

PHOTON CAPITAL ADVISORS LIMITED

**28th ANNUAL REPORT
2012-2013**

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	M/s. Photon Capital Advisors Limited # 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

PHOTON CAPITAL ADVISORS LIMITED

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the company will be held on Friday; the 27th September, 2013 at 10 A.M at Sree Sitarama Kalyana Mandapam, Near Siva Temple, IDPL Township, Balanagar, Hyderabad-500037, Andhra Pradesh, to transact the following Ordinary Business:

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2013 and the statement of profit and loss 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.V.R. Shankara, 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.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED that pursuant to the provisions of Section 269 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956, approval of the Members be and is hereby granted for re-appointment of Mr. Tejaswy Nandury, who fulfils the conditions specified in part I of Schedule XIII to the Companies Act, 1956 as whole time Director of the Company, for a period of five years from 25.03.2013 to 24.03.2018.

RESOLVED FURTHER that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956 (ACT), read with part II of Schedule XIII to the Act, approval of the Members be and is hereby granted to fix the remuneration of Mr. Tejaswy Nandury as the Whole time Director of the Company effective from 25.03.2013 up to 24.03.2018 upon the terms and conditions set out below, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Tejaswy Nandury.

- A. Salary: There is no basic and incentive Salary. There are only benefits by way of perquisites and allowances.
- B. Perquisites and allowances: Perquisites and allowances will be restricted to an amount of Rs.9,00,000/- annum.

Subject to the above limit, the Whole Time Director will be allowed the following.

- i) Housing including Gas, Electricity, Water and furnishings (Non-interchangeable):
 - a) Expenditure incurred by the company on hiring accommodation as per the Income Tax Act 1962 and Rules there under.
 - b) Expenditure incurred by the company on Gas, Electricity, Water and furnishings will be evaluated as per the Income Tax Act, 1962 and Rules hereunder.
- ii) Medical benefits for self and family:
Reimbursement of expenses actually incurred for self and his family members.
- iii) Leave Travel Concession: Leave Travel concession for self and family once in a year in accordance with the rules of the company.
- iv) Personal Accident Insurance: Actual premium not to exceed Rs.20000/- per annum
- v) Fees of clubs: Subject to a maximum of 2 clubs. No admission fee or life membership fee is paid by the company.
- vi) Car: Use of Car for Company's business is provided.
- vii) Telephone & Cell Phone: Phone facility at residence and will be provided.
- viii) Others: Reimbursement of actual entertainment expenses, actual traveling and hotel expenses for the Company's business and/or allowances as per the Company's rules.

// By Order of the Board//
for PHOTON CAPITAL ADVISORS LIMITED

Sd/-
TEJASWY NANDURY
WHOLE TIME DIRECTOR

Place: Hyderabad
Date: 31.07.2013

PHOTON CAPITAL ADVISORS LIMITED

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 23.09.2013 to 27.09.2013 (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 or to Karvy Computershare Pvt. Ltd, Registrars and Transfer Agents of the Company, in case the shares are in physical mode.
7. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
 8. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 is annexed hereto

Explanatory statement - Item # 4:

The Members are hereby informed that the tenure of Mr. Tejaswy Nandury as Whole Time Director of the Company comes to an end on 24th March 2013. The Directors of the Remuneration Committee and Board have reviewed his performance and unanimously resolved to re-appoint him for a further period of 5 years with effect from 25th March 2013 on the terms and conditions as mentioned in the draft resolution above in order to avail his un-interrupted services to the Company. Re-appointment of Mr. Tejaswy Nandury requires the approval of members as per the provisions of the Companies Act 1956. Hence the above resolution is being submitted to the meeting for members' approval.

The explanatory statement together with the accompanying notice may be treated as an abstract of the terms of remuneration payable to Mr. Tejaswy Nandury pursuant to Section 302 of the Companies Act, 1956.

Except Mr. Tejaswy Nandury no other director is interested or concerned in the said resolution.

// By Order of the Board//
for PHOTON CAPITAL ADVISORS LIMITED

Sd/-
TEJASWY NANDURY
WHOLE TIME DIRECTOR

Place: Hyderabad
Date: 31.07.2013

PHOTON CAPITAL ADVISORS LIMITED

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

DIRECTORS' REPORT

To,
The Members of
PHOTON CAPITAL ADVISORS LIMITED

Your Directors are pleased to present the 28th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS:

(` in Lakhs)

PARTICULARS	2012 - 2013	2011 - 2012
Income from operations	20.40	1148.13
Other Income	78.88	122.05
Expenditure	1,173.55	141.38
Profit/(Loss) before Tax	(1,074.26)	1128.80
Provision for tax	(340.57)	393.46
Profit / (Loss) after tax	(733.69)	735.34

REVIEW OF OPERATIONS:

The chopiness of the past year continued into this year. However, your company tried to trade the volatile markets. This effort was rewarded with significant losses during the year. Nearly no asset class available to your company trended with any consistency. As mentioned in these reports earlier, your company can successfully trade only when market conditions are supportive of trends, either up or down. However, this past year has been one of great volatility with no clear direction. Equity markets were terribly volatile due to the state of the economy. There was a clear bifurcation between the index and the broader stock market. While the index looks deceptively stable, most of the stocks listed in Indian markets are at multi-year lows. The threat of significant debt restructuring looms over corporate India, which is driving down prices of stocks. This divergence in performance of the index versus stocks is very dangerous for trading, as we have found out in this past year. Commodities did not show any significant trends this year. The only trending asset class was the Indian Rupee. However, due to significant intervention both in terms of announcements and actual intervention in the markets, the Indian rupee was also not profitable trading asset class for your company. It has been a very disappointing year and we look forward to clearer trends in the future.

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 Indian economy is entering a prolonged process of deceleration. This is going to result in tremendous market volatility in equities and in the Indian rupee. The wise thing to do would be to avoid trading until a clear uptrend becomes obvious. This may result in a long period of time where your company cannot actively participate in markets but may have to choose more passive modes of investment.

Outlook:

The following year will be tumultuous. The UPA government is making a series of economic announcements, which do not address the direct problems faced by the country: the large fiscal deficit and the current account deficit. Unless some measures are taken to address these problems on a structural basis, it is likely that the economic progress of India is severely handicapped. Given the fact that elections are due in 2014, it is difficult to envision responsible fiscal management from the central government. However, stock markets may bottom before the economy does, so we need to be prepared to act if the stock market portends a revival, however unlikely that may be.

Risks and concerns:

PHOTON CAPITAL ADVISORS LIMITED

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 slowdown, 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:

As the company incurred loss during the financial year 2012-13, your Board of directors do 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. V.R. Shankara, Director of the Company retires by rotation and being eligible offers himself for re-appointment. Mr. Tejaswy Nandury's term as Whole Time Director of the Company came to an end on 24th March 2013. The Board unanimously resolved to re-appoint him for a further period of 5 years with effect from 25th March 2013. As the re-appointment of Whole-time Director requires the approval of members as per the provisions of the Companies Act 1956, the required resolution in this regard is submitted to the meeting for members' approval.

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 true and fair view of the state of affairs of the Company at the end of the financial year and of the loss 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:

PHOTON CAPITAL ADVISORS LIMITED

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.

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 2012 - 2013. 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.

// ON BEHALF OF THE BOARD//
for PHOTON CAPITAL ADVISORS LIMITED

Place: Hyderabad
Date: 31.07.2013

Sd/-
V R SHANKARA
DIRECTOR

Sd/-
TEJASWY NANDURY
WHOLE TIME DIRECTOR

PHOTON CAPITAL ADVISORS LIMITED

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

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	NIL

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

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

Mr. V.R. Shankara, 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. V.R. Shankara is a postgraduate in commerce and has an experience of over 32 years in administration. He started his career in 1977 in corporate sector and held several senior management positions.

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 2012-2013 the Board of Directors met Four (04) times on the following dates:

- 1) 30th May, 2012;
- 2) 31st July, 2012
- 3) 31st October, 2012 and
- 4) 30th January, 2013

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

Sl. No.	Name of the Directors	No. of Board Meetings held during the period April 2012-March 2013	No. of Meetings attended by the Director	Whether present at the previous AGM (28.09.2012)
1.	Mr. Tejaswy Nandury	4	4	Yes
2.	Mr. V R. Shankara	4	4	No
3.	Mr. Madhukar Yarra	4	3	Yes
4.	Mr. J.Narasimha Rao	4	4	Yes

PHOTON CAPITAL ADVISORS LIMITED

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.

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) 30th May, 2012;
- 2) 31st July 2012;
- 3) 31st October 2012 and
- 4) 30th January 2013.

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	4

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 28.09.2012.

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.

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 2012-2013.

None of the directors of the company received remuneration during the year 2012 - 2013.

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:

PHOTON CAPITAL ADVISORS LIMITED

a. Annual General Meetings:

The last 3 Annual General Meetings were held as under:

Date	Time	Venue
28.09.2012	10.00 A.M	Neni Hi-tech Club, 169, Old Airport Road, New Bowenpally, Secunderabad-500011, Andhra Pradesh.
23.09.2011	10.00 A.M	Neni Hi-tech Club, 169, Old Airport Road, New Bowenpally, Secunderabad-500011, Andhra Pradesh.
30.09.2010	10.00 A.M	Neni Hi-tech Club, 169, Old Airport Road, New Bowenpally, Secunderabad-500011, Andhra Pradesh.

b. Extra-Ordinary General Meetings:

No Extra-Ordinary General Meeting of the Members was held during the year 2012 - 2013.

c. Postal Ballot:

No Postal Ballot was conducted during the year 2012 - 2013.

d. Special Resolutions:

No Special Resolutions were passed at the Three (03) previous Annual General Meetings held on 30.09.2010, 23.09.2011 and 28.09.2012.

4. Disclosures:

- There are no materially significant related party transactions of the Company which have potential conflicts with the interest of the company at large.
- 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 2010 - 11, 2011 - 12, 2012 -13, respectively : - NIL
- The Company has not adopted Whistle Blower policy.
- The Company has complied with all mandatory requirements of this clause and it has not adopted non-mandatory requirements of this clause except constitution of remuneration committee.

5. Means of Communication:

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

6. General Shareholder Information:

i. Annual General Meeting:

Date : 27.09.2013
 Time : 10 A.M
 Venue : Sree Sitarama Kalyana Mandapam, Near Siva Temple,
 IDPL Township, Balanagar, Hyderabad -500 037, Andhra Pradesh.

ii. Financial Calendar:

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

Financial Reporting for 2013- 2014 (tentative):

The First Quarter Results – 30.06.2013 Held on 31.07.2013.

The Second Quarter Results – 30.09.2013	Between 15.10.2013 to 14.11.2013
The Third Quarter Results – 31.12.2013	Between 15.01.2014 to 14.02.2014
The Last Quarter Results – 31.03.2014	Between 15.04.2015 to 14.05.2015

iii. Book Closure:

The Register of members and share transfer books of the company will remain closed from 23.09.2013 to 27.09.2013 (both days inclusive).

iv. Dividend payment Date:

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

PHOTON CAPITAL ADVISORS LIMITED

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 2013-2014 to the Bombay Stock Exchange [BSE].

vi. Market Price Data:

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

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume (Nos.)
April, 2012	—	—	—	—
May, 2012	—	—	—	—
June, 2012	—	—	—	—
July, 2012	49.60	47.15	47.15	125
August, 2012	48.00	47.15	48.00	2
September, 2012	53.95	35.00	35.00	1,033
October, 2012	33.30	24.00	24.00	1,120
November, 2012	22.85	20.75	20.75	68
December, 2012	23.90	21.75	23.90	437
January, 2013	26.15	23.75	23.75	379
February, 2013	24.90	19.50	19.50	393
March, 2013	18.60	17.70	17.70	96

vii. Registrars and Transfer Agents:

Karvy Computershare Pvt. Ltd.,
Plot No.17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Ph No: 040-44655000, Email Id: einward.ris@karvy.com.

viii. Delegation of Share Transfer Formalities:

The Board has delegated share transfer formalities to the Registrars and Transfer Agents:

Karvy Computershare Pvt. Ltd.,
Plot No.17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Ph No: 040-44655000, Email Id: einward.ris@karvy.com

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 as and when required. Physical transfers are affected within the statutory period of 15 days. 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, 2013:

a) Distribution of Shareholding as on 31st March, 2013:

No. of Shares	Share Holders		Shares Amount	
	No. of Accounts	% of Accounts	In Rs.	% of Capital
1 - 500	6683	99.55	3550620	23.46
501 - 1000	16	0.24	103560	0.68
1001 - 2000	3	0.04	42360	0.28
2001 - 3000	3	0.04	72800	0.48
3001 - 4000	1	0.01	31710	0.21
4001 - 5000	0	0.00	0	0.00
5001 - 10000	1	0.01	92870	0.61
10001 - Above	6	0.09	11243020	74.28
Total	6713	100.00	15136940	100.00

b) Categories of Shareholders as on 31st March, 2013

Sl.No.	Description	Cases	Shares	% Equity
1	CLEARING MEMBERS	11	32	0.00

PHOTON CAPITAL ADVISORS LIMITED

2	HUF	2	296	0.02
3	BODIES CORPORATES	33	5065	0.33
4	PROMOTERS BODIES CORPORATE	4	148631	9.82
5	PROMOTER INDIVIDUALS	3	984958	65.07
6	RESIDENT INDIVIDUALS	6670	374712	24.75
	TOTAL	6713	1513694	100.00

x. Dematerialization of shares and liquidity as on 31.03.2013:

Sl.No.	Description	No. of Holders	Shares	% to Equity
1	PHYSICAL	6326	343686	22.71
2	NSDL	277	79532	5.25
3	CDSL	110	1090476	72.04
	TOTAL	6713	1513694	100.00

77.29 % of Company's paid-up Equity Share Capital has been dematerialised upto March 31, 2013. 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

// ON BEHALF OF THE BOARD//
for PHOTON CAPITAL ADVISORS LIMITED

Place: Hyderabad
Date: 31.07.2013

Sd/-
V R SHANKARA
DIRECTOR

Sd/-
TEJASWY NANDURY
WHOLE TIME DIRECTOR

DECLARATION BY CEO 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 CEO 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

Place: Hyderabad
Date: 31.07.2013

Sd/-
TEJASWY NANDURY
WHOLE TIME DIRECTOR

PHOTON CAPITAL ADVISORS LIMITED

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, 2013 (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 30.05.2012, 31.07.2012, 31.10.2012, 30.01.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 21st September, 2012 to 28th September, 2012 (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, 2012 was held on 28.09.2012 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.
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 re-appointed Mr. Tejaswy Nandury as Whole time Director during the financial year and there

PHOTON CAPITAL ADVISORS LIMITED

- were no appointed any Managing 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 2013.
 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.
 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. Since the Company does not have its own trust for provident fund, provisions of Section 418 of the Act are not applicable to the Company.

For SGP & Associates,
Company Secretaries

Sd/-
GOPIREDDY MALYADRI,
Partner,
C.P.No:7911

Place: Hyderabad
Date: 15.07.2013

PHOTON CAPITAL ADVISORS LIMITED

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, 2013:

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.	Form.66 Compliance Certificate	383A	Compliance Certificate for the financial year ended 31.03.2012	16.10.2012	Yes	NA
2.	Form.23AC & ACASchedule-VI	220	Balance Sheet as at 31.03.2012.	24.12.2012	Yes	NA
3.	Form.20B Schedule- V	159	Annual Return as on 28.09.2012.	30.10.2012	Yes	NA
4.	Form.18	146	Shifting of Registered office	01.05.2012	Yes	NA

For SGP & Associates,
Company Secretaries

Sd/-
GOPIREDDY MALYADRI,

PHOTON CAPITAL ADVISORS LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of
Photon Capital Advisors Limited, Hyderabad

Report on the Financial Statements

We have audited the accompanying financial statements of Photon Capital Advisors Limited ("the Company"), which comprise the balance sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on March 31, 2013; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

1. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

PHOTON CAPITAL ADVISORS LIMITED

For K.Vijayaraghavan & Associates
Chartered Accountants
Firm Registration No: 004718S

Sd/-
K. Vijayaraghavan
Partner
Membership No.23387

Date: 30th May 2013
Place: Hyderabad

Annexure to the Auditors' Report

The Annexure referred to the members of Photon Capital Advisors Limited for the year ended March 31, 2013. We report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
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) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, and accordingly sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and payment for expenses and for purchase and sale of investment and derivatives. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, 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) As per information and explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information and explanations given by the management, the Company has an internal audit system commensurate with its size and the 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 records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly

PHOTON CAPITAL ADVISORS LIMITED

deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has incurred cash loss of Rs.107,995,505/- during the financial year covered by our audit and in the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
 12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 14. According to information and explanations given to us, the Company is trading in shares, mutual funds, derivative futures and other investments. Proper records & timely entries have been maintained in this regard and further, investments specified are held in its own name.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
 16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
 17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at March 31, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
 18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
 19. The Company has no outstanding debentures during the period under audit.
 20. The Company has not raised any money by public issue during the year.
 21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For K.Vijayaraghavan & Associates
Chartered Accountants
Firm Registration No: 004718S

Sd/-
K. Vijayaraghavan
Partner
Membership No.23387

Date: 30th May 2013
Place: Hyderabad

PHOTON CAPITAL ADVISORS LIMITED

Balance Sheet as at

Particulars	Note No.	31 March 2013	31 March 2012
Equity and liabilities			
Shareholders' funds			
Share capital	II (1)	15,136,940	15,136,940
Reserves and surplus	II (2)	108,129,423	181,498,797
		<u>123,266,363</u>	<u>196,635,737</u>
Non current liabilities			
Long-term provisions	II (3)	121,636	-
		<u>121,636</u>	-
Current liabilities			
Trade payables	II (4)	722,790	246,172
Other current liabilities	II (4)	31,665	35,415
Short-term provisions	II (3)	145,652	10,123,194
		900,107	10,404,781
TOTAL		<u>124,288,106</u>	<u>207,040,518</u>
Assets			
Non current assets			
Fixed assets			
Tangible assets	II (5)	2,510,092	2,662,393
Deferred tax assets (net)	II (6)	34,056,975	-
Long-term loans and advances	II (7)	3,161,678	5,806,114
Other non-current assets	II (10)	-	105,400,000
		<u>39,728,745</u>	<u>113,868,507</u>
Current assets			
Current investments	II (8)	76,990,851	102,934
Cash and bank balances	II (9)	859,758	90,834,891
Short-term loans and advances	II (7)	87,025	755,448
Other current assets	II (10)	6,621,727	1,478,738
		<u>84,559,361</u>	<u>93,172,011</u>
TOTAL		<u>124,288,106</u>	<u>207,040,518</u>
Summary of significant accounting policies and notes to accounts	I & II		

In terms of our report attached

For K. Vijayaraghavan & Associates
Chartered Accountants
Firm Registration No.: 004718S

For and on behalf of the Board

Sd/-
K. Vijayaraghavan
Partner
Membership No.: 23387

Sd/- Sd/-
Tejaswy Nandury
Whole time Director

V R Shankara
Director

Hyderabad
Dated: 30-05-2013

PHOTON CAPITAL ADVISORS LIMITED

Statement of Profit and Loss for the year ended

Particulars	Note No.	31 March 2013	31 March 2012
Continuing operations			
Income			
Revenue from operations	II (11)	2,040,083	114,813,805
Other income	II (12)	7,888,460	12,205,099
Total revenue (I)		<u>9,928,543</u>	<u>127,018,904</u>
Expenses			
Loss from investment activities	II (13)	107,847,460	4,145,657
Employee benefits expense	II (14)	3,611,917	1,504,331
Other expenses	II (15)	5,544,608	7,220,887
Total (II)		<u>117,003,985</u>	<u>12,870,875</u>
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)		(107,075,442)	114,148,029
Depreciation and amortisation expense	II (16)	350,907	1,267,661
Profit/(loss) before tax		<u>(107,426,349)</u>	<u>112,880,368</u>
Tax expenses:			
Current tax		-	39,346,301
Deferred tax		(34,056,975)	-
Total tax expense		<u>(34,056,975)</u>	<u>39,346,301</u>
Profit/(loss) for the year from continuing operations (A)		<u>(73,369,374)</u>	<u>73,534,067</u>
Discontinuing operations			
Profit/(loss) before tax from discontinuing operations	-	-	-
Tax expense of discontinuing operations	-	-	-
Profit/(loss) after tax from discontinuing operations (B)	-	-	-
		<u>(73,369,374)</u>	<u>73,534,067</u>
Earnings per equity share - basic & diluted	II (17)	(48.47)	48.58
Summary of significant accounting policies and notes to accounts	I & II		

In terms of our report attached

For K. Vijayaraghavan & Associates
Chartered Accountants
Firm Registration No.: 004718S

For and on behalf of the Board

Sd/-
K. Vijayaraghavan
Partner
Membership No.: 23387

Sd/- Sd/-
Tejaswy Nandury
Whole time Director

V R Shankara
Director

Hyderabad
Dated: 30-05-2013

PHOTON CAPITAL ADVISORS LIMITED

Statement of cash flow for the year ended

Particulars	March 31, 2013	March 31, 2012
(I) Cash flows from operating activities		
Profit / (loss) before taxation	(107,426,349)	112,880,368
Adjustments for:		
Depreciation and amortisation	350,907	1,267,661
Interest on fixed deposits	(3,085,078)	(7,121,418)
Diminution in value of investments	-	172,400
Provision for loss on commodities futures	144,000	-
Adjustment of rent from deposit	295,492	-
Provision for gratuity	175,617	-
Loans and advances written off	113,242	-
Excess provision no longer required written back	(1,648,414)	(315,153)
Profit / loss on sale of investments	6,786,310	(61,720,316)
Dividends	(3,154,968)	(4,768,528)
Operating profit before working capital changes	(107,449,241)	40,395,014
(Increase) / decrease in loans and advances	282,547	7,210,972
(Increase) / decrease in other current assets	(3,013,323)	1,003,380
Increase / (decrease) in current liabilities and provisions	474,520	119,105
Cash generated from operations	(109,705,497)	48,728,471
Income taxes paid	(8,479,546)	(29,283,358)
Net cash provided from operating activities	(118,185,043)	19,445,113
(II) Cash flow from investing activities		
Purchase of fixed assets	(198,607)	(151,200)
Purchase of Investment	(788,019,176)	-
Proceeds from sale of investments	707,004,012	162,547,422
Interest received on fixed deposits	3,696,837	6,130,764
Proceeds from cancellation of fixed deposit	175,400,000	-
Deposits made	-	(175,400,000)
Security deposit made	(69,750)	-
Dividends received	396,594	4,768,528
Net cash used in investing activities	98,209,910	(2,104,486)
(III) Cash flow from financing activities		
Net Increase in cash and cash equivalents	(19,975,133)	17,340,627
Cash equivalent at the beginning of the period	20,834,891	3,494,264
Cash equivalent at the end of the period	859,758	20,834,891

Notes:

- 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.
- Figures in bracket indicate cash outgo, except for adjustments for operating activities.
- Previous year's figures have been regrouped / rearranged wherever necessary.
- Cash and Cash equivalents aggregating to Rs.859,758 (Rs.20,834,891 March 31, 2012) comprises cash on hand amounting to Rs.4,531 (Rs.3219 March 31, 2012) and balances with banks amounting to Rs.855,227 (Rs.20,831,672 March 31, 2012).

For K. Vijayaraghavan & Associates
Chartered Accountants
Firm Registration No.: 004718S

For and on behalf of the Board

Sd/-
K. Vijayaraghavan
Partner,
Membership No.: 23387

Sd/- Sd/-
Tejaswy Nandury
Whole time Director

V R Shankara
Director

Hyderabad
Dated: 30-05-2013

PHOTON CAPITAL ADVISORS LIMITED

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 standards issued by the Institute of Chartered Accountants of India.
- 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 Rs. 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 lesser are classified as operating lease. Lease rentals are charged to profit and loss account 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. Thereversal 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

PHOTON CAPITAL ADVISORS LIMITED

- (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 Profit and Loss Account.
 - 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 profit and loss account 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.
- 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

PHOTON CAPITAL ADVISORS LIMITED

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 an 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 recognised because it cannot be 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.

For K. Vijayaraghavan & Associates
Chartered Accountants
Firm Registration No.: 004718S

For and on behalf of the Board

Sd/-
K. Vijayaraghavan
Partner
Membership No.: 23387

Sd/- Sd/-
Tejaswy Nandury
Whole time Director

V R Shankara
Director

Hyderabad
Dated: 30-05-2013

PHOTON CAPITAL ADVISORS LIMITED

II. Notes to accounts

	As at March 31 2013	As at March 31 2012
1. Share capital		
Authorised		
40,00,000 Equity shares of Rs 10/- each	40,00,000	40,00,000
Total of Authorised Share Capital	40,00,000	40,00,000
Issued, subscribed and paid-up capital		
15,13,694 equity shares of ` 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, 2013		March 31, 2012	
	Value	No of Shares	Value	No of Shares
At the beginning of the period	1,513,694	15,136,940	1,513,694	15,136,940
Issued during the period	-	-	-	-
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 Shareholder	As at March 31, 2013		As at March 31, 2012	
	%	No of Shares	%	No of 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.

2 Reserves and surplus	As at March 31, 2013	As at March 31 2012
A. Capital reserve	255,545	255,545
B. Statutory reserve	32,244,767	32,244,767
C. General reserve		
Opening balance	75,464,418	75,464,418
Add: Transferred from P&L	-	-
Closing balance	75,464,418	75,464,418
D. Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	73,534,067	-
Profit (Loss) for the year	(73,369,374)	73,534,067
Net surplus / (deficit) in the statement of profit and loss 164,693	73,534,067	
Total reserves and surplus (A+B+C+D)	108,129,423	181,498,797

PHOTON CAPITAL ADVISORS LIMITED

3 Provisions	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Long Term		Short Term	
Other provisions				
Advances recoverable in cash or in kind	-	-	1,652	-
Provision for loss on Commodities Futures	-	-	144,000	-
Provision for tax (net)	-	-	-	10,123,194
Provision for gratuity	121,636	-	-	-
Total	121,636	-	145,652	10,123,194

4 Other Current liabilities	As at March 31, 2013	As at March 31, 2012
Trade payables	722,790	246,172
Other liabilities:-		
TDS payable	31,665	27,034
Other Payables	-	8,381
Total of other liabilities	31,665	35,415
Grand total	754,455	281,587

II NOTES TO ACCOUNTS

5. Fixed Assets

Description	Gross block at cost		Accumulated depreciation			Net book Value	
	April 1st, 2012	Additions during the year	March 31, 2013	April 1st, 2012	Charge for the year	March 31, 2013	March 31, 2012
Tangible Assets							
Furniture	1,039,978	9,300	1,049,278	279,555	75,130	694,592	760,423
Electrical fittings	966,704	21,000	987,704	214,924	46,782	725,998	751,780
Computer equipment	612,936	106,442	719,378	300,371	123,125	295,882	312,565
Office equipments	1,128,347	61,865	1,190,212	290,722	105,869	793,621	837,625
Total of Tangible Assets	3,747,965	198,607	3,946,572	1,085,572	350,907	2,510,093	2,662,393
Previous year	6,929,687	151,200	7,080,887	3,150,833	1,267,661	2,662,393	3,778,854

PHOTON CAPITAL ADVISORS LIMITED

6 Deferred tax asset (net)	As at March 31, 2013	As at March 31, 2012
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)
Gross deferred tax liability	-	(16,680)
B. Deferred tax asset		
Impact of difference between depreciation/ amortization charged for the financial reporting and tax depreciation	262,836	318,328
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	100,860	241,576
Carry forward of business loss	33,693,279	-
Gross deferred tax asset	34,056,975	559,904
Net deferred tax asset (A+B)	34,056,975	543,224
In the year 2011-12 net deferred tax asset was not accounted on conservative basis.		

7 Loans & Advances

Particulars	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Non-current		Current	
A. Advances recoverable in cash or kind	-	-	5,975	342,504
Less: Provision for doubtful advance recoverable in cash and kind	-	-	-	-
	-	-	5,975	342,504
B. Other loans and advances				
Advance income-tax (net of provision for taxation)	3,161,678	5,806,114	-	-
Security deposits	-	-	81,050	412,944
	3,161,678	5,806,114	81,050	412,944
Total (A+B)	3,161,678	5,806,114	87,025	755,448

PHOTON CAPITAL ADVISORS LIMITED

8 Current investments

Particulars	March 31, 2013	March 31, 2012
Investment in equity instruments	3,500	3,500
Investment in mutual fund	76,987,351	99,434
Total of quoted investment	76,990,851	102,934
Investment in unquoted equity instrument	781,800	781,800
Less - provision for diminution in value of investments	781,800	781,800
Total of unquoted investment	-	-
Grand Total	76,990,851	102,934

Of above, investment in mutual fund of Rs. 73,961,000 is put as collateral security with brokers.

Current investments are valued at lower of cost or market value As at March 31, 2013, fair value of equity investment is Rs.23,100 (Rs.16,905 in 2011-12) and mutual fund Rs.76,987,351 (Rs.99434 in 2011-12).

9 Cash and bank balances

Particulars	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Non-current		Current	
A. Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	855,227	20,831,672
Cash on hand	-	-	4,531	3,219
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	70,000,000
Total A	-	-	859,758	90,834,891
B. Other bank balances				
- Deposits with original maturity for more than 12 months	-	105,400,000	-	-
Less - Amount disclosed under non-current assets (note 10.2)	-	105,400,000	-	-
Total B	-	-	-	-
Total (A+B)	-	-	859,758	90,834,891

Fixed deposit of Rs. 175,400,000 of the year 2011-12 cancelled during the year before maturity.

10 Other Assets

Particulars	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Non-current		Current	
Unsecured, considered good Non-current bank balances (note 9)	-	105,400,000	-	-
Total	-	105,400,000	-	-
Deposit for margin money	-	-	2,996,839	(258)
Interest accrued on fixed deposits	-	-	6,466	951,196
Prepaid expenses	-	-	473,428	457,202
Accrued dividend	167,587	70,598	-	-
Income tax refund receivable*	-	-	2,977,407	-
Total	-	-	6,621,727	1,478,738
Grand Total	-	105,400,000	6,621,727	1,478,738

* Income tax refund receivable represents amount receivable from the Income tax department for the closed assessments as the advance tax paid for closed assessment years was more than the tax liability assessed

PHOTON CAPITAL ADVISORS LIMITED

11 Revenue from operations

Particulars	March 31, 2013	March 31, 2012
Revenue from operations		
- Sale of investments	-	61,720,316
- Currency futures	2,040,083	38,640,887
- Equity index futures	-	14,452,602
Other operating revenue	-	-
Revenue from operations (net)	2,040,083	114,813,805

12 Other income

Particulars	March 31, 2013	March 31, 2012
Interest income on bank deposits	3,085,078	7,121,418
Dividend income	3,154,968	4,768,528
	6,240,046	11,889,946
Other non-operating income	1,648,414	315,153
Total	7,888,460	12,205,099

13 Loss from investment activities

Particulars	March 31, 2013	March 31, 2012
Loss from:		
- Equity index futures	66,841,582	-
- Equity stock futures	-	4,145,657
- Loss on sale of investment	6,786,310	-
- Commodity futures	34,219,568	-
Total	107,847,460	4,145,657

14 Employee benefits expense

Particulars	March 31, 2013	March 31, 2012
Salaries, wages and bonus	3,531,584	1,480,830
Staff welfare expenses	80,333	23,501
Total	3,611,917	1,504,331

PHOTON CAPITAL ADVISORS LIMITED

15 Other expenses

Particulars	March 31, 2013	March 31, 2012
Power and fuel	92,209	153,407
Rent	553,000	1,785,032
Rates and taxes	86,310	170,965
Pledge charges	276,989	63,598
Insurance	8,818	9,438
Consultancy charges	1,948,434	2,508,678
Repairs and maintenance		
Buildings	42,000	433,065
Others	435,338	148,426
Traveling and conveyance	95,884	60,846
Communication costs	276,662	138,446
Diminution in value of investments	-	172,400
Office maintenance	116,246	49,896
Loss on Commodities Futures	144,000	-
Subscriptions and membership	223,814	265,657
Printing & stationary	213,615	243,725
Bank charges	5,468	8,671
Software charges	165,316	86,467
Miscellaneous expenses	569,317	661,041
Total	5,253,420	6,959,758
Payment to auditor		
As auditor:		
Audit fee*	202,248	180,000
Tax audit fee*	22,472	20,000
In other capacity:		
Other services (certification fees)*	56,180	50,000
Reimbursement of expenses	10,288	11,129
Total	291,188	261,129

* Includes service taxes

16 Depreciation and amortisation expenses

Particulars	March 31, 2013	March 31, 2012
Depreciation of tangible assets	350,907	1,132,482
Amortization of intangible assets	-	135,179
Total	350,907	1,267,661

17 Earnings per Share

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

Particulars	March 31, 2013	March 31, 2012
Total operations for the year		
Profit / (loss) after tax	(73,369,374)	73,534,067
Net profit / (loss) for calculation of basic and diluted EPS (73,369,374)	73,534,067	
Weighted average number of equity shares in calculating basic EPS	1,513,694	1,513,694
Earnings per share - basic and diluted	(48.47)	48.58

PHOTON CAPITAL ADVISORS LIMITED

18 Gratuity

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

Particulars	March 31, 2013	March 31, 2012
Reconciliation of opening and closing balances of the present value of defined benefit obligation		
Obligations at the beginning of the period	53,892	57,723
Current service cost	10,782	21,211
Interest cost	4,311	4,617
Actuarial (gain) / loss	196,750	(29,636)
Benefits paid	(100,523)	(23)
Obligations at the period end	165,212	53,892
Reconciliation of opening and closing balances of the Plan assets		
Plan assets at period beginning, at fair value	109,360	100,351
Expected return on plan assets	4,124	9,032
Actuarial gain / (loss)	-	
Contribution from employer	30,616	
Benefits paid	(100,523)	(23)
Plan assets at year end, at fair value	43,577	109,360
Reconciliation between defined benefit obligation and plan assets		
Fair Value of plan assets at the end of the period	43,577	109,360
Present value of defined benefit obligations at the end of the period	(165,212)	(53,892)
Asset/(Liability) recognised in the balance sheet	(121,635)	55,468
Gratuity cost for the year		
Current service cost	10,782	21,211
Interest cost	4,311	4,617
Expected return on plan assets	(4,124)	(9,032)
Actuarial (gain) / losses	196,750	(29,636)
Net gratuity cost	207,719	(12,840)
Assumptions:		
Discount rate	8%	8%
Salary escalation	4%	4%

19 Related party disclosures

(i) Names of related parties and related party relationship

(a) Key management personnel

Tejaswy Nandury

(b) Enterprises over which key management personnel exercise significant influence

Hifco Consumer Credit Private Limited

Calypso Growth Investment

Nicobar Capital

(ii) Transactions with related parties

Nil

20 Segment information

The Company does not have any reportable segments as per AS-17 and hence, disclosures are not required to be presented.

PHOTON CAPITAL ADVISORS LIMITED

21 Balance sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

1. Liabilities side :		
Particulars	Amount Outstanding	
Loans and advances availed by non-banking financial company inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	Nil	Nil
: Unsecured	Nil	Nil
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	Nil	Nil
(c) Term Loans	Nil	Nil
(d) Inter-corporate loans and borrowings	Nil	Nil
(e) Commercial Paper	Nil	Nil
2. Assets side :		
2.1 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured		Nil
(b) Unsecured		Nil
2.2 Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		Nil
(b) Operating lease		Nil
(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 Leased Assets and stock on hire and other assets counting towards AFC activities		
Particulars	Amount Outstanding	
(i) Lease assets including lease rentals under sundry debtor:		
(a) Finance lease	Nil	
(b) Operating lease	Nil	
(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 repossessed	Nil	
(b) Loans other than (a) above	Nil	

PHOTON CAPITAL ADVISORS LIMITED

4. Break-up of Investments :

Particulars	Amount Outstanding	Market Value
Current investments :		
1. Quoted :		
(i) Shares : (a) Equity	3,500	23,100
(b) Preference	Nil	NA
(ii) Debentures and Bonds	Nil	NA
(iii) Units of mutual funds	76,987,351	76,987,351
(iv) Government Securities	Nil	NA
(v) Others	Nil	NA
2. Unquoted :		
(i) Shares : (a) Equity	Nil	NA
(b) Preference	Nil	NA
(ii) Debentures and Bonds	Nil	NA
(iii) Units of mutual funds	Nil	NA
(iv) Government Securities	Nil	NA
(v) Others	Nil	NA
Long term investments :		
1. Quoted :		
(i) Shares : (a) Equity	Nil	NA
(b) Preference	Nil	NA
(ii) Debentures and bonds	Nil	NA
(iii) Units of mutual funds	Nil	NA
(iv) Government securities	Nil	NA
(v) Others	Nil	NA
2. Unquoted :		
(i) Shares : (a) Equity	Nil	NA
(b) Preference	Nil	NA
(ii) Debentures and bonds	Nil	NA
(iii) Units of mutual funds	Nil	NA
(iv) Government securities	Nil	NA
(v) Others	Nil	NA
	76,990,851	77,010,451

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

Category	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			

PHOTON CAPITAL ADVISORS LIMITED

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

Category	Market Value/ Breakup 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	77,010,451	76,990,851
Total	Nil	Nil

** As per Accounting Standard 18 issued by ICAI

7. 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

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 Rs. Nil (Previous year Rs. Nil)

25 Earnings in foreign currency Rs. Nil (Previous year Rs. Nil)

26 Expenditure incurred in foreign currency Rs. Nil (Previous year Rs. Nil)

27 Dividend remitted in foreign currency Rs. Nil (Previous year Rs. 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 (Rs.) unless otherwise mentioned as such.

30 Previous year figures have been regrouped / reclassified, wherever necessary, to conform to current year presentation.

For K. Vijayaraghavan & Associates
Chartered Accountants
Firm Registration No.: 004718S

For and on behalf of the Board

Sd/-
K. Vijayaraghavan
Partner
Membership No.: 23387

Sd/- Sd/-
Tejaswy Nandury
Whole time Director

V R Shankara
Director

Hyderabad
Dated: 30-05-2013

PHOTON CAPITAL ADVISORS LIMITED

DETAILS OF INVESTMENTS PURCHASED, REINVESTED AND SOLD DURING THE YEAR:

Government and Trust Securities

Nil

Quoted - Equity shares

	Purchased		Sales	
	Quantity	Amount	Quantity	Amount
NHPC Limited	174,000	5,012,974	174,000	4,961,003
INDIAN OIL CORPORAT	21,500	7,522,128	21,500	6,836,966
INDIABULLS FINANCIA	7,500	2,546,039	7,500	2,082,613
RELIANCE CAPITAL	9,900	5,003,777	9,900	4,387,397
HINDUSTAN PETROLEUM	21,800	7,396,002	21,800	6,920,484
ADANI ENTERPRISES	8,900	2,505,062	8,900	2,188,962
COLGATE PALMOLIVE L	1,662	2,432,049	1,662	2,405,146
TV18 BOARDCAST LTD	72,000	2,510,191	72,000	2,151,630
D B REALTY LTD	35,217	5,008,738	35,217	5,133,141
SPICE JET LTD	54,000	2,505,158	54,000	2,279,730
TRIB BHIMJI ZAVERI	8,658	2,501,272	8,658	2,194,673
JET AIRWAYS (INDIA)	14,480	7,437,773	14,480	8,296,975
SUN TV NETWORK LTD	13,000	4,995,944	13,000	5,749,371
TATA COFFEE LTD	1,650	2,543,202	1,650	2,327,585
APOLLO HOSPITALS	3,000	2,531,667	3,000	2,490,929
YES BANK LIMITED	15,700	7,136,072	15,700	8,072,231
CIPLA LIMITED	12,500	5,003,232	12,500	5,254,463
KWALITY DAIRY (IND	127,800	5,018,304	127,800	4,130,425
RELAXO FOOTWEARS LI	2,325	2,008,499	2,325	1,817,907
BAJAJ FIN SER LTD	4,252	3,983,816	4,252	3,559,159
BALRAMPUR CHINI MIL	76,679	5,010,851	76,679	4,974,648
GODREJ CONSUMER PRO	3,850	2,506,128	3,850	2,556,117
AMBUJA CEMENTS LTD	40,266	7,495,223	40,266	7,518,681
ULTRATECH CEMENT LT	3,908	6,210,015	3,908	6,712,379
GLENMARK PHARMACEUT	15,400	7,507,755	15,400	6,809,491
SUN PHARMACEUTICALS	20,036	13,784,730	20,036	13,608,859
GMR INFRASTRUCTURE	95,050	2,507,815	95,050	2,315,957
BANK OF BARODA	3,422	2,501,911	3,422	2,435,843
HINDALCO INDUSTRIES	38,600	5,005,753	38,600	4,745,455
GRASIM INDUSTRIES	1,762	5,009,888	1,762	4,888,792
Reliance Communicat	60,000	4,996,728	60,000	4,791,119
ICICI BANK LTD	5,252	5,050,497	5,252	5,082,723
ZEE ENTERTAINMENT E	23,030	3,747,778	23,030	3,875,837
V-GUARD IND LTD	54,534	16,187,090	54,534	19,624,258
IDEA CELLULAR LTD	98,500	10,026,601	98,500	9,613,624
LARSEN & TOUBRO LTD	1,788	2,502,991	1,788	2,385,488
HDFC BANK LTD	52,644	34,925,240	52,644	34,757,747

PHOTON CAPITAL ADVISORS LIMITED

HINDUSTAN UNILEVER	24,601	11,962,064	24,601	12,761,548
BATA INDIA LIMITED	2,685	2,503,057	2,685	2,378,321
Karnataka Bank Limi	95,000	15,020,289	95,000	15,029,536
Titan industries Li	17,000	5,022,435	17,000	4,853,158
DLF Limited	18,200	5,008,420	18,200	4,761,524
Unitech Ltd	193,000	6,759,058	193,000	6,606,018
Mahindra & Mahindra	11,610	10,019,906	11,610	9,773,277
RELIANCE INDUSTRIES	7,680	6,231,909	7,680	6,000,157
SATYAM COMPUTER SER	12,600	1,251,812	12,600	1,207,379
Arvind Ltd	50,000	5,056,128	50,000	5,011,732
Gitanjali Gems Ltd	17,550	7,833,414	17,550	7,999,152
Jai Prakash Associa	25,500	2,592,149	25,500	2,528,765
TATA GLOBAL BEVERAG	39,690	6,243,196	39,690	6,174,041
WOCKHARDT LIMITED	8,209	8,681,910	8,209	9,422,314
Strides Arcolab Ltd	5,089	5,007,893	5,089	4,703,560
ITC LTD	24,042	6,260,913	24,042	6,220,558
Asian Paints Ltd	595	2,501,723	595	2,345,289
Andhra Bank	40,000	5,126,188	40,000	4,407,477
DIVIS LABORATORIES	7,198	7,515,279	7,198	7,986,925
LUPIN LIMITED	16,660	9,664,836	16,660	9,224,067
Bharti Airtel Ltd	6,870	2,500,665	6,870	2,161,497
Indusind Bank Ltd	6,450	2,493,270	6,450	2,445,496
TTK PRESTIGE LTD	325	1,250,203	325	1,149,731
Apollo Tyres Ltd	12,813	1,251,873	12,813	1,184,647
VENKY'S (INDIA) LTD	9,170	5,005,226	9,170	4,682,511
ACC LTD	3,835	5,005,281	3,835	4,817,012
Allahabad Bank	27,000	4,986,784	27,000	4,138,940
Bajaj Auto Ltd	3,450	7,238,266	3,450	7,028,482
Dishman Pharma & Ch	12,475	1,251,723	12,475	1,163,556
HCL TECHNOLOGIES LT	22,599	15,005,716	22,599	14,722,804
Jindal Steel & Powe	10,800	5,014,930	10,800	4,652,215
Maruti Suzuki India	3,300	4,962,508	3,300	4,929,285
ORACLE FINANCIAL SO	1,735	5,001,315	1,735	4,704,279
PUNJAB NATIONAL BAN	2,880	2,502,063	2,880	2,394,939
Srei Infrastructure	174,500	7,224,981	174,500	6,463,822
STATE BANK OF INDIA	2,260	5,006,109	2,260	4,861,288
STERLITE INDUSTRIES	22,163	2,504,092	22,163	2,403,670
Suzlon Energy Ltd	220,000	5,098,659	220,000	5,081,590
Tata Consultancy Se	3,828	5,010,900	3,828	5,143,064
TECH MAHINDRA LTD	8,928	7,645,779	8,928	7,478,710
UNITED SPIRITS LTD	6,922	6,258,143	6,922	5,590,795
AMARA RAJA BATTERIE	19,550	6,267,798	19,550	5,996,012
TULIP IT SERVICES L	36,100	3,540,314	36,100	2,949,072
		462,868,067		455,476,021

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 Eighth Annual General Meeting of the Company to be held on _____,
the _____ September, 2013 at 10.00 A.M and at any adjournment thereof.

Affix Re.0.15/-
Revenue
Stamp

Signed this _____ day of _____ 2013

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- Eighth Annual General Meeting
to be held at 10.00 AM on _____, the _____ September, 2013 at
Sree Sitarama Kalyana Mandapam, Near Siva Temple, IDPL Township, Balanagar,
Hyderabad - 500037, 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.

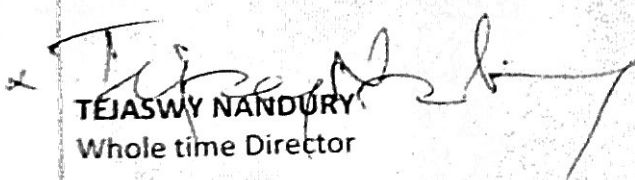
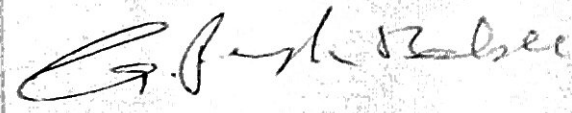
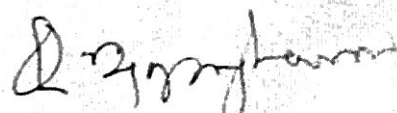
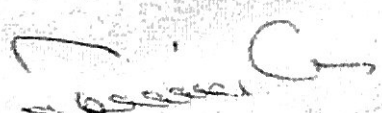
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Plot No. 17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 81
Phone No. 040-44655000
Email Id: einward.ris@karvy.com

FORM A

1. Name of the Company:	Photon Capital Advisors Limited
2. Annual financial statements for the year ended	31 st March, 2013
3. Type of Audit observation	UN QUALIFIED
4. Frequency of observation	Not Applicable
<p>5. To be signed by-</p> <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	<p> TEJASWY NANDURY Whole time Director</p> <p> G.RAMESH BABU Accounts Head</p> <p> M/s. K. VIJAYARAGHVAN & ASSOCIATES Chartered Accountants</p> <p> J. NARASIMHA RAO Chairman of the Audit Committee</p>