial year 201-2002 onwards. Your Company's shares are listed with the Bombay Stock Exchange Limited. A report on corporate governance is attached to this report as annexure. A certificate from the Auditors of the Company regarding compliance of clause 49 of Listing Agreement is also annexed herewith.

### Directors' Responsibility Statement

Pursuant to requirement under sub-section (2AA) of section 217 of the Companies Act 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March 2010, the applicable accounting standards have been followed.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March 2010 and of the profits of the company for the year ended on that date.
- iii. 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 safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts of Company on a 'going concern' basis.

### Auditors & Their Report

M/s Kari Venkateswarlu & Associates, Chartered Accountants, Hyderabad, the Auditors of Company, retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. They have furnished a certificate to the effect that their proposed appointment, if made, will be in accordance with the limit prescribed under Section 224(1-B) of the Companies, Act, 1956 and they are not disqualified for such appointment, within the meaning of subsection (3) and (4) of the section 226 of the Companies Act, 1956. Your directors recommend their reappointment.

The Auditor's Report to the shareholders does not contain any qualification. The notes to accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any comments.

### Compliance Certificate

As per the requirement of section 383A of the Companies Act 1956 and Companies (Compliance Certificate) Rules 2001, the company has obtained a certificate from Company secretary in whole time practice confirming that the company has complied with all the provision of the Companies Act, 1956. The clauses referred to in the compliance certificate are self-explanatory and, therefore do not call for any further comments.

**Information required under section 217(1) (e) of Companies Act.**

i) **Conservation of energy**

In the opinion of the directors there is no need to take any measure in this regard. The company does not have any proposal for additional investment in this regard. The details of energy consumption are not required to be given.

ii) **Technology absorption**

The research and experiments are carried on as part of the normal business activities as such no separate figures are available.

iii) **Foreign Exchange Earnings & Outgo**

Earnings: ` . 0.00	Previous year ` . 0.00
Outgo: ` . 0.00	Previous year ` .0.00

**Acknowledgment**

Your Directors would like to express their grateful appreciation for the assistance and Co-operation received from the financial institutions, Government Authorities, Customers, Vendors and Members during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed services of executives, staff and workers of Company.

For and on behalf of the Board

y Radha Ravi

Director

  
Director

Place: - New Delhi

Date: - 29.06.2010

## MANAGEMENT DISCUSSION & ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENT

Emerging strong even during the scariest phase of global financial meltdown, India has become one of the preferred investment destinations for the foreign investors across the globe. The investment scenario in India is getting bigger and better with by the passage of time. This is mainly due to high confidence levels of the investors formed due to their increase in purchasing power and overall per capita income. Today, India is considered the 4th biggest economy in the world. Its impressive GDP rate, especially in the field of purchasing power, has catapulted it to second position among all the developing nations. According to forecasts, Indian economy will grow to become 60% in size of the economy of US. It will also witness macro-level stability in economic conditions. Behind all this, investment industry is considered to be the key player.

The investment industry in India is broad and has been riding high since the last few years. India's equity market has doubled since March 2009. The overall contribution made by the financial services sector in India in the year 2009 was 15 per cent towards the GDP of the country. It has been always mentioned that investment in India should always be a long-term story as the industry has been growing from an emerging market to a developed one. With the growth assumption of 6.5 to 7% in GDP in 2010, the Indian Investment Industry aims at achieving a mature stature. The next 10 years for the Investment Industry in India will surely give good returns to the investors.

Of late, the Indian economy is turning out to be extremely conducive in terms of domestic and foreign investments. In India, Investment industry has been the major propelling force towards India's attainment of self-sustained growth by way of rapid industrialization. The pioneers of the Indian investment industry have been Foreign Direct Investment (FDI) and Investments made by NRIs. Foreign Direct Investments in India has been gearing up momentum with every passing day. So to view an economy which is entirely open to the global markets, the investment industry in India should be groomed in a manner that the maximum returns are achieved. The investment industry's potential should neither be overestimated nor underestimated. Constant efforts are being made to deal with the complexities of the investment industry and grow along with it.

### OPPORTUNITIES AND THREATS

The investing story in India has not been always that smooth. Pitfalls are sure to co-exist. The main hurdle on India's growth now is its infrastructure. On the other hand, infrastructure is India's biggest opportunity as well. The fiscal deficit of India also poses a big threat to the investment industry in India. For an emerging economy like India, it is recommended that an investor always balances the unique risks against the potential for high long-term growth. The decision for investment should be made accordingly by considering all these factors.

One of the major reasons behind investing in India is Inflation. Due to the constant rise in the cost of goods and services people in India are losing out on their real money value. Hence investing becomes very important to reap the benefits of their hard earned money. Due to the decrease in mortality rate and higher life-expectancy, people in India tend to invest more. The question of sustainability, especially during old age in most individuals has driven them to invest more to secure their future. Investing is also an option in Tax planning for individuals to help them save tax to a good extent. Investing perfectly according to one's requirements can improve the current standard of living and also helps to maintain a wealth reserve for the future.

## OPPORTUNITIES

- The Investment Industry in India has a sound infrastructure which works to its advantage.
- The Indian economy is very conducive and has the ability to sustain the rapid industrialization and growth especially when it comes to foreign and domestic investments.
- With the rapid growth of foreign investments the grooming of the investment industry in India can achieve maximum returns.
- Increase in the per capita income and purchasing power of the people drives them to invest more and more to secure their future. This creates immense opportunity for growth of the industry as a whole.
- Increasing awareness among the people about investing and its financial benefits create more and more opportunities.

## THREATS

- The problem of Fiscal deficit has posed a serious threat to the growth of investment industry in India.
- The regulations imposed by the Reserve Bank of India and the Government may restrict the inflow of investments in to India.
- The Indian economy is currently recovering from a recession hit situation and this has a negative effect on the Investment industry as there are much lesser
- The existing rivals in the market are posing a stiff competition for the lesser and extremely limited opportunities available for growth and sustainability
- Due to the opportunities the investment industry has to offer in a stabilized economy in the future, there is a serious threat buildup of new players entering the Industry thereby posing a futuristic threat of stiffer competition.

## OUTLOOK AND FUTURE PLANS

Considering the effect of the present economic scenario on the industry as a whole, the company hasn't been able to perform well in the market for the last couple of years. However, there have been minor improvements in the Company's financial position compared to previous years but it has still not proven satisfactory. The company has not been able to rise up to capture the limited opportunities the industry has to offer. The business activities have been sluggish and the company did not undertake any new endeavors to increase its profitability.

The economy as a whole is gradually recovering and opportunities are disclosing themselves to the Companies who are more alert and are ready to grab them. The Company however does not plan to take up any new assignments as they are prone to very high risks in the current market situation. Thus the Company wishes to play safe for the time being till its financial position is stabilized to a satisfactory extent.

## RISKS AND CONCERNS

Political risk remains one of the main obstacles to Domestic and foreign investment in emerging markets and is likely to continue being so over the medium term. Corporate investors rank political risk amongst their top three concerns when investing in developing countries such as India more often than any other consideration, including macroeconomic stability and access to financing. The prominence of political risk relative to other concerns will increase over the next three years, as constraints related to the global financial and economic crisis gradually ease. Political risk is a top concern for both domestic and corporate foreign investors in developing countries, when venturing into emerging markets. At the same time, these investors maintain a positive outlook on economic and business prospects in the Country, which is expected to attract a growing share of global foreign direct investment (FDI) as the world economy slowly,

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recovers. The financial crisis has resulted in higher selectivity and stricter underwriting conditions in some segments of the private investment market and further more the capacity has been reduced in some cases.

Decentralization has introduced sub-sovereign entities as a source of risk, in particular for infrastructure projects whose viability relies on these entities being able to meet their contractual and financial obligations. Controls on access to foreign exchange have receded and financial markets have been liberalized over the past two decades, but some concerns over the ability to convert and transfer currency in times of crisis still persist, particularly in fixed exchange regimes. Opportunities for private investment in infrastructure and the extractive industries, with their long term horizons, large scale, and reliance on central or local government licenses or guarantees will continue to carry concerns.

The financial crisis has severely curtailed private capital flows to developing countries, reversing the upward trends observed over the past few years. Yet FDI flows to emerging markets are proving resilient, and rebounds are anticipated in 2010-2011.

#### **INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

The Company has a good internal control system in place to keep regular check on its internal activities. Periodical improvements are made to the internal control system to retain its efficiency and improve its fool-proof system.

The Company conducts internal audits at regular intervals and ensures required operational efficiency. These periodical checks and audits are carried out at different levels of the Organizational hierarchy under the authority and supervision of the Audit Committee. The Audit committee submits its report on any irregularities, areas commanding attention, areas requiring improvement and recommendations for the same to the Board of Directors. The Board reviews the report and, if finds necessary, takes appropriate measures to address the problems and fulfill the requirements.

The Audit committee comprises 3 Directors of which one of them is appointed as the Chairman. The composition of the Audit committee is determined by the Board based on the expertise and experience of the appointed Directors in the field. The Directors who comprises the Board are constituted in the Audit committee to total transparency and accountability. The Audit committee also conducts periodical reviews of the Company's internal control system and makes its recommendations to the Board based on its findings. It also reviews the unaudited financials of the Company for every quarter and recommends the same to the Board of Directors for their adoption and approval.

The Company has a Budgetary Control system that promotes to economy in operations. It is periodically reconfigured to the best possible way as per the requirements arrived at after considering the Company's market stability and financial standing. The Company has also put in place a globally appraised cost accounting system for achieving higher levels of cost reduction, cost control and economies of scale in production.

#### **SHARE CAPITAL**

During the year under review, there was no further issue of shares. The paid up capital of the Company stands at Rs. 24,00,000/- as on 31.03.2010.

#### **SECURED LOANS**

The Company has not availed any Secured Loans during the financial year 2009-2010. The overall balance Secured Loans as on 31<sup>st</sup> March, 2010 is NIL.

#### **FIXED ASSETS**

The Company has not acquired any fixed assets during the financial year 2009-2010. The overall balance of fixed assets as on 31<sup>st</sup> March, 2010 is NIL.