

PHOTON CAPITAL ADVISORS LIMITED

**27th ANNUAL REPORT
2011-2012**

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PHOTON CAPITAL ADVISORS LIMITED

Board of Directors	Mr. J.Narasimha Rao Mr. Madhukar Yarra Mr. V R Shankara Mr. Tejaswy Nandury
Auditors	M/s. K.Vijayaraghavan & Associates Chartered Accountants Hyderabad
Bankers	HDFC Bank Ltd., Syndicate Bank
Registered Office	# 104, Nirmal Towers, Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082, Andhra Pradesh Phone No. 040-23355775 Email Id: info@pcalindia.com
Registrars & Transfer Agents	Karvy Computershare Pvt. Ltd. Plot No.17 to 24, Vittal Rao Nagar Madhapur, Hyderabad - 81 Phone No. 040-44655000 Email Id: einward.ris@karvy.com

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the company will be held on Friday, the 28th September, 2012 at 10.00 AM at Neni - Hitech Club, 169, Old Airport Road, New Bowenpally, Secunderabad -500 011, Andhra Pradesh, to transact the following Ordinary Business:

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2012 and the statement of profit and loss account for the year ended on that date and the reports of the Board of Directors, and Auditors thereon and Compliance Certificate.
2. To appoint a director in place of Mr.Madhukar Yarra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. K.Vijayaraghavan & Associates, Chartered Accountants, as Auditors of the company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board of
PHOTON CAPITAL ADVISORS LIMITED

TEJASWY NANDURY
WHOLE TIME DIRECTOR

PLACE: HYDERABAD

DATE: 31.07.2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members/Proxies are requested to fill in the enclosed attendance slip and deposit the same at the entrance of the meeting hall.

3. The Register of members and share transfer books of the company will remain closed from 21.09.2012 to 28.09.2012 (both days inclusive).
4. The Register of directors' shareholdings shall be open for inspection to any member of the company during the period beginning 14 days before the date of company's annual general meeting and ending 3 days after the date of its conclusion. The said register shall also remain open and accessible during the annual general meeting to any person having right to attend the meeting.
5. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of person(s) seeking re-appointment as Director(s) under Item Nos.2 of the Notice, are provided in the Report on Corporate Governance forming part of the Annual Report.
6. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars on April 21, 2011 and April 29, 2011 inter-alia stating that a company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode. In that case, the company is required to obtain email addresses of its members for sending the notice / documents through email by giving an advance opportunity to every shareholder to register his email address and changes therein, if any, from time to time with the company.

Therefore, in view of the above, the members are requested to up date your email ids with the Depository Participant, if the shares are in Demat mode and to Karvy Computershare Pvt. Ltd, Registrars and Transfer Agents of the Company, in case the shares are in physical mode.

DIRECTORS' REPORT

To

The Members of

PHOTON CAPITAL ADVISORS LIMITED.

Your Directors are pleased to present the 27th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS:

PARTICULARS	2011-12 (₹ in lakhs)	2010-11 (₹ in lakhs)
Income from operations	1148.13	606.81
Other Income	122.05	52.70
Expenditure	141.38	674.16
Profit/(Loss) before Tax	1128.80	(14.65)
Provision for tax	393.46	6.69
Profit / (Loss) after tax	735.34	(21.34)

REVIEW OF OPERATIONS:

The year presented very few trading opportunities so for most of the year your company adopted a defensive position by staying in bank deposits. Aside from a few small trades, the company did not engage in active trading in order to protect from the operational risk in a year which was highly uncertain with very few directional moves that could be reasonably explained.

MANAGEMENT DISCUSSION AND ANALYSIS:

Industry Structure and developments:

There have been no substantial changes in the NBFC industry as a whole.

Opportunities and threats:

The year ahead is going to be a very interesting one. The world is no longer as stable as it was financially or economically before the excesses in the American housing industry resulted in permanent structural damage. In order to counter the continuing impact of the great recession of 2008, central bankers around the world are embarking

on various types of initiatives. This has resulted in total divergence of policies between the countries of the developed world and the countries in the emerging world. It is the first time since the 1990s that such a wide divergence has emerged in the policies being followed by various countries. Developed countries are trying to counter the possibility of deflation. Since their economies have been so affected by the deleveraging that followed the excesses of the 2003-2008 period, they have embarked on a process of almost continuous "pump priming" by trying to push more and more liquidity into their financial systems. The USA has joined Japan in becoming one of great sources of liquidity through their various quantitative easing programs.

The problem with quantitative easing, as the Japanese have found out, is that no one knows exactly where the liquidity will find a home. The Federal Reserve has hoped that it would find a home in American industry and in creation of new household credit. Though American industry has been doing well, it has hoarded cash rather than invest it because of its experience of the downturn and the fear psychosis that the recession created. Households, on the other hand, have such damaged balance sheets that their willingness to take on more credit, especially in the face of persistent unemployment and potentially reduced disposable income, has been minimal. As a result, the liquidity created by the Federal Reserve found a place in US Treasury bonds and commodities. This resulted in dramatically lowered yields and very high prices of commodities. The abnormal rise in commodity prices resulted in huge inflation in emerging economies such as India and China. Persistent inflation in these countries has created massive divergence in policy between developed countries and these emerging nations. This divergence may now begin to narrow if inflation cools off. However, it is not clear by when inflation will slow and to what extent a growth slowdown is required to curb price rises. Both China and India have adopted an easing stance. It remains to be seen if the developed world will follow.

To add to this confusion, the European Union is showing increasing signs of breakdown. The European Union was created with a single currency but without a common treasury. The underlying economies have widely different characteristics. Germany, an export led powerhouse, shares a currency with countries like Greece and Italy, which are much weaker. The impact of the great recession has been very limited on Germany but PIIGS countries have never really recovered from it. As a result, the fiscal stimulus undertaken in those countries has completely undermined their public finances. PIIGS countries are not able to smoothly roll over their debt at rates that they consider reasonable. Since

they do not have their own currency, they are unable to regain export competitiveness through a fall in their currencies. Since they do not share a treasury with their stronger neighbours, they are unable to use the strength of their neighbours to pay bills that their governments have run up. A quasi treasury is being created through the European Financial Stability Fund but it is not fully funded to handle all the problems that are likely arise from the friction in rollover of debt in the PIIGS countries. Nor is it ever likely to get fully funded because funding it would weaken the strong countries. European politicians are also very reluctant to make decisions that would, in their eyes, lower the prestige of the Eurozone. This complicated set of events makes for a high amount of confusing and destabilizing events to come from Europe for a long time. It appears that the European Union is on course to eventually break up. But the path to breakup will not be smooth and will create enormous instability in global financial markets.

China, meanwhile has begun to slow down appreciably and its central bank is infusing liquidity into its banking system to counteract the government engineered slowdown. Growth in the rate of inflation seems to be abating.

Finally, we arrive at India. India is on the verge of frittering away its opportunities. Through a stroke of luck, our population bomb got transformed into a demographic dividend. The liberalization that occurred in the nineties paved the way for sustained growth over the next two decades. However, with great prosperity came great greed. Our politicians and bureaucrats, never the models of good government, skilful execution or great vision, have become completely focused on enriching themselves at the expense of the entire country. There is an attempt to make the country a welfare state through various subsidy schemes that are going to be impossible to roll back. As a result of the welfare economics model being followed for selfish purposes by our governments, our population is learning that it is possible to live on government largesse without being productive. This is a very dangerous incentive for the future. High inflation, combined with high interest rates is certain to reduce economic growth. Our economy, in any case, lacks the strength that comes from innovative mindsets. While this may seem a grim assessment of the country, it is not an argument that no one in India will prosper. Some individuals and companies will. But unless there is great reform undertaken to dismantle the crony capitalism that is becoming endemic in the country, the growth story that we are so enamoured with will be short lived.

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Outlook:

All this creates an uncertain outlook for investments. But great trading opportunities will emerge. If these opportunities are exploited skilfully, it will be possible for your company to grow substantially. But these opportunities will come with a great amount of volatility, which will restrain the ability to exploit it. So our skills in managing trading positions will be tested greatly in the next few months and years.

Risks and concerns:

Your Company has continued to minimize risks from external factors and has constantly preferred and adopted methods and systems in its economic activities with low element of risk. In the current and future years, your company will further strengthen and bolster its efforts to minimize or negate all risk factors. However, external factors of foreign currencies and impact of global slow down, currency corrections of other large growing economies do cause concern to all enterprises and your company does consider this as a concern. Nevertheless, such factors will be dealt with caution and adequate foresight.

DIVIDEND:

Your Board decided to retain the profit with the Company to strengthen the capital base , hence not recommend any dividend.

PUBLIC DEPOSITS:

Your company has not invited and accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

DIRECTORS:

Mr. Madhukar Yarra, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Sec.217 (2AA) of the Companies Act, 1956 the Board of Directors of your Company hereby certify and confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. 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

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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 that period;

3. 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;
4. The Directors have prepared the Annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The Company has been continuously making efforts to reduce energy consumption. The management is striving to achieve cost reduction by economical usage of energy and to bring a general awareness about energy conservation among employees.

FOREIGN EXCHANGE EARNINGS AND OUT GO:

Earnings in Foreign Currency	:	Nil
Expenditure in Foreign Currency	:	Nil

PARTICULARS OF EMPLOYEES:

No employee of the Company was in receipt of remuneration in excess of the limits as laid down under Sec.217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975.

STATUTORY AUDITORS:

M/s. K.Vijayaraghavan & Associates, Chartered Accountants, Hyderabad, who are statutory auditors of the Company hold office in accordance with the provisions of the Companies Act, 1956, upto the conclusion of the ensuing annual general meeting and are eligible for re-appointment. A certificate under section 224 (1B) of the Companies Act, 1956 has been received from them. The Board of directors recommend their re-appointment.

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CORPORATE GOVERNANCE:

As a listed company, necessary measures have been taken to comply with the listing agreement with the Bombay Stock Exchange Ltd, Mumbai. A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this Report as Annexure.

SECRETARIAL AUDITORS:

During the year under review, the Board has appointed M/s. SGP & Associates, Company Secretaries as Secretarial Auditors for issuing Compliance Certificate in terms of Section 383A of the Companies Act, 1956 for the financial year 2011 - 2012. A copy of the Compliance Certificate is annexed to this report.

ACKNOWLEDGEMENTS:

Your Directors gratefully acknowledge the support and co-operation extended by all the shareholders, customers, bankers, mutual funds, share brokers to your company during the year and look forward to their continued support.

Your Directors also place on record their appreciation of the dedication and commitment displayed by the employees of the company.

For and on behalf of the board of
Photon Capital Advisors Limited

Place: Hyderabad
Date: 31.07.2012

V R Shankara
Director

Tejaswy Nandury
Wholetime Director

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Governance:

Your Company believes in conducting its affairs with the highest level of integrity, with proper authorizations, professionalism, accountability and transparency. The business operations of your Company are conducted not to benefit any particular interest group but for the benefit of all stakeholders. All matters of strategy and significant developments and other matters which are required for consent of Board are being placed before the Board. The Audit and Share Transfer and Grievance Committees regularly meet to consider aspects relevant to each committee whereas the Remuneration Committee meets based on need.

2. Board of Directors:

a. Composition of the Board:

The Board of Directors consists of Four (04) Directors and the composition and category of Directors is as follows:

Sl. No.	Name & Category of the Directors	No. of Directorships held in other Public Companies	No. of Memberships / Chairmanships held in Committees of other companies
1.	Mr. Tejaswy Nandury Promoter - Executive Director (DIN- 00041571)	NIL	NIL
2.	Mr. V R. Shankara Independent - Non-Executive (DIN- 00041705)	NIL	NIL
3.	Mr. Madhukar Yarra Independent - Non-Executive (DIN- 00041885)	NIL	NIL
4.	Mr. J.Narasimha Rao Independent - Non-Executive (DIN- 00024260)	NIL	NI

The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange.

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b. Details of Directors being appointed and reappointed at the ensuing Annual General Meeting:

Mr. Madhukar Yarra, being the retiring director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A brief resume of the Director being re-appointed is as follows:

Mr. Madhukar Yarra is a graduate from Indian Institute of Technology, Chennai and post graduate from University of Texas, USA. He is having an experience of over 11 years working for various corporate in software industry.

c. Non-Executive Directors' compensation and disclosures:

No fees/compensation is being paid to the Non-Executive Directors of the Company.

d. Board Meetings:

During the Financial Year 2011-2012 the Board of Directors met Four (04) times on the following dates:

1. 26th May, 2011,
2. 29th July, 2011
3. 28th October, 2011 and
4. 27th January, 2012

The Attendance of Directors at these Board Meetings and at the previous Annual General Meeting was as under:

Name of the Directors	No. of Board Meetings held during the period April 2011-March 2012	No. of Meetings attended by the Director	Whether present at the previous AGM (23.09.2011)
Mr. Tejaswy Nandury	4	4	Yes
Mr. V R. Shankara	4	4	Yes
Mr. Madhukar Yarra	4	2	No
Mr. J. Narasimha Rao	4	4	Yes

e. Committees of the Board:

i. Audit Committee:

The Audit Committee was constituted by the Board of Directors. The terms of reference of this committee cover the matters specified in the clause 49 of the Listing Agreement and as may be referred to the committee by the Board of Directors of the company.

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Composition, Name of Members and Chairman:

The Audit committee consists of the following independent and non-executive Directors:

1. Mr. J.Narasimha Rao : Chairman
2. Mr. V.R.Shankara : Member
3. Mr. Madhukar Yarra : Member

The Audit Committee invites the Statutory Auditors or their representatives, to be present at its meeting.

During the year under review, the total number of meetings held was Four (04) on the following dates:

1. 26th May, 2011,
2. 29th July 2011,
3. 28th October 2011 and
4. 27th January 2012.

Meetings and attendance during the year:

Name of the Member	No. of Meetings held	Attendance
Mr. J.Narasimha Rao	4	4
Mr. V.R.Shankara	4	4
Mr. Madhukar Yarra	4	2

Necessary Quorum was present for all the meetings.

Mr. J. Narasimha Rao, Chairman of the Audit Committee attended, the previous Annual General Meeting of the Company held on 23.09.2011.

ii. Remuneration Committee:

The Remuneration Committee comprises of Three (03) Non-Executive Independent Directors as below:

1. Mr. J. Narasimha Rao,
2. Mr. V.R. Shankara, and
3. Mr. Madhkar Yarra.

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The committee elected Mr. J.Narasimha Rao, an Independent director, as the Chairman of the Committee. No remuneration committee meeting was held during the Financial year 2011 - 2012.

None of the directors of the company received remuneration during the year 2011 - 2012.

iii. Share transfer/Investors Grievance Committee:

Share transfer / Investors Grievance Committee were formed by the Board of Directors in terms of clause 49 of the Listing Agreement.

The said Committees consist of the following Independent and Non-Executive Directors:

1. Mr. J. Narasimha Rao,
2. Mr. V.R. Shankara, and
3. Mr. Madhkar Yarra.

Mr.J.Narasimha Rao is the Chairman of the Share Transfer Committee and Mr.V.R.Shankara is the Chairman of the Investor Grievances Committee.

The committees look into the matters relating to the shareholder's complaints, grievances, various requests in the nature of transfer, transmission, etc., and also overseeing the performance of the Registrar & Transfer agents to improve the quality of investor services.

3. General Body Meetings:

a. Annual General Meetings:

The last 3 Annual General Meetings were held as under:

Date	Time	Venue
23.09.2011	10.00 A.M.	Neni Hi-tech Club, 169, Old Airport Road, New Bowenpally, Secunderabad-500011
30.09.2010	10.00 A.M.	Neni Hi-tech Club, 169, Old Airport Road, New Bowenpally, Secunderabad-500011
29.09.2009	10.00 A.M	Neni Hi-tech Club, 169, Old Airport Road, New Bowenpally, Secunderabad-500011

b. Extra-Ordinary General Meetings:

No Extra-Ordinary General Meeting of the Members was held during the year 2011 - 2012.

c. Postal Ballot:

No Postal Ballot was conducted during the year 2011 - 2012.

d. Special Resolutions:

No Special Resolutions were passed at the Three (03) previous Annual General Meetings held on 29.09.2009, 30.09.2010 and 23.09.2011.

4. Disclosures:

- a. There are no materially significant related party transactions of the Company which have potential conflicts with the interest of the company at large.
- b. Details of non-compliance 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 last Three (03) years 2009 - 10, 2010 - 11, 2011 -12, respectively : -NIL-
- c. The Company has not adopted Whistle Blower policy.
- d. The Company has complied with all mandatory requirements of this clause and it has not opted non-mandatory requirements of this clause except constitution of remuneration committee.

5. Means of Communication:

- a. The Quarterly results are published in one English news paper and in one regional news paper i.e., Business Standard and Andhra Prabha.
- b. No Information released to the press at the time of declaration of results except the publication of results in the news papers.
- c. The Management Discussion and Analysis (MD & A) is a part of the Annual Report.

6. General Shareholder Information:**i) Annual General Meeting:**

Date : 28.09.2012

Time : 10 A.M

Venue : NENI-HITECH CLUB, 169, Old Airport Road,
New Bowenpally, Secunderabad-500 011

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ii) Financial Calendar:

The financial year covers the period from 1st April to 31st March:

Financial Reporting for 2012-2013 (tentative):

The First Quarter Results-30.06.2012	Held on 31.07.2012
The Second Quarter Results-30.09.2012	Between 15.10.2012 to 14.11.2012
The Third Quarter Results-31.12.2012	Between 15.01.2013 to 14.02.2013
The Last Quarter Results-31.03.2013	Between 15.04.2013 to 14.05.2013

iii) Book Closure:

The Register of members and share transfer books of the company will remain closed from 21.09.2012 to 28.09.2012 (both days inclusive).

iv) Dividend payment Date:

Not applicable as the Board has not recommended any dividend for the year.

v) Listing on Stock Exchanges:

Shares of the Company are listed on Bombay Stock Exchange Limited [BSE].

Company's Stock Code in BSE : 509084

The Company has paid Annual Listing Fees for the year 2012-2013 to the Bombay Stock Exchange [BSE].

vi) Market Price Data: High / Low during each month of 2011 - 2012 on the BSE:

Month	High (₹)	Low (₹)	Close (₹)	Volume (Nos.)
April, 2011	--	--	--	--
May, 2011	--	--	--	--
June, 2011	--	--	--	--
July, 2011	--	--	--	--
August, 2011	--	--	--	--
September, 2011	--	--	--	--
October, 2011	--	--	--	--
November, 2011	--	--	--	--
December, 2011	--	--	--	--
January, 2012	--	--	--	--
February, 2012	--	--	--	--
March, 2012	--	--	--	--

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vii) Registrars and Transfer Agents:

Karvy Computershare Pvt. Ltd.
Plot No.17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 81
Ph No: 040-44655000
Email Id: einward.ris@karvy.com

viii) Delegation of Share Transfer Formalities:

The Board has delegated share transfer formalities to **Karvy Computershare Pvt. Ltd.**, the Registrars and Transfer Agents.

All communications regarding Share Transfers, Transmissions Change in Address and any other correspondence etc., may be addressed to the Registrars & Transfer Agents.

The company has constituted Share Transfer Committee, which meets 2 times in a month. Physical transfers are affected within the statutory period of one month. The Board has designated Mr. G.Ramesh Babu as the Compliance Officer. Hence, in case of any grievances the shareholders are free to approach the Share Transfer Committee for due redressal of their grievances.

ix) Shareholding as on 31st March, 2012:

a) Distribution of shareholding as on 31st March, 2012:

Number of Shares	Share holders		Shares Amount	
	Number of accounts	% to accounts	In ₹	% of capital
(1)	(2)	(3)	(4)	(5)
1 - 5000	6684	99.56	3544230	23.41
5001 - 10000	15	0.23	95530	0.63
10001 - 20000	4	0.06	56780	0.38
20001 - 30000	3	0.04	72800	0.48
30001 - 40000	1	0.01	31710	0.21
40001 - 50000	0	0.00	0	0.00
50001 - 100000	1	0.01	92870	0.61
100001 - Above	6	0.09	11243020	74.28
Total	6714	100.00	15136940	100.00

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b) Categories of Shareholders as on 31st March, 2012

Sl. No.	Description	Cases	Shares	% Equity
1	HUF	2	176	0.01
2	BODIES CORPORATES	32	4874	0.32
3	PROMOTERS BODIES CORPORATE	4	148631	9.82
4	PROMOTER INDIVIDUALS	3	984958	65.07
5	RESIDENT INDIVIDUALS	6673	375055	24.78
	TOTAL	6714	1513694	100.00

x. Dematerialization of shares and liquidity as on 31.03.2012:

Sl. No.	Description	No. of Holders	Shares	% to Equity
1	PHYSICAL	6371	346889	22.92
2	NSDL	255	78624	5.19
3	CDSL	88	1088181	71.89
	TOTAL	6714	1513694	100.00

77.08 % of Company's paid-up Equity Share Capital has been dematerialised upto March 31, 2012. Trading in Equity Shares of the Company is permitted only in de-materialised form.

The Company has established connectivity with CDSL and NSDL and the shareholders are requested to avail this facility and dematerialize their shares by sending their physical share certificates to the Share Transfer Agents or the Company through their Depository Participants.

xi) Address for Correspondence:

Shareholders may correspond with the Company for the redressal of their grievances, if any at the registered office of the Company situate at:

104, Nirmal Towers, Dwarakapuri Colony,

Punjagutta, Hyderabad - 500082, Andhra Pradesh.

Ph.No: 040-23355775, Email Id: info@pcalindia.com

For and on behalf of the board of
Photon Capital Advisors Limited

Place: Hyderabad
Date: 31-07-2012

V R Shankara
Director

Tejaswy Nandury
Wholtime Director

DECLARATION BY WHOLE TIME DIRECTOR OF THE COMPANY ON CODE OF CONDUCT

As per clause 49 of the Listing Agreement of the Stock exchanges the Board shall lay down a code of conduct for all Board Members and senior management of the Company. The code of conduct shall be posted on the website of the company and all the Board Members and senior management personnel shall affirm compliance with the code on annual basis. The Annual report of the Company shall contain a declaration to this effect signed by Whole Time Director of the Company.

I hereby declare that:

1. Code of conduct prepared for the Board Members and senior management of the company was approved by the Board of Directors and the same was adopted by the Company.
2. Code of conduct adopted by the Company was circulated to the members of the Board and senior management of the company and also posted in the website of the company.
3. All the members of the Board and senior management of the company have complied with all the provisions of the code of conduct.

For PHOTON CAPITAL ADVISORS LIMITED

TEJASWY NANDURY
WHOLETIME DIRECTOR

Place: Hyderabad

Date: 31.07.2012

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members of
Photon Capital Advisors Limited

We have examined the compliance of conditions of corporate governance by Photon Capital Advisors Limited for the year ended on 31 March 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For and on behalf of
K. Vijayaraghavan & Associates
Chartered Accountants
Firm Registration Number: 004718S

Place: Hyderabad
Date: 30-05-2012

K. Vijayaraghavan
Partner, Membership No.23387

COMPLIANCE CERTIFICATE

Corporate Identity Number : L65910AP1983PLC004368

Authorised Capital : Rs. 4,00,00,000.00

Paid up capital : Rs. 1,51,36,940.00

To

The Members of

PHOTON CAPITAL ADVISORS LIMITED,

#104, Nirmal Towers, Dwarakapuri Colony,

Punjagutta, Hyderabad - 500 082, Andhra Pradesh.

We have examined the registers, records, books and papers of **PHOTON CAPITAL ADVISORS LIMITED**, (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012 (Financial year). 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, its officers and agents, 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, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in *Annexure 'B'* to this certificate with the Registrar of Companies.
3. The Company, being a public limited Company, has minimum prescribed Paid-up Capital.
4. The Board of Directors duly met Four [04] times respectively on 26.05.2011, 29.07.2011, 28.10.2011 and 27.01.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. No circular resolution passed during the financial year.

PHOTON CAPITAL ADVISORS LIMITED

5. The Company closed its Register of Members from 16th September, 2011 to 23rd September, 2011 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 23.09.2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The provisions of Section 314 of the Act have not been attracted and therefore no approvals were required to be taken.
12. The Company has issued duplicate share certificates and complied with the procedure required in this regard.
13. The Company:
 - (i) has delivered all the certificates on lodgment thereof for transfer/transmission in accordance with the provisions of the Act and the Company has not made any allotment of shares during the financial year.
 - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) was not required to transfer any amount to Investor Education and Protection Fund.
 - (v) has duly complied with the requirements of section 217 of the Act.

PHOTON CAPITAL ADVISORS LIMITED

14. The Board of Directors of the Company is duly constituted and there was no appointment of additional directors and alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities prescribed under various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares or debentures during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has so far not issued any redeemable preference shares/debentures.
22. During the year under review, there were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March 2012.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
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 scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.

PHOTON CAPITAL ADVISORS LIMITED

28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on 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. Provisions of Section 418 of the Act are not applicable to the Company.

For SGP & Associates,
Company Secretaries

GOPIREDDY MALYADRI

Partner

C.P.No:7911

Place: Hyderabad

Date: 30.07.2012

ANNEXURE 'A'

Registers as maintained by the Company:

Statutory Registers:

- | | |
|--|---------------------|
| 1. Register of Share Transfers | u/s 108 of the Act. |
| 2. Register of Charges | u/s 143 of the Act. |
| 3. Register of Members | u/s 150 of the Act. |
| 4. Register of Directors | u/s 303 of the Act. |
| 5. Register of Directors' Shareholding | u/s 307 of the Act. |
| 6. Minutes of the Board Meetings | u/s 193 of the Act. |
| 7. Minutes of General Meetings | u/s 193 of the Act. |
| 8. Books of Accounts | u/s 209 of the Act. |
| 9. Register of Contracts in which Directors are interested | u/s 301 of the Act. |

Other Registers:

1. Attendance Register of General Meetings.
2. Attendance Register of Board Meetings.

ANNEXURE 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending 31st March, 2012:

Sr. No.	Form No/Return	Filed under Section	For	Date of filing	Whether filed with in prescribed time (yes / no)	If delay in filing, whether requisite additional fee paid (yes / no)
1.	Compliance Certificate	383A	Compliance Certificate for the financial year ended 31.03.2011	14.11.2011	No	Yes
2.	Schedule - VI	220	Balance Sheet as at 31.03.2011.	16.11.2011	Yes	NA
3.	Schedule - V	159	Annual Return as on 23.09.2011.	15.11.2011	Yes	NA

For SGP & Associates,
Company Secretaries

GOPIREDDY MALYADRI
Partner
C.P.No:7911

Place: Hyderabad
Date: 30.07.2012

AUDITORS' REPORT

To the Members of Photon Capital Advisors Limited, Hyderabad

1. We have audited the attached Balance Sheet of Photon Capital Advisors Limited, Hyderabad, as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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. The Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') is not applicable.
4. 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 purposes of our audit;
 - (b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books;
 - (c) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and statement of Profit and Loss dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Act;

PHOTON CAPITAL ADVISORS LIMITED

- (e) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act; and
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give, in the prescribed manner, the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
K. Vijayaraghavan & Associates
Chartered Accountants
Firm Registration Number:004718S

Place: Hyderabad
Date: 30-05-2012

K. Vijayaraghavan
Partner, Membership No.23387

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in the auditors' report to the members of Photon Capital Advisors Limited ("the Company") for the year ended March 31, 2012. We report that:

1. a. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
 - b. All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed no material discrepancies were noticed on such verification.
 - c. In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. Due to the nature of business, the Company has no inventories and accordingly the provisions of clause 4(ii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
3. a. As informed to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act, and accordingly, clauses (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable.
 - b. As informed to us, the company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act, and accordingly, clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system. The activities of the Company do not involve purchase of inventory and sale of goods.

PHOTON CAPITAL ADVISORS LIMITED

5. a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public under the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. To the extent of our knowledge and as explained, the Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
9. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
 - b. According to the information and explanations given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

PHOTON CAPITAL ADVISORS LIMITED

- c. According to the information and explanations given to us and the records of the Company examined by us, no dues are outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute.
10. The Company has no accumulated losses as at March 31, 2012 and it has not incurred cash losses in the financial year ended on that date and but has incurred cash losses in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as may be applicable, as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of special statute applicable to chit fund and nidhi/ mutual benefit fund/ society are not applicable to the Company.
14. In our opinion, the Company is maintaining proper records of transactions and contracts about the dealing or trading in shares, securities, debentures and other investments and have made timely entries in the records and the shares, securities, debentures and other investments have been held by the company in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions
16. According to the records and information and explanations given to us, the Company has not obtained any term loans, accordingly clause 4(xvi) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

PHOTON CAPITAL ADVISORS LIMITED

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year, accordingly clause 4(xviii) of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
K. Vijayaraghavan & Associates
Chartered Accountants
Firm Registration Number:004718S

Place: Hyderabad
Date: 30-05-2012

K. Vijayaraghavan
Partner, Membership No.23387

Balance Sheet as at

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	Note No.	March 31, 2012	March 31, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	II (1)	15,136,940	15,136,940
Reserves and Surplus	II (2)	181,498,797	107,964,730
		196,635,737	123,101,670
Current liabilities			
Trade payables	II (4)	246,172	247,676
Other current liabilities	II (4)	35,415	153,016
Short-term provisions	II (3)	10,123,194	-
		10,404,781	400,692
TOTAL		207,040,518	123,502,362
Assets			
Non-current assets			
Fixed assets			
Tangible assets	II (5)	2,662,393	3,643,675
Intangible assets	II (5)	-	135,179
Long-term loans and advances	II (7)	5,806,114	5,745,863
Other non-current assets	II (10)	105,400,000	-
		113,868,507	9,524,717
Current assets			
Current investments	II (8)	102,934	101,007,244
Cash and bank balances	II (9)	90,834,891	3,494,264
Short-term loans and advances	II (7)	342,246	7,571,471
Other current assets	II (10)	1,891,940	1,904,666
		93,172,011	113,977,645
TOTAL		207,040,518	123,502,362
Summary of significant accounting policies and notes to accounts	I & II		

The schedules referred to above and the notes thereon form an integral part of these financial Statements.

In terms of our report of even date

For K. Vijayaraghavan & Associates

Chartered Accountants

Firm Registration Number:004718S

For and on behalf of the Board
Photon Capital Advisors Limited

K. Vijayaraghavan,
Partner, Membership No.23387

Place: Hyderabad
Dated: 30-05-2012

Tejaswy Nandury
Wholtime Director

V.R. Shankara
Director

**Statement of Profit and Loss
for the year ended**

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	Note No.	March 31, 2012	March 31, 2011
Continuing operations			
Income			
Revenue from operations (gross)		114,813,805	60,681,242
Less: excise duty		-	-
Revenue from operations	II (11)	114,813,805	60,681,242
Other income	II (12)	12,205,099	5,270,094
Total revenue (I)		127,018,904	65,951,336
Expenses			
Loss from Investment activities	II (13)	4,145,657	58,099,088
Employee benefits expense	II (14)	1,504,331	1,737,707
Other expenses	II (15)	7,212,216	6,432,876
Total (II)		12,862,204	66,269,671
Earnings before interest, tax, depreciation and amortization (EBITDA) (i)-(ii)		114,156,700	(318,335)
Depreciation and amortization expense	II (16)	1,267,661	1,057,166
Finance costs	II (17)	8,671	89,247
		1,276,332	1,146,413
Profit/(loss) before tax		112,880,368	(1,464,748)
Tax expenses:- Current tax		39,346,301	524,754
Deferred tax		-	144,666
Total tax expense		39,346,301	669,420
Profit/(loss) for the year from continuing operations (A)		73,534,067	(2,134,168)
Discontinuing operations			
Profit/(loss) before tax from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) after tax from discontinuing operations(B)		-	-
Profit/(loss) for the year (A+B)		73,534,067	(2,134,168)
Earnings per equity share - Basic & diluted	II (18)	48.58	(1.41)
Summary of significant accounting policies and notes to accounts	I & II		

The schedules referred to above and the notes thereon form an integral part of these financial Statements.

In terms of our report of even date

For K. Vijayaraghavan & Associates

Chartered Accountants

Firm Registration Number:004718S

For and on behalf of the Board

Photon Capital Advisors Limited

K. Vijayaraghavan,

Partner, Membership No.23387

Place: Hyderabad

Dated: 30-05-2012

Tejaswy Nandury

Wholetime Director

V.R. Shankara

Director

Statement of cash flow for the year ended

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	March 31, 2012	March 31, 2011
Cash flows from operating activities		
Profit before taxation	112,880,368	(1,464,748)
Adjustments for: Depreciation and amortisation	1,267,661	1,057,166
Interest received on fixed deposits	(7,121,418)	(134,668)
Interest paid	-	85,267
Diminution in value of investments	172,400	-
Excess provision no longer required written back	(315,153)	-
Profit / loss on sale of Investments	(61,720,316)	(44,061,056)
Dividends	(4,768,528)	(5,018,116)
Operating profit before working capital changes	40,395,014	(49,536,155)
(Increase) / decrease in loans and advances	7,210,972	(5,603,124)
(Increase) / decrease in other current assets	1,003,380	6,689,074
Increase / (decrease) in current liabilities and provisions	119,105	9,993
Cash generated from operations	48,728,471	(48,440,212)
Income taxes paid (including fringe benefit tax)	(29,283,358)	(2,978,707)
Net cash provided from operating activities	19,445,113	(51,418,919)
Cash flow from investing activities		
Purchase of fixed assets	(151,200)	(93,975)
Purchase of investments (Net)	-	18,213,510
Proceeds from sale of investments	162,547,422	-
Interest received on fixed deposits	6,130,764	146,684
Deposits made	(175,400,000)	-
Dividends	4,768,528	5,018,116
Net cash used in investing activities	(2,104,486)	23,284,335
Cash flow from financing activities		
Proceeds from Secured Loan	-	(60,389,053)
Interest paid	-	(85,267)
Net cash used in financing activities	-	(60,474,320)
Net Increase in cash and cash equivalents	17,340,627	(88,608,904)
Cash equivalent at the beginning of the period	3,494,264	92,103,168
Cash equivalent at the end of the period	20,834,891	3,494,264

Notes: (i) The above cash flow statement has been prepared under Indirect method as per Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India. (ii) Figures in bracket indicate cash outgo, except for adjustments for operating activities. (iii) Previous year's figures have been regrouped / rearranged wherever necessary. (iv) Cash and Cash equivalents aggregating to Rs.20,834,891 (Rs.3,494,264 March 31, 2011) comprises cash on hand amounting to Rs.3,219 (Rs.583 March 31, 2011) and balances with banks amounting to Rs.20,831,672 (Rs.3,493,681 March 31, 2011).

This is the cash flow statement referred to in our report attached.

In terms of our report of even date

For K. Vijayaraghavan & Associates

Chartered Accountants

Firm Registration Number:004718S

For and on behalf of the Board
Photon Capital Advisors Limited

K. Vijayaraghavan,

Partner, Membership No.23387

Place: Hyderabad

Dated: 30-05-2012

Tejaswy Nandury

Wholetime Director

V.R. Shankara

Director

I. Significant accounting policies

1. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting stand

2. Use of estimates

The preparation of financial statements, in conformity with GAAP, requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Tangible fixed assets

Fixed assets are stated at their original cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress includes advances paid to acquire fixed assets and cost of assets not ready for intended use before the balance sheet date.

4. Intangible assets

Portfolio Management Fees are amortized on straight line basis over their expected useful life in line with Accounting Standard 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India.

5. Depreciation on tangible fixed assets

Depreciation on assets is provided on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except for lease hold improvement which are depreciated over the period of lease.

Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis with reference to the month of addition / disposal. Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

6. Leases

(i) Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at lower of the fair value and present value of minimum lease payments.

- (ii) Assets acquired under lease where the significant portion of risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged to Statement of profit and loss on accrual basis.

7. Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

8. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

- (i) Long term investments are carried at cost. Diminution in the value of investments, other than temporary, is provided for
- (ii) Current investments are carried at lower of cost and fair value
- (iii) Unlisted and not-actively traded investments are stated at their cost of acquisition less provision for diminution in the value.

9. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

a) Income from services

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

b) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

c) Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

10. Foreign currency transactions

The transactions in foreign currency are accounted at the exchange rate prevailing on the date of transaction. Foreign currency monetary assets and monetary liabilities at the balance sheet date are translated at the rate of exchange prevailing on that date. The exchange difference arising from foreign currency transactions and premium on forward contracts are amortized as expenses or income over the life of the contract.

11. Retirement and other employee benefits

a) Short-term employee benefits

Short-term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits (such as medical care) for current employees are estimated and measured on an undiscounted basis.

b) Defined contribution plans

Company's contributions paid/payable during the year are recognized in the Statement of Profit and Loss.

c) Defined benefit plans

The Company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

12. Income taxes**a) Income tax**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

b) Deferred tax

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

c) Fringe benefit tax

Fringe benefit tax is determined at current applicable rates on expense falling within the ambit of 'Fringe benefit' as defined under the Income Tax Act, 1961.

13. Segment reporting

Identification of segments

The Company's business is organized in two segments - Financial services and Investment services. Accordingly, these divisions comprise the primary basis of segment information. The Company caters to Indian markets and as such there are no reportable geographical segments. All the assets are also located in India.

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments

Revenue and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while other costs, wherever allocable, is apportioned to the segments on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company believes that it is not practicable to provide segment disclosures relating to such expenses, and accordingly such expenses are separately disclosed as 'unallocated' and directly charged to total income.

14. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

15. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

16. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be

PHOTON CAPITAL ADVISORS LIMITED

measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

17. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

18. Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

19. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

The schedules referred to above and the notes thereon form an integral part of these financial Statements.

In terms of our report of even date

For K. Vijayaraghavan & Associates

Chartered Accountants

Firm Registration Number:004718S

For and on behalf of the Board
Photon Capital Advisors Limited

K. Vijayaraghavan,

Partner, Membership No.23387

Place: Hyderabad

Dated: 30-05-2012

Tejaswy Nandury

Wholetime Director

V.R. Shankara

Director

NOTES TO ACCOUNTS

1. Share Capital

₹

Particulars	March 31, 2012	March 31, 2011
Authorised		
40,00,000 Equity shares of Rs 10/- each	40,000,000	40,000,000
Total of Authorised Share Capital	40,000,000	40,000,000
Issued, subscribed and paid-up capital		
15,13,694 Equity shares of Rs.10/- for cash fully paid	15,136,940	15,136,940
Total of Issued Subscribed and fully paid up share capital	15,136,940	15,136,940

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	March 31, 2012		March 31, 2011	
	No of Shares	Value	No of Shares	Value
At the beginning of the period	1,513,694	15,136,940	1,513,694	15,136,940
Issued during the period - Bonus issue	-	-	-	-
Issued during the period - ESOP	-	-	-	-
Outstanding at the end of the period	1,513,694	15,136,940	1,513,694	15,136,940

(b) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	March 31, 2012		March 31, 2011	
	%	No of Shares	%	Value Shares
Sobharani Nandury	30.88	467,416	30.88	467,416
Tejaswy Nandury	32.99	499,440	32.99	499,440

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

PHOTON CAPITAL ADVISORS LIMITED

2. Reserves and surplus

₹

Particulars	March 31, 2012	March 31, 2011
A. Capital reserve	255,545	255,545
B. Statutory reserve	32,244,767	32,244,767
C. General reserve		
Opening balance	75,464,418	77,598,586
Less: Transferred to P&L	-	(2,134,168)
Add: Transferred from P&L	73,534,067	-
Closing balance	148,998,485	75,464,418
D. Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	-	-
Profit for the year	73,534,067	(2,134,168)
Less: Appropriations	73,534,067	2,134,168
Net surplus in the statement of profit and loss	-	-
Total reserves and surplus (A+B+C+D)	181,498,797	107,964,730

3. Provisions

Particulars	March 31st, 2012	March 31st, 2011	March 31st, 2012	March 31st, 2011
	Long Term		Short Term	
Other provisions				
Provision for tax (net)	-	-	10,123,194	-
Total	-	-	10,123,194	-

4. Other Current liabilities

₹

Particulars	March 31, 2012	March 31, 2011
Trade payables	246,172	247,676
Other liabilities:-		
TDS payable	27,034	134,336
Other Payables	8,381	18,680
Total of Other Liabilities	35,415	153,016
Grand Total	281,587	400,692

II NOTES TO ACCOUNTS

5. Fixed Assets

₹

Description	Gross block at cost		Accumulated depreciation		Net book Value	
	April 1st, 2011	March 31, 2012	April 1, 2011	Charge for the year	March 31, 2012	March 31, 2011
Tangible Assets						
Leasehold improvements	2,332,922	2,332,922	1,492,645	840,277	2,332,922	840,277
Furniture	1,039,978	1,039,978	213,904	65,651	279,555	826,074
Electrical fittings	954,104	966,704	157,128	57,796	214,924	796,976
Computer equipment	474,336	612,936	211,169	89,202	300,371	263,167
Office equipments	1,128,347	1,128,347	211,166	79,556	290,722	917,181
Total of Tangible Assets	5,929,687	6,080,887	2,286,012	1,132,482	3,418,494	3,643,675
Portfolio Management Fees	1,000,000	1,000,000	864,821	135,179	1,000,000	135,179
Total of Intangible Assets	1,000,000	1,000,000	864,821	135,179	1,000,000	135,179
Grand Total	6,929,687	7,080,887	3,150,833	1,267,661	4,418,494	3,778,854

PHOTON CAPITAL ADVISORS LIMITED

6. Deferred tax Liability (net)

₹

Particulars	March 31, 2012	March 31, 2011
A. Deferred tax liability		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	(16,680)	(13,172)
Gross deferred tax liability	(16,680)	(13,172)
B. Deferred tax asset		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	318,328	127,956
Provision for diminution in the value of investments	241,576	217,720
Gross deferred tax asset	559,904	345,676
Net deferred tax asset (A+D)	543,224	332,504

Net deferred tax asset is not accounted on conservative basis.

7. Loans and advances

₹

Particulars	March 31st, 2012	March 31st, 2011	March 31st, 2012	March 31st, 2011
	Non-current		Current	
A. Advances recoverable in cash or kind	-	-	342,246	7,571,471
Less: Prov for Doubtful Advance recoverable in cash and kind	-	-	-	-
	-	-	342,246	7,571,471
B. Other loans and advances				
Advance income-tax (net of provision for taxation)	5,806,114	5,745,863	-	-
Total (A+D)	5,806,114	5,745,863	342,246	7,571,471

8. Current Investments

₹

Particulars	March 31, 2012	March 31, 2011
Investment in Equity Instruments	102,934	101,007,244
Total	102,934	101,007,244
The following shall also be disclosed		
- Basis of valuation of individual investments	Cost	
- Aggregate amount of quoted investments and market value thereof;	99,434	81,084,908
- Aggregate amount of unquoted investments;	781,800	781,800
- Aggregate provision for diminution in value of investments	781,800	704,596

PHOTON CAPITAL ADVISORS LIMITED

9. Cash and Bank Balances

₹

Particulars	March 31st, 2012	March 31st, 2011	March 31st, 2012	March 31st, 2011
	Non-current		Current	
A. Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	20,831,672	3,493,681
Cash on hand	-	-	3,219	583
Total A	-	-	20,834,891	3,494,264
B. Other bank balances				
- Deposits with original maturity for more than 12 months	105,400,000	-	-	-
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	70,000,000	-
Total B	105,400,000	-	70,000,000	-
Total (A+B)	105,400,000	-	90,834,891	3,494,264

10. Other Assets

₹

Particulars	March 31st, 2012	March 31st, 2011	March 31st, 2012	March 31st, 2011
	Non-current		Current	
Unsecured, considered good				
Non-current bank balances (Note 9)	105,400,000	-	-	-
Total	105,400,000	-	-	-
Others	-	-	412,944	1,480,300
Interest accrued on fixed deposits	-	-	1,021,794	31,140
Prepaid Expenses	-	-	457,202	393,226
Total	-	-	1,891,940	1,904,666
Grand Total	105,400,000	-	1,891,940	1,904,666

11. Revenue From Operations

₹

Particulars	March 31, 2012	March 31, 2011
Revenue from operations		
Financial services	-	909,755
Profit from:		
- Sale of investments	61,720,316	43,932,075
- Currency futures	38,640,887	15,839,412
- Equity Index futures	14,452,602	-
Other operating revenue	-	-
Revenue from operations (net)	114,813,805	60,681,242

PHOTON CAPITAL ADVISORS LIMITED**12. Other Income**

₹

Particulars	March 31, 2012	March 31, 2011
Interest income on bank deposits	7,121,418	134,668
Dividend income	4,768,528	5,018,116
	11,889,946	5,152,784
Other non-operating income	315,153	117,310
Total	12,205,099	5,270,094

13. Loss from Investment activities

₹

Particulars	March 31, 2012	March 31, 2011
Loss from:		
- Equity index futures	-	27,544,614
- Equity stock futures	4,145,657	4,958,037
Loss on sale of investment	-	-
- Currency futures	-	-
- Commodity futures	-	25,596,437
Total	4,145,657	58,099,088

14. Employee benefits expense

₹

Particulars	March 31, 2012	March 31, 2011
Salaries, wages and bonus	1,480,830	1,696,566
Staff welfare expenses	23,501	41,141
Total	1,504,331	1,737,707

15. Other Expenses

₹

Particulars	March 31, 2012	March 31, 2011
Power and fuel	153,407	157,569
Rent	1,785,032	2,238,667
Rates and taxes	170,965	55,283
Pledge Charges	63,598	-
Insurance	9,438	9,210
Consultancy Charges	2,469,588	1,330,515
Repairs and maintenance		
Buildings	433,065	562,500
Others	148,426	267,614
Travelling and conveyance	60,846	64,349
Communication costs	138,446	153,478
Legal and professional fees	-	428,216
Payment to Auditor (internal audit)	39,090	-
Diminution in value of investments	172,400	95,196
Office maintenance	373,331	225,782
Subscriptions and membership	265,657	312,129
Miscellaneous expenses	667,798	280,525
Total	6,951,087	6,181,033

PHOTON CAPITAL ADVISORS LIMITED**Payment to auditor**

₹

Particulars	March 31, 2012	March 31, 2011
As auditor:		
Audit fee	180,000	180,000
Tax audit fee	20,000	20,000
In other capacity:		
Other services (certification fees)	50,000	50,000
Reimbursement of expenses	11,129	1,843
Total	261,129	251,843

16. Depreciation and Amortization Expenses

₹

Particulars	March 31, 2012	March 31, 2011
Depreciation of tangible assets	1,132,482	723,833
Amortization of intangible assets	135,179	333,333
Total	1,267,661	1,057,166

17. Finance costs

₹

Particulars	March 31, 2012	March 31, 2011
Interest	-	85,267
Bank charges	8,671	3,980
Total	8,671	89,247

18. Earnings per Share

₹

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2012	March 31, 2011
Total operations for the year		
Profit/ (loss) after tax	73,534,067	(2,134,168)
Net profit/ (loss) for calculation of basic and diluted EPS	73,534,067	(2,134,168)
Weighted average number of equity shares in calculating basic EPS	1,513,694	1,513,694
Earnings Per Share - Basic and Diluted	48.58	(1.41)

PHOTON CAPITAL ADVISORS LIMITED

19. Gratuity

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans

₹

Particulars	March 31, 2012	March 31, 2011
Reconciliation of opening and closing balances of the present value of defined benefit obligation		
Obligations at the beginning of the period	57,723	41,393
Current service cost	21,211	3,311
Interest cost	4,617	15,567
Actuarial (gain) / loss	(29,636)	(2,531)
Benefits paid	(23)	(17)
Obligations at the period end	53,892	57,723
Reconciliation of opening and closing balances of the Plan assets		
Plan assets at period beginning, at fair value	100,351	92,082
Expected return on plan assets	9,032	8,286
Actuarial gain / (loss)	-	-
Contribution from employer	-	-
Benefits paid	(23)	(17)
Plan assets at year end, at fair value	109,360	100,351
Reconciliation between defined benefit obligation and plan assets		
Fair Value of plan assets at the end of the period	109,360	100,351
Present value of defined benefit obligations at the end of the period	(53,892)	(57,723)
Asset/(Liability) recognized in the balance sheet	55,468	42,628
Gratuity cost for the year		
Current service cost	21,211	3,311
Interest cost	4,617	15,567
Expected return on plan assets	(9,032)	(8,286)
Actuarial (gain) / losses	(29,636)	(2,531)
Net gratuity cost	(12,840)	8,061
Assumptions:		
Discount rate	8 %	8 %
Salary escalation	4 %	4 %

PHOTON CAPITAL ADVISORS LIMITED

(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been reposed	Nil
(b) Loans other than (a) above	Nil

3. Break-up of Investments :

₹

Particulars	Amount Outstanding	Market Value *
Current investments :		
1. Quoted :		
(i) Shares: (a) Equity	3,500	Not applicable
(b) Preference	Nil	Not applicable
(ii) Debentures and Bonds	Nil	Not applicable
(iii) Units of mutual funds	99,434	Not applicable
(iv) Government Securities	Nil	Not applicable
(v) Others	Nil	Not applicable
2. Unquoted :		
(i) Shares: (a) Equity	Nil	Not applicable
(b) Preference	Nil	Not applicable
(ii) Debentures and Bonds	Nil	Not applicable
(iii) Units of mutual funds	Nil	Not applicable
(iv) Government Securities	Nil	Not applicable
(v) Others	Nil	Not applicable
Long term investments :		
1. Quoted :		
(i) Shares: (a) Equity	-	-
(b) Preference	Nil	Not applicable
(ii) Debentures and Bonds	Nil	Not applicable
(iii) Units of mutual funds	-	-
(iv) Government Securities	Nil	Not applicable
(v) Others	Nil	Not applicable
2. Unquoted :		
(i) Shares: (a) Equity*	781,800	Not applicable
(b) Preference	Nil	Not applicable
(ii) Debentures and Bonds	Nil	Not applicable
(iii) Units of mutual funds	Nil	Not applicable
(iv) Government Securities	Nil	Not applicable
(v) Others	Nil	Not applicable
	884,734	-

* The amount appearing in unquoted investment is provided with 100% provision since the amount invested is considered doubtful of realising any value.

PHOTON CAPITAL ADVISORS LIMITED

4. Borrower group-wise classification of assets financed as in (2) and (3) above :

₹

Particulars	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	Nil	Nil
Total	Nil	Nil	Nil

** As per Accounting Standard 18 issued by ICAI

5. 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)
1. Related Parties **		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	Nil	102,934
Total	Nil	102,934

** As per Accounting Standard 18 issued by ICAI

6. Other information

₹

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	Nil
(ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	Nil
(iii) Assets acquired in satisfaction of debt	Nil

PHOTON CAPITAL ADVISORS LIMITED

23. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. "The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors".
24. Value of imports on C.I.F. basis ₹ Nil (Previous year ₹ Nil)
25. Earnings in foreign currency ₹ Nil (Previous year ₹ Nil)
26. Expenditure incurred in foreign currency Professional and Travelling others ₹ Nil (Previous year ₹ Nil)
27. Dividend remitted in foreign currency ₹ Nil (Previous year ₹ Nil)
28. There are no loans and advances in the nature of loans to associates outstanding, accordingly disclosure under clause 32 of the listing agreement is not applicable.
29. All numbers mentioned in the financial statements are denominated in Indian Rupees (₹) unless otherwise metioned as such.
30. Previous year figures have been regrouped / reclassified, wherever necessary, to conform to current year presentation.

The schedules referred to above and the notes thereon form an integral part of these financial Statements.

In terms of our report of even date
For K. Vijayaraghavan & Associates
Chartered Accountants
Firm Registration Number:004718S

For and on behalf of the Board
Photon Capital Advisors Limited

K. Vijayaraghavan,
Partner, Membership No.23387
Place: Hyderabad
Dated: 30-05-2012

Tejaswy Nandury
Wholetime Director

V.R. Shankara
Director

PHOTON CAPITAL ADVISORS LIMITED

Regd. Office: # 104, Nirmal Towers, Dwarakapuri Colony, Punjagutta,
Hyderabad - 500082, Andhra Pradesh.

PROXY FORM

Folio No.:

No. of Shares:

I/We _____ of _____ being
a Member / Members of Photon Capital Advisors Limited hereby
appoint _____ or failing him / her _____
of _____ as my/our proxy to vote for me/us, on my/our behalf,
at the Twenty Seventh Annual General Meeting of the Company to be held on Friday,
the 28th day of September, 2012 at 10.00 A.M and at any adjournment thereof.

Signed this _____ day of _____ 2012

Affix Re.0.15/-
Revenue
Stamp

Note: The Proxy form duly completed and signed across Fifteen paisa Revenue Stamp
should reach the Company at least 48 hours before the time fixed for the meeting.

PHOTON CAPITAL ADVISORS LIMITED

Regd. Office: # 104, Nirmal Towers, Dwarakapuri Colony, Punjagutta,
Hyderabad - 500082, Andhra Pradesh.

ATTENDANCE SLIP

Folio No.:

No. of Shares:

I/We hereby certified that I/We, am / are a Member / Proxy for the member of the
Company.

I/We hereby record my/our presence at the Twenty- Seventh Annual General Meeting
to be held at 10.00 AM on Friday, the 28th day of September, 2012 at Neni Hi-tech
Club, 169, Old Airport Road, New Bowenpally, Secunderabad - 500011, Andhra Pradesh.

Shareholder's / Proxy's
name in block letters:

Signature of Shareholder/proxy

Note: Please fill up and sign this attendance slip and hand it over at the entrance of the meeting.
Members are requested to bring their copies of the Annual Report to the meeting.

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