



LOHIA SECURITIES LIMITED

ANNUAL REPORT 2010 - 2011

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. Hari Kishan Lohia
Mr. Mahesh Kumar Bajaj
Mr. Vineet Goenka
Mr. Sameer Bajaj
Mr. Rajesh Kumar Bajaj - Managing Director
Mr. Sudheer Kumar Jain - Whole-time Director

COMPANY SECRETARY

Mr. Narendra Kumar Rai

AUDITORS

PATNI & CO.
Chartered Accountants
1, India Exchange Place
2nd Floor, Room No. 219
Kolkata - 700 001

BANKERS

HDFC Bank Ltd.
Oriental Bank of Commerce
United Bank of India
Allahabad Bank
Federal Bank
CITI Bank N.A.
Standard Chartered Bank
Punjab National Bank
ICICI Bank Ltd.
Axis Bank Ltd.

REGISTERED OFFICE

6, Lyons Range
1st Floor
Kolkata - 700 001

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Niche Technologies Pvt. Ltd.
D-511, Bagree Market
71, B. R. B. B. Road
Kolkata - 700 001

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Lohia Securities Ltd.

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NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the Members of Lohia Securities Limited will be held on Saturday, the 17th day of September, 2011 at 4 Brabourne Road, 5th floor, Kolkata 700 001 at 10.30 A.M. to transact the following business:

Ordinary Business:

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March 2011, the Balance Sheet as at that date and reports of the Directors and Auditors thereon.
2. To declare dividend on ordinary shares for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. Hari Kishan Lohia, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Vineet Goenka, who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as Ordinary Resolution:
 "Resolved that M/s Patni & Co., Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company."

By Order of the Board
For **Lohia Securities Limited**

Place : Kolkata
Date : 30th May, 2011

sd/-
Narendra Kr. Rai
Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/ HER BEHALF. 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 FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 13th September, 2011 to Saturday, 17th September, 2011 (both days inclusive).
3. As per recommendations of SEBI Committee on Corporate Governance for appointment of the Directors/ re-appointment of the retiring Directors, a statement containing details of the concerned Directors are attached herewith.
4. Dividend on equity shares, if declared at the meeting, will be made payable on or after 23rd September, 2011 in respect of shares held in physical form to those members whose names appear in the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company as at the end of business hours on 12th September, 2011 and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for this purpose.
5. Members/ Proxies are requested to bring their Attendance Slip alongwith their copies of the Annual Report and Accounts to the Meeting.
6. Members seeking any information as regards the Accounts are requested to write to the Company at least one week in advance so as to enable the Management to keep the information ready.
7. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account number for identification.
8. Members holding shares in physical form are requested to notify/ send the following to company's Registrar and Share Transfer Agent- **M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Road, Kolkata- 700 001:-**

NOTICE (Contd.)

- i) Any change in their address/ mandate/ bank details
 - ii) Particulars of their bank account, in case the same have not been sent earlier, and
 - iii) Share certificate(s), held in multiple accounts in identical order of names, for consolidation of such shareholdings into one account.
-
9. Shareholders holding shares in electronic form may kindly note that their bank account details as furnished by their depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the depositories. Members are requested to notify any change in their bank account details to their Depository Participants immediately and not to send requests for change in their bank account details directly to the Company or to the Registrar and Share Transfer Agent.
 10. Members are informed that dividends remaining unclaimed/ unpaid over a period of seven years shall be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their dividend warrant(s)/ cheques are requested to make their claims to the Company before the expiry of the statutory period of seven years.
 11. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit the prescribed Form 2B for this purpose to the Registrar and Share Transfer Agent of the Company.
 12. Securities and Exchange Board of India vide its circulars dated 27th April, 2007 and 25th June, 2007 has made its mandatory with effect from 2nd July, 2007, for every participant in the securities/ capital market to furnish income tax Permanent Account Number (PAN). Accordingly, all the shareholders (including joint holders) holding shares in physical form are requested to submit copy of their PAN Card duly attested by the Notary Public/ Gazetted Officer/ Bank Manager under their official seal stating their full name and address, registration number to our Registrar & Share Transfer Agent, **M/s. Niche Technologies Pvt. Ltd.**
 13. As part of the "Green Initiative in Corporate Governance", the Ministry of Corporate Affairs (MCA), Government of India, through its circular no. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, has allowed companies to send official documents to their shareholders electronically considering its legal validity under the Information Technology Act, 2000. Being a Company with strong focus on green initiatives, Lohia Securities Ltd. proposes to send all shareholder communications such as the notice of General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report, etc., henceforth to shareholders in electronic form to the E-mail ID provided by them and made available to us by the Depositories. Members are requested to register their E-mail Id with their Depository Participant and inform them of any changes to the same from time to time. However, Members who prefer physical copy to be delivered may write to the Company at its registered office or send an E-mail to narendra.raai@lohiasecurities.com by providing their DP ID and Client ID or Registered Folio as reference.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

RESOLUTION NOS. 3 & 4

Reappointment of Directors:

Pursuant to the provisions of Articles of Association Mr. Hari Kishan Lohia and Mr. Vineet Goenka, Directors are retiring at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The brief resumes of all these directors and other information as per clause 49 of the Listing Agreement with the Stock Exchange are provided elsewhere in the Annual Report.

By Order of the Board
For **Lohia Securities Limited**

Place : Kolkata
Date : 30th May, 2011

sd/-
Narendra Kr. Rai
Company Secretary

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 17th Annual Report and the Audited Accounts of your Company for the financial year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

Financials of the Company on the Standalone basis:

The Profit and loss account of your Company on standalone basis shows a loss after tax of ₹ 116.54 lakhs (Previous Year: profit of ₹ 197.56 lakhs). The disposable profit is ₹ 1461.90 lakhs (₹1636.55 lakhs) after taking into account the balance of ₹ 1578.44 lakhs (₹ 1438.99 lakhs) brought forward from the previous year. The brief financial highlights are as below:

| Particulars | Current Year ended 31.03.2011 (₹ in lakhs) | | Previous Year ended 31.03.2010 (₹ in lakhs) | |
|---|--|-----------------|---|----------------|
| Gross profit before interest, depreciation | | 660.18 | | 1158.95 |
| Less : Interest | 117.05 | | 91.30 | |
| Depreciation | 92.42 | 209.47 | 110.73 | 202.03 |
| Profit before Tax | | 450.71 | | 956.92 |
| Less : Provision for Taxes | | | | |
| Current Tax | 0 | | 36.61 | |
| Income Tax for Earlier Years | 1.19 | | 15.92 | |
| Securities Transaction Tax Paid | 589.97 | | 606.38 | |
| Provision for Deferred Tax | -23.91 | 567.25 | 100.45 | 759.36 |
| Profit / (Loss) after Tax | | (116.54) | | 197.56 |
| Add Balance in Profit and Loss Account | | 1578.44 | | 1438.99 |
| Amount Available for Appropriation | | 1461.90 | | 1636.55 |
| Appropriation : | | | | |
| Proposed Dividend on Equity Shares | 49.83 | | 49.83 | |
| Tax on Dividend | 8.08 | 57.91 | 8.28 | 58.11 |
| Balance carried to Balance Sheet | | 1403.99 | | 1578.44 |
| Earnings per Share | | (2.34) | | 3.96 |

DIVIDEND

The Directors of your Company are pleased to recommend a dividend of ₹ 1.00 per equity shares i.e. 10% (Previous year 10%) on par value of ₹10/- each for the year ended 31st March, 2011. As, the Company will also pay a dividend tax of 16.2225% (Previous year 16.60875%), the total dividend outgo will be ₹ 57.91 lacs (Previous year ₹ 58.11 lacs).

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividend which remained unpaid/ unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the said Act.

OPERATIONS :

Standalone

The standalone revenue for the year were ₹ 2221.00 lakhs as compared to ₹ 2534.31 lakhs for the period ended 31st March, 2010 resulting in annualized decrease of 12.36%. Operating Profit (Earnings before interest, depreciation and income tax) for the period ended 31st March, 2011 was ₹ 660.18 lakhs as against ₹ 1158.95 lakhs for the year ended 31st March 2010 with annualized

DIRECTOR'S REPORT (Contd.)

decrease of 43.04%.

The Company has earned Profit before Tax of ₹ 450.71 lakhs (as compared to last year's ₹ 956.92 lakhs) after meeting interest expenses of ₹ 117.06 lakhs (last year's ₹ 91.31 lakhs) and depreciation of ₹ 92.43 lakhs (last year's ₹ 110.72 lakhs) for the year ended 31st March, 2011. The Net Loss for the year was ₹ 116.54 lakhs (as compared to last year's net profit of ₹ 197.56 lakhs). In view of the loss incurred during the year, your Board has decided not to transfer anything from Profit & loss account to General Reserve this year (Previous year -Nil).

Consolidated

The consolidated revenue of the Company for the year were ₹ 2446.89 lakhs a decline of 14.01% as compared to previous year. There were decline in the Brokerage Income, Income from operation, Interest Income, Receipt of DP division and dividend from shares lying as inventories.

The total Group Loss incurred after tax was ₹ 160.34 lakhs as against Profit of ₹ 218.97 lakhs of last year. During the year under review, Trade City Securities Pvt. Ltd., the material non-listed 100% subsidiary company has earned the revenue of ₹190.01 lakhs (Previous year ₹ 206.22 lakhs.)

Summary of Consolidated financial results of the Company & its subsidiaries

| Particulars | Current Year ended 31.03.2011 (₹ in lakhs) | | Previous Year ended 31.03.2010 (₹ in lakhs) | |
|---|--|-----------------|---|----------------|
| Gross profit before interest, depreciation | | 654.91 | | 1268.56 |
| Less : Interest | 151.46 | | 123.35 | |
| Depreciation | 107.98 | 259.44 | 134.53 | 257.88 |
| Profit before Tax | | 395.47 | | 1010.68 |
| Less : Provision for Taxes | | | | |
| Current Tax | 1.04 | | 44.67 | |
| Income Tax for Earlier Years | 4.75 | | 15.95 | |
| Securities Transaction Tax Paid | 594.43 | | 616.72 | |
| Provision for Deferred Tax | -44.41 | 555.81 | 114.37 | 791.71 |
| Profit / (Loss) after Tax | | (160.34) | | 218.97 |
| Add Balance in Profit and Loss Account | | 1524.16 | | 1364.34 |
| Amount Available for Appropriation | | 1363.82 | | 1583.31 |
| Appropriation : | | | | |
| Proposed Dividend on Equity Shares | 49.83 | | 49.83 | |
| Tax on Dividend | 8.08 | | 8.28 | |
| Transfer to Statutory Reserve | 0 | 57.91 | 1.04 | 59.15 |
| Balance carried to Balance Sheet | | 1305.91 | | 1524.16 |
| Earnings per Share | | (3.36) | | 3.96 |

SUBSIDIARY COMPANIES & CONSOLIDATED RESULTS OF OPERATIONS

As on 31st March, 2011, Lohia Securities Ltd. has four 100% subsidiaries. Details of their business and operations are given below:-

Trade City Securities Private Limited has a Trading Membership of NSE in Capital and F&O Segment and Trading Membership of BSE in Capital and F&O Segment.

Trade City Commodities Private Limited is a member of NCDEX, MCX, National Spot Exchange, NCDEX Spot Exchange, and ICEX and is engaged in Commodity trading and registered with FMC. It has recently commenced business at National Spot

DIRECTOR'S REPORT (Contd.)

Exchange. **Trade City Real Estate Private Limited** is engaged in property and real estate business. It is also investing surplus moneys in shares and securities. **Trade City Barter Private Limited** is a non-banking finance company and is engaged in investment and financing activities.

COMPLIANCE UNDER SECTION 212 OF THE COMPANIES ACT, 1956

The Ministry of Corporate Affairs (MCA) has vide its General Circular no. 2/2011 dated February 8, 2011 and General Circular no. 3/2011 dated February 21, 2011 granted a general exemption stating that the provisions of Section 212 of the Companies Act, 1956 in relation to subsidiaries accounts shall not apply subject to compliance of certain conditions. In accordance with the said Circulars, the Board of Directors of the Company, has in its meeting held on 30th May, 2011, given the consent for not attaching the balance sheet of the subsidiaries concerned alongwith the balance sheet of the Company. However, the financial information of the subsidiary companies, as required to be provided by the said circulars, are disclosed in Notes B.2 under Schedule Q to the Consolidated Financial Statements. The Company will make available the annual accounts of the subsidiary companies and the related information to any investor of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the directors hereby confirm that:

- i) In the preparation of the annual accounts, applicable accounting standards have been followed and that there are no material departures from the same.
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2011 and of the loss of the company for the year ended on that date.
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

The company has not accepted any deposit from the public or from employees during the year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Article 90 of the Articles of Association of the Company, Mr. Hari Kishan Lohia and Mr. Vineet Goenka retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Brief resume of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the stock exchange, are provided with the Annexure to the Notice of Annual General Meeting. Your Board of Directors has recommended their re-election.

AUDITORS:

M/s. Patni & Co., Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

DIRECTOR'S REPORT (Contd.)**AUDITORS' REPORT:**

The statutory auditors of the Company submitted their report on the accounts of the Company for the accounting year ended 31st March, 2011, which was self explanatory and needed no comment.

PARTICULARS OF EMPLOYEES :

The particulars of the employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (particulars of employees) Rules, 1975 as amended by the Companies (Particulars of the Employees) Amendment Rules 2011, read with General Circular no. 23/2011 dated May 3, 2011 issued by MCA, are not given since none of the Employees are in receipt of a remuneration in excess of the prescribed limit.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The company has no activity relating to conservation of energy or technology absorption, details of which are required to be furnished in this report as per the provision of Section 217(1)(e) of the Companies Act, 1956.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchanges used and earned are as below (₹ in lakhs)

Expenditure in Foreign Currency

| Particulars | 2010-11 | 2009-10 |
|-------------------|---------|---------|
| Tours and Travels | 1.86 | 0 |
| Total | 1.86 | 0 |

Inflow in Foreign Currency: Nil

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Directors affirm their commitment to the Corporate Governance standards prescribed by the Securities Exchange Board of India (SEBI). Corporate Governance and Management Discussion and Analysis Report are set out as separate annexure to this report. The certificate of the Auditors, Messrs. Patni & Co., confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Calcutta Stock Exchange is contained elsewhere in the Annual Report.

POSTAL BALLOT

During the financial year 2010-11 the members approved through postal ballot for alteration in the Main Object Clause of the Memorandum of Association by insertion of activities of a depository participant.

ACKNOWLEDGEMENTS

The Directors express their gratitude for the guidance and cooperation received from the Central Government, West Bengal Government, SEBI and other government regulatory agencies.

Your directors thanks all the valued clients, sub-brokers, shareholders, banks, financial institutions, stock exchanges, depositories and other stake holders for their patronage and support and take this opportunity to express their appreciation of the dedicated and committed team of employees of the Company.

For and on behalf of the Board of Directors

Kolkata, the 30th day of May, 2011

sd/-
Rajesh Kumar Bajaj
Managing Director

sd/-
Sudheer Kumar Jain
Whole-time Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The Indian economy continued its strong performance with advance estimates of the Central Statistics Office (CSO) indicating an 8.6% growth rate for FY 11 on the back of an 8% growth in the previous year. Growth has been broad based with a rebound in the agriculture sector and impressive gains in services. Even as the Index of Industrial Production continues to be volatile, other indicators such as expansionary Purchasing Managers' Index (PMI), higher tax collections, buoyant exports and bank credit suggest that the growth momentum persists. The downside risk is continuing pressure on energy and commodity prices that may undermine the investment climate, posing a threat to the current growth trajectory. Therefore, keeping a check on inflation remains a great challenge for the economy.

There were movements in the Capital markets during the year. The National Stock Exchange (NSE) Index (S&P CNX Nifty) which was at 5249.10 points in March 2010, moved to 5833.75 points in March 2011, registering an increase of 11.14%. The Bombay Stock Exchange (BSE) Sensitive Index (Sensex) also registered increase of 10.94% from 17527.77 points to 19445.22 points during the same period. On 5th day of November 2010, BSE Sensex reached 21108.64 points and NSE S&P CNX Nifty reached 6338.50. The lowest BSE sensex was 15960.15 and NSE (S&P CNX Nifty) Index was 4786.50 On 25th day of May 2010. Thus, there was a fluctuation of 32.26 % between High and Low in BSE Sensex during the year and 32.42% between NSE's High and Low. In the NSE trading volume for CM segment during the year was ₹ 35,77,412 crore as compared to previous year ₹ 41,38,024 crore. The F&O segment of NSE has achieved a trading value of ₹ 292,48,221 crore during the year as compared to ₹ 176,63,663 crore of the year 2009-10. BSE registered total equity turnover during 2010-11 of ₹ 11,03,466.45 crore compared to previous year's ₹ 13,78,808.99 crore. In F&O BSE had a turnover of ₹ 154.33 crore during the year 2010-11 against previous year's ₹ 234.05 crores.

Your Company has a note-worthy presence in the eastern region of the Indian Capital Market with Trading and Clearing Corporate Membership of the National Stock Exchange (Capital Market Segment as well as Derivative Market Segment), Membership of the Calcutta Stock Exchange and Dealership of the OTC Exchange of India and Deposit based membership of Bombay Stock Exchange Limited. Your Company is also a Clearing and Trading Member of F&O Segment of BSE. Your Company has trading cum clearing membership of Currency Derivative of NSE and trading membership of Exchange Traded Currency Derivative (ETCD) of BSE, Trading Membership of Currency Derivative of MCX Stock Exchange. Your Company has also acquired Trading Membership in respect of Currency Derivative of United Stock Exchange. Your Board has decided to surrender the in-active dealership of OTC Exchange of India and Trading Membership of Exchange Traded Currency Derivative of BSE.

The stock broking and depository services have huge growth opportunities due to existing low penetration levels. However, these businesses are facing tremendous competitive pressures and regulatory compliances. As per SEBI, there were 8804 brokers (Cash market), 4197 corporate brokers, 75378 sub-brokers, 1705 Derivative Brokers (Trading and Clearing members) and 758 Depository participants as on 31.03.2010. There were 1450 stock brokers as on 31/03/2010 in respect of Currency Derivative Segment. Stockbrokers and Depository Participants have to comply with various laws. The advances in technologies have also affected these businesses. Your Company is gearing up well to face all such developments by increasing its reach across geographical areas and client segments, improving its infrastructure and technological, financial and human resources.

Opportunities and Threats

Your Company has diversified into other businesses by acquiring/ promoting subsidiary companies. The wholly owned subsidiaries are (a) Trade City Commodities Private Limited-engaged in Commodity Trading, (b) Trade City Real Estate Private Limited-Property Dealing (c) Trade City Securities Private Limited-Share broking with Membership of NSE and BSE-Cash and Derivative Segment - especially in retail business, (d) Trade City Barter Private Limited- an NBFC Company. Your Company has started trading activities on Currency Derivative of MCX Stock Exchange on proprietary basis. The Company is concentrating its activities to a cross section of society across India and has branches in Kolkata, Mumbai, Patna, Giridih, Gauwahati and Purulia. It is providing professional, value added, comprehensive and integrated financial and wealth management solutions across equities, derivatives, and depository segments. This feature helped the Company in generating more business than its competitors. The entry of large broking houses and banking companies with huge financial stake, is posing a threat to the Company. However, the stringent regulatory and government policies have made the expansion of the business tough.

Option trading on Currency Segment has been started by NSE recently. Your Company has been doing proprietary trading in this segment in a big way and expects a good performance on this front.

Activities- wise performance

Your Company has performed satisfactorily despite the recession in the broking industry and stiff competition. In the NSE trading volume for CM segment during the year was ₹ 35,77,412 crore as compared to previous year ₹ 41,38,024 crore. The F&O segment of NSE has achieved a trading value of ₹ 292,48,221 crore during the year as compared to ₹ 176,63,663 crore of the year 2009-10. BSE registered total equity turnover during 2010-11 of ₹ 11,03,466.45 crore as compared to previous year's ₹ 13,78,808.99 crore. In F&O BSE had a turnover of ₹ 154.33 crore during the year 2010-11 against previous year's ₹ 234.05 crore.

During the year, the Broking & Trading activities of the Company posted a gross revenue of ₹ 2193.59 lacs as compared to ₹ 2509.89 lacs for the year ended 31.03.2010 resulting in annualized decrease of 12.60%. The Depository managed to bring in revenue of ₹ 27.42 lacs during the year as compared to ₹ 24.43 lacs of last year (an increase of 12.24%).

Outlook

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

The Company is now well prepared to grow its business in spite of the competitive environment it is facing. All out efforts are being made to keep the expenses under check so that resources could be deployed more gainfully. The Company is encouraging its workforce to acquire more and more knowledge about the market and intermediation works.

Your Board expects that the positive industrial growth trends are likely to continue in current fiscal. Your Company has an active role in trading in capital as well as derivative market. With increase in volume in both the markets, better price discovery is expected and it may enable the Company to earn better revenue through its trading activities.

With the segregation of trading operations with accounting and back office operations, the personals and the systems would concentrate on their core area of operations. The reduction of burden of machines in general and server etc. in particular would help the Company in the long run. Now, the system personnel would concentrate in the proper maintenance of all the equipments. Again, the shifting of retail business to one of the subsidiary company has helped the Company the concentrate in its core activity i.e. arbitrage business.

Your Company has invested in new technology at NSE Co-location for doing algorithm trading in various segment of NSE.

Risks and Concerns

Your Company recognizes the importance of a comprehensive Risk Management system. This system will help not only to meet and comply with regulatory requirements but also to bring about an improvement in asset quality and profitability. It will eventually increase the shareholders' value. The Market Risk and Operational Risk, need to be identified, assessed, controlled and managed for effective and efficient operation. Your Company has endeavored to bench-mark its Risk Management System on lines of market best practices and emerging regulatory norms.

A comprehensive risk evaluation methodology and processes for early identification and mitigation of all kinds of risks being in place, except for unforeseen circumstances and marginal exposure to financial risk in retail capital markets division, your Company is quite a risk free business.

Internal Control System

The Company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws.

The philosophy of the Company with regard to internal control systems and their adequacy has been formulation of effective systems and their implementation to ensure that assets and interests of the Company are safeguarded with required checks and balances in place to determine the accuracy and reliability of accounting data.

The Company has an independent appraisal function to examine and evaluate the adequacy and effectiveness of the Company's internal control system. It appraises periodically about its activities and audit findings to the Audit Committee, Statutory Auditors and top management.

Internal Audit ensures that systems are designed and implemented with adequate internal controls commensurate with the size and operations; transactions are executed in accordance with the Company's policies and authorisation. The internal audit department undertakes extensive programmes of both pre and post audit checks and reviews and also carries out regular follow-up on observations made. The Audit Committee of the Board reviews the internal audit reports and the adequacy of internal control.

Discussion on financial performance with respect to operational performance

During the year, due to poor participation of retail investors in Indian Capital Market, the Company could not be able to attain expected performance. Clear understanding of business dynamics, emphasis on efficient recovery system alongwith an integrated approach to risk management has enabled the Company to make the best use of the available resources and achieve better results.

The management's relentless focus was on assets productivity, strengthening of internal efficiency, cost consciousness and improved realization on turnovers. During the year under review, the Operating Income of the Company for the period ended 31st March 2011 was ₹ 2221.01 lakhs as compared to ₹ 2534.32 lakhs for the period ended 31st March 2010 resulting in annualized decrease of 12.36%. Operating Profit (Earnings before interest, depreciation and income tax) for the period ended 31st March, 2011 was ₹ 660.18 lakhs as against profit of ₹ 1158.95 lakhs for the year ended 31st March 2010 with annualized decrease at 43.04%.

Material developments in human resource, industrial relation including number of people employed

The relations between the Management and the Employees at various levels have been quite cordial. To improve efficiency and for a more effective manpower utilisation, the Company has been constantly providing opportunities for learning and competitive remuneration. A challenging work environment has always been encouraged so as to create awareness amongst the employees for evaluation of their performance against the demanding standards. The employees are encouraged to improve their performance. They are provided training on the job as well as outside. Periodic group and individual meetings are conducted with employees and their feedback taken. The actual number of persons employed in the Company as on 31st March, 2011 were 119 (previous year: 111).

For and behalf of the Board of Directors

Kolkata, the 30th day of May, 2011

Sd/-
Rajesh Kumar Bajaj
Managing Director

Sd/-
Sudheer Kumar Jain
Whole-time Director

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance

1. The Company's Governance Philosophy

Lohia Securities is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders' and other Stakeholders' interest. In line with this philosophy, Lohia Securities Limited endeavors to maintain transparency at all levels through adoption of best Corporate Governance Practices. The basic governance frameworks reflecting the values of the entity are ingrained in the functions. The following is a report on the status and progress on major aspects of Corporate Governance for the year ended 31st March, 2011.

2. Board of Directors

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company and as trustees of stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgement on behalf of the Company.

a) Composition

The Board of Lohia Securities Limited is a balanced one, comprising Executive and Non-Executive Directors. The Executive Directors do not exceed one-third of the total strength of the Board. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business /finance /law. The Board of Directors used to select one of their numbers as Chairman at each meeting. Mr. Sameer Bajaj, an independent director, was elected to Chair at each of the Board meetings. The Company is managed by the Managing Director and the Whole-time Director and is assisted by the Management Team.

As at 31st March, 2011, the composition of the Board of Directors is in conformity with the prescribed code of Corporate Governance by the Stock Exchanges. As mandated under Clause 49 of the Listing Agreement with the Stock Exchanges, none of the Directors is member of more than ten Board level Committee nor is any of them a Chairman of more than five Board level Committee in which they are members.

| Name of the Directors | Category of Directors | No. of other Directorships held(*) |
|------------------------|------------------------------------|------------------------------------|
| Mr. Hari Kishan Lohia | Non-Executive Director, Promoter | Nil |
| Mr. Mahesh Kumar Bajaj | Non-Executive Director, Promoter | Nil |
| Mr. Rajesh Kumar Bajaj | Executive Director, Promoter | Nil |
| Mr. Sudheer Kumar Jain | Executive Director, Promoter | Nil |
| Mr. Vineet Goenka | Non-Executive Independent Director | Nil |
| Mr. Sameer Bajaj | Non-Executive Independent Director | Nil |

* The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

* The Company did not have any material pecuniary relationship or transaction with the non-executive directors during the period under review.

b) Board Procedure

The Board has a formal schedule of matters reserved for its consideration and decision. Agenda papers for the Board/ Committee Meetings containing all necessary information/ documents are made available to the Board/ Committee, respectively, in advance to enable the Board/ Committee to discharge its responsibilities effectively and take informed decision. The senior Executive makes presentation before the Board. The Board of Directors meet at regular intervals and decisions are taken at the Meetings after detailed discussions and evaluation of the subject. After the Meetings, the Company has a formal system of follow up, review and reporting. The actions taken on the Board/ Committee Meetings and decisions arrived at are reported at its next meeting for being reviewed by the Board/ Committee(s). Amongst other things, the Board considers the following matters:

- Strategy and Business Plans
- Annual Operating and Expenditure Budgets
- Statutory Compliances
- Adoption of Quarterly/ Half Yearly/ Annual Results

REPORT ON CORPORATE GOVERNANCE (Contd.)

- Minutes of Meeting of the Board Committees, and
- Minutes of the Board Meetings of the Subsidiaries.

In accordance with the code of Corporate Governance and based on the requirements to focus on special areas, the Board has constituted several Committees to deal with specific matters and delegated powers for different functional areas.

c) Meetings and Attendance

Eleven Board meetings were held during the year, as against the minimum requirements of four meetings. The Company has held at least one Board Meeting in every three months and maximum time gap between any such two meetings was not more than four months. During the financial year ended 31st March 2011, Board Meetings were held on 01.04.2010, 08.05.2010, 29.05.2010, 24.06.2010, 10.07.2010, 30.07.2010, 25.09.2010, 10.11.2010, 08.12.2010, 04.02.2011 and 11.03.2011.

Attendance at Board Meetings and at Annual General Meeting (AGM)

| Name of the Directors | No. of Board Meeting | | Whether Attended the last AGM |
|------------------------|----------------------|----------|-------------------------------|
| | Held | Attended | |
| Mr. Hari Kishan Lohia | 11 | 11 | Yes |
| Mr. Mahesh Kumar Bajaj | 11 | 11 | Yes |
| Mr. Rajesh Kumar Bajaj | 11 | 11 | Yes |
| Mr. Sudheer Kumar Jain | 11 | 11 | Yes |
| Mr. Vineet Goenka | 11 | 10 | No |
| Mr. Sameer Bajaj | 11 | 11 | Yes |

COMMITTEES OF THE BOARD**3. Audit Committee****Composition**

The Audit Committee comprises of three Non Executive Directors (two of them independent). All of them financially literate and most of them have accounting or related financial management expertise. The Chairman of the Committee is an independent Director.

Mr. Sameer Bajaj, Chairman

Mr. Mahesh Kumar Bajaj

Mr. Vineet Goenka

The Senior Management team of the Company comprising of the Chief Operating officer, Head of Finance Department, the Statutory Auditor and the Internal Auditor are invited to attend the Meeting of the Committee as Invitee. The Company Secretary is the Secretary to the Committee.

Terms of Reference

The terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956, such as overseeing of the Company's financial reporting process, recommending the appointment/ re-appointment of statutory auditors, reviewing with the Management quarterly and annual financial statements, internal audit reports and controls of the Company and other matters as stated under the role of Audit Committee in Clause 49 of the Listing Agreement.

Attendance

During the financial year ended on 31st March, 2011 meetings of the Audit Committee were held on 1st April, 2010, 29th May, 2010, 30th July, 2010, 10th November, 2010 and 4th February, 2011 which were attended by all the above members. The gap between two meetings never exceeded four months.

4. Remuneration Committee**Composition**

The Remuneration Committee comprises of three Non-Executive Directors, two of whom are independent. The Chairman of the

REPORT ON CORPORATE GOVERNANCE (Contd.)

Remuneration Committee is Mr. Sameer Bajaj. Mr. Mahesh Kumar Bajaj and Mr. Vineet Goenka are the two other members of this Committee.

Terms of Reference

The Remuneration Committee has been constituted to recommend/ review remuneration of the Managing Director and Whole-time Director based on their performance and defines assessment criteria.

Meetings and Attendance

The Remuneration Committee met on 30.07.2010. The remuneration committee at that meeting recommended the revision of remuneration of Mr. Rajesh Kumar Bajaj and Sudheer Kumar Jain. The revised remuneration were effected from 01/04/2010.

Remuneration of Directors

The Remuneration Committee, comprising only of Non-Executive Directors, determines remuneration of Executive Directors and Senior Executive. The aggregate amount of salary paid for the year ended 31st March, 2011, to Mr. Rajesh Kumar Bajaj, Managing Director of the Company was ₹ 15,00,000/- and Mr. Sudheer Kumar Jain Whole-time Director was ₹ 9,00,000/-. The Non-executive Directors were not paid any sitting fees for attending meeting of the Board and Committee thereof. The Company has not paid any commission to Non-Executive Directors.

5. Shareholders/ Investors Grievance Committee

Composition

The Shareholders/ Investors Grievance Committee presently comprises of three Non –Executive Directors, two of whom are independent. The Chairman of the Shareholders/ Investors Grievance Committee is Mr. Sameer Bajaj. The other members of the Committee are Mr. Mahesh Kumar Bajaj and Mr. Vineet Goenka. Company Secretary is the Compliance Officer of the Committee.

Terms of Reference

The Committee is responsible for addressing the investor complaints and grievances. The Committee meets on a periodic basis to address the investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

Details of grievances of the shareholders as on 31st March, 2011 is as below:

| | |
|---|-----|
| Number of Shareholder Complaints received during the year. | Nil |
| Number not solved to the satisfaction of the shareholders till 31st March, 2011 | Nil |
| Number of Complaints pending as at 31st March, 2011 | Nil |

Meetings and Attendance

During the financial year ended 31st March, 2011, only one meeting of the Shareholders/ Investors Grievance Committee was held on 04.02.2011 for consideration of the future policies of the Company in relation to handling of investor grievances.

6. General Body Meetings

a. Location and time, where last three AGMs held

| Financial Year | Date | Time | Place |
|----------------|--------------------------------|-------------|--|
| 2007-08 | Saturday, 27th September, 2008 | 10.30 A.M. | Somany Conference Hall, Merchant Chamber of Commerce, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001 |
| 2008-09 | Wednesday, 23rd September 2009 | 4.30 P.M. | 4 Brabourne Road, 5th Floor Kolkata - 700 001 |
| 2009-10 | Saturday, 25th September, 2010 | 10.30 A. M. | 4 Brabourne Road, 5th Floor Kolkata - 700 001 |

REPORT ON CORPORATE GOVERNANCE (Contd.)**b. Special Resolutions passed at the last 3 (three) AGM held**

| Date of AGM | Items |
|---------------------|---|
| 27th September 2008 | Nil |
| 23rd September 2009 | Nil |
| 25th September 2010 | a) Main Object Clause in the Memorandum of Association altered to undertake depository participant activities, functions and responsibilities and such other activities, which are incidental and ancillary to the same. b) Appointment of Mr. Mayank Bajaj under Section 314(1B) for holding office or place of profit. |

No EGMs were held during the last 3 years.

c. Special Resolution passed last year through Postal Ballot- Details of Voting Pattern

A special resolution was passed through postal ballot procedure during the year:

The Postal Ballot Notice issued on July 30, 2010, pursuant to Section 192A(2) of the Companies Act, 1956, for passing the following Resolutions by postal ballot, was despatched to the members of the Company on August 21, 2010.

"To undertake Depository Participant activities, functions and responsibilities and such other activities which are incidental or ancillary to the same."

The Board of Directors at its meeting held on July 30, 2010 had appointed Mr. Dilip Kumar Patni, Chartered Accountant, as Scrutinizer to receive and scrutinize the completed ballot forms received from the Members and for conducting the Postal Ballot process in a fair and transparent manner. The Postal Ballot Forms and the self addressed business reply envelopes were also sent for use of Members. The shareholders were requested to return the postal ballot forms duly completed along with the assent (for) or dissent (against), so as to reach the scrutinizer on or before September 22, 2010.

After due scrutiny of all the postal ballot forms received by Shri Dilip Kumar Patni up to the close of working hours of September 22, 2010 (being last date fixed for return of the Postal Ballot forms duly filled in by the Members), Shri Patni submitted his report as under :

| | |
|---|--|
| Description | Special Resolution for alteration of Object Clause of the Memorandum of Association of Lohia Securities Ltd. |
| No. of Valid Votes polled (%age) | 31,35,138 (Say-10 0%) |
| Votes cast in favour of the resolution (%age) | 31,35,138 (100%) |
| Votes cast against the resolution (%age) | 0 (0%) |

The Chairman after receiving the Scrutinizer's Report announced that the Special Resolution of the Postal Ballot Notice were duly passed by the requisite majority and directed that the resolutions be recorded in the minute book recording the proceedings of general meetings of the members.

- d) None of the resolutions to be placed at the ensuing Annual General Meeting are required to be passed by the members through Postal Ballot.

7. DISCLOSURES :

- A Statement in summary form of transactions with related party in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all transactions with the related parties were on arms length basis.
- There are no materially significant related party transactions i.e. transactions material in nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. having potential conflict with the interests of the Company at large.
- While preparation of financial statements for the year under review, no accounting treatment which was different from that prescribed in the Accounting standard followed.
- For the list of disclosures of related party relationship and transactions as per Accounting Standard AS-18, "Related Party Disclosures", Note 3 on Schedule Q to the Annual Audited Accounts of the Company for the year ended 31st March, 2011 may be referred to.
- In accordance with the requirement of Corporate Governance the Board of Directors of the Company has formulated a Code of

REPORT ON CORPORATE GOVERNANCE (Contd.)

Conduct for Directors and Senior Management Personnel of the Company and all concerned thereof has affirmed the compliance. The required declaration to this effect signed by the Managing Director and the Whole-time Director is appended as a separate Annexure to this Report. The Code of Conduct has been hosted on the Company's web site.

- No stricture was imposed on the Company by any regulatory authority on any matter related to capital market during the last three years.
- The Company has laid procedure to inform the Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.
- In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 as amended in February, 2002, the Board of Directors of the Company has formulated the Code of Conduct for prevention of insider trading in Equity Shares of the Company by its Directors and Employees.
- The Board of Directors of the Company have received a Certificate from the Managing Director and a Whole-time Director of the Company in compliance of Clause 49(V) of the Listing Agreement.
- The Company has not made any public issue/ rights issue and preferential issues during the period under review.

8. MEANS OF COMMUNICATION

| SUBJECT | DETAILS |
|---|---|
| Quarterly Results | Published in the newspaper in terms of Clause 41 of the Listing Agreement |
| Newspaper wherein results published | The Financial Express - English Kalantar - Bengali |
| Any website, where displayed | www.lohiasecurities.com |
| Whether it also displays official news released and presentation made to institutional Investors / Analysis | No |
| Whether MD&A is a part of Annual Report | Yes, the same is part of Directors' Report |

In compliance with the requirements of the Listing Agreements, the Company regularly intimates unaudited as well as audited financial results to the Calcutta Stock Exchange as well as BSE immediately after the Board takes them on record. Further coverage is given for the benefit of the shareholders and investors by publication of the financial results in the Financial Express and a Bengali newspaper circulating in the state of West Bengal. The same is also posted on the Website of the Company.

9. General Shareholder Information

1. Annual General Meeting : Date, time and Venue

| | |
|-------|--|
| Date | 17th September, 2011 (Saturday) |
| Time | 10.30 A.M. |
| Venue | 4 Brabourne Road, 5th Floor, Kolkata - 700 001 |

2. Financial Calendar (Tentative):

| | |
|---|-----------------------------------|
| Financial reporting for the quarter ending June, 30, 2011 | First week of August 2011 |
| Financial reporting for the quarter ending September 30, 2011 | First fortnight of November 2011 |
| Financial reporting for the quarter ending December, 31, 2011 | First fortnight of February 2012 |
| Financial reporting for the year ending March 31, 2012 | Last week of May 2012 |
| Annual General Meeting for the year ended March 31, 2012 | Last fortnight of September, 2012 |

REPORT ON CORPORATE GOVERNANCE (Contd.)

3. Dates of Book Closure: The Register of Members will be closed from Tuesday, 13th September, 2011 to Saturday 17th September, 2011 (both dates inclusive) as annual closure for the Annual General Meeting and payment of dividend, if declared.
4. Dividend Payment Date : The Board has recommended a dividend of Re. 1 per equity share for the year ended 31st March, 2011; if declared at the AGM, this would be payable on or after 22nd September, 2011
5. Listing on Stock Exchange:
The Calcutta Stock Exchange Limited
7, Lyons Range, Kolkata- 700 001

Note: All listing and custodial fees to the stock exchange and depositories have been paid to the respective institutions.

6. Stock Code :
 - a) The Calcutta Stock Exchange Limited - 22123-LOHIASEC BSE-590082
 - b) ISIN in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited-INE803B01017.
7. Market Price Data :

Monthly high and low quotes and volume of shares traded on Calcutta Stock Exchange (CSE): There were no trading of the equity shares of Lohia Securities Limited for the period from 01/04/2010 to 31/03/2011 at the Calcutta Stock Exchange. The close price as on 31st March 2011 is ₹ 6.00. The shares of the Company were permitted for trading on BSE platform with effect from 06.05.2008 and the closing price as on 31st March, 2011 was ₹ 136.40

The market price data i.e. monthly high and low prices of the Company's shares on BSE are given below:

| Month | Open Price | High Price | Low Price | Close Price | No. of Shares |
|--------------|------------|------------|-----------|-------------|---------------|
| April-10 | 65.60 | 100.15 | 63.00 | 100.15 | 3,619 |
| May-10 | 105.15 | 134.05 | 75.05 | 78.80 | 11,545 |
| June-10 | 82.70 | 116.15 | 82.70 | 90.05 | 5,716 |
| July-10 | 85.55 | 90.05 | 80.00 | 81.00 | 19,016 |
| August-10 | 77.00 | 80.50 | 74.00 | 75.00 | 13,073 |
| September-10 | 78.75 | 92.60 | 74.85 | 92.00 | 3,388 |
| October-10 | 92.00 | 104.70 | 92.00 | 104.70 | 112 |
| November-10 | 109.90 | 125.45 | 108.00 | 112.15 | 10,722 |
| December-10 | 106.55 | 122.95 | 106.55 | 108.35 | 5,153 |
| January-11 | 102.95 | 103.00 | 93.15 | 99.90 | 6,490 |
| February-11 | 99.00 | 99.00 | 96.00 | 97.35 | 7,269 |
| March-11 | 100.00 | 136.50 | 100.00 | 136.50 | 11425 |

8. Stock Performance (Indexed) & Stock Performance during the last year : The Company's share does not form a part of the CSE-40 or CSE-50 index. Similarly it is not form of BSE Sensex
9. Registrars and Transfer Agents (Share transfer and communication regarding share certificates, dividends and change of address) : M/s. Niche Technologies Pvt. Ltd.
D-511, Bagree Market,
71, B.R.B.B. Road
Kolkata- 700 001
10. Share Transfer System : Share transfers are registered and returned within a period of 15 days from the date of receipt, in case documents are complete in all respects. All share transfers are approved by the whole-time Director under the authority delegated to him by the shareholders/ investors Grievance Committee. During the year ended 31st March, 2011, 4000 shares in physical form were transferred and the transfer process was completed within an average time period of not more than 15 days from the date of lodgement unless notices were required to be sent to the Registered Owners in certain identified categories of cases.

REPORT ON CORPORATE GOVERNANCE (Contd.)

11. a) Distribution of Shareholding as at the year ended 31.03.2011:

| No. of Shares | No. of Shareholders. | % of Total | No. of Shares | % of Total |
|-------------------|----------------------|-----------------|----------------|-----------------|
| Upto- 500 | 377 | 77.5720 | 28,708 | 0.5761 |
| 501-1,000 | 3 | 0.6173 | 2,198 | 0.0441 |
| 1001-5000 | 16 | 3.2922 | 44,043 | 0.8839 |
| 5001-10,000 | 22 | 4.5267 | 1,84,323 | 3.6990 |
| 10,001-50,000 | 46 | 9.4650 | 12,56,256 | 25.2108 |
| 50,001-1,00,000 | 11 | 2.2634 | 7,98,472 | 16.0239 |
| 1,00,001- & Above | 11 | 2.2634 | 26,69,000 | 53.5621 |
| Total | 486 | 100.0000 | 4983000 | 100.0000 |

b) Categories of Shareholders as at the year ended 31.03.2011

| Category | No of Shareholders | % of Total | No of Shares | % of Total |
|-----------------------------------|--------------------|---------------|----------------|---------------|
| Bodies Corporate: | | | | |
| Promoters | 6 | 1.235 | 740069 | 14.853 |
| Others | 26 | 5.350 | 725050 | 14.550 |
| Total Bodies Corporate | 32 | 6.585 | 1465119 | 29.403 |
| Resident Individuals | | | | |
| Promoters (Directors & Relatives) | 15 | 3.086 | 2383931 | 47.841 |
| Others | 439 | 90.329 | 1133950 | 22.756 |
| Total Individual | 454 | 93.415 | 3517881 | 70.597 |
| TOTAL | 486 | 100.00 | 4983000 | 100.00 |

12. Dematerialisation of Shares and Liquidity :

Trading in the Company's shares is permitted only in dematerialized form. The Company has established connectivity with both the depositories viz. NSDL and CDSL through the Registrar M/s. Niche Technologies Pvt. Ltd., whereby the investors have the option to dematerialize their shares with either of the depositories. As on 31st March, 2011, about 70.82% of the Company's shares were held in dematerialized form.

None of the Company's shares are under lock-in period for any purpose.

Company obtains a certificate from practicing Company Secretaries every quarter, which confirms that total issued capital of the Company is in agreement with total number of shares in dematerialized form with NSDL and CDSL and shares in physical form.

Shares held in dematerialized and physical mode as on March 31, 2011

| Category | | Shareholders | | Shares | |
|----------------|--------------------|--------------|---------------|------------------|---------------|
| | | Number | Percentage | Number | Percentage |
| Dematerialised | NSDL | 243 | 50.00 | 31,56,799 | 63.35 |
| | CDSL | 56 | 11.52 | 3,72,169 | 7.47 |
| | Subtotal | 299 | 61.52 | 35,28,968 | 70.82 |
| Physical Mode | | 187 | 38.48 | 14,54,032 | 29.18 |
| | Grand Total | 486 | 100.00 | 49,83,000 | 100.00 |

REPORT ON CORPORATE GOVERNANCE (Contd.)

13. Outstanding GDR/ Warrants : None

14. Address for Correspondence

- *For matters related to shares, transfer/ transmission requests:*
M/s. Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata- 700 001
Phone No.-033-2235 7270/ 71.
- For queries/ assistance on issues other than shares (including those related to financial statements)
Mr. Narendra Kumar Rai, Company Secretary
1 R.N.Mukherjee Road, 1st floor, Room No.11, Kolkata 700 001
Phone : 033-4002 6500

10. Compliance with Non-Mandatory Requirements

Clause 49 states that the non-mandatory requirements provided therein may be implemented as per the Company's discretion. However, the disclosures of compliance with mandatory requirements and adoption (and compliance)/non-adoption of non-mandatory requirements shall be made in the section on Corporate Governance in the annual report. The Company has complied with the following non-mandatory requirements:

A. The Board

The Company has no permanent Chairman and as such disclosures on maintenance of office by a Non-Executive Chairman does not arise. The Company ensures that the persons appointed as Independent Directors have the requisite qualifications and experience which would be of use to the Company and which would enable them to contribute effectively to the Company in their capacity as Independent Directors.

B. Remuneration Committee

The Company has instituted a Remuneration Committee. A detailed note on the Remuneration Committee has been provided earlier in the report.

C. Shareholders' Rights

The Company communicates with investors regularly through E-mails, telephone and face to face meetings. The Company announces quarterly financial results within four weeks of the close of a quarter. The Company publishes the quarterly financial results in leading business newspaper(s) as well as on the Company's website. The Company has not initiated sending half-yearly declaration of financial performance to the household of shareholders so far. However, the Company intends to initiate electronic dissemination of financial results to the Members on receipt of their e-mail ids.

D. Audit Qualifications

The Auditors have expressed an unqualified opinion on the financial statements for the year under review. The Company always endeavours to move towards a regime of un-qualified financial statements.

E. Training of Board Members

All new Non-Executive Directors inducted into the Board are given adequate orientation on the Company's businesses, group structure, risk management strategy and policies.

F. Mechanism for Evaluating Non-Executive Board Members

The Company has not as yet framed any mechanism for evaluating Non-Executive Directors keeping in view the time and attention devoted by them for the Company. The Company is yet to formalize the evaluation by peer group comprising entire Board of Directors, excluding the Director being evaluated.

G. Whistle Blower Policy

The Company has not yet established a mechanism for employees to report concerns about unethical behaviours, actual or suspected fraud or violation of our Code of Conduct.

REPORT ON CORPORATE GOVERNANCE (Contd.)**11. Declaration of Code of Conduct**

As required by Clause 49(1)(d) of the Listing Agreement it is hereby affirmed that all the Board members and Senior Management personnel have complied with the code of conduct of the Company.

Details of the Directors seeking re-appointment at the 17th Annual General Meeting

| | | |
|--|--|--|
| Name of the Director | Mr. Hari Kishan Lohia | Mr. Vineet Goenka |
| Date of Birth | 13/11/1952 | 16/03/1975 |
| Date of Appointment | 06/01/1995 | 17/05/2004 |
| Qualification | BCOM | BCOM, ACA |
| Expertise in specific functional areas | He is a Commerce Graduate from University of Calcutta. He is one of the promoter director of Lohia Securities Limited. He has more than 29 years experience of Capital Market. He is also a member of Calcutta Stock Exchange. | He is a Chartered accountant and has more than 15 years experience of capital market. He is giving his advises to Board on matters relating to administration, finance, investment and taxation. |
| List of Companies in which outside Directorship held | Public Companies: Nil Private Companies: 1. Lohia Fiscal Markets Private Limited 2. Luminant Commotrade Private Limited 3. Lohia Stock Broking Private Limited 4. Trade City Commodities Private Limited 5. Shiv Lalit Consultancy Private Limited 6. Daadi Stock Broking Private Limited 7. Trade City Securities Private Limited 8. Trade City Real Estate Private Limited 9. Trade City Barter Private Limited 10. The Calcutta Stock Exchange Limited 11. Bagada Vinimay Private Limited 12. H.K.L.Properties Private Limited | Public Companies: Nil Private Companies: 1. Ridhi Sidhi Distributors Private Limited |
| Chairman/ Member of the Committee of the Board of Directors of the Company (Lohia Securities Ltd.) | Nil | Member of Audit Committee Member of Investors Grievance Committee Member of Remuneration Committee |
| Chairman/ Member of the Committees of the Directors of other Companies in which he is a Director | Nil | Nil |

Kolkata, the 30th day of May, 2011

sd/-
Rajesh Kumar Bajaj
Managing Director

sd/-
Sudheer Kumar Jain
Whole-time Director

REPORT ON CORPORATE GOVERNANCE (Contd.)

Auditors' Certificate on Corporate Governance

The Board of Directors
Lohia Securities Limited
6, Lyons Range, 1st Floor
Kolkata - 700 001

We have examined the compliance of conditions of Corporate Governance by M/s. Lohia Securities Limited, for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Investors Grievance Committee.

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

Place : 1, India Exchange Place, 2nd Floor
Kolkata - 700 001
Date : The 30th day of May, 2011

For PATNI & CO.
Chartered Accountants
sd/-
S. Sureka
Partner
Membership No. 57918
Firm Regn. No. 320304E

AUDITORS' REPORT

TO
THE MEMBERS OF

LOHIA SECURITIES LTD.

1. We have audited the attached Balance Sheet of M/s. Lohia Securities Limited as at 31st March, 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence to support the financial statement, amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used in the preparation of financial statements, assessing significant estimates made by the Management in the preparation of financial statements and evaluating overall financial statement preparation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in term of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph (3) above, we report that: -

- a) We have obtained all the information and explanations to the best of our knowledge and belief, were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the company as far as appears from our examination of the books.
- c) The Balance sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
- d) In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standard referred to in sub-section 3(C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2011 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us and subject to notes given there on, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011.
 - And
 - (b) In the case of the Profit & Loss Account, of the Loss of the company for the year ended on that date.
 - And
 - (c) In the case of the Cash Flow statements of the cash flow for the year ended on that date.

Place : 1, India Exchange Place
Kolkata - 700 001

Date : The 30th day of May, 2011

For PATNI & CO.
Chartered Accountants
sd/-

S. Sureka
Partner
Membership No. 57918
Firm Regn. No. 320304E

ANNEXURE TO THE AUDITOR'S REPORT

In term of the information and explanations given to us and books of account examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under: -

- i) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. These fixed assets were physically verified by the management during the year. We have been informed that no discrepancies were noticed on such physical verification. Substantial part of fixed assets has not been disposed of during the year, which will affect its status as going concern.
- ii) Physical verification of inventories has been conducted by the management during the year at reasonable intervals. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. As informed to us, no discrepancies were found on physical verification of inventories as compared to book records.
- iii) A) The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register required to be maintained under section 301 of the Companies Act, 1956. Hence question of reporting whether the terms and conditions of such loans are prejudicial to the interest of the company, whether reasonable steps for recovery of over dues of such loans are taken does not arise

B) The Company has taken unsecured loan from five parties covered in the register required to be maintained u/s 301 of The Companies Act, 1956. The maximum amount involved during the year was ₹ 6,48,70,000/-. In our opinion, the rate of interest and terms and conditions of loan taken by the company from companies, firms or other parties listed in the register required to be maintained under section 301 of the Companies Act, 1956, are not, prima facie, prejudicial to the interest of the company. The company is regular in payment of interest. The balance of loan as on 31.03.2011 is ₹ Nil so there is no question of repayment of loans within stipulated time.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
- v) According to the information and explanations given to us, in our opinion contracts or arrangements that need to be entered into the register required to be maintained u/s 301 of the Companies Act, 1956 have been so entered.

In our opinion, each of these contracts or arrangements made has been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- vi) According to information and explanations given to us, the company has not accepted any public deposit upto 31.03.2011.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) The company is not engaged in production, processing, manufacturing or mining activities. Hence, the provisions of section 209(1)(d) do not apply to the company. Hence, no comment on maintenance of cost records u/s 209(1)(d) is required.
- ix) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service tax, Sales Tax, Customs Duty, Excise Duty & Cess and any other statutory dues with appropriate authorities applicable to it. According to information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service Tax, sales tax, custom duty and excise duty were outstanding as at the last date of the accounting year for a period of more than six months from the date they became payable.

ANNEXURE TO THE AUDITOR'S REPORT (Contd.)

According to the information and explanations given to us and on the basis of our examination of the documents and records, the disputed statutory dues which have not been deposited with the appropriate authorities are as under:

| Name of Statute | Nature of Dues | Period to which it pertains | Amount | Forum where dispute pending |
|----------------------|----------------|-----------------------------|-----------------|-----------------------------|
| Income Tax Act, 1961 | Income Tax | F. Y. 2004-2005 | ₹ 5,80,347/- | Commissioner of Income Tax |
| Income Tax Act, 1961 | Income Tax | F. Y. 2007-2008 | ₹ 3,05,27,574/- | Commissioner of Income Tax |

- x) The company has no accumulated losses. The company has incurred cash loss of ₹ 46,84,792.65 in the current financial year and has not incurred any cash loss in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to financial institution or bank or debenture holders.
- xii) As informed to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- xiii) The company is not a chit fund, nidhi or mutual benefit fund / society.
- xiv) The company has maintained proper records of the transactions and contracts of dealing in shares, securities, debenture and other investment and we have been informed that timely entries have been made therein. As explained to us, all the shares have been held by the company in its own name except to the extent of exemption granted u/s 49 of the Companies Act, 1956.
- xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The term loans obtained by the company have been applied for the purpose for which they were raised.
- xvii) According to the information and explanation given to us, we report that no funds raised on short-term basis have been used for long term investment by the company.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register required to be maintained under section 301 of the Act.
- xix) The company has not issued any debenture.
- xx) The company has not raised any money by public issues during the period covered by our audit report.
- xxi) During the checks carried out by us, no fraud on or by the company has been noticed or reported during the year under report.

Place : 1, India Exchange Place
Kolkata - 700 001

Date : The 30th day of May, 2011

For PATNI & CO.
Chartered Accountants
sd/-

S. Sureka
Partner
Membership No. 57918
Firm Regn. No. 320304E

BALANCE SHEET AS AT 31ST MARCH. 2011

| | SCHEDULES | 2010-2011 | | 2009-2010 | |
|--|---------------------------|---------------------------|---------------------------|--|----|
| | | ₹ | P. | ₹ | P. |
| I. SOURCES OF FUNDS | | | | | |
| 1. SHAREHOLDER'S FUNDS | | | | | |
| a) Share Capital | "A" | 49,872,500.00 | | 49,872,500.00 | |
| b) Reserves & Surplus | "B" | 254,770,084.54 | | 272,216,541.19 | |
| 2. LOAN FUNDS | | | | | |
| a) Secured Loans | "C" | 68,114,207.58 | | 52,236,675.08 | |
| b) Unsecured Loans | "D" | 22,500,000.00 | | 9,200,000.00 | |
| TOTAL | | 395,256,792.12 | | 383,525,716.27 | |
| II. APPLICATION OF FUNDS | | | | | |
| 1. FIXED ASSETS | | | | | |
| Gross Block | "E" | 104,037,442.40 | | 97,778,167.12 | |
| Less: Depreciation | | 74,530,104.68 | | 65,559,046.68 | |
| Net Block | | 29,507,337.72 | | 32,219,120.44 | |
| 2. INVESTMENTS | "F" | 104,066,800.00 | | 104,066,800.00 | |
| 3. DEFERRED TAX ASSETS | | 3,373,335.00 | | 981,987.00 | |
| 4. CURRENT ASSETS AND LOANS & ADVANCES | | | | | |
| a) Inventories | "G" | 32,858,201.87 | | 29,299,295.67 | |
| b) Sundry Debtors | "H" | 45,407,591.63 | | 1,531,316.94 | |
| c) Cash & Bank Balances | "I" | 177,445,919.21 | | 193,626,676.39 | |
| d) Other Current Assets | "J" | 2,860,074.95 | | 4,645,784.12 | |
| e) Loans & Advances | "K" | 72,318,728.75 | | 61,385,303.28 | |
| | | 330,890,516.41 | | 290,488,376.40 | |
| LESS : CURRENT LIABILITIES AND PROVISIONS | | | | | |
| a) Current Liabilities | "L" | 62,871,006.77 | | 34,156,745.19 | |
| b) Provisions | "M" | 9,766,368.00 | | 10,101,798.00 | |
| | | 72,637,374.77 | | 44,258,543.19 | |
| NET CURRENT ASSETS | | 258,253,141.64 | | 246,229,833.21 | |
| 5. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | | | | | |
| a) Interest Suspense | | 56,177.76 | | 27,975.62 | |
| | | 56,177.76 | | 27,975.62 | |
| TOTAL | | 395,256,792.12 | | 383,525,716.27 | |
| Significant Accounting Policies and Notes to the Accounts | "Q" | | | | |
| Schedules referred to above form an integral part of the Balance Sheet | | | | | |
| As per our attached report of even date. | | | | | |
| For PATNI & CO. | | | | For and on behalf of Board of Directors | |
| Chartered Accountants | | | | | |
| Sd/- S. Sureka | | | | | |
| Partner | | | | | |
| Membership No. 57918 | | | | | |
| Firm Regn. No. 320304E | | | | | |
| Place : Kolkata | Narendra Kumar Rai | Rajesh Kumar Bajaj | Sudheer Kumar Jain | | |
| Date : 30th May, 2011 | Company Secretary | Managing Director | Whole-time Director | | |

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| | SCHEDULES | 2010-2011 | 2009-2010 |
|--|---------------------------|----------------------------|-----------------------|
| | | Amount in ₹ | Amount in ₹ |
| I. INCOME | | | |
| Income from Operation | "N" | 191,148,378.08 | 217,225,421.90 |
| Dividend from Shares lying in Inventories | | 400,872.90 | 226,780.16 |
| Dividend from Shares lying in Investment | | 1,750.00 | 1,750.00 |
| Brokerage (T.D.S :- Nil /-; P.Y. ₹ 59/-) | | 15,738,666.52 | 18,894,342.32 |
| Interest Income (T.D.S. ₹ 11,99,221.27) | | 11,974,219.61 | 14,047,511.96 |
| Previous Year ₹ 15,45,444.50) | | | |
| Receipts from DP Division (T.D.S. : ₹ 1,11,853.48/-; P.Y. ₹ 79,700/-) | | 2,741,552.97 | 2,443,031.88 |
| Profit on Sale of Investment | | - | 35,193.15 |
| Profit On Sale of Fixed Assets | | 1,671.00 | 56,584.00 |
| Miscellaneous Income | | 93,769.03 | 501,240.73 |
| TOTAL | | 222,100,880.11 | 253,431,856.10 |
| II. EXPENDITURE | | | |
| Payments to and Provision for Employees | "O" | 33,378,877.25 | 29,917,286.27 |
| Other Expenses | "P" | 122,703,448.41 | 107,619,425.16 |
| Securities Transaction Tax | | 58,997,364.24 | 60,637,521.40 |
| Interest Expenses | | 11,705,982.86 | 9,130,803.42 |
| Depreciation | | 9,242,739.00 | 11,072,731.00 |
| TOTAL | | 236,028,411.76 | 218,377,767.25 |
| PROFIT/(LOSS) BEFORE TAX (A-B) | | (13,927,531.65) | 35,054,088.85 |
| Less : Provision for Taxes | | | |
| Current Tax | | - | 3,661,000.00 |
| Deferred Tax | | (2,391,348.00) | 10,045,047.00 |
| Income Tax For Earlier Year | | 118,905.00 | 1,592,063.33 |
| PROFIT/(LOSS) AFTER TAX | | (11,655,088.65) | 19,755,978.52 |
| Add : Balance Brought Forward from previous year | | 157,844,041.19 | 143,898,676.67 |
| | | 146,188,952.54 | 163,654,655.19 |
| Less: Proposed Dividend for the year | | 4,983,000.00 | 4,983,000.00 |
| Less: Provision for Dividend Tax | | 808,368.00 | 827,614.00 |
| Balance Carried to Balance Sheet | | 140,397,584.54 | 157,844,041.19 |
| Basic/Diluted Earning Per Share | | (2.34) | 3.96 |
| Significant Accounting Policies and Notes to the Accounts | "Q" | | |
| Schedules referred to above form an integral part of the Profit & Loss Account | | | |
| As per our attached report of even date | | | |
| For PATNI & CO. | | | |
| <i>Chartered Accountants</i> | | | |
| <i>Sd/- S. Sureka</i> | | | |
| <i>Partner</i> | | | |
| Membership No. 57918 | | | |
| Firm Regn. No. 320304E | | | |
| Place : Kolkata | | | |
| Date : 30th May, 2011 | | | |
| | sd/- | sd/- | sd/- |
| Narendra Kumar Rai | Rajesh Kumar Bajaj | Sudheer Kumar Jain | |
| <i>Company Secretary</i> | <i>Managing Director</i> | <i>Whole-time Director</i> | |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PURSUANT TO CLAUSE 32 OF LISTING AGREEMENTS(S) (AS AMENDED)

| | 31.03.2011 | | 31.03.2010 | |
|--|---------------------------|------------------|---------------------------|---------------------------|
| | ₹ Lacs | ₹ Lacs | ₹ Lacs | ₹ Lacs |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit Before Tax & Extraordinary Items | | (139.28) | | 350.54 |
| Adjustment for : | | | | |
| Depreciation | 92.43 | | 110.73 | |
| Interest Expenses | 117.06 | | 91.31 | |
| Miscellaneous Balance Written Off | 0.22 | | 0.02 | |
| Interest Received | (119.74) | | (140.48) | |
| Provision for Bad & Doubtful Debts | 0.38 | | 1.27 | |
| Dividend Received from Investment | (0.02) | | (0.02) | |
| (Profit)/Loss On Sales Of Investment | - | | (0.35) | |
| (Profit)/Loss On Sales Of Fixed Assets | (0.02) | 90.32 | (0.57) | 61.91 |
| | | (48.96) | | 412.45 |
| Operating Profit before Working Capital Adjustment | | | | |
| (Increase)/Decrease in Inventories | (35.59) | | (158.90) | |
| (Increase)/Decrease in Debtors | (439.37) | | 54.39 | |
| (Increase)/Decrease in Other Current Assets | 17.86 | | (3.53) | |
| (Increase)/Decrease in Loans & Advances | (109.33) | | 249.12 | |
| Increase/(Decrease) in Current Liabilities | 287.75 | (278.69) | 58.47 | 199.55 |
| | | (327.65) | | 612.00 |
| Payment of Tax | | (4.35) | | 61.80 |
| Net cash flow from operating activities | | (332.00) | | 550.20 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Sale Proceed of Investment | - | | 5.35 | |
| Purchase of fixed assets | (66.51) | | (50.92) | |
| Sales Proceeds of Fixed Assets | 1.22 | | 2.69 | |
| Dividend From Investment | 0.02 | | 0.02 | |
| Interest Received | 119.74 | | 140.48 | |
| (Increase)/decrease in fixed deposit | 88.14 | | (353.80) | |
| Net cash used in investing activities | | 142.61 | | (256.18) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Increase/(Decrease) in Secured Loan | 158.78 | | (104.41) | |
| Increase/(Decrease) in Unsecured Loan | 133.00 | | (8.00) | |
| Payment of Dividend & Dividend Tax | (58.11) | | (58.30) | |
| Interest Paid | (117.06) | | (91.31) | |
| Misc. Expenses W/off | (0.28) | | 0.80 | |
| Net cash realised from financing activities | | 116.33 | | (261.22) |
| Net increase/(Decrease) in cash and cash equivalent | | (73.06) | | 32.80 |
| OPENING CASH & CASH EQUIVALENT | | 141.97 | | 109.17 |
| CLOSING CASH & CASH EQUIVALENT | | 68.90 | | 141.97 |
| Notes to the Cash Flow Statement for the year ended 31st March 2011 | | | | |
| CLOSING CASH & CASH EQUIVALENT | | ₹ in Lacs | | ₹ in Lacs |
| Cash in Hand | | 8.94 | | 12.04 |
| Cash at Bank | | 60.52 | | 131.09 |
| Bank Overdraft | | (0.55) | | (1.16) |
| | | 68.90 | | 141.97 |
| As per our attached report of even date | | | | |
| For PATNI & CO. | | | | |
| Chartered Accountants | | | | |
| Sd/- S. Sureka | | | | |
| Partner | | | | |
| Membership No. 57918 | sd/- | | sd/- | sd/- |
| Firm Regn. No. 320304E | Narendra Kumar Rai | | Rajesh Kumar Bajaj | Sudheer Kumar Jain |
| Place : Kolkata, Date : 30th May, 2011 | Company Secretary | | Managing Director | Whole-time Director |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| | 2010-2011 Amount ₹ | 2009-2010 Amount ₹ |
|--|-------------------------------|-------------------------------|
| SCHEDULE - A | | |
| SHARE CAPITAL | | |
| <u>Authorised</u> | | |
| 75,00,000 Equity shares of ₹ 10/- each | 75,000,000.00 | 75,000,000.00 |
| <u>Issued & Subscribed</u> | | |
| 50,00,000 Equity shares of ₹ 10/- each | 50,000,000.00 | 50,000,000.00 |
| <u>Paid Up Capital</u> | | |
| 49,83,000 Equity Shares of ₹ 10/- each fully paid up | 49,830,000.00 | 49,830,000.00 |
| Add: Forfeited Shares | 42,500.00 | 42,500.00 |
| TOTAL | 49,872,500.00 | 49,872,500.00 |
| Note : Out of the above shares, 50,000 shares are allotted as fully paid up pursuant to a contract without payment being received in cash. | | |
| SCHEDULE - 'B' | | |
| RESERVE & SURPLUS | | |
| A. General Reserve | | |
| Opening Balance | 95,000,000.00 | 95,000,000.00 |
| Sub -Total :- A | 95,000,000.00 | 95,000,000.00 |
| B. Profit & Loss A/c | | |
| Profit & Loss Account | 140,397,584.54 | 157,844,041.19 |
| Sub -Total :- B | 140,397,584.54 | 157,844,041.19 |
| C. Security Premium | | |
| Opening Balance | 19,372,500.00 | 19,372,500.00 |
| Sub -Total :- C | 19,372,500.00 | 19,372,500.00 |
| TOTAL :- (A + B+ C) | 254,770,084.54 | 272,216,541.19 |
| SCHEDULE - 'C' | | |
| SECURED LOAN | | |
| Loan against Car | | |
| 1. ICICI BANK LTD. (Repayable within one year :- Nil Previous Year ₹ 85,860/-) | - | 85,680.00 |
| 2. HDFC BANK LTD. (Repayable within one year ₹ 1,78,300/- Previous year ₹ 4,25,595/-) | 450,460.00 | 448,375.00 |
| Term Loan | | |
| 1. HDFC BANK (Refer Note No.B(8) of schedule Q) (Repayable within one year ₹ 3,20,00,000/- Previous year ₹ 3,20,00,000/-) | 32,000,000.00 | 32,000,000.00 |
| Bank overdraft | | |
| 1. HDFC Bank LAS A/c (Secured against pledge of Shares) | 3,854,000.00 | 7,862,008.48 |
| 2. HDFC Bank FD /OD A/c | - | 1,800,887.68 |
| 3. HDFC BANK (Secured against personal guarantee of Directors and office premises of Wholly Owned Subsidiary Company & of a company in which one of the director is interested) | 31,809,747.58 | 10,039,723.92 |
| TOTAL | 68,114,207.58 | 52,236,675.08 |
| SCHEDULE - 'D' | | |
| UNSECURED LOAN | | |
| From body Corporates | 22,500,000.00 | 9,200,000.00 |
| TOTAL | 22,500,000.00 | 9,200,000.00 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 'E' FIXED ASSETS

Amount in ₹

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-------------------------|---------------------|--------------|------------|---------------------|---------------------|-----------------|------------------------|---------------------|---------------------|--|
| | As on 01.04.2010 | Addition | Deduction | As at 31.03.2011 | As on 01.04.2010 | For the Year | Adjustment for Sale | As at 31.03.2011 | As at 31.03.2010 | |
| A) TANGIBLE ASSETS | | | | | | | | | | |
| Office | 4,893,081.00 | - | - | 4,893,081.00 | 2,477,350.74 | 120,787.00 | - | 2,598,137.74 | 2,294,943.26 | |
| Office Equipment | 4,695,207.24 | 173,475.00 | - | 4,868,682.24 | 1,871,328.36 | 410,244.00 | - | 2,281,572.36 | 2,587,109.88 | |
| Furniture & Fixtures | 11,809,614.04 | 83,634.00 | - | 11,893,248.04 | 5,798,477.97 | 1,089,468.00 | - | 6,887,945.97 | 6,011,136.07 | |
| Air Conditioner | 3,773,846.25 | - | - | 3,773,846.25 | 1,705,662.84 | 287,684.00 | - | 1,993,346.84 | 1,780,499.41 | |
| Car | 4,398,046.00 | 565,129.00 | 392,010.00 | 4,571,165.00 | 2,964,826.56 | 389,730.00 | 271,681.00 | 3,082,875.56 | 1,488,289.44 | |
| Computer & Accessories | 58,695,662.02 | 2,280,460.00 | - | 60,976,122.02 | 47,654,417.01 | 4,761,869.00 | - | 52,416,286.01 | 11,041,245.01 | |
| Electrical Installation | 4,612,465.94 | 213,219.00 | - | 4,825,684.94 | 1,567,718.20 | 426,972.00 | - | 1,994,690.20 | 3,044,747.74 | |
| Generator | 1,773,454.00 | - | - | 1,773,454.00 | 404,336.00 | 190,444.00 | - | 594,780.00 | 1,369,118.00 | |
| B) INTANGIBLE ASSETS | | | | | | | | | | |
| Software | 3,126,790.63 | 2,635,368.28 | - | 5,762,158.91 | 1,114,929.00 | 1,440,541.00 | - | 2,555,470.00 | 2,011,861.63 | |
| Membership Fees | - | 700,000.00 | - | 700,000.00 | - | 125,000.00 | - | 125,000.00 | 575,000.00 | |
| TOTAL | 97,778,167.12 | 6,651,285.28 | 392,010.00 | 104,037,442.40 | 65,559,046.68 | 9,242,739.00 | 271,681.00 | 74,530,104.68 | 29,507,337.72 | |
| PREVIOUS YEAR | 93,535,754.12 | 5,092,109.00 | 849,696.00 | 97,778,167.12 | 55,123,433.68 | 11,072,731.00 | 637,118.00 | 65,559,046.68 | 32,219,120.44 | |
| | | | | | | | | | 38,412,320.44 | |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| | 2010-2011 Amount in ₹ | 2009-2010 Amount in ₹ |
|--|--|--|
| SCHEDULE 'F' | | |
| INVESTMENT | | |
| LONG TERM INVESTMENTS (AT COST) | | |
| A) In Equity Shares | | |
| Unquoted, Trade | | |
| In Wholly Owned Subsidiaries | | |
| Trade City Securities Pvt. Ltd. | 25,000,000.00 | 25,000,000.00 |
| 25,00,000 (Previous Year : 25,00,000) Equity Shares of ₹ 10/- each fully paid up | | |
| Trade City Real Estate Pvt. Ltd. | | |
| 14,50,000 (Previous Year : 14,50,000) Equity Shares of ₹ 10/- each fully paid up | 50,750,000.00 | 50,750,000.00 |
| Trade City Commodities Pvt. Ltd. | | |
| 10,55,000 (Previous Year : 10,55,000) Equity Shares of ₹ 10/- each fully paid up | 15,825,000.00 | 15,825,000.00 |
| Trade City Barter Pvt. Ltd. | | |
| 4,25,200 (Previous Year : 4,25,200) Equity Shares of ₹ 10/- each fully paid up | 9,779,800.00 | 9,779,800.00 |
| Sub Total (i) | 101,354,800.00 | 101,354,800.00 |
| In Others | | |
| The Calcutta Stock Exchange Ltd. | | |
| 250 (Previous Year : 250) Equity Shares of ₹ 1/- each fully paid up | 500,000.00 | 500,000.00 |
| Sub Total (ii) | 500,000.00 | 500,000.00 |
| Quoted, Non Trade | | |
| Sidheshwari Garments Ltd. | | |
| 8,700 (Previous Year : 8,700) Equity Shares of ₹ 10/- each fully paid up | 87,000.00 | 87,000.00 |
| Sub Total (iii) | 87,000.00 | 87,000.00 |
| Unquoted, Non Trade | | |
| Nimbus Communication Ltd. | | |
| 5,000 (Previous Year : 5,000) Equity Shares of ₹ 5/- each fully paid up | 1,125,000.00 | 1,125,000.00 |
| Sub Total (iv) | 1,125,000.00 | 1,125,000.00 |
| TOTAL : - A (i+ii+iii+iv) | 103,066,800.00 | 103,066,800.00 |
| B. In Mutual Fund | | |
| Unquoted (Non Trade) | | |
| LIC Nomura India Vision Fund (Growth Option) | 1,000,000.00 | 1,000,000.00 |
| 1,00,000 (Previous Year : 1,00,000) Units of ₹ 10/- each fully paid up | 1,000,000.00 | 1,000,000.00 |
| TOTAL : - B | 1,000,000.00 | 1,000,000.00 |
| TOTAL : - (A + B) | 104,066,800.00 | 104,066,800.00 |
| Market value of Quoted Shares | 26,535.00 | 26,535.00 |
| Net Assets Value of Mutual Fund | 895,250.00 | 853,780.00 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| SCHEDULE 'G' Inventories Shares (Non Traded, Quoted) Fully Paid up Name of the Company | Face Value | 2010-2011 | | 2009-2010 | |
|---|-------------------|------------------|--------------------|------------------|--------------------|
| | in ₹ | Qty | Amount in ₹ | Qty | Amount in ₹ |
| 3I InfoTech Limited | 10 | 2 | 87.20 | - | - |
| ABAN Offshore Limited | 2 | - | - | 1 | 1,159.10 |
| ABB Limited | 2 | 7 | 5,577.60 | - | - |
| ACC Limited | 10 | 3 | 3,223.65 | - | - |
| Adhunik Metaliks Limited | 10 | 200 | 18,440.00 | 600 | 62,269.65 |
| Aditya Birla Money Limited | 1 | - | - | 1 | 50.10 |
| Advani Hotels & Resorts (India) Limited | 2 | 5 | 175.50 | - | - |
| Aftek Limited | 2 | - | - | 100,000 | 1,665,000.00 |
| Akar Tools Limited | 10 | - | - | 5,000 | 155,500.00 |
| Aksh Optifibre Limited | 5 | 10,000 | 60,500.00 | 10,000 | 242,000.00 |
| Alok Industries Limited | 10 | 998 | 22,105.70 | 1,000 | 22,200.00 |
| Alps Industries Limited | 10 | 3,000 | 9,150.00 | 8,000 | 88,800.00 |
| Ambuja Cements Limited | 2 | 1 | 146.40 | - | - |
| Anco Communications Limited. | 10 | 1,000 | 2,150.00 | 1,000 | 2,150.00 |
| Andhra Bank Limited | 10 | 3 | 448.65 | - | - |
| Ansal Property & Infrastructure Limited | 5 | 1,200 | 45,000.00 | 600 | 42,690.00 |
| Aqua Logistics Limited | 10 | - | - | 500 | 130,250.00 |
| Arvind Remedies Limited | 1 | 100,000 | 235,000.00 | 100,000 | 190,000.00 |
| Asahi India Glass Limited | 1 | 5,000 | 445,250.00 | - | - |
| Ashok Alco Chemical Limited | 10 | 500 | 4,540.00 | - | - |
| Ashok Leyland Limited | 1 | 288 | 16,372.80 | - | - |
| Assam Company Limited | 1 | 300 | 5,115.00 | - | - |
| Axis Bank Limited | 10 | - | - | 1 | 1,090.00 |
| Bajaj Hindustan Limited | 1 | 43 | 3,057.30 | 5 | 678.50 |
| Balaji Distilleries Limited | 10 | - | - | 11,205 | 498,095.90 |
| Balrampur Chini Mills Limited | 1 | 2 | 139.75 | - | - |
| Bang Overseas Limited | 10 | - | - | 3,414 | 146,631.30 |
| Baroda Rayon Corporation Limited | 10 | 485 | 1,430.75 | 485 | 1,430.75 |
| Bata India Limited | 10 | 1 | 387.00 | - | - |
| BEML Limited | 10 | 3 | 2,040.00 | - | - |
| Benchmark Mutual Fund Nifty Bees | 10 | 200 | 113,107.34 | 200 | 105,248.00 |
| BGR Energy Systems Limited | 10 | 3 | 1,430.70 | - | - |
| Bhagwati Auto Cast Limited | 10 | 700 | 25,900.00 | - | - |
| Bhanshali Engineering Polymers Limited | 1 | 1,000 | 32,000.00 | - | - |
| Bharat Electronics Limited | 10 | 2 | 3,350.00 | 30 | 66,073.50 |
| Bharat Heavy Electricals Limited | 10 | 5 | 10,313.25 | 1 | 2,370.00 |
| Bharat Starch Product Limited | 10 | 11 | 1,988.80 | 11 | 1,988.80 |
| Bharati Airtel Limited | 5 | 74 | 26,447.60 | 2 | 552.00 |
| Bhourkla Aluminum Limited | 2 | 4,000 | 66,000.00 | 4,000 | 66,000.00 |
| Bhushan Steel Limited | 10 | - | - | 3 | 4,840.00 |
| Birla Power Solution Limited | 1 | 30,000 | 30,000.00 | - | - |
| Bodal Chemicals Limited | 10 | 2,500 | 18,550.00 | 500 | 18,547.50 |
| Brushman India Limited | 10 | - | - | 7,675 | 84,194.75 |
| BSEL Infrastructure Realty Limited | 10 | 2,000 | 10,700.00 | - | - |
| Cairn India Limited | 10 | 1 | 350.30 | 5 | 1,288.00 |
| Cals Refinery Limited | 1 | 670,965 | 201,289.50 | 1,525,995 | 671,437.80 |
| Central Bank of India Ltd | 10 | 4 | 562.00 | - | - |
| Chambal Fertilizers & Chemicals Limited | 10 | 203 | 15,963.65 | - | - |
| Cipla Limited | 2 | - | - | 4 | 1,216.00 |
| Coal India Limited | 10 | 2,250 | 722,817.00 | - | - |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| | Face Value in ₹ | 2010-2011 | | 2009-2010 | |
|--|--------------------|-----------|--------------|-----------|--------------|
| | | Qty | Amount in ₹ | Qty | Amount in ₹ |
| Cochin Minerals & Rutilles Limited | 10 | 1,000 | 39,160.00 | 1,000 | 39,160.00 |
| Dalmia Bharat Enterprises Limited | 2 | 9,891 | 1,812,386.75 | - | - |
| Dalmia Bharat Sugar and Industries Limited | 2 | 13,646 | 331,597.80 | - | - |
| Deccan Chronicle Holdings Limited | 2 | 2 | 160.60 | - | - |
| Deep Industries Limited | 10 | 500 | 31,075.00 | - | - |
| Dena Bank Limited | 10 | - | - | 4 | 308.75 |
| Development Credit Bank Limited | 10 | 4 | 182.25 | - | - |
| Digjam Limited | 10 | - | - | 95,315 | 853,069.25 |
| DLF Limited | 2 | - | - | 7,550 | 2,332,195.00 |
| Dolat Investments Limited | 1 | 50,000 | 160,000.00 | 50,000 | 204,500.00 |
| Dr. Reddy's Laboratories Limited | 5 | 4 | 6,510.00 | 102 | 130,044.90 |
| Dredging Corporation of India Limited | 10 | 30 | 10,368.00 | 30 | 18,231.00 |
| Dunlop India Limited | 10 | 2,200 | 45,740.00 | 2,851 | 18,816.60 |
| Dynacons Systems & Solution Limited | 2 | - | - | 5,000 | 4,500.00 |
| Easun Reyrolle Limited | 2 | 13,468 | 1,092,774.80 | - | - |
| Electrosteel Castings Limited | 1 | 500 | 15,425.00 | - | - |
| Emami Paper Mills Limited | 2 | 200 | 10,440.00 | - | - |
| Emco Limited | 2 | 500 | 31,050.00 | - | - |
| Escorts Limited | 10 | 3 | 424.95 | - | - |
| Essar Oil Limited | 10 | 600 | 74,640.00 | 4 | 552.80 |
| ETC Networks Limited | 10 | - | - | 2 | 432.00 |
| Eveready Industries India Limited | 5 | 400 | 19,920.00 | - | - |
| Exide Industries Limited | 1 | 1 | 141.00 | - | - |
| Federal - Mogul Goetze India Limited | 10 | 81 | 12,158.10 | - | - |
| First Source Solution Limited | 10 | 2,373 | 42,595.35 | 1 | 26.50 |
| First Winner Industries Limited | 10 | 24,324 | 521,749.80 | 1 | 42.95 |
| Forties Healthcare Limited | 10 | - | - | 2 | 348.00 |
| Foundry Fuel Products Limited | 10 | 64,404 | 664,157.17 | 45,391 | 235,387.37 |
| G V Films Limited | 10 | 15,000 | 12,450.00 | 15,000 | 27,150.00 |
| GAIL (India) Limited | 10 | - | - | 3 | 1,199.00 |
| Glenmark Pharmaceuticals Limited | 1 | - | - | 50 | 13,312.50 |
| Global Capital Market Limited | 1 | 100 | 1,415.00 | - | - |
| Globus Spirits Limited | 10 | - | - | 5,000 | 676,750.00 |
| GMR Infrastructure Limited | 1 | 10,700 | 433,350.00 | 9,998 | 626,874.60 |
| Godrej Industries Limited | 1 | - | - | 100 | 14,020.00 |
| Gold Benchmark Exchange Traded Scheme | 100 | 50 | 94,574.10 | - | - |
| Goodyear India Limited | 10 | 650 | 150,550.00 | 650 | 148,460.00 |
| Grable Alok Impex Limited | 10 | 100 | 3,250.00 | - | - |
| GTL Limited | 10 | 1 | 414.00 | - | - |
| Gufic Biosciences Limited | 1 | - | - | 500 | 3,275.00 |
| GVK Power & Infrastructure Limited | 1 | 2,291 | 59,336.90 | 1 | 43.45 |
| Hero Honda Motors Limited | 2 | 3 | 4,750.00 | - | - |
| Himachal Futuristic Communication Limited. | 1 | 7,000 | 79,108.50 | 40,750 | 498,917.40 |
| Himatsingha Seide Limited | 5 | 1,544 | 52,418.80 | - | - |
| Hindalco Industries Limited | 1 | - | - | 222 | 40,250.30 |
| Hinduja Foundries Limited | 10 | 15,073 | 1,350,540.80 | 9,077 | 865,705.00 |
| Hindustan Construction Company Limited | 1 | 2 | 72.45 | - | - |
| Hindustan Motors Limited | 5 | 2,200 | 33,440.00 | 2,500 | 51,625.00 |
| Hindustan Oil Exploration Company Limited | 10 | 2 | 401.50 | 1,000 | 228,850.00 |
| Horizon Infrastructure Limited | 10 | 3,368 | 641,267.20 | - | - |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| | Face Value in ₹ | 2010-2011 | | 2009-2010 | |
|--|--------------------|-----------|-------------|-----------|--------------|
| | | Qty | Amount in ₹ | Qty | Amount in ₹ |
| Housing Development and Infrastructure Limited | 10 | 59 | 10,431.20 | 686 | 196,436.10 |
| Housing Development Finance Corporation Limited | 2 | 8 | 5,561.00 | 3 | 7,630.00 |
| ICICI Bank Limited | 10 | 50 | 51,718.55 | 44 | 40,942.00 |
| IDEA Cellular Limited | 10 | - | - | 3 | 196.50 |
| IFCI Limited | 10 | 1,988 | 104,568.80 | 11,260 | 561,311.00 |
| IG Petrochemicals Limited | 10 | 6,570 | 183,960.00 | 5,701 | 250,844.00 |
| IKF Technologies Limited | 1 | 14,900 | 32,929.00 | 5,000 | 19,950.00 |
| IL&FS Engineering and Construction Company Limited | 10 | 1,500 | 284,100.00 | - | - |
| Indage Restaurants & Leisure Limited | 3 | 85,500 | 692,550.00 | - | - |
| India Bulls Real Estate Limited | 2 | - | - | 2 | 305.10 |
| Indian Card Clothing Company Limited | 10 | 90 | 9,945.00 | - | - |
| Indian Overseas Bank Limited | 10 | 2 | 287.60 | - | - |
| Indo Rama Synthetics (India) Limited | 10 | 150 | 8,850.00 | - | - |
| Industrial Development Bank of India Limited | 1 | - | - | 52 | 5,980.00 |
| Information Technologies India Limited | 5 | 100 | 105.00 | 100 | 105.00 |
| Infosys Technologies Limited | 5 | 3 | 9,525.90 | 1 | 2,615.95 |
| Infrastructure Development Finance Company Limited | 10 | 3,498 | 540,790.80 | 2,749 | 427,894.65 |
| Intra Décor Limited | 1 | 8,333 | 1,749.93 | 8,333 | 2,166.58 |
| IVR Prime Urban Developers Limited | 10 | - | - | 10,000 | 1,562,415.80 |
| Jai Mata Glass Limited | 1 | 12,000 | 14,520.00 | - | - |
| Jai Prakash Power Venture Limited | 10 | - | - | 3 | 201.30 |
| Jaysynth Dyechem Limited | 1 | 5,000 | 39,500.00 | 5,000 | 39,500.00 |
| JCT Limited | 2.50 | 207,710 | 606,513.20 | - | - |
| Jindal Steel & Power Limited | 1 | - | - | 2 | 1,336.35 |
| JK Synthetic Limited | 10 | 16,429 | 80,853.49 | 35,436 | 96,637.27 |
| JSW Energy Limited | 10 | 500 | 35,825.00 | 5,000 | 559,250.00 |
| JSW Steel Limited | 10 | - | - | 2 | 2,366.00 |
| Jupiter Biosciences Limited | 10 | 1,000 | 19,800.00 | - | - |
| K S Oils Limited | 1 | 5 | 161.50 | - | - |
| Kaashyap Technologies Limited | 1 | 43,721 | 13,116.30 | 43,721 | 21,423.29 |
| Kale Consultants Limited | 10 | - | - | 8,313 | 731,544.00 |
| Karuturi Global Limited | 1 | 35,000 | 371,000.00 | - | - |
| Kernex Microsystems (India) Limited | 10 | - | - | 16,000 | 1,745,744.95 |
| Kinetic Engineering Limited | 10 | - | - | 1,424 | 113,920.00 |
| Kingfishers Airlines Limited | 10 | 1,297 | 51,620.60 | 6,164 | 288,475.20 |
| Kitply Industries Limited | 10 | 2,000 | 8,200.00 | 2,000 | 14,200.00 |
| La Opala RG Limited | 10 | - | - | 1,000 | 39,800.00 |
| Larsen & Toubro Limited | 2 | 58 | 95,810.20 | - | - |
| Lee and Nee Software (Exports) Limited | 10 | 1,000 | 1,640.00 | - | - |
| Madras Cement Limited | 1 | 175 | 17,841.25 | 175 | 20,104.10 |
| Magnum Ventures Limited | 10 | 1,000 | 6,950.00 | 1,000 | 8,700.00 |
| Mahanagar Telephone Nigam Limited | 10 | - | - | 2 | 146.40 |
| Mahindra Forgings Limited | 10 | 1,000 | 65,700.00 | - | - |
| Mahindra Holidays & Resorts India Limited | 10 | 100 | 34,755.00 | - | - |
| Mahindra Lifespace Developers Limited | 10 | 605 | 215,563.55 | 730 | 279,322.90 |
| Man Industries (India) Limited | 5 | - | - | 1,250 | 88,862.20 |
| Mangalore Refinery & Petrochemicals Limited | 10 | - | - | 2,200 | 167,640.00 |
| Max India Limited | 2 | 5 | 798.75 | - | - |
| Mcleod Russel India Limited. | 10 | - | - | 200 | 54,110.00 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| | Face Value in ₹ | 2010-2011 | | 2009-2010 | |
|--|--------------------|-----------|--------------|-----------|--------------|
| | | Qty | Amount in ₹ | Qty | Amount in ₹ |
| Micro Technologies (India) Limited | 10 | 550 | 65,862.50 | - | - |
| MOIL Limited | 10 | 350 | 138,162.50 | - | - |
| Morarjee Textiles Limited | 10 | 1,265 | 21,821.25 | - | - |
| MPS Limited | 10 | - | - | 8,674 | 557,203.35 |
| Mukand Limited | 10 | 96,006 | 4,145,902.45 | 20,000 | 1,215,500.00 |
| Nagarjuna Fertilizer & Chemicals Limited | 10 | 500 | 14,025.00 | - | - |
| Nahar Capital & Financial Services Limited | 5 | 7,027 | 494,700.80 | - | - |
| National Aluminum Company Limited | 10 | - | - | 5 | 1,875.00 |
| National Thermal Power Corporation Limited | 10 | - | - | 4 | 801.25 |
| Nectar Lifesciences Limited | 1 | - | - | 400 | 14,540.00 |
| Neyveli Lignite Corporation Limited | 10 | - | - | 4 | 579.80 |
| NHPC Limited | 10 | 2,487 | 62,921.10 | - | - |
| NMDC Limited | 1 | - | - | 1,500 | 441,600.00 |
| Nocil Limited | 10 | 3,000 | 49,500.00 | 3,000 | 67,200.00 |
| Nuchem Limited | 10 | 1,000 | 4,900.00 | - | - |
| OnMobile Global Limited | 10 | 5 | 1,205.00 | - | - |
| Orchid Chemicals & Pharmaceuticals Limited | 10 | - | - | 6 | 923.40 |
| Orient Abrasives Limited | 1 | 1,000 | 32,000.00 | - | - |
| Orient Paper & Industries Limited | 1 | 6,968 | 371,532.97 | 7,118 | 334,613.85 |
| Paramount Communication Limited | 2 | 2,000 | 7,600.00 | 2,000 | 24,100.00 |
| Parsvnath Developers Limited | 5 | 175,000 | 5,413,272.60 | - | - |
| Patni Computer System Limited | 2 | 5 | 2,380.05 | - | - |
| Peninsula Land Limited | 2 | 500 | 29,625.00 | - | - |
| Pennar Aluminum Company Limited | 10 | 3,500 | 3,395.00 | 3,500 | 6,720.00 |
| Petronet LNG Limited | 10 | 46 | 5,295.55 | 55 | 3,871.45 |
| Pipavav Shipyard Limited | 10 | 12,666 | 964,101.55 | 12,400 | 806,457.75 |
| Piramal Healthcare Limited | 2 | 79 | 32,927.20 | - | - |
| Porwal Auto Components Limited | 10 | 3,000 | 26,970.00 | 3,000 | 44,880.00 |
| Power Grid Corporation Limited | 10 | 302 | 30,743.60 | 799 | 72,392.03 |
| Praj Industries Limited | 2 | 4 | 286.35 | 2 | 159.50 |
| Prajay Engineers Syndicate Limited | 10 | 400 | 5,100.00 | 400 | 10,800.00 |
| Prudential Sugar Corporation Limited | 10 | 200 | 274.00 | 200 | 274.00 |
| PTC India Limited | 10 | - | - | 4 | 424.00 |
| Punj Llyod Limited | 2 | 1,250 | 80,812.50 | - | - |
| Punjab National Bank Limited | 10 | - | - | 2 | 1,753.00 |
| Quadrant Televentures Limited | 10 | 2,000 | 8,080.00 | - | - |
| Rajshree Sugars & Chemicals Limited | 10 | - | - | 300 | 14,955.00 |
| Rama Newsprint & Papers Limited | 10 | - | - | 1 | 21.65 |
| Ramco Systems Limited | 10 | 29,007 | 3,045,735.00 | 4,144 | 385,806.40 |
| Ramsarup Industries Limited | 10 | 3,200 | 60,160.00 | - | - |
| Rana Sugars Limited | 10 | 20,000 | 114,000.00 | - | - |
| Rei Agro Limited | 1 | 500 | 11,650.00 | 500 | 24,800.00 |
| Reliance Capital Limited | 10 | - | - | 1 | 756.05 |
| Reliance Communication Limited | 5 | 550 | 51,759.70 | 3 | 479.00 |
| Reliance Industries Limited | 10 | 389 | 372,853.75 | 2 | 2,144.00 |
| Reliance Natural Resources Limited | 5 | - | - | 3 | 186.15 |
| Reliance Power Limited | 10 | 193 | 25,167.20 | 100 | 14,945.00 |
| Revathi Equipment Limited | 10 | - | - | 977 | 644,087.25 |
| Rural Electrification Corporation Limited | 10 | 9 | 2,283.30 | 104 | 26,067.60 |
| Sahara Housing Finance Corporation Limited | 10 | 95 | 8,127.25 | 95 | 12,863.00 |
| Sanraa Media Limited | 1 | 50,000 | 5,000.00 | - | - |
| Satyam Computer Services Limited | 2 | 15,600 | 1,024,920.00 | 200 | 18,470.00 |
| Sesa Goa Limited | 1 | - | - | 2 | 906.10 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| | Face Value in ₹ | 2010-2011 | | 2009-2010 | |
|--|--------------------|------------------|----------------------|------------------|----------------------|
| | | Qty | Amount in ₹ | Qty | Amount in ₹ |
| Shah Alloy Limited | 10 | 500 | 6,225.00 | - | - |
| Shanti Gears Limited | 1 | 15,487 | 542,118.05 | - | - |
| Shipping Corporation of India Limited | 10 | 2,003 | 215,222.35 | - | - |
| Shoppers Stop Limited | 5 | 922 | 170,377.60 | 526 | 207,506.35 |
| Shree Ashtavinayak Cine Vision Limited | 1 | 7,000 | 44,450.00 | - | - |
| Shree Mahaganga Sugar Limited | 1 | 2,000 | 440.00 | 2,000 | 860.00 |
| Shree Renuka Sugars Limited | 1 | - | - | 5,006 | 356,927.80 |
| Shree Synthetics Limited | 10 | 20 | 19.00 | 20 | 19.00 |
| Shristi Infrastructure Development Corporation Limited | 10 | 200 | 32,830.00 | - | - |
| Sical Logistic Limited | 10 | 2,000 | 142,000.00 | 10,000 | 793,500.00 |
| Silverline Animation Technologies Limited | 10 | 80 | 842.40 | 80 | 1,076.80 |
| Simens Healthcare Diagnostics Limited | 10 | - | - | 506 | 667,440.25 |
| Simens Limited | 2 | - | - | 492 | 362,073.40 |
| Sona Koyo Steering System Limited | 1 | 1,000 | 15,800.00 | - | - |
| SREI Infrastructure Finance Limited | 10 | 3 | 132.90 | 2,000 | 152,700.00 |
| State Bank of India Limited | 10 | 16 | 44,244.80 | - | - |
| Steel Authority of India Limited | 10 | - | - | 1 | 239.00 |
| Suashish Diamonds Limited | 10 | 308 | 41,811.00 | - | - |
| Subex Limited | 10 | 100 | 5,385.00 | - | - |
| Sun Pharmaceuticals Industries Limited | 1 | 2 | 884.00 | 1 | 1,520.00 |
| Supertex Industries Limited | 1 | 4,000 | 3,120.00 | - | - |
| Surat Textiles Mills Limited | 1 | 10,000 | 26,000.00 | 10,000 | 45,600.00 |
| Suzlon Energy Limited | 2 | 2,393 | 106,727.80 | 10,004 | 718,787.40 |
| Swil Limited | 10 | 7,866 | 17,855.82 | 7,866 | 35,239.68 |
| T Spiritual World Limited | 10 | 300 | 357.00 | 1,600 | 3,504.00 |
| Taneja Aerospace and Aviation Limited | 5 | 349 | 11,691.50 | - | - |
| Tanla Solutions Limited | 1 | 500 | 8,325.00 | - | - |
| Tata Coffee Limited | 10 | 5 | 4,809.00 | - | - |
| Tata Motors Limited. | 10 | 3 | 3,745.05 | 1 | 723.95 |
| Tata Power Company Limited | 10 | - | - | 2 | 2,714.45 |
| Tata Teleservices (Maharastra) Services Limited | 2 | 7,000 | 119,700.00 | 7,000 | 165,550.00 |
| Tech Mahindra Limited | 10 | 2 | 1,352.30 | - | - |
| TeleData Info Marin Limited | 2 | 1,000 | 2,120.00 | 1,000 | 5,030.00 |
| Temptation Food Limited | 10 | - | - | 9,869 | 298,537.25 |
| The Great Eastern Shipping Limited | 10 | - | - | 2 | 524.00 |
| The Indian Hotels Company Limited | 1 | - | - | 1 | 101.00 |
| Thinksoft Global Services Limited | 10 | - | - | 1,482 | 280,913.10 |
| Titan Industries Limited | 10 | 4 | 15,180.00 | 4 | 7,362.40 |
| Trigyn Technologies Limited | 10 | 2,500 | 50,375.00 | 2,500 | 50,750.00 |
| Unitech Limited | 2 | 3,097 | 115,207.65 | 1,603 | 114,428.90 |
| United Spirits Limited | 10 | - | - | 93 | 122,890.20 |
| Unity Infraprojects Limited | 10 | - | - | 300 | 179,835.00 |
| Valiant Communications Limited | 10 | 34,600 | 617,610.00 | 49,191 | 1,308,480.60 |
| Vijaya Bank Limited | 10 | - | - | 2 | 94.90 |
| Vinyl Chemicals (India) Limited | 1 | 1,000 | 8,800.00 | - | - |
| Voltamp Transformers Limited | 10 | 180 | 99,468.00 | - | - |
| Voltas Limited | 1 | 3 | 543.60 | - | - |
| MSK Projects (India) Limited | 10 | 100 | 6,750.00 | - | - |
| Welspun Global Brands Limited | 10 | 100 | - | 100 | - |
| Welspun Investments & Commercial Limited | 10 | 50 | - | 50 | - |
| Wipro Limited | 2 | - | - | 2 | 1,335.00 |
| Wire & Wireless (India) Limited | 1 | 1,000 | 9,450.00 | - | - |
| Zee Learn Limited | 1 | 552 | 12,834.00 | - | - |
| Total | | 2,079,428 | 32,858,201.87 | 2,438,707 | 29,299,295.67 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| | 2010-2011 Amount in ₹ | 2009-2010 Amount in ₹ |
|--|--|--|
| SCHEDULE - 'H' | | |
| SUNDRY DEBTORS | | |
| Debts outstanding for a period exceeding Six months | 2,236,686.41 | 2,077,470.75 |
| Others | 45,097,541.66 | 1,342,131.78 |
| | 47,334,228.07 | 3,419,602.53 |
| Less: Provision for Bad & Doubtful Debts | 1,926,636.44 | 1,888,285.59 |
| TOTAL | 45,407,591.63 | 1,531,316.94 |
| SCHEDULE - 'I' | | |
| CASH & BANK BALANCES | | |
| Cash in hand (As certified by the management) | 894,023.25 | 1,203,571.45 |
| Balance with Scheduled Banks | | |
| -On Current Account | 6,051,895.96 | 13,108,904.94 |
| -On Fixed deposit Account | 170,500,000.00 | 179,314,200.00 |
| (Refer note no. B(1)(a),(8) & (9) of Schedule 'Q') | | |
| TOTAL | 177,445,919.21 | 193,626,676.39 |
| SCHEDULE - 'J' | | |
| OTHER CURRENT ASSETS | | |
| Dividend Receivable | 160.00 | 50,110.00 |
| Interest Receivable | 2,859,914.95 | 4,595,674.12 |
| TOTAL | 2,860,074.95 | 4,645,784.12 |
| SCHEDULE - 'K' | | |
| LOANS & ADVANCES | | |
| (Recoverable in cash or in kind or for value to be received) | | |
| ADVANCES | | |
| Income Tax | 13,622,477.10 | 11,109,889.29 |
| Fringe Benefit Tax | 314,302.00 | 616,317.00 |
| Prepaid Expenses | 2,982,817.00 | 3,350,074.82 |
| Margin with Exchange | 2,600,000.00 | 1,300,000.00 |
| Other Advances | 16,373,645.33 | 8,002,815.25 |
| DEPOSITS | | |
| Deposits with Exchange | 24,950,000.00 | 25,545,000.00 |
| Telephone Deposits | 127,644.92 | 127,944.92 |
| Electricity Deposits | 775,753.00 | 741,234.00 |
| Security Deposits For Office | 7,800,000.00 | 7,800,000.00 |
| Other Deposits | 2,772,089.40 | 2,792,028.00 |
| TOTAL | 72,318,728.75 | 61,385,303.28 |
| SCHEDULE - 'L' | | |
| Current Liabilities | | |
| Sundry Creditors for Goods | 1,650,083.60 | 2,732,381.11 |
| Sundry Creditors for Expenses and others | 8,117,773.15 | 7,891,866.75 |
| Advances Received from clients | 103,511.57 | 174,118.82 |
| Margin from Clients | 21,630,000.00 | 22,624,500.00 |
| Bank Overdraft with Banks | 30,381,705.15 | 115,718.91 |
| Mark to Market Margin | 987,933.30 | 618,159.60 |
| TOTAL | 62,871,006.77 | 34,156,745.19 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| | 2010-2011 Amount in ₹ | 2009-2010 Amount in ₹ |
|---|----------------------------------|----------------------------------|
| SCHEDULE - 'M' | | |
| Provisions | | |
| Provision for Income Tax | 3,661,000.00 | 3,661,000.00 |
| Provision for Fringe Benefit Tax | 314,000.00 | 630,184.00 |
| SUB - TOTAL : - A | 3,975,000.00 | 4,291,184.00 |
| Proposed Dividend | 4,983,000.00 | 4,983,000.00 |
| Provision for Dividend Tax | 808,368.00 | 827,614.00 |
| SUB - TOTAL : - B | 5,791,368.00 | 5,810,614.00 |
| TOTAL :- (A+B) | 9,766,368.00 | 10,101,798.00 |
| SCHEDULE - 'N' | | |
| Income from Operation | | |
| Sales | 521,659,506.86 | 823,373,472.91 |
| Closing Stock | 32,858,201.87 | 29,299,295.67 |
| Profit/(Loss) from Future & Option Dealing | 209,467,618.20 | 217,323,458.70 |
| Profit/(Loss) from Currency Dealing | 6,666,312.50 | (139,847.50) |
| | 770,651,639.43 | 1,069,856,379.78 |
| Less: Purchases | 525,742,570.50 | 834,315,440.29 |
| Less: Opening Stock | 29,299,295.67 | 13,409,045.73 |
| Less: Loss from Share Dealing | 24,461,395.18 | 4,906,471.86 |
| TOTAL | 191,148,378.08 | 217,225,421.90 |
| SCHEDULE - 'O' | | |
| PAYMENTS TO AND PROVISIONS FOR EMPLOYEES | | |
| Salary & Bonus | 29,755,622.00 | 27,377,716.00 |
| Contribution to Provident Fund, ESI & Gratuity | 1,195,627.00 | 640,305.00 |
| Staff Welfare | 2,427,628.25 | 1,899,265.27 |
| TOTAL | 33,378,877.25 | 29,917,286.27 |
| SCHEDULE - 'P' | | |
| OTHER EXPENSES | | |
| Advertisement | 141,001.21 | 121,376.27 |
| Auditors Remuneration | 133,000.00 | 127,500.00 |
| Bank Charges and Guarantee Commission | 2,989,396.41 | 3,320,393.05 |
| Books & Periodicals | 58,838.02 | 55,780.46 |
| Broker Note Stamp Expenses | 1,038,111.29 | 1,214,150.99 |
| Bad Debts | - | 1,472.99 |
| Car Expenses | 290,703.00 | 253,271.63 |
| Communication (including V-SAT) Expenses | 7,239,054.14 | 7,604,535.67 |
| Computer & Software Expenses | 5,073,458.14 | 3,467,789.76 |
| Depository Charges | 65,992.20 | 33,914.19 |
| Donation | 1,760,900.00 | 923,620.00 |
| Electricity Charges | 4,663,412.41 | 4,276,087.23 |
| Fees & Subscription | 1,524,854.16 | 2,001,664.62 |
| General Expenses | 737,858.70 | 521,393.39 |
| Insurance Charges | 229,230.33 | 341,811.67 |
| Internal Audit Fees | 114,002.00 | 139,005.60 |
| NSDL/ CDSL Charges | 421,950.08 | 533,548.02 |
| NSE, BSE, CSE & SEBI Expenses | 29,649,787.69 | 27,327,369.91 |
| Postage & Couriers | 351,627.07 | 252,728.25 |
| Provision for Bad & Doubtful Debts | 38,350.85 | 127,353.84 |
| Printing & Stationery | 1,672,413.45 | 974,520.70 |
| Professional Charges | 52,022,306.00 | 43,022,620.00 |
| Legal & Professional Fees | 1,237,225.00 | 945,800.00 |
| Rates & Taxes | 688,390.96 | 688,248.69 |
| Registration & Share Transfer Expenses | 16,763.00 | 15,564.86 |
| Rent | 3,773,129.21 | 3,558,373.68 |
| Repairs & Maintenance | | |
| -Machinery | 1,289,698.85 | 1,067,041.02 |
| -Building | 1,261,704.93 | 1,246,822.86 |
| -Others | 1,276,577.33 | 1,243,512.58 |
| Sub Brokerage | 245,781.16 | 304,474.90 |
| Sales Promotion | 727,201.76 | 176,508.00 |
| Training Charges | 161,370.00 | 198,600.00 |
| Traveling & Conveyance Expenses | 1,809,359.06 | 1,532,570.33 |
| TOTAL | 122,703,448.41 | 107,619,425.16 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS**SCHEDULE - Q****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****A. Significant Accounting Policies****(a) Basis of Preparation**

The Financial Statements are prepared under the historical cost convention, on an accrual basis and in accordance with the provision of the Companies Act, 1956, and the Accounting Standards issued under the Companies (Accounting Standards) Rules 2006.

(b) Use of Estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates that affect the reported amount of assets & liabilities disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenue and expenses for the year. Actual results could differ from these estimates.

(c) Fixed Assets & Depreciation

- (i) Fixed Assets are stated at their original cost of acquisition less accumulated depreciation.
- (ii) Depreciation on fixed assets has been provided under written down value method on pro-rata basis as per rate prescribed under Schedule XIV of the Companies Act, 1956.
- (iii) Intangible assets have been amortized over the period of four financial years.

(d) Inventory

Inventories are valued at lower of cost or market price. The costs of the shares are determined on First In & First Out Basis.

(e) Investments

Long term Investments are stated at cost less provision for diminution, other than temporary, in the value of Investments.

(f) Revenue Recognition :

- (i) Income from Brokerage is recognized on the trade date of transaction.
- (ii) Dividend income is recognized when the right to receive the income is established.

(g) Retirement Benefit

- (i) Defined Contribution Plan :

Company's contribution paid/payable during the year to the Provident Fund is charged to Profit and Loss Account.

The Company's contribution to Employee's State Insurance Scheme are also charged to Profit & Loss Account of the year to which the contributions relate.

- (ii) Defined Benefit Plan :

The Company has opted for a Group Gratuity-cum Life Assurance Scheme of the Life Insurance Corporation of India (LIC), and contribution towards gratuity liability as determined by LIC as required under AS-15 (Revised) i.e under Projected Unit Credit method is charged to the Profit & Loss Account. As far as company's liabilities towards leave encashment, company has the policy of paying the leave encashment at the end of the financial year.

(h) Derivative Market Trading

1. In respect of Option Contract, premium paid for contract expiring beyond the balance sheet date has been treated as current assets, adjusted for loss, if any
2. In respect of Futures Contract, Mark-to-Market debit balance has been recognized in the Profit & Loss Account and Mark-to-

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

Market credit balance has been treated as current liabilities as per the guidance note issued by ICAI on accounting of Future & Option contract.

(i) Taxation

Provision of current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates as applicable. The deferred tax charge is recognized using the enacted tax rate. Deferred Tax Assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred Tax Assets/Liabilities are reviewed as at balance sheet date based on the developments during the year and reassess assets/liabilities in terms of AS-22 issued by ICAI

(j) Foreign Currency Transaction**a) Initial Recognition**

Foreign currency monetary items are reported in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rates.

c) Exchange Difference

Exchange differences arising on the settlement of reporting company's monetary items at rates different from Those at which they were initially recorded during the period are recognized as income or expense.

B. Notes on Accounts**1. Contingent Liability****a) Bank Guarantee**

The Company has taken Bank Guarantee of ₹ 1,122.50 Lacs from HDFC Bank Ltd. against pledge of fixed deposit receipts of ₹ 561.25 Lacs, of ₹ 450 Lacs from Punjab National Bank against pledge of Fixed Deposit of ₹ 225. Lacs, of ₹ 240 Lacs from Federal Bank against pledge of Fixed Deposits of ₹ 120 Lacs and of ₹ 60 Lacs from United Bank of India against pledge of fixed deposits of ₹ 30 Lacs and creation of first charge against movable Plant & Machinery and book debts. The company has also taken bank guarantee of ₹ 50 Lacs from Oriental Bank of Commerce against pledge of fixed deposits of ₹ 25 Lacs and creation of second charge against movable Plant & Machinery and book debts. The above mentioned bank guarantees have been given as margin money in favour of National Securities Clearing Corporation Ltd. The Company has taken Bank Guarantee of ₹ 67.50 lacs from HDFC Bank against pledge of fixed deposit of ₹ 33.75 Lacs which has been given in favour of BOI Shareholding Limited, towards margin money and trade guarantee fund for trading in Bombay Stock Exchange Limited.

b) Income Tax

The company has received a demand of ₹ 7,07,509/- & ₹ 3,05,27,574/- from Income Tax Department for the Financial Year 2004-2005 & 2007-2008 out of which ₹ 1,27,072/- for the Financial Year 2004-2005 has been paid. The company has filed an appeal to Commissioner of Income Tax Kolkata VI against the balance demand of ₹ 5,80,347 for the year 2004-2005 and for the entire amount for the Financial year 2007-2008. The company has not made the provision of the entire amount demanded by Income Tax Department as it is reasonably hopeful that the case would be decided in company's favour.

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS**2. Director's Remuneration**

Salary & Bonus includes ₹ 24,00,000/- for the year 2010-2011 (₹ 21,00,000/- for the year 2009-2010) payment to Director's towards managerial remuneration under Sec. 198 of the Companies Act, 1956. Payments made to Directors are as follow:

| | Name of the Director | Amount of Remuneration |
|----|-----------------------------|-------------------------------|
| 1. | Sri Rajesh Kumaj Bajaj | ₹ 15,00,000/- |
| 2. | Shri Sudheer Kumar Jain | ₹ 9,00,000/- |

In terms of the resolution passed by remuneration committee dated 30th July 2010 the remuneration of Mr. Sudheer Kumar Jain has been reduced from ₹ 1,00,000 per month to ₹ 75,000 per month with effect from 1st April 2010. Mr Sudheer Kumar Jain agreed to withdraw the reduced remuneration of ₹ 75,000 per month.

3. Compliance of Accounting Standards issued by the Institute of Chartered Accountants of India.**(a) Segment Reporting**

The company's operation predominantly comprises of only one segment i.e "Activity relating to Capital Market" and therefore segment reporting is not applicable to the company.

(b) Related Party Disclosure:

Information given in accordance with Accounting Standard- 18

A. Related party relationship**i. Enterprise that are controlled by the reporting enterprises :**

1. Trade City Securities Pvt. Ltd. – Wholly Owned Subsidiary Company
2. Trade City Commodities Pvt. Ltd. – Wholly Owned Subsidiary Company
3. Trade City Real Estate Pvt. Ltd. – Wholly Owned Subsidiary Company
4. Trade City Barter Pvt. Ltd. – Wholly Owned Subsidiary Company

ii Key Management Personnel :

1. Shri Rajesh Kumar Bajaj
2. Shri Sudheer Kumar Jain

iii. Relative of Key Management Personnel

1. Neena Jain
2. Sunita Bajaj

iv. Enterprises over which key management personnel exercises significant influence exists: -

1. Shiv Lalit Consultancy Pvt. Ltd.
2. Naryani Commodities (P) Ltd.
3. Snehdeep Commerce (P) Ltd.
4. Ridhi Sidhi Distributor Pvt Ltd.
5. Daadi Stock Broking Pvt Ltd.
6. Rajesh Kumar Bajaj (HUF)
7. Sudheer Kumar Jain (HUF)

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS**B. Transactions with Related Parties :****Figures in Lakhs**

| DESCRIPTION OF THE NATURE OF TRANSACTIONS | Wholly Owned Subsidiaries | Key Management Personnel (KMP) | Enterprises over which KMP exercise significant influence | Relatives of KMP |
|---|---------------------------|--------------------------------|---|------------------|
| Brokerage Earned | .13 (1.42) | .03 (0.36) | .36 (2.56) | 0.02 (.08) |
| Remuneration | --- (---) | 24.00 (21.00) | --- (---) | --- (---) |
| Margin Deposit Received for Trading | --- (---) | --- (16.00) | --- (97.20) | --- (---) |
| Margin Deposit Received for Trading Refunded | --- (---) | --- (16.00) | --- (102.70) | --- (---) |
| Margin Deposits Received from Trading Member for clearing | 2,046.40 (2,692.26) | --- (---) | --- (---) | --- (---) |
| Margin Deposits Refunded to Trading Member | 2,049.65 (2,610.01) | --- (---) | --- (---) | --- (---) |
| Rent, Electricity Maintenance, Rates & Taxes, Telephone & Generator Expenses Paid | 4.10 (8.09) | --- (---) | 6.06 (4.26) | --- (---) |
| Loan Taken | 2,068.60 (1,791.45) | --- (---) | 2,895.80 (1,456.65) | --- (---) |
| Loan Repaid | 2,160.60 (1,699.45) | --- (---) | 2,895.80 (1,456.65) | --- (---) |
| Interest Paid | 20.02 (12.98) | --- (---) | 16.42 (3.15) | --- (---) |
| Demat Charges Received Inclusive of service tax | 6.84 (3.00) | 0.04 (.09) | 0.01 (.29) | 0.14 (.02) |
| Temporary Loan Given (Received during the year) | --- (541.00) | --- (---) | --- (---) | --- (---) |

* Previous year figures are given in bracket

- C. (i) Amount due from Wholly Owned Subsidiaries :- ₹ 47,231.69
(ii) Amount due from KMP :- ₹ 1,011.84
(iii) Amount due from relative of KMP :- ₹ 879.29
(iv) Amount due from enterprise over which KMP exercise significant influence :- ₹ 988.16

- D. Provision to be made with regard to Outstanding Amount : - Nil

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS**4. Employee Benefits:****A. Defined Contribution Plan**

| Sl. No. | Particulars | 2010-2011 (₹) | 2009-2010 (₹) |
|---------|--|---------------|---------------|
| 1. | Contribution to Provident Fund | 1,02,383/- | 1,03,666/- |
| 2. | Contribution to Employee State Insurance | 1,52,764/- | 1,16,845/- |

- B.** The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets Gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1972. The aforesaid scheme is funded with LIC. The following table summarizes the components of net benefit expenses recognized in profit & loss account.

I Net Employee Expense / (benefit)

| Sl. No. | Particulars | 2010-2011 (₹) | 2009-2010 (₹) |
|---------|---|---------------|---------------|
| 1. | Current Service Cost | 5,66,916 | 5,04,243 |
| 2. | Interest Cost on benefit obligation | 1,72,888 | 1,36,665 |
| 3. | Expected Return on plan assets | (2,32,921) | (1,85,421) |
| 4. | Net Actuarial (gain) / Loss recognised in the year | 4,33,597 | (35,683) |
| 5. | Total employee expenses recognised in Profit & Loss Account | 9,40,480 | 4,19,794 |

II Actual return on plan assets

| Particulars | 2010-2011 (₹) | 2009-2010 (₹) |
|------------------------------|---------------|---------------|
| Actual return on plan assets | 2,32,921 | 1,85,421 |

III Benefit Asset / (Liability)

| Sl. No. | Particulars | 2010-2011 (₹) | 2009-2010 (₹) |
|---------|-----------------------------|---------------|---------------|
| 1. | Defined benefit obligation | 31,51,471 | 21,61,099 |
| 2. | Fair Value of Plan Assets | 28,19,590 | 22,60,132 |
| 3. | Benefit Asset / (Liability) | (3,31,881) | 99,033 |

IV Movement in benefit / Liability

| Sl. No. | Particulars | 2010-2011 (₹) | 2009-2010 (₹) |
|---------|--|---------------|---------------|
| 1. | Opening defined benefit obligation | 21,61,099 | 17,08,192 |
| 2. | Interest Cost | 1,72,888 | 1,36,655 |
| 3. | Current Service Cost | 5,66,916 | 5,04,243 |
| 4. | Benefits Paid | (1,83,029) | (1,52,308) |
| 5. | Actuarial (gains) / Loss on obligation | 4,33,597 | (35,683) |
| 6. | Closing Benefit Obligation | 31,51,471 | 21,61,099 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS**V Movement in fair value of plan assets**

| Sl. No. | Particulars | 2010-2011 (₹) | 2009-2010 (₹) |
|---------|-----------------------------------|---------------|---------------|
| 1. | Opening fair value of plan assets | 22,60,132 | 17,66,290 |
| 2. | Return on plan assets (actual) | 2,32,921 | 1,85,421 |
| 3. | Contribution by employer | 5,09,566 | 4,60,729 |
| 4. | Benefits paid | (1,83,029) | (1,52,308) |
| 5. | Closing fair value of plan assets | 28,19,950 | 22,60,132 |

VI The Principal actuarial assumptions are as follows

| Sl. No. | Particulars | 2010-2011 | 2009-2010 |
|---------|--|------------------------------------|------------------------------------|
| 1. | Discount Rate | 8.00% | 8.00% |
| 2. | Salary increase | 8.00% | 6.50% |
| 3. | Withdrawal Rate | 1%-3% depending on age of employee | 1%-3% depending on age of employee |
| 4. | Expected Rate of return on Plan Assets | 9.00% | 9.00% |

VII The major categories of Plan Assets as a percentage of fair value of the total plan assets.

| Sl. No. | Particulars | 2010-2011 | 2009-2010 |
|---------|-------------------------|-----------|-----------|
| 1. | Investment with Insurer | 100% | 100% |

- Note: a) The estimates of future salary increase considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
b) The Company expects to contribute ₹ 10.28 lacs to Gratuity Fund in Financial Year 2011-2012

5. Outstanding contracts

Outstanding contracts of the clients for the settlement period for which settlement has not taken place has not been considered for the purpose of financial statement made up to 31st March' 2011. However brokerage income and other charges receivable on such contract has been accounted for.

6. Auditors Remuneration (excluding service tax)

| Particulars | 2010-2011 (₹) | 2009-2010 (₹) |
|-----------------------------------|--------------------|--------------------|
| (a) Statutory Audit Fee | 60,000.00 | 50,000.00 |
| (b) Tax Audit Fee | 15,000.00 | 10,000.00 |
| (c) Certification & Other Charges | 58,000.00 | 67,500.00 |
| Total | 1,33,000.00 | 1,27,500.00 |

7. Additional information pursuant to part - IV of Schedule VI to the Companies Act, 1956 is annexed as Annexure - I hereto
8. The company has obtained a term loan of ₹ 320 lacs from HDFC Bank against pledge of Fixed Deposits of ₹ 160 lacs.
9. The Company has pledged fixed deposit receipts of ₹ 550 Lacs with National Securities Clearing Corporation Limited as Margin Money.

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS**10. Quantitative details of item traded during the year ended 31st March 2011.**

| | 2010 - 2011 | | 2009 - 2010 | |
|----------------------|---------------|------------------------|-----------------|------------------------|
| | Qty | Amount in (₹) | Qty | Amount in (₹) |
| Opening Stock | | | | |
| Shares | 24,38,707 | 2,92,99,295.67 | 18,42,124 | 1,34,09,045.73 |
| Mutual Fund | Nil | Nil | Nil | Nil |
| | | 2,92,99,295.67 | | 1,34,09,045.73 |
| Purchases | | | | |
| Shares | 71,21,419 | 50,17,42,570.50 | 87,33,359 | 35,43,15,440.29 |
| Mutual Fund | 12,73,651.519 | 2,40,00,000.00 | 2,24,67,120.326 | 48,00,00,000.00 |
| | | 52,57,42,570.50 | | 83,43,15,440.29 |
| Sales | | | | |
| Shares | 74,80,698 | 49,76,36,963.91 | 81,36,776 | 34,28,51,831.84 |
| Mutual Fund | 12,73,651.519 | 2,40,22,542.95 | 2,24,67,120.326 | 48,05,21,641.07 |
| | | 52,16,59,506.86 | | 82,33,73,472.91 |
| Closing Stock | | | | |
| Shares | 20,79,428 | 3,28,58,201.87 | 24,38,707 | 2,92,99,295.67 |
| Mutual Fund | Nil | Nil | Nil | Nil |
| | | 3,28,58,201.87 | | 2,92,99,295.67 |

11. The Company has pledged the following shares with the HDFC Bank Ltd. towards Loan against security.

| Sl. No. | Name of the Company | No. of Shares | Book Value (₹) |
|---------|---|-----------------|-----------------------|
| 1. | Coal India Limited | 1,500 | 7,22,817.00 |
| 2. | Dalmia Bharat Sugar and Industries Limited | 9,000 | 3,31,597.80 |
| 3. | Infrastructure Development Finance Company Ltd. | 2,530 | 5,40,790.80 |
| 4. | Mahindra Lifespace Developers Limited | 300 | 2,15,563.55 |
| 5. | Nocil Limited | 3,000 | 49,500.00 |
| 6. | Orient Paper & Industries Limited | 4,500 | 3,67,510.55 |
| 7. | Parsvnath Developers Limited | 1,75,000 | 54,13,272.60 |
| 8. | Pipavav Shipyard Limited | 11,000 | 9,64,101.55 |
| 9. | Reliance Industries Limited | 350 | 3,72,853.75 |
| 10. | Satyam Computers Services Limited | 15,100 | 10,24,920.00 |
| 11. | Shipping Corporation of India Limited | 2,000 | 2,15,222.35 |
| 12. | Tata Tele (Maharashtra) Limited | 6,800 | 1,19,700.00 |
| 13. | Unitech Limited | 1,500 | 1,15,207.65 |
| | Total | 2,32,580 | 1,04,53,057.60 |

12. The company has pledged the following share with NSCCL towards margin money :

| Sl. No. | Particulars | No. of Shares | Bok Value (₹) |
|---------|-----------------------------|---------------|--------------------|
| 1. | GMR Infrastructures Limited | 9,500 | 4,33,350.00 |
| | TOTAL | 9,500 | 4,33,350.00 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS**13. Expenditure in Foreign Currency :**

| Particulars | 2010-2011 (₹) | 2009-2010 (₹) |
|---------------|-----------------|---------------|
| Tour & Travel | 1,86,500 | - |
| Total | 1,86,500 | - |

14. Inflow in Foreign Currency :

| Particulars | 2010-2011 (₹) | 2009-2010 (₹) |
|-----------------------------|---------------|---------------|
| Refund of Software Expenses | -- | 98.59 |
| Total | -- | 98.59 |

15. Components of Deferred Tax Liability (Net) Shown in the Balance Sheet is as follows :

| Particulars | As at 31.03.2010 (₹) | For the year | As at 31.03.2011 (₹) |
|---|-----------------------|---------------------|-----------------------|
| Liability Items : | | | |
| Depreciation | (19,97,367.00) | 4,77,192.00 | (15,20,175.00) |
| Total | (19,97,367.00) | 4,77,192.00 | (15,20,175.00) |
| Assets Items : | | | |
| Business Loss Including Unabsorbed Depreciation | 29,79,354.00 | 19,14,156.00 | 48,93,510.00 |
| Total | 29,79,354.00 | 19,14,156.00 | 48,93,510.00 |
| Deferred Tax (Liabilities)/Assets (Net) | 9,81,987.00 | 23,91,348.00 | 33,73,335.00 |

15. Prior period Items

General Expenses include ₹ 1,02,557.60 pertaining to previous financial year.

- 17.** Interest Expenses includes ₹ 12,05,457.27 paid to trading member viz Trade City Securities (P) Ltd on the margin money given by it on behalf of its client to make the Fixed Deposits of the said amount. The amount of interest received from the banks on the said Fixed deposits reimburses to the trading member i.e. Trade City Securities (P) Ltd.

- 16.** In respect of Equity Option Contract, position of open interest as on the Balance Sheet date is as under:

Option Contract in respect of which premium is paid

| Name of the Stock Option | Option Premium Carried Forward Net of Loss (₹) |
|--------------------------|---|
| 3IINFOTECH | 3,200.00 |
| ACC | 1,08,100.00 |
| ALBK | 2,000.00 |
| AMBUJACEM | 1,93,400.00 |
| ANDHRABANK | 21,400.00 |
| APOLLOTYRE | 38,400.00 |
| AXISBANK | 3,475.00 |
| BHARTIARTL | 3,08,650.00 |
| BPCL | 17,425.00 |
| CAIRN | 26,550.00 |
| CENTRALBK | 58,506.00 |
| CHAMBLFERT | 33,000.00 |
| CHENNPETRO | 9,950.00 |
| CIPLA | 2,100.00 |
| DLF | 3,18,250.00 |
| GMRINFRA | 1,800.00 |
| HCC | 11,200.00 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| Name of the Stock Option | Option Premium Carried Forward Net of Loss (₹) |
|-------------------------------------|---|
| HDFC | 24,525.00 |
| HDFCBANK | 7,625.00 |
| HDIL | 47,600.00 |
| HEROHONDA | 1,200.00 |
| HINDALCO | 10,73,100.00 |
| HINDPETRO | 750.00 |
| HINDUNILVR | 12,800.00 |
| IBREALEST | 16,000.00 |
| ICICIBANK | 3,81,725.00 |
| IDBI | 7,100.00 |
| IDFC | 8,900.00 |
| IFCI | 1,42,600.00 |
| INDHOTEL | 39,200.00 |
| ISPATIND | 45,500.00 |
| ITC | 34,200.00 |
| JPASSOCIAT | 1,14,500.00 |
| LICHSGFIN | 4,31,000.00 |
| LITL | 4,200.00 |
| LT | 38,812.50 |
| MCLEODRUSS | 10,750.00 |
| MPHASIS | 24,325.00 |
| NHPC | 71,600.00 |
| NTPC | 95,600.00 |
| ONGC | 10,150.00 |
| PATNI | 11,100.00 |
| POWERGRID | 1,32,200.00 |
| RANBAXY | 975.00 |
| RCOM | 3,32,500.00 |
| RECLTD | 62,650.00 |
| RELCAPITAL | 92,025.00 |
| RELIANCE | 61,350.00 |
| RPOWER | 1,06,200.00 |
| SAIL | 1,40,650.00 |
| SBIN | 87,750.00 |
| SCI | 5,300.00 |
| SESAGOA | 28,700.00 |
| SIEMENS | 36,625.00 |
| SUZLON | 14,600.00 |
| TATAMOTORS | 4,07,250.00 |
| TCS | 1,14,375.00 |
| TTML | 20,250.00 |
| UCOBANK | 12,47,200.00 |
| Sub Total :- (i) | 67,02,868.50 |
| Name of Index Option | Option Premium Carried Forward Net of Loss (₹) |
| NIFTY | 49,60,117.50 |
| BANKNIFTY | 6,765.00 |
| Sub- Total: - (ii) | 49,66,882.50 |
| Sub – Total : - A = (i + ii) | 1,16,69,751.00 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS**Option Contract in respect of which premium is received**

| Name of the Stock Option | Option Premium Carried Forward Inclusive of Loss (₹) |
|---|--|
| ALOKTEXT | 1,18,000.00 |
| FSL | 1,600.00 |
| GVKPIL | 53,200.00 |
| HINDOILEXP | 200.00 |
| INFOSYSTCH | 77,125.00 |
| MTNL | 1,200.00 |
| PFC | 7,900.00 |
| PIRHEALTH | 250.00 |
| PUNJLLOYD | 3,000.00 |
| RENUKA | 29,800.00 |
| STER | 4,400.00 |
| TATASTEEL | 86,325.00 |
| UNITECH | 21,600.00 |
| VIJAYABANK | 400.00 |
| Sub-Total :- (B) | 4,05,000.00 |
| Net Option Premium Carried Forward | 1,12,64,751.00 |

Net open position in respect of equity future contract are as follows

| NAME OF THE EQUITY STOCK FUTURE | NO OF CONTRACTS | No of Units | |
|---------------------------------|-----------------|-------------|-------|
| | | Long | Short |
| ABAN 28Apr11 | 1 | 250 | |
| ABGSHIP 28Apr11 | 1 | 1000 | |
| ABIRLANUVO 28Apr11 | 13 | 3250 | |
| ACC 28Apr11 | 8 | 2000 | |
| ALBK 26May11 | 1 | | 1000 |
| ALOKTEXT 28Apr11 | 28 | 280000 | |
| AMBUJACEM 28Apr11 | 2 | | 4000 |
| APOLLOTYRE 28Apr11 | 2 | | 8000 |
| AXISBANK 28Apr11 | 6 | | 1500 |
| BAJAJHIND 28Apr11 | 1 | 2000 | |
| BHARTIARTL 28Apr11 | 28 | | 28000 |
| BHEL 28Apr11 | 13 | 1625 | |
| BOSCHLTD 26May11 | 1 | | 125 |
| BOSCHLTD 28Apr11 | 1 | 125 | |
| BPCL 28Apr11 | 3 | | 1500 |
| CAIRN 28Apr11 | 1 | | 1000 |
| CENTRALBK 28Apr11 | 2 | | 2352 |
| CENTURYTEX 28Apr11 | 1 | 500 | |
| CESC 28Apr11 | 4 | 2000 | |
| CHAMBLFERT 28Apr11 | 2 | | 8000 |
| CHENNPETRO 28Apr11 | 1 | | 1000 |
| DCB 28Apr11 | 2 | 8000 | |
| DLF 28Apr11 | 28 | | 28000 |
| EKC 28Apr11 | 1 | 2000 | |
| ESCORTS 28Apr11 | 9 | 9000 | |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| NAME OF THE EQUITY STOCK FUTURE | NO OF CONTRACTS | No of units | |
|---------------------------------|-----------------|-------------|-------|
| | | Long | Short |
| FEDERALBNK 28Apr11 | 2 | 2000 | |
| FINANTECH 28Apr11 | 4 | 1000 | |
| FSL 28Apr11 | 10 | 80000 | |
| GMRINFRA 28Apr11 | 27 | 108000 | |
| GVKPIL 28Apr11 | 6 | 48000 | |
| HCC 28Apr11 | 3 | 12000 | |
| HDFC 28Apr11 | 9 | | 4500 |
| HDFCBANK 28Apr11 | 5 | | 625 |
| HDIL 28Apr11 | 10 | 10000 | |
| HEROHONDA 28Apr11 | 1 | | 125 |
| HINDALCO 28Apr11 | 22 | 44000 | |
| HINDOILEXP 28Apr11 | 1 | 1000 | |
| HINDPETRO 28Apr11 | 2 | 1000 | |
| HINDUNILVR 26May11 | 2 | | 2000 |
| HINDUNILVR 28Apr11 | 1 | 1000 | |
| HOTELEELA 28Apr11 | 6 | 24000 | |
| IBREALEST 28Apr11 | 3 | 6000 | |
| ICICIBANK 28Apr11 | 5 | | 1250 |
| IDBI 28Apr11 | 1 | 2000 | |
| IFCI 26May11 | 6 | | 24000 |
| IFCI 28Apr11 | 36 | 144000 | |
| INDHOTEL 28Apr11 | 4 | | 8000 |
| INDIACEM 28Apr11 | 1 | 2000 | |
| INFOSYSTCH 28Apr11 | 24 | | 3000 |
| IOC 28Apr11 | 1 | 500 | |
| ISPATIND 26May11 | 4 | 40000 | |
| ISPATIND 28Apr11 | 16 | 160000 | |
| ITC 28Apr11 | 4 | | 8000 |
| IVRCLINFRA 28Apr11 | 1 | 2000 | |
| JINDALSTEL 28Apr11 | 1 | | 500 |
| JPASSOCIAT 28Apr11 | 1 | 2000 | |
| JSWSTEEL 28Apr11 | 3 | 750 | |
| KTKBANK 28Apr11 | 1 | 2165 | |
| LICHSGFIN 28Apr11 | 38 | | 47500 |
| LITL 28Apr11 | 4 | 16000 | |
| LT 28Apr11 | 12 | 1500 | |
| M&M 28Apr11 | 1 | | 500 |
| MCDOWELL-N 28Apr11 | 2 | 500 | |
| MCLEODRUSS 28Apr11 | 1 | 1000 | |
| MOSERBAER 28Apr11 | 1 | 4000 | |
| MPHASIS 26May11 | 2 | | 1000 |
| MTNL 28Apr11 | 1 | 4000 | |
| NATIONALUM 28Apr11 | 4 | 2000 | |
| NHPC 28Apr11 | 6 | | 48000 |
| NTPC 28Apr11 | 15 | | 15000 |
| ONGC 28Apr11 | 3 | | 3000 |
| ORBITCORP 26May11 | 1 | | 2000 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

| NAME OF THE EQUITY STOCK FUTURE | NO OF CONTRACTS | No of units | |
|---------------------------------|-----------------|----------------|---------------|
| | | Long | Short |
| ORBITCORP 28Apr11 | 12 | 24000 | |
| ORCHIDCHEM 28Apr11 | 1 | 2000 | |
| PANTALOONR 28Apr11 | 1 | 500 | |
| PATNI 28Apr11 | 1 | | 500 |
| PIRHEALTH 28Apr11 | 2 | 1000 | |
| POWERGRID 28Apr11 | 9 | | 18000 |
| PUNJLLOYD 28Apr11 | 9 | 18000 | |
| RCOM 28Apr11 | 5 | | 10000 |
| RECLTD 28Apr11 | 2 | | 2000 |
| RELCAPITAL 28Apr11 | 2 | | 1000 |
| RELIANCE 28Apr11 | 1 | 250 | |
| RELINFRA 28Apr11 | 8 | | 2000 |
| RENUKA 28Apr11 | 14 | 56000 | |
| ROLTA 28Apr11 | 1 | 2000 | |
| RPOWER 28Apr11 | 2 | 4000 | |
| SAIL 28Apr11 | 11 | | 11000 |
| SBIN 28Apr11 | 38 | 4750 | |
| SCI 28Apr11 | 1 | 2000 | |
| SKUMARSYNF 28Apr11 | 1 | 4000 | |
| SUZLON 28Apr11 | 14 | 56000 | |
| SYNDIBANK 28Apr11 | 1 | 2000 | |
| TATAMOTORS 28Apr11 | 24 | | 6000 |
| TATAMTRDVR 28Apr11 | 1 | 250 | |
| TATASTEEL 28Apr11 | 40 | 20000 | |
| TCS 28Apr11 | 9 | | 2250 |
| TTML 28Apr11 | 1 | | 9000 |
| UCOBANK 28Apr11 | 89 | | 178000 |
| ULTRACEMCO 28Apr11 | 1 | 250 | |
| UNITECH 28Apr11 | 7 | 28000 | |
| VIJAYABANK 28Apr11 | 7 | 28000 | |
| WIPRO 28Apr11 | 2 | 1000 | |
| TOTAL | | 1288165 | 493227 |

| EQUITY INDEX FUTURE | NO OF CONTRACTS | No of units | |
|---------------------|-----------------|-------------|-------------|
| | | Long | Short |
| BANKNIFTY 28Apr11 | 5 | | 125 |
| CNXIT 28Apr11 | 2 | 100 | |
| MINIFTY 26May11 | 3 | 60 | |
| MINIFTY 28Apr11 | 6 | | 120 |
| NFTYMCAP50 28Apr11 | 1 | | 75 |
| NIFTY 28Apr11 | 28 | | 1400 |
| TOTAL | | 160 | 1720 |

SCHEDULES ATTACHED AND FORMING PART OF FINANCIAL STATEMENTS

19. In respect of Currency Option Contract, position of open interest as on the Balance Sheet date is as under :
Option Contract in respect of which premium is paid

| Name of the Stock Option | Option Premium Carried Forward Net of Loss |
|--------------------------|---|
| USDINR | 1,09,800.00 |
| TOTAL | 1,09,800.00 |

Net open positions in respect of currency future contract are as follow

| EQUITY INDEX FUTURE | NO OF CONTRACTS | No of units | |
|---------------------|--------------------|---------------|--------------|
| | | Long | Short |
| EURINR 27Apr11 | 50 | | 50000 |
| GBPINR 27Apr11 | 20 | | 20000 |
| JPYINR 27Apr11 | 1 | | 1000 |
| JPYINR 27May11 | 1 | 1000 | |
| USDINR 27Apr11 | 554 | 554000 | |
| TOTAL | | 555000 | 71000 |

20. Information pursuant to Section 212 of the Companies Act, 1956 is annexed as Annexure - II hereto.
21. The company has availed exemption with regard to the non inclusion of annual report of the subsidiaries companies in terms of general circular no. 2/2011 issued by Ministry of Corporate Affairs on 8th February 2011.
22. Previous year's figure have been regrouped / rearranged wherever considered necessary.

As per our attached report of even date
For PATNI & CO., Chartered Accountants
sd/- S. Sureka, Partner
 Membership NO. 57918
 Firm Regn. No. 320304E

For and on behalf of Board of Directors

Place : 1 India Exchange Place, Kolkata - 1
Date : 30th May, 2011

sd/-
Narendra Kumar Rai
Company Secretary

sd/-
Rajesh Kumar Bajaj
Managing Director

sd/-
Sudheer Kumar Jain
Whole-time Director

STATEMENT PURSUANT TO PART - IV OF SCHEDULE VI OF THE COMPANIES ACT,1956**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****ANNEXURE - 1****i) REGISTRATION DETAILS**

REGISTRATION NO. : L67120WB1995PLC067195

STATE CODE : 21

BALANCE SHEET DATE : 31.03.2011

ii) CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ '000)

Public Issue

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

Right Issue

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

Bonus Issue

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

Private Placement

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ '000)

Total Liabilities

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 4 | 6 | 7 | 8 | 9 | 4 |
|--|--|---|---|---|---|---|---|

Total Assets

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 4 | 6 | 7 | 8 | 9 | 4 |
|--|--|---|---|---|---|---|---|

Sources of Funds :

Paid up Capital

| | | | | | | | |
|--|--|--|---|---|---|---|---|
| | | | 4 | 9 | 8 | 7 | 3 |
|--|--|--|---|---|---|---|---|

Reserve & Surplus

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 2 | 5 | 4 | 7 | 7 | 0 |
|--|--|---|---|---|---|---|---|

Secured Loans

| | | | | | | |
|--|--|---|---|---|---|---|
| | | 6 | 8 | 1 | 1 | 4 |
|--|--|---|---|---|---|---|

Unsecured Loans

| | | | | | | |
|--|--|---|---|---|---|---|
| | | 2 | 2 | 5 | 0 | 0 |
|--|--|---|---|---|---|---|

Deferred tax Liabilities

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

Application of Funds :

Net Fixed Assets

| | | | | | | |
|--|--|---|---|---|---|---|
| | | 2 | 9 | 5 | 0 | 8 |
|--|--|---|---|---|---|---|

Investments

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 1 | 0 | 4 | 0 | 6 | 7 |
|--|--|---|---|---|---|---|---|

Deferred Tax Assets

| | | | | | | |
|--|--|--|---|---|---|---|
| | | | 3 | 3 | 7 | 3 |
|--|--|--|---|---|---|---|

Net Current Assets

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 2 | 5 | 8 | 2 | 5 | 3 |
|--|--|---|---|---|---|---|---|

Misc. Expenditure

| | | | | | | |
|--|--|--|--|--|---|---|
| | | | | | 5 | 6 |
|--|--|--|--|--|---|---|

Accumulated Losses

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

iv) PERFORMANCE OF COMPANY (AMOUNT IN ₹ '000)

Turnover

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 2 | 2 | 2 | 1 | 0 | 1 |
|--|--|---|---|---|---|---|---|

Total Expenditure

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | 2 | 3 | 6 | 0 | 2 | 8 |
|--|--|---|---|---|---|---|---|

Profit/(Loss) before Tax

| | | | | | | | | |
|--|--|---|---|---|---|---|---|---|
| | | (| 1 | 3 | 9 | 2 | 7 |) |
|--|--|---|---|---|---|---|---|---|

Profit/(Loss) after Tax

| | | | | | | | | |
|--|--|---|---|---|---|---|---|---|
| | | (| 1 | 1 | 6 | 5 | 5 |) |
|--|--|---|---|---|---|---|---|---|

Earning per Share in Rs.

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | | (| 2 | . | 3 | 4 |) |
|--|--|---|---|---|---|---|---|

Dividend Rate (%)

| | | | | | | | |
|--|--|--|--|--|--|---|---|
| | | | | | | 1 | 0 |
|--|--|--|--|--|--|---|---|

v) GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(AS PER MONETARY ITEMS)

Item Code No. (ITC Code)

: N.A.

Product Description

: Shares & Securities

Place : Kolkata

Date : 30th May, 2011

sd/-

Narendra Kumar Rai
Company Secretary

sd/-

Rajesh Kumar Bajaj
Managing Director

sd/-

Sudheer Kumar Jain
Whole-time Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956 **ANNEXURE-II**
RELATING TO SUBSIDIARY COMPANIES

| PARTICULARS | NAME OF THE SUBSIDIARIES | | | |
|---|--|--|--|---|
| | Trade City Securities Pvt. Ltd. | Trade City Real Estate Pvt. Ltd. | Trade City Commodities Pvt. Ltd. | Trade City Barter Pvt. Ltd. |
| 1. The Financial Year of the Subsidiary Company ended on | 31.03.2011 | 31.03.2011 | 31.03.2011 | 31.03.2011 |
| 2. (a) The No of Equity Shares held by Lohia Securities Limited and its nominees in the Subsidiary as at March 31, 2011 (b) Extent of interest of Lohia Securities Limited in the Capital of the Subsidiary. | 25,00,000 equity shares of ₹ 10 each fully paid up 100% | 14,50,000 equity shares of ₹ 10 each fully paid up 100% | 10,55,000 equity shares of ₹ 10 each fully paid up 100% | 4,25,200 equity shares of ₹ 10 each fully paid up 100% |
| 3. Net aggregate amount of the Profits/Loss of the Subsidiary so far it concerns the members of Lohia Securities Limited as it not dealt with the Company's Accounts: (a) Profit/(Loss) for the year ended March 31, 2011 of the Subsidiaries (b) Profit/(Loss) for the previous Financial Year of the subsidiaries, since it became a Subsidiary of Lohia Securities Limited | ₹ (23,12,452/-) ₹ (18,23,772/-) | ₹ 91,043/- ₹ (8,03,504/-) | ₹ (10,23,381/-) ₹ (5,82,645/-) | ₹ (11,34,174/-) ₹ 2,46,032/- |
| 4. Net aggregate amount of the Profits/Loss of the Subsidiary so far as dealt with or provision is made for those losses in Lohia Securities Limited's Accounts (a) Profit/Loss for the year ended March 31, 2011 of the Subsidiaries (b) Profit/Loss for the previous Financial Year of the subsidiaries, since it became a Subsidiary of Lohia Securities Limited | Nil Nil | Nil Nil | Nil Nil | Nil Nil |

Place : Kolkata

Date : 30th May, 2011

Narendra Kumar Rai
Company SecretaryRajesh Kumar Bajaj
Managing DirectorSudheer Kumar Jain
Whole-time Director

CONSOLIDATED AUDITOR'S REPORT

To
The Board of Directors of
Lohia Securities Ltd.Group

1. We have audited the attached Consolidated Balance Sheet of M/s. Lohia Securities Limited Group as at 31st March, 2011, the Consolidated Profit & Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are responsibility of the Lohia Securities Ltd.'s management and have been prepared by the management on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence to support the financial statement, amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used in the preparation of financial statements, assessing significant estimates made by the management in the preparation of financial statements and evaluating overall financial statement preparation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of three subsidiaries whose financial statement reflect total assets of ₹ 10,79,08,786/- as at 31st March 2011, total revenue of ₹ 64,48,493/- and net cash inflow amounting to ₹ 1,48,56,826/- for the year ended on that date. These financial statements and other financial information have been audited by the other auditors whose reports have been furnished to us by the management of the group, and our opinion is based on the reports of other auditors.
4. We report that the consolidated financial statements have been prepared by the Lohia Securities Ltd.' management in accordance with the requirement of Accounting Standard (AS) 21 – Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, the attached financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Lohia Securities Ltd Group as at 31st March, 2011.
And
 - (b) In the case of the Consolidated Profit & Loss Account, of the Loss for the year ended on that date.
And
 - (c) In the case of the Consolidated Cash Flow statements of the cash flow for the year ended on that date.

Place : 1, India Exchange Place
Kolkata - 700 001
Date : The 30th day of May, 2011

For PATNI & CO.
Chartered Accountants
sd/-
S. Sureka
Partner
Membership No. 57918
Firm Regn. No. 320304E

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH. 2011

| | SCHEDULES | 2010-2011 Amount in ₹ | 2009-2010 Amount in ₹ |
|---|--|--|--|
| I. SOURCES OF FUNDS | | | |
| 1. SHAREHOLDER'S FUNDS | | | |
| a) Share Capital | "A" | 47,822,500.00 | 47,822,500.00 |
| b) Reserves & Surplus | "B" | 251,236,823.33 | 273,062,244.48 |
| 2. LOAN FUNDS | | | |
| a) Secured Loans | "C" | 73,114,207.58 | 57,236,675.08 |
| b) Unsecured Loans | "D" | 43,400,000.00 | 52,800,000.00 |
| TOTAL | | 415,573,530.91 | 430,921,419.56 |
| II. APPLICATION OF FUNDS | | | |
| 1. FIXED ASSETS | | | |
| Gross Block | "E" | 125,449,917.21 | 117,715,030.37 |
| Less: Depreciation | | 81,295,534.68 | 70,769,491.43 |
| Net Block | | 44,154,382.53 | 46,945,538.94 |
| 2. INVESTMENTS | "F" | 6,457,199.00 | 6,457,199.00 |
| 3. DEFERRED TAX ASSETS | | 5,992,218.00 | 1,550,628.00 |
| 4. CURRENT ASSETS AND LOANS & ADVANCES | | | |
| a) Inventories | "G" | 34,553,815.49 | 69,860,224.37 |
| b) Sundry Debtors | "H" | 52,780,984.61 | 8,509,895.61 |
| c) Cash & Bank Balances | "I" | 222,323,915.72 | 230,399,724.85 |
| d) Other Current Assets | "J" | 3,486,409.81 | 5,426,321.35 |
| e) Loans & Advances | "K" | 161,419,447.34 | 130,873,100.74 |
| | | 474,564,572.97 | 445,069,266.92 |
| LESS: CURRENT LIABILITIES AND PROVISIONS | | | |
| a) Current Liabilities | "L" | 103,808,184.35 | 56,730,864.92 |
| b) Provisions | "M" | 11,895,803.00 | 12,497,260.00 |
| | | 115,703,987.35 | 69,228,124.92 |
| NET CURRENT ASSETS | | 358,860,585.62 | 375,841,142.00 |
| 5. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | | | |
| a) Interest Suspense | | 56,177.76 | 27,975.62 |
| b) Preliminary Expenses | | 52,968.00 | 98,936.00 |
| TOTAL | | 415,573,530.91 | 430,921,419.56 |
| Significant Accounting Policies and Notes to the Accounts Schedules referred to above form an integral part of the Balance Sheet | "Q" | | |
| As per our attached report of even date For PATNI & CO. Chartered Accountants sd/- S. Sureka , Partner Membership No. 57918 Firm Regn. No. 320304E Kolkata, 30th May, 2011 | sd/- Narendra Kumar Rai Company Secretary | sd/- Rajesh Kumar Bajaj Managing Director | sd/- Sudheer Kumar Jain Whole-time Director |

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| | SCHEDULES | 2010-2011 Amount in ₹ | 2009-2010 Amount in ₹ |
|--|---------------------------|--|--|
| I. INCOME | | | |
| Income from Operation | "N" | 194,097,033.42 | 224,578,308.01 |
| Dividend from Shares lying at Inventories | | 470,253.90 | 393,809.15 |
| Dividend from Shares lying at Investment | | 206,750.00 | 206,750.00 |
| Brokerage (T.D.S ₹ Nil /-; ₹ P.Y.1,297/-) | | 32,625,037.27 | 37,694,967.77 |
| Interest Income (T.D.S. ₹ 14,88,690.96 ; | | 14,944,875.73 | 18,133,560.24 |
| Previous Year ₹ 19,87,414.63/-) | | | |
| Receipts from DP Division (T.D.S. : ₹ 1,11,853.48/-; | | 2,114,775.18 | 2,150,737.29 |
| Previous Year ₹ 79,700/-) | | | |
| Profit on Sale of Investment | | 16,655.61 | 99,952.74 |
| Profit On Sale of Fixed Assets | | 1,671.00 | 771,055.00 |
| Miscellaneous Income | | 212,175.53 | 542,105.05 |
| TOTAL | | 244,689,227.64 | 284,571,245.25 |
| II. EXPENDITURE | | | |
| Payments to and Provision for Employees | "O" | 44,935,952.25 | 39,527,616.27 |
| Other Expenses | "P" | 134,215,809.47 | 118,141,089.07 |
| Securities Transaction Tax | | 59,443,236.94 | 61,672,350.24 |
| Interest Expenses | | 15,146,984.88 | 13,453,446.03 |
| Depreciation | | 10,797,724.25 | 12,335,074.00 |
| Preliminary Expenses Written Off | | 45,968.00 | 45,968.00 |
| TOTAL | | 264,585,675.79 | 245,175,543.61 |
| PROFIT/(LOSS) BEFORE TAX (A-B) | | (19,896,448.15) | 39,395,701.64 |
| Less : Provision for Taxes | | | |
| Current Tax | | 104,000.00 | 4,467,000.00 |
| Deferred Tax | | (4,441,590.00) | 11,437,004.00 |
| Income Tax For Earlier Year | | 475,195.00 | 1,595,410.33 |
| PROFIT/(LOSS) AFTER TAX | | (16,034,053.15) | 21,896,287.31 |
| Less: Transfer to Statutory Reserve Fund | | - | 104,000.00 |
| TOTAL PROFIT AFTER TAX | | (16,034,053.15) | 21,792,287.31 |
| Add : Balance Brought Forward from previous year | | 152,415,912.54 | 136,434,239.23 |
| PROFIT AVAILABLE FOR APPROPRIATION | | 136,381,859.39 | 158,226,526.54 |
| APPROPRIATION | | | |
| Proposed Dividend On Equity Share Capital | | 4,983,000.00 | 4,983,000.00 |
| Provision for Dividend Tax | | 808,368.00 | 827,614.00 |
| | | 5,791,368.00 | 5,810,614.00 |
| BALANCE CARRIED TO BALANCE SHEET | | 130,590,491.39 | 152,415,912.54 |
| Basic/Diluted Earning Per Share | | (3.36) | 4.58 |
| Significant Accounting Policies | "Q" | | |
| and Notes to the Accounts | | | |
| Schedules referred to above form an integral part of the Profit & Loss Account | | | |
| As per our attached report of even date | | | |
| For PATNI & CO. | | | |
| Chartered Accountants | | | |
| sd/- S. Sureka | | | |
| Partner | | | |
| Membership No. 57918 | sd/- | | sd/- |
| Firm Regn. No. 320304E | Narendra Kumar Rai | Rajesh Kumar Bajaj | Sudheer Kumar Jain |
| Place : Kolkata, Date : 30th May, 2011 | <i>Company Secretary</i> | <i>Managing Director</i> | <i>Whole-time Director</i> |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Pursuant to clause 32 of listing Agreement(s) (as ammended)

| | 31.3.2011 | | 31.03.2010 | |
|--|-------------------|---------------------------|--|-------------------|
| | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit Before Tax & Extraordinary Items | | (198.96) | | 393.96 |
| Adjustment for : | | | | |
| Depreciation | 107.99 | | 123.37 | |
| Preliminary Expenses Written Off | 0.46 | | 0.46 | |
| Miscellaneous Balance Written Off | 0.22 | | 0.02 | |
| Interest Expenses | 153.77 | | 120.67 | |
| Provisions | 4.17 | | 1.84 | |
| Dividend Received | (2.07) | | (2.07) | |
| Interest Received | (158.21) | | (183.52) | |
| (Profit)/Loss On Sales Of Investment | (0.10) | | (1.00) | |
| (Profit)/Loss On Sales Of Fixed Assets | (0.02) | 106.21 | (7.71) | 52.06 |
| | | (92.75) | | 446.02 |
| Operating Profit before Working Capital Adjustment | | | | |
| (Increase)/Decrease in Inventories | 353.06 | | (488.96) | |
| (Increase)/Decrease in Debtors | (451.12) | | 0.98 | |
| (Increase)/Decrease in Other Current Assets | 20.75 | | (2.53) | |
| (Increase)/Decrease in Loans & Advances | (492.96) | | 380.91 | |
| Increase/(Decrease) in Current Liabilities | 422.51 | (147.76) | 148.85 | 39.25 |
| | | (240.51) | | 485.27 |
| Payment of Tax | | 8.98 | | 69.89 |
| Net cash flow from operating activities | | (249.49) | | 415.38 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Sale Proceed of Investment | 190.10 | | 691.99 | |
| Purchase of Investment | (190.00) | | (686.00) | |
| Advance for Property | (26.35) | | (248.65) | |
| Refund Received for Property | 11.72 | | 166.95 | |
| Purchase of fixed assets | (81.27) | | (111.47) | |
| Sales Proceeds of Fixed Assets | 1.22 | | 2.69 | |
| Dividend Received | 2.07 | | 2.07 | |
| Interest Received | 158.21 | | 183.52 | |
| (Increase)/decrease in fixed deposit | 152.41 | | (454.94) | |
| Net cash used in investing activities | | 218.12 | | (453.84) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Increase/(Decrease) in Secured Loan | 158.78 | | (54.41) | |
| Increase/(Decrease) in Unsecured Loan | 157.00 | | 95.25 | |
| Payment of Dividend & Dividend Tax | (58.11) | | (58.30) | |
| Interest Paid | (153.77) | | (120.67) | |
| Misc. Expenses W/off | (0.28) | | 0.80 | |
| Net cash realised from financing activities | | 103.62 | | (137.33) |
| Net increase/(Decrease) in cash and cash equivalent | | 72.25 | | (175.79) |
| OPENING CASH & CASH EQUIVALENT | | 258.56 | | 434.35 |
| CLOSING CASH & CASH EQUIVALENT | | 330.81 | | 258.56 |
| Notes to the Cash Flow Statement for the year ended 31st March 2011 | | | | |
| CLOSING CASH AND CASH EQUIVALENT | | ₹ in Lacs | | ₹ in Lacs |
| Cash In Hand | | 13.27 | | 16.08 |
| Cheque In Hand | | 109.20 | | 0.45 |
| Cash At Bank | | 208.90 | | 243.19 |
| Bank Over Draft | | (0.55) | | (1.16) |
| | | 330.81 | | 258.56 |
| As per our attached report of even date | | | | |
| For PATNI & CO. | | | | |
| Chartered Accountants | | | | |
| sd/- S. Sureka, Partner | | | | |
| Membership No. 57918 | | | | |
| Firm Regn. No. 320304E | | | | |
| Kolkata, 30th May, 2011 | | | | |
| | | | For and on behalf of Board of Directors | |
| | sd/- | sd/- | sd/- | |
| Narendra Kumar Rai | | Rajesh Kumar Bajaj | Sudheer Kumar Jain | |
| <i>Company Secretary</i> | | <i>Managing Director</i> | <i>Whole-time Director</i> | |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | 2010-2011 Amount in ₹ | 2009-2010 Amount in ₹ |
|--|--|--|
| SCHEDULE 'A' | | |
| SHARE CAPITAL | | |
| <u>Authorised</u> | | |
| 75,00,000 Equity shares of ₹ 10/- each | 75,00,000.00 | 75,00,000.00 |
| <u>Issued & Subscribed</u> | | |
| 50,00,000 Equity shares of ₹ 10/- each | 50,00,000.00 | 50,00,000.00 |
| <u>Paid Up Capital</u> | | |
| 47,78,000 Equity Shares of ₹ 10/- each fully paid up (Refer Note No. B(4) Of Schedule Q) | 47,78,000.00 | 47,78,000.00 |
| Add : Forfeited Shares | 42,500.00 | 42,500.00 |
| TOTAL | 47,822,500.00 | 47,822,500.00 |
| Note : Out of the above shares, 50,000 shares are allotted as fully paid up pursuant to a contract without payment being received in cash. | | |
| SCHEDULE - 'B' | | |
| RESERVE & SURPLUS | | |
| A. General Reserve | | |
| Opening Balance | 91,086,128.88 | 91,086,128.88 |
| Sub -Total :- A | 91,086,128.88 | 91,086,128.88 |
| B. Profit & Loss A/c | | |
| Profit & Loss Account | 130,590,491.39 | 152,415,912.54 |
| Sub -Total :- B | 130,590,491.39 | 152,415,912.54 |
| C. Security Premium | | |
| Opening Balance | 18,551,631.45 | 18,551,631.45 |
| Sub -Total :- C | 18,551,631.45 | 18,551,631.45 |
| D. Capital Reserve on Consolidation | | |
| | 10,726,615.61 | 10,726,615.61 |
| | 10,726,615.61 | 10,726,615.61 |
| E. Statutory Fund | | |
| Add : Amount credited during the year | 281,956.00 | 177,956.00 |
| | - | 104,000.00 |
| | 281,956.00 | 281,956.00 |
| TOTAL :- (A + B + C + D + E) | 251,236,823.33 | 273,062,244.48 |
| SCHEDULE - 'C' | | |
| SECURED LOAN | | |
| <u>Loan against Car</u> | | |
| From Banks | 450,460.00 | 534,055.00 |
| (Repayable within one year ₹ 1,78,300/- Previous Year ₹ 5,11,275/-) | | |
| <u>Term Loan</u> | | |
| From Banks | 37,00,000.00 | 37,00,000.00 |
| (Repayable within one year ₹ 3,70,00,000/- Previous year ₹ 3,70,00,000/-) (Partly Secured against Fixed Deposits) | | |
| <u>Bank overdraft</u> | | |
| (Secured against shares, personal guarantee of Directors, by charge of Fixed Assets of Subsidiaries & against Fixed Deposits) | 35,663,747.58 | 19,702,620.08 |
| TOTAL | 73,114,207.58 | 57,236,675.08 |
| SCHEDULE - 'D' | | |
| UNSECURED LOAN | | |
| <u>From body Corporates</u> | 43,400,000.00 | 52,800,000.00 |
| TOTAL | 43,400,000.00 | 52,800,000.00 |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 'E' FIXED ASSETS

Amount in ₹

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|-----------------------------|-----------------------|----------------------|-------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | As on 01.04.2010 | Addition | Deduction | As at 31.03.2011 | As on 01.04.2010 | For the Year | As at 31.03.2011 | As at 31.03.2010 |
| A) TANGIBLE ASSETS | | | | | | | | |
| Office | 18,943,934.25 | - | - | 18,943,934.25 | 4,716,188.74 | 711,388.00 | 13,516,356.51 | 14,227,744.51 |
| Office Equipment | 4,755,707.24 | 582,088.00 | - | 5,337,795.24 | 1,885,877.36 | 439,755.00 | 3,012,162.88 | 2,869,829.88 |
| Furniture & Fixtures | 11,872,838.04 | 83,634.00 | - | 11,956,472.04 | 5,828,328.97 | 1,095,509.00 | 5,032,634.07 | 6,044,509.07 |
| Air Conditioner | 3,914,646.25 | - | - | 3,914,646.25 | 1,742,527.84 | 302,141.00 | 2,044,668.84 | 2,172,118.41 |
| Car | 5,032,369.00 | 687,129.00 | 392,010.00 | 5,327,488.00 | 3,049,864.56 | 550,632.00 | 1,998,672.44 | 1,982,504.44 |
| Computer & Accessories | 61,703,006.02 | 2,868,216.00 | - | 64,571,222.02 | 49,731,365.01 | 5,222,843.00 | 9,617,014.01 | 11,971,641.01 |
| Electrical Installation | 4,612,465.94 | 273,219.00 | - | 4,885,684.94 | 1,567,718.20 | 433,999.00 | 2,883,967.74 | 3,044,747.74 |
| Generator | 2,214,454.00 | - | - | 2,214,454.00 | 445,175.00 | 246,106.00 | 1,523,173.00 | 1,769,279.00 |
| VSAT - Equipment | 133,982.00 | - | - | 133,982.00 | 73,448.00 | 8,420.00 | 52,114.00 | 60,534.00 |
| B) INTANGIBLE ASSETS | | | | | | | | |
| Software | 3,781,627.63 | 2,932,610.84 | - | 6,714,238.47 | 1,728,996.75 | 1,536,931.25 | 3,448,310.47 | 2,052,630.88 |
| Membership Fees | 750,000.00 | 700,000.00 | - | 1,450,000.00 | - | 250,000.00 | 1,200,000.00 | 750,000.00 |
| TOTAL | 117,715,030.37 | 8,126,896.84 | 392,010.00 | 125,449,917.21 | 70,769,491.43 | 10,797,724.25 | 81,295,534.68 | 46,945,538.94 |
| PREVIOUS YEAR | 107,417,703.37 | 11,147,023.00 | 849,696.00 | 117,715,030.37 | 59,071,535.43 | 12,335,074.00 | 70,769,491.43 | 48,346,167.94 |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | <u>2010-2011</u> <u>Amount in ₹</u> | <u>2009-2010</u> <u>Amount in ₹</u> |
|---|--|--|
| SCHEDULE 'F' | | |
| INVESTMENT | | |
| LONG TERM INVESTMENTS (AT COST) | | |
| A) In Equity Shares | | |
| Quoted, Non Trade | | |
| Sidheshwari Garments Ltd. | | |
| 8,700 (Previous Year: 8,700) Equity Shares of ₹ 10 each fully paid up | 87,000.00 | 87,000.00 |
| Sub Total (i) | <u>87,000.00</u> | <u>87,000.00</u> |
| In Others | | |
| Unquoted, Trade | | |
| The Calcutta Stock Exchange Ltd. | | |
| 250 (Previous Year : 250) Equity Shares of ₹ 1 each fully paid up | 500,000.00 | 500,000.00 |
| Sub Total (ii) | <u>500,000.00</u> | <u>500,000.00</u> |
| In Equity Shares - Unquoted, Non Trade | | |
| Nimbus Communication Ltd. | | |
| 5,000 (Previous Year : 5,000) Equity Shares of ₹ 10 each fully paid up | 1,125,000.00 | 1,125,000.00 |
| Daadi Stock Broking Pvt. Ltd. | | |
| 3,00,000 (Previous Year :3,00,000) Equity Shares of ₹ 10 each fully paid up | 3,000,000.00 | 3,000,000.00 |
| Sub Total (iii) | <u>4,125,000.00</u> | <u>4,125,000.00</u> |
| TOTAL : - A (i+ii+iii) | <u>4,712,000.00</u> | <u>4,712,000.00</u> |
| B. In Mutual Fund | | |
| Unquoted (Non Trade) | | |
| LIC MF India Vision Fund | | |
| 1,00,000 (Previous Year : 1,00,000) Units of ₹ 10 each fully paid up | 1,000,000.00 | 1,000,000.00 |
| TOTAL : - B | <u>1,000,000.00</u> | <u>1,000,000.00</u> |
| C. Investment in Properties | 745,199.00 | 745,199.00 |
| TOTAL : - C | <u>745,199.00</u> | <u>745,199.00</u> |
| TOTAL : - (A + B +C) | <u>6,457,199.00</u> | <u>6,457,199.00</u> |
| Market value of Quoted Shares | <u>26,535.00</u> | <u>26,535.00</u> |
| Net Assets Value of Mutual Fund | <u>895,250.00</u> | <u>835,322.12</u> |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| SCHEDULE 'G' | Face Value | 2010-2011 | | 2009-2010 | |
|--|-------------------|------------------|-----------------|------------------|-----------------|
| Inventories | in ₹ | Qty. | Amount ₹ | Qty. | Amount ₹ |
| Shares (Non Traded, Listed) Fully Paid up | | | | | |
| Name of the Company | | | | | |
| 3I InfoTech Limited | 10 | 2 | 87.20 | - | - |
| ABAN Offshore Limited | 2 | - | - | 1 | 1,159.10 |
| ABB Limited | 2 | 7 | 5,577.60 | - | - |
| ACC Limited | 10 | 3 | 3,223.65 | - | - |
| Adhunik Metaliks Limited | 10 | 200 | 18,440.00 | 600 | 62,269.65 |
| Aditya Birla Money Limited | 1 | - | - | 1 | 50.10 |
| Advani Hotels & Resorts (India) Limited | 2 | 5 | 175.50 | - | - |
| Aftek Limited | 2 | - | - | 100,000 | 1,665,000.00 |
| Akar Tools Limited | 10 | - | - | 15,000 | 466,500.00 |
| Aksh Optifibre Limited | 5 | 10,000 | 60,500.00 | 10,000 | 242,000.00 |
| Alok Industries Limited | 1 | 998 | 22,105.70 | 1,000 | 22,200.00 |
| Alps Industries Limited | 10 | 3,000 | 9,150.00 | 8,000 | 88,800.00 |
| Ambuja Cements Limited | 2 | 1 | 146.40 | - | - |
| Anco Communications Limited. | 10 | 1,000 | 2,150.00 | 1,000 | 2,150.00 |
| Andhra Bank Limited | 10 | 3 | 448.65 | - | - |
| Ansal Property & Infrastructure Limited | 5 | 1,200 | 45,000.00 | 600 | 42,690.00 |
| Aqua Logistics Limited | 10 | - | - | 500 | 130,250.00 |
| Arvind Remedies Limited | 1 | 100,000 | 235,000.00 | 100,000 | 190,000.00 |
| Asahi India Glass Limited | 1 | 5,000 | 445,250.00 | - | - |
| Ashok Alco Chemical Limited | 10 | 500 | 4,540.00 | - | - |
| Ashok Leyland Limited | 1 | 288 | 16,372.80 | - | - |
| Assam Company Limited | 1 | 300 | 5,115.00 | - | - |
| Axis Bank Limited | 10 | - | - | 1 | 1,090.00 |
| Bajaj Hindustan Limited | 1 | 43 | 3,057.30 | 5 | 678.50 |
| Balaji Distilleries Limited | 10 | - | - | 11,205 | 498,095.90 |
| Balrampur Chini Mills Limited | 1 | 2 | 139.75 | - | - |
| Bang Overseas Limited | 10 | - | - | 5,000 | 214,750.00 |
| Baroda Rayon Corporation Limited | 10 | 485 | 1,430.75 | 485 | 1,430.75 |
| Bata India Limited | 10 | 1 | 387.00 | 550 | 125,455.00 |
| BEML Limited | 10 | 3 | 2,040.00 | - | - |
| Benchmark Mutual Fund Nifty Bees | 10 | 200 | 113,107.34 | 200 | 105,248.00 |
| BGR Energy System Limited | 10 | 3 | 1,430.70 | - | - |
| Bhagwati Auto Cast Limited | 10 | 700 | 25,900.00 | - | - |
| Bhanshali Engineering Polymers Limited | 1 | 1,000 | 32,000.00 | - | - |
| Bharat Electronics Limited | 10 | 2 | 3,350.00 | 30 | 66,073.50 |
| Bharat Heavy Electricals Limited | 10 | 5 | 10,313.25 | 1 | 2,370.00 |
| Bharat Strach Product Limited | 10 | 11 | 1,988.80 | 11 | 1,988.80 |
| Bharati Airtel Limited | 5 | 74 | 26,447.60 | 2 | 552.00 |
| Bhourkla Aluminum Limited | 2 | 4,000 | 66,000.00 | 4,000 | 66,000.00 |
| Bhushan Steel Limited | 10 | - | - | 3 | 4,840.00 |
| Bills Energy Limited | 10 | 1,500 | 35,400.00 | - | - |
| Birla Power Solution Limited | 1 | 30,000 | 30,000.00 | - | - |
| Birla Precision Technologies Limited | 2 | - | - | 26,285 | 617,697.50 |
| Bodal Chemicals Limited | 10 | 2,500 | 18,550.00 | 500 | 18,547.50 |
| Brushman India Limited | 10 | - | - | 7,675 | 84,194.75 |
| BSEL Infrastructure Realty Limited | 10 | 2,000 | 10,700.00 | - | - |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | <u>Face Value</u> | | <u>2010-2011</u> | | <u>2009-2010</u> | |
|--|-------------------|---------|------------------|-----------------|------------------|-----------------|
| | <u>in ₹</u> | | <u>Qty.</u> | <u>Amount ₹</u> | <u>Qty.</u> | <u>Amount ₹</u> |
| Cairn India Limited | 10 | 1 | 350.30 | 5 | 1,288.00 | |
| Cals Refinery Limited | 1 | 670,965 | 201,289.50 | 2,175,995 | 957,437.80 | |
| Central Bank of India Limited | 10 | 4 | 562.00 | - | - | |
| Century Ply Limited | 1 | 1,000 | 66,200.00 | - | - | |
| Chambal Fertilizers & Chemicals Limited | 10 | 203 | 15,963.65 | - | - | |
| Cipla Limited | 2 | - | - | 4 | 1,216.00 | |
| Coal India Limited | 10 | 2,250 | 722,817.00 | - | - | |
| Cochin Minerals & Rutilites Limited | 10 | 1,000 | 39,160.00 | 1,000 | 39,160.00 | |
| Dalmia Bharat Enterprises Limited | 2 | 9,891 | 1,812,386.75 | - | - | |
| Dalmia Bharat Sugar and Industries Limited | 2 | 13,646 | 331,597.80 | - | - | |
| Deccan Chronicle Holdings Limited | 2 | 2 | 160.60 | - | - | |
| Deep Industries Limited | 10 | 500 | 31,075.00 | - | - | |
| Dena Bank Limited | 10 | - | - | 4 | 308.75 | |
| Development Credit Bank Limited | 10 | 4 | 182.25 | - | - | |
| Digjam Limited | 10 | - | - | 95,315 | 853,069.25 | |
| DLF Limited | 2 | - | - | 7,550 | 2,332,195.00 | |
| Dolat Investments Limited | 1 | 50,000 | 160,000.00 | 50,000 | 204,500.00 | |
| Dr. Reddy's Laboratories Limited | 5 | 4 | 6,510.00 | 102 | 130,044.90 | |
| Dredging Corporation of India Limited | 10 | 30 | 10,368.00 | 30 | 18,231.00 | |
| Dunlop India Limited | 10 | 2,200 | 45,740.00 | 2,851 | 18,816.60 | |
| Dynacons Systems & Solution Limited | 2 | - | - | 5,000 | 4,500.00 | |
| Easun Reyrolle Limited | 2 | 13,468 | 1,092,774.80 | - | - | |
| Electrosteel Castings Limited | 1 | 500 | 15,425.00 | - | - | |
| Emami Paper Mills Limited | 2 | 200 | 10,440.00 | - | - | |
| Emco Limited | 2 | 500 | 31,050.00 | - | - | |
| Escort Limited | 10 | 3 | 424.95 | - | - | |
| Essar Oil Limited | 10 | 600 | 74,640.00 | 4 | 552.80 | |
| ETC Network Limited | 10 | - | - | 2 | 432.00 | |
| Eveready Industries India Limited | 5 | 400 | 19,920.00 | - | - | |
| Exide Industries Limited | 1 | 1 | 141.00 | - | - | |
| Fame India Limited | 10 | - | - | 1 | 42.95 | |
| Federal - Mogul Goetze India Limited | 10 | 81 | 12,158.10 | - | - | |
| First Source Solution Limited | 10 | 2,373 | 42,595.35 | 1 | 26.50 | |
| First Winner Industries Limited | 10 | 24,324 | 521,749.80 | - | - | |
| Forties Healthcare Limited | 10 | - | - | 2 | 348.00 | |
| Foundary Fuel Products Limited | 10 | 64,404 | 664,157.17 | 45,391 | 235,387.37 | |
| G V Films Limited | 10 | 15,000 | 12,450.00 | 15,000 | 27,150.00 | |
| GAIL (India) Limited | 10 | - | - | 3 | 1,199.00 | |
| Glenmark Pharmaceuticals Limited | 1 | - | - | 50 | 13,312.50 | |
| Global Capital Market Limited | 1 | 100 | 1,415.00 | - | - | |
| Globus Spirits Limited | 10 | - | - | 5,000 | 676,750.00 | |
| GMR Infrastructure Limited | 1 | 10,700 | 433,350.00 | 9,998 | 626,874.60 | |
| Godrej Industries Limited | 1 | - | - | 100 | 14,020.00 | |
| Gold Benchmark Exchange Traded Scheme | 100 | 50 | 94,574.10 | - | - | |
| Goodyear India Limited | 10 | 650 | 150,550.00 | 650 | 148,460.00 | |
| Grable Alok Impex Limited | 10 | 100 | 3,250.00 | - | - | |
| Green Ply Limited | 5 | 3,400 | 593,300.00 | - | - | |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | <u>Face Value</u> | <u>2010-2011</u> | | <u>2009-2010</u> | |
|--|-------------------|------------------|-----------------|------------------|-----------------|
| | <u>in ₹</u> | <u>Qty.</u> | <u>Amount ₹</u> | <u>Qty.</u> | <u>Amount ₹</u> |
| GTL Limited | 10 | 1 | 414.00 | - | - |
| Gufic Bio Sciences Limited | 1 | - | - | 500 | 3,275.00 |
| GVK Power & Infrastructure Limited | 1 | 2,291 | 59,336.90 | 1 | 43.45 |
| Hero Honda Motors Limited | 2 | 3 | 4,750.00 | - | - |
| Himachal Futuristic Communication Limited | 1 | 7,000 | 79,108.50 | 40,750 | 498,917.40 |
| Himatsingha Seide Limited | 5 | 1,544 | 52,418.80 | - | - |
| Hindalco Industries Limited | 1 | - | - | 222 | 40,250.30 |
| Hinduja Foundries Limited | 10 | 15,073 | 1,350,540.80 | 28,595 | 2,767,870.15 |
| Hindustan Construction Company Limited | 1 | 2 | 72.45 | - | - |
| Hindustan Motors Limited | 5 | 2,200 | 33,440.00 | 2,500 | 51,625.00 |
| Hindustan Oil Exploration Company Limited | 10 | 2 | 401.50 | 1,000 | 228,850.00 |
| Horizon Infrastructure Limited | 10 | 3,368 | 641,267.20 | - | - |
| Housing Development & Infrastructure Limited | 10 | 59 | 10,431.20 | 686 | 196,436.10 |
| Housing Development Finance Corporation Limited | 2 | 8 | 5,561.00 | 3 | 7,630.00 |
| ICICI Bank Limited | 10 | 200 | 180,028.55 | 194 | 169,252.00 |
| IDEA Cellular Limited | 10 | - | - | 3 | 196.50 |
| IFCI Limited | 10 | 1,988 | 104,568.80 | 11,260 | 561,311.00 |
| IG Petrochemicals Limited | 10 | 6,570 | 183,960.00 | 5,701 | 250,844.00 |
| IKF Technologies Limited | 1 | 14,900 | 32,929.00 | 5,000 | 19,950.00 |
| IL&FS Engineering and Construction Company Limited | 10 | 1,500 | 284,100.00 | - | - |
| Indage Restaurants & Leisure Limited | 3 | 85,500 | 692,550.00 | - | - |
| India Bulls Real Estate Limited | 2 | - | - | 2 | 305.10 |
| Indian Card Clothing Company Limited | 10 | 90 | 9,945.00 | - | - |
| Indian Overseas Bank Limited | 10 | 2 | 287.60 | - | - |
| Indo Rama Synthetics Limited | 10 | 150 | 8,850.00 | - | - |
| Industrial Development Bank of India Limited | 1 | - | - | 52 | 5,980.00 |
| Information Technologies India Limited. | 5 | 100 | 105.00 | 100 | 105.00 |
| Infosys Technologies Limited | 5 | 3 | 9,525.90 | 1 | 2,615.95 |
| Infrastructure Development Finance Company Limited | 10 | 3,498 | 540,790.80 | 2,749 | 427,894.65 |
| Intra Décor Limited | 1 | 8,333 | 1,749.93 | 8,333 | 2,166.58 |
| IVR Prime Urban Developers Limited | 10 | - | - | 10,000 | 1,562,415.80 |
| Jai Mata Glass Limited | 1 | 12,000 | 14,520.00 | - | - |
| Jai Prakash Power Venture Limited | 10 | - | - | 3 | 201.30 |
| Jaiprakash Associates Limited | 2 | 5,250 | 487,200.00 | 5,250 | 785,137.50 |
| Jaysynth Dyechem Limited | 1 | 5,000 | 39,500.00 | 5,000 | 39,500.00 |
| JCT Limited | 2.50 | 207,710 | 606,513.20 | - | - |
| Jindal Steel & Power Limited | 1 | - | - | 2 | 1,336.35 |
| JK Synthetic Limited | 10 | 16,429 | 80,853.49 | 35,436 | 96,637.27 |
| JMD Telefilms Industries Limited | 1 | - | - | 75,000 | 4,931,250.00 |
| JSW Energy Limited | 10 | 500 | 35,825.00 | 5,000 | 559,250.00 |
| JSW Steel Limited | 10 | - | - | 2 | 2,366.00 |
| Jupiter Bio-Sciences Limited | 10 | 1,000 | 19,800.00 | - | - |
| Kernex Microsystems (India) Limited | 10 | - | - | 40,000 | 4,455,344.95 |
| K S Oil Limited | 1 | 5 | 161.50 | - | - |
| Kaashyap Technologies Limited | 1 | 43,721 | 13,116.30 | 43,721 | 21,423.29 |
| Kale Consultants Limited | 10 | - | - | 8,313 | 731,544.00 |
| Karuturi Global Limited | 1 | 35,000 | 371,000.00 | - | - |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | <u>Face Value</u> | <u>2010-2011</u> | | <u>2009-2010</u> | |
|---|-------------------|------------------|-----------------|------------------|-----------------|
| | <u>in ₹</u> | <u>Qty.</u> | <u>Amount ₹</u> | <u>Qty.</u> | <u>Amount ₹</u> |
| Kinetic Engineering Limited | 10 | - | - | 11,863 | 933,145.50 |
| Kingfishers Airlines Limited | 10 | 1,297 | 51,620.60 | 6,164 | 288,475.20 |
| Kitply Industries Limited | 10 | 2,000 | 8,200.00 | 2,000 | 14,200.00 |
| Kulkarni Power & Tools Limited | 5 | - | - | 12,048 | 965,853.95 |
| La Opala RG Limited | 10 | - | - | 1,000 | 39,800.00 |
| Larsen & Toubro Limited | 2 | 58 | 95,810.20 | - | - |
| Lee and Nee Software (Exports) Limited | 10 | 1,000 | 1,640.00 | - | - |
| Maan Aluminum Limited | 10 | 6,000 | 320,100.00 | - | - |
| Madras Cement Limited | 1 | 175 | 17,841.25 | 175 | 20,104.10 |
| Magnum Ventures Limited | 10 | 1,000 | 6,950.00 | 1,000 | 8,700.00 |
| Mahanagar Telephone Nigam Limited | 10 | - | - | 2 | 146.40 |
| Mahindra Forgings Limited | 10 | 1,000 | 65,700.00 | 250 | 28,237.50 |
| Mahindra Holiday & Resorts India Limited | 10 | 100 | 34,755.00 | - | - |
| Mahindra Lifespace Developers Limited | 10 | 605 | 215,563.55 | 730 | 279,322.90 |
| Man Industries (India) Limited | 5 | - | - | 1,250 | 88,862.20 |
| Mangalore Refinery & Petrochemicals Limited | 10 | - | - | 2,200 | 167,640.00 |
| Max India Limited | 2 | 5 | 798.75 | - | - |
| Mcleod Russel India Limited | 10 | - | - | 200 | 54,110.00 |
| Micro Technologies India Limited | 10 | 550 | 65,862.50 | - | - |
| MOIL Limited | 10 | 350 | 138,162.50 | - | - |
| Morarjee Textiles Limited | 10 | 1,265 | 21,821.25 | - | - |
| MPS Limited | 10 | - | - | 8,674 | 557,203.35 |
| Mukand Limited | 10 | 96,006 | 4,145,902.45 | 143,543 | 8,803,854.13 |
| Nagaarjuna Fertilizer & Chemicals Limited | 10 | 500 | 14,025.00 | - | - |
| Nahar Capital & Financial Services Limited | 5 | 7,027 | 494,700.80 | - | - |
| National Aluminum Co Limited | 10 | - | - | 5 | 1,875.00 |
| National Thermal Power Corporation Limited | 10 | - | - | 4 | 801.25 |
| Nectar Lifesciences Limited | 1 | - | - | 400 | 14,540.00 |
| Neyveli Lignite Corporation | 10 | - | - | 4 | 579.80 |
| NHPC Limited | 10 | 2,487 | 62,921.10 | - | - |
| NMDC Limited | 1 | - | - | 2,500 | 736,000.00 |
| Nocil Limited | 10 | 3,000 | 49,500.00 | 3,000 | 67,200.00 |
| Nuchem Limited | 10 | 1,000 | 4,900.00 | - | - |
| On Mobile Global Limited | 10 | 5 | 1,205.00 | - | - |
| Orchid Chemicals & Pharmaceuticals Limited | 10 | - | - | 6 | 923.40 |
| Orient Abrasives Limited | 1 | 1,000 | 32,000.00 | - | - |
| Orient Paper & Industries Limited | 1 | 6,968 | 371,532.97 | 7,118 | 334,613.85 |
| Paramount Communication Limited | 2 | 2,000 | 7,600.00 | 2,000 | 24,100.00 |
| Parsvnath Developers Limited | 5 | 175,000 | 5,413,272.60 | - | - |
| Patni Computer System Limited | 2 | 5 | 2,380.05 | - | - |
| Peninsula Land Limited | 2 | 500 | 29,625.00 | - | - |
| Pennar Aluminum Company Limited | 10 | 3,500 | 3,395.00 | 3,500 | 6,720.00 |
| Petronet LNG Limited | 10 | 46 | 5,295.55 | 55 | 3,871.45 |
| Pipavav Shipyard Limited | 10 | 12,666 | 964,101.55 | 12,400 | 806,457.75 |
| Piramal Healthcare Limited | 2 | 79 | 32,927.20 | - | - |
| Porwal Auto Components Limited | 10 | 3,000 | 26,970.00 | 3,000 | 44,880.00 |
| Power Grid Corporation Limited | 10 | 302 | 30,743.60 | 799 | 72,392.03 |
| Praj Industries Limited | 2 | 4 | 286.35 | 2 | 159.50 |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | <u>Face Value</u> | <u>2010-2011</u> | | <u>2009-2010</u> | |
|--|-------------------|------------------|-----------------|------------------|-----------------|
| | <u>in ₹</u> | <u>Qty.</u> | <u>Amount ₹</u> | <u>Qty.</u> | <u>Amount ₹</u> |
| Prajay Engineers Syndicate Limited | 10 | 400 | 5,100.00 | 400 | 10,800.00 |
| Prudential Sugar Corporation Limited | 10 | 200 | 274.00 | 200 | 274.00 |
| PTC India Limited | 10 | - | - | 4 | 424.00 |
| Punj Lloyd Limited | 2 | 1,250 | 80,812.50 | - | - |
| Punjab National Bank | 10 | - | - | 2 | 1,753.00 |
| Quadrant Televentures Limited | 10 | 2,000 | 8,080.00 | - | - |
| Rajshree Sugars & Chemicals Limited | 10 | - | - | 300 | 14,955.00 |
| Rama Newsprint & Papers Limited | 10 | - | - | 1 | 21.65 |
| Ramco System Limited | 10 | 29,007 | 3,045,735.00 | 63,255 | 5,889,336.90 |
| Ramsarup Industries Limited | 10 | 3,200 | 60,160.00 | - | - |
| Rana Sugars Limited | 1 | 20,000 | 114,000.00 | - | - |
| Ranbaxy Laboratories Limited | 5 | - | - | 100 | 45,589.50 |
| Rei Agro Limited | 1 | 500 | 11,650.00 | 500 | 24,800.00 |
| Reliance Capital Limited | 10 | - | - | 1 | 756.05 |
| Reliance Communication Limited | 5 | 550 | 51,759.70 | 3 | 479.00 |
| Reliance Industries Limited | 10 | 389 | 372,853.75 | 2 | 2,144.00 |
| Reliance Power Limited | 10 | 193 | 25,167.20 | 100 | 14,945.00 |
| MSK Projects (India) Limited | 10 | 100 | 6,750.00 | - | - |
| Reliance Natural Resources Limited | 5 | - | - | 3 | 186.15 |
| Revathi Equipment Limited | 10 | - | - | 977 | 644,087.25 |
| Rural Electrification Corporation Limited | 10 | 9 | 2,283.30 | 104 | 26,067.60 |
| Sahara Housing Finance Corporation Limited | 10 | 95 | 8,127.25 | 95 | 12,863.00 |
| Sanraa Media Limited | 1 | 50,000 | 5,000.00 | - | - |
| Satyam Computer Services Limited. | 2 | 15,600 | 1,024,920.00 | 200 | 18,470.00 |
| Sesa Goa Limited | 1 | - | - | 2 | 906.10 |
| Shah Alloy Limited | 10 | 500 | 6,225.00 | - | - |
| Shanti Gears Limited | 1 | 15,487 | 542,118.05 | - | - |
| Shipping Corporation of India Limited | 10 | 2,003 | 215,222.35 | - | - |
| Shoppers Stop Limited | 10 | 922 | 170,377.60 | 526 | 207,506.35 |
| Shree Ashtavinayak Cine Vision Limited | 1 | 7,000 | 44,450.00 | - | - |
| Shree Mahaganga Sugar Limited | 1 | 2,000 | 440.00 | 2,000 | 860.00 |
| Shree Renuka Sugars Limited | 1 | - | - | 5,006 | 356,927.80 |
| Shree Synthetics Limited | 10 | 20 | 19.00 | 20 | 19.00 |
| Shristi Infrastructure Development Corporation Limited | 10 | 200 | 32,830.00 | - | - |
| Sical Logistic Limited | 10 | 2,000 | 142,000.00 | 10,400 | 825,240.00 |
| Silverline Animation Technologies Limited | 10 | 80 | 842.40 | 80 | 1,076.80 |
| Simens Healthcare Diagnostic Limited | 10 | - | - | 506 | 667,440.25 |
| Simens Limited | 2 | - | - | 492 | 362,073.40 |
| Solar Industries (India) Limited | 10 | 16 | 6,790.82 | 16 | 6,790.82 |
| Sona Koyo Steering System Limited | 1 | 1,000 | 15,800.00 | - | - |
| SREI Infrastructure Finance Limited | 10 | 3 | 132.90 | 2,000 | 152,700.00 |
| State Bank Of India Limited | 10 | 16 | 44,244.80 | - | - |
| Steel Authority of India Limited | 10 | - | - | 1 | 239.00 |
| Ster Tools Limited | 2 | 48 | 4,740.00 | 48 | 4,536.00 |
| Strides Arcolab Limited | 10 | - | - | 300 | 101,625.00 |
| Suashish Diamonds Limited | 10 | 308 | 41,811.00 | - | - |
| Subex Limited | 10 | 300 | 16,155.00 | 200 | 4,540.00 |
| Sun Pharmaceuticals Industries Limited | 1 | 2 | 884.00 | 1 | 1,520.00 |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | Face Value | 2010-2011 | | 2009-2010 | |
|---|------------|-----------|---------------|-----------|---------------|
| | in ₹ | Qny. | Amount ₹ | Qny. | Amount ₹ |
| Supertex Industries Limited | 1 | 4,000 | 3,120.00 | - | - |
| Surat Textiles Mills Limited | 1 | 10,000 | 26,000.00 | 10,000 | 45,600.00 |
| Suzlon Energy Limited | 2 | 2,393 | 106,727.80 | 10,004 | 718,787.40 |
| Swil Limited | 10 | 7,866 | 17,855.82 | 7,866 | 35,239.68 |
| T Spiritual World Limited | 10 | 300 | 357.00 | 1,600 | 3,504.00 |
| Taneja Aerospace and Aviation Limited | 5 | 349 | 11,691.50 | 149,279 | 6,187,614.55 |
| Tanla Solution Limited | 1 | 500 | 8,325.00 | - | - |
| Tata Coffee Limited | 10 | 5 | 4,809.00 | - | - |
| Tata Consultancy Services Limited | 1 | - | - | - | - |
| Tata Motors Limited | 10 | 3 | 3,745.05 | 1 | 723.95 |
| Tata Power Company Limited | 10 | - | - | 2 | 2,714.45 |
| Tata Teleservices (Maharastra) Services Limited | 10 | 7,000 | 119,700.00 | 7,000 | 165,550.00 |
| Tech Mahindra Limited | 10 | 2 | 1,352.30 | - | - |
| TeleData Info Marin Limited | 2 | 1,000 | 2,120.00 | 1,000 | 5,030.00 |
| Teledata Technologies Limited | 2 | - | - | - | - |
| Temptation Food Limited | 10 | - | - | 9,869 | 298,537.25 |
| Texmo Pipe & Product Limited | 10 | - | - | 1,000 | 91,950.00 |
| The Great Eastern Shipping Limited | 10 | - | - | 2 | 524.00 |
| The Indian Hotels Company Limited | 1 | - | - | 1 | 101.00 |
| The State Trading Corporation Limited | 10 | - | - | 38 | 17,470.50 |
| Thinksoft Global Services Limited | 10 | - | - | 1,482 | 280,913.10 |
| Titan Industries Limited | 10 | 4 | 15,180.00 | 4 | 7,362.40 |
| Trigyn Technologies Limited | 10 | 2,500 | 50,375.00 | 2,500 | 50,750.00 |
| Unitech Limited | 2 | 3,097 | 115,207.65 | 1,603 | 114,428.90 |
| United Spirits Limited | 10 | - | - | 93 | 122,890.20 |
| Unity Infraprojects Limited | 10 | - | - | 300 | 179,835.00 |
| Valiant Communications Limited | 10 | 34,600 | 617,610.00 | 49,191 | 1,308,480.60 |
| Vijaya Bank Limited | 10 | - | - | 2 | 94.90 |
| Vinyl Chemicals (India) Limited | 1 | 1,000 | 8,800.00 | - | - |
| Voltamp Transformers Limited | 10 | 180 | 99,468.00 | - | - |
| Voltas Limited | 1 | 3 | 543.60 | - | - |
| Welspun Global Brands Limited | 10 | 100 | - | 100 | - |
| Welspun Investments Limited | 10 | 50 | - | 50 | - |
| Wendt (India) Limited | 10 | - | - | 2,379 | 1,616,728.00 |
| Wide India Limited | 10 | - | - | 14,144 | 4,494,238.00 |
| Wipro Limited | 2 | - | - | 2 | 1,335.00 |
| Wire & Wireless India Limited | 1 | 5,000 | 47,250.00 | 5,500 | 32,846.90 |
| Zee Learn Limited | 1 | 552 | 12,834.00 | - | - |
| Sub-Total - A | | 2,100,992 | 34,548,812.69 | 3,630,841 | 68,999,300.37 |
| Commodities | | | | | |
| Gold | | - | - | 1 Kg | 860,924.00 |
| E-Silver | | 100 gms | 5,002.80 | - | - |
| Sub-Total - B | | 100 gms | 5,002.80 | 1 Kg | 860,924.00 |
| TOTAL (A+B) | | | 34,553,815.49 | | 69,860,224.37 |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | <u>2010-2011</u> <u>Amount in (₹)</u> | <u>2009-2010</u> <u>Amount in (₹)</u> |
|--|--|--|
| <u>SCHEDULE - 'H'</u> | | |
| <u>SUNDRY DEBTORS</u> | | |
| Debts outstanding for a period exceeding Six months | 2,314,595.86 | 2,077,795.34 |
| Others | 52,510,394.16 | 8,320,385.86 |
| | 5,48,24,990.02 | 10,398,181.20 |
| Less: Provision for Bad & Doubtful Debts | 2,044,005.41 | 1,888,285.59 |
| TOTAL | 52,780,984.61 | 8,509,895.61 |
| <u>SCHEDULE - 'I'</u> | | |
| <u>CASH & BANK BALANCES</u> | | |
| Cash in hand (As certified by the management) | 1,326,954.25 | 1,607,066.45 |
| Cheque In Hand | 10,919,651.23 | 45,240.00 |
| Balance with Scheduled Banks | | |
| - On Current Account | 20,889,810.24 | 24,319,018.27 |
| - On Fixed deposit Account | 189,187,500.00 | 204,428,400.13 |
| TOTAL | 222,323,915.72 | 230,399,724.85 |
| <u>SCHEDULE - 'J'</u> | | |
| <u>OTHER CURRENT ASSETS</u> | | |
| Dividend Receivable | 260.00 | 50,110.00 |
| Income Tax Receivable | 220,127.00 | - |
| Interest Receivable | 3,266,022.81 | 5,376,211.35 |
| TOTAL | 3,486,409.81 | 5,426,321.35 |
| <u>SCHEDULE - 'K'</u> | | |
| <u>LOANS & ADVANCES</u> | | |
| (Recoverable in cash or in kind or for value to be received) | | |
| LOAN GIVEN | 500,000.00 | 1,600,000.00 |
| ADVANCES | | |
| Income Tax | 16,065,134.16 | 14,022,492.81 |
| Fringe Benefit Tax | 376,639.00 | 682,754.00 |
| Prepaid Expenses | 3,308,784.00 | 3,831,274.82 |
| Margin with Exchange | 19,600,000.00 | 5,800,000.00 |
| Other Advances | 44,350,036.86 | 34,704,813.19 |
| DEPOSITS | | |
| Deposits With Exchange | 42,325,000.00 | 42,415,000.00 |
| Telephone Deposits | 149,944.92 | 151,244.92 |
| Electricity Deposits | 968,569.00 | 933,493.00 |
| Security Deposits For Office | 8,095,650.00 | 9,645,650.00 |
| Other Deposits | 25,679,689.40 | 17,086,378.00 |
| TOTAL | 161,419,447.34 | 130,873,100.74 |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | <u>2010-2011</u> <u>Amount in (₹)</u> | <u>2009-2010</u> <u>Amount in (₹)</u> |
|--|--|--|
| <u>SCHEDULE - 'L'</u> | | |
| <u>Current Liabilities</u> | | |
| Sundry Creditors for Goods | 2,500,793.60 | 2,733,619.11 |
| Sundry Creditors for Expenses and others | 9,968,219.69 | 10,765,583.42 |
| Advances Received from clients | 104,127.61 | 194,118.82 |
| Option Premium Received | - | 11,272.90 |
| Margin from Clients | 59,814,000.00 | 41,985,400.00 |
| Book Overdraft With Banks | 30,381,705.15 | 115,718.91 |
| Mark to Market Margin | 1,039,338.30 | 925,151.76 |
| TOTAL | <u>103,808,184.35</u> | <u>56,730,864.92</u> |
| <u>SCHEDULE - 'M'</u> | | |
| <u>Provisions</u> | | |
| Provision for Gratuity | 603,924.00 | 342,898.00 |
| Provision for Income Tax | 5,123,807.00 | 5,650,410.00 |
| Provision for Fringe Benefit Tax | 375,454.00 | 693,338.00 |
| Contingent Provision for Standard Assets | 1,250.00 | - |
| SUB - TOTAL : - A | <u>6,104,435.00</u> | <u>6,686,646.00</u> |
| Proposed Dividend | 4,983,000.00 | 4,983,000.00 |
| Provision for Dividend Tax | 808,368.00 | 827,614.00 |
| SUB - TOTAL : - B | <u>5,791,368.00</u> | <u>5,810,614.00</u> |
| TOTAL :- (A+B) | <u>11,895,803.00</u> | <u>12,497,260.00</u> |
| <u>SCHEDULE - 'N'</u> | | |
| <u>Income from Operation</u> | | |
| Sales | 586,340,347.66 | 1,213,278,425.14 |
| Closing Stock | 34,553,815.49 | 69,860,224.37 |
| Profit/(Loss) from Future & Option Dealing | 209,448,904.62 | 203,416,363.84 |
| Profit/(Loss) from Commodity Dealing | 3,000,603.00 | 5,070,342.55 |
| Profit/(Loss) from Currency Dealing | 6,666,312.50 | (139,847.50) |
| | <u>840,009,983.27</u> | <u>1,491,485,508.40</u> |
| Less: Purchases | 551,659,310.24 | 1,241,966,596.21 |
| Less: Opening Stock | 69,860,224.37 | 20,963,968.47 |
| Less: Profit/(Loss) from Share Dealing | 24,393,415.24 | 3,976,635.71 |
| TOTAL | <u>194,097,033.42</u> | <u>224,578,308.01</u> |
| <u>SCHEDULE - 'O'</u> | | |
| <u>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</u> | | |
| Salary & Bonus | 40,518,397.00 | 36,099,577.00 |
| Contribution to Provident Fund, ESI & Gratuity | 1,463,499.00 | 988,019.00 |
| Staff Welfare | 2,954,056.25 | 2,440,020.27 |
| TOTAL | <u>44,935,952.25</u> | <u>39,527,616.27</u> |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | <u>2010-2011</u> | <u>2009-2010</u> |
|--|-----------------------|-----------------------|
| | <u>Amount in (₹)</u> | <u>Amount in (₹)</u> |
| <u>SCHEDULE - 'P'</u> | | |
| <u>OTHER EXPENSES</u> | | |
| Advertisement | 147,556.94 | 125,298.27 |
| Auditors Remuneration | 184,339.00 | 179,648.00 |
| Bank Charges and Guarantee Commission | 3,448,410.24 | 3,845,563.33 |
| Books & Periodicals | 58,838.02 | 55,780.46 |
| Broker Note Stamp Expenses | 1,664,244.28 | 2,071,081.91 |
| Bad Debts | - | 1,472.99 |
| Car Expenses | 383,214.96 | 258,671.63 |
| Communication(including V-SAT) Expenses | 8,566,703.32 | 8,928,467.16 |
| Computer & Software Expenses | 5,583,040.24 | 4,218,975.44 |
| Depository Charges | 105,055.51 | 59,950.16 |
| Delivery & Warehouse Charges | 7,166.97 | 4,031.47 |
| Donation | 1,760,900.00 | 923,620.00 |
| Electricity Charges | 5,266,452.45 | 4,734,452.23 |
| Fees & Subscription | 1,631,354.16 | 2,014,164.62 |
| Foreign Exchange Fluctuation | - | - |
| General Expenses | 958,399.34 | 677,955.01 |
| Insurance Charges | 272,563.33 | 396,614.67 |
| Internal Audit Fees | 179,004.00 | 239,010.60 |
| NSDL/ CDSL Charges | 421,950.08 | 533,548.02 |
| NSE, BSE, CSE & SEBI Expenses | 30,265,868.04 | 28,047,336.91 |
| NCDEX & MCX Charges | 2,791,430.05 | 3,463,050.47 |
| Postage & Couriers | 512,897.79 | 493,891.25 |
| Provision for Bad & Doubtful Debts | 155,719.82 | 127,353.84 |
| Contingent Provision for Standard Assets | 1,250.00 | - |
| Printing & Stationery | 1,899,814.45 | 1,108,477.70 |
| Professional Charges | 54,058,662.00 | 43,410,855.00 |
| Legal & Professional Fees | 1,296,545.00 | 1,662,300.00 |
| Loss on Sales of Fixed Assets | - | - |
| Rates & Taxes | 727,546.96 | 723,104.69 |
| Registration & Share Transfer Expenses | 16,763.00 | 15,564.86 |
| Rent | 3,959,999.21 | 3,668,193.68 |
| Repairs & Maintenance | | |
| - Machinery | 1,611,084.20 | 1,130,193.02 |
| - Building | 1,428,814.93 | 1,297,726.46 |
| - Others | 1,588,101.20 | 1,400,832.99 |
| Service Tax | - | - |
| Sub Brokerage | 255,281.16 | 313,699.90 |
| Sales Promotion | 727,201.76 | 176,508.00 |
| Training Charges | 161,370.00 | 198,600.00 |
| Traveling & Conveyance Expenses | 2,118,267.06 | 1,635,094.33 |
| TOTAL | 134,215,809.47 | 118,141,089.07 |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - Q

A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

Significant Accounting Policies

(a) Basis of Consolidation

The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) – “Consolidated Financial Statements”, notified by the Companies (Accounting Standards) Rules 2006.

The consolidated financial statements have been prepared applying uniform accounting policies for like transaction and events in similar circumstances and appropriate adjustments are made if the differences in accounting policies have a material impact.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and transactions resulting in unrealized profit/loss.

The excess of cost of investment over the Company's share in the net assets of subsidiaries at the date on which investment is made is recognized as 'goodwill' and the excess of the company share over the cost of investment is treated as Capital Reserve. Capital Reserve is separately disclosed after netting of Goodwill in the Consolidated Financial Statements.

(b) Fixed Assets & Depreciation

(i) Fixed Assets are stated at their original cost of acquisition less accumulated depreciation.

(ii) Depreciation on fixed assets has been provided under written down value method on pro-rata basis as per rate prescribed under Schedule XIV of the Companies Act, 1956.

(iii) Intangible assets has been amortized over a period of four financial year.

(c) Inventory

Inventories are valued at lower of cost or market price. The costs of the shares are determined on First in & First out Basis.

(d) Investments

Long term Investments are stated at cost less provision for diminution in the value other than temporary, in the value of Investments.

(e) Revenue Recognition:

(i) Income from Brokerage is recognized on the trade date of transaction..

(ii) Dividend income is recognized when the right to receive the income is established.

(f) Retirement Benefit

(i) Defined Contribution Plan:

Company's contribution paid/payable during the year to the Provident Fund is charged to Profit and Loss Account. The Company's contribution to Employee's State Insurance Scheme are also charged to Profit & Loss Account of the year to which the contributions relate.

(ii) Defined Benefit Plan:

The Company has opted for a Group Gratuity-cum Life Assurance Scheme of the Life Insurance Corporation of India (LIC), and contribution towards gratuity liability as determined by LIC is charged to the Profit & Loss Account. As far as company's liabilities towards leave encashment, company has the policy of paying the leave encashment at the end of the financial year.

(g) Taxation

Provision of current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates as applicable. The deferred tax charge is recognized using the enacted tax rate. Deferred Tax Assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each balance sheet date the Company re- assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**B. Notes on Accounts**

1. Details of subsidiaries included in the Consolidated Financial Statements :

| Name of the Subsidiary Companies | Country of Incorporation | Share in Ownership |
|---|--------------------------|--------------------|
| Trade City Securities Pvt. Ltd. | India | 100% |
| Trade City Real Estate Pvt. Ltd. (Formerly : Choudhary Distributors Pvt. Ltd.) | India | 100% |
| Trade City Commodities Pvt. Ltd. (Formerly : Lohia Commodities Pvt. Ltd.) | India | 100% |
| Trade City Barter Pvt. Ltd. (Formerly : Ratnagiri Barter Pvt. Ltd.) | India | 100% |

2. The details as required under general circular no. 2/2011 dated 8th February 2011 issued by ministry of Corporate Affairs for each subsidiary are as follow :-

Amount in (₹)

| Particulars | Trade City Securities (P) Limited | Trade City Real Estate (P) Ltd. | Trade City Commodities (P) Ltd. | Trade City Barter (P) Ltd. |
|-------------------------------|-----------------------------------|---------------------------------|---------------------------------|----------------------------|
| Share Capital | 2,50,00,000 | 1,45,00,000 | 1,05,50,000 | 42,52,000 |
| Reserves | (41,36,224) | 3,51,39,825 | 82,35,065 | 50,30,872 |
| Total Assets | 7,34,40,166 | 5,20,08,965 | 3,94,38,447 | 1,64,61,374 |
| Total Liabilities | 7,34,40,166 | 5,20,08,965 | 3,94,38,447 | 1,64,61,374 |
| Investment | Nil | | Nil | |
| - In Land | --- | 7,45,199 | --- | --- |
| - In Equity Shares | --- | --- | --- | 30,00,000 |
| Turnover | 1,90,00,798 | 14,13,856 | 49,37,933 | 96,704 |
| Profit Before Tax | (31,90,476) | 2,22,674 | (13,08,859) | (16,92,218) |
| Provision for Taxation | | | | |
| - Current Tax | Nil | (1,04,000) | Nil | Nil |
| -Deferred Tax | 8,78,024 | (27,800) | 6,44,786 | 5,55,232 |
| -Income Tax for Earlier Years | - | 205 | (3,59,308) | 2,813 |
| Profit After Taxation* | (23,12,452) | 91,043 | (10,23,381) | (11,34,174) |
| Proposed Dividend | Nil | Nil | Nil | Nil |

3. Contingent Liability :

| Particulars | As at 31.03.2011 (₹) |
|---------------------|----------------------|
| Bank Guarantee | 22,08,75,000/- |
| Corporate Guarantee | 5,00,00,000/- |
| Capital Commitment | 1,98,09,448/- |
| Income Tax | 3,11,07,921/- |
| Propessional Tax | 15,200/- |

SCHEDULES ATTACHED AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

4. As M/S. Trade City Barter Pvt. Ltd. have 2,05,000 equity shares of Lohia Securities Limited, henceforth Share Capital of the company to the extent held by Trade City Barter Pvt. Ltd. has been reduced during consolidation.
5. Components of Deferred Tax Liability (Net) shown in the Balance Sheet is as follow :

| Particulars | As at 31.03.2010 (₹) | For the year | As at 31.03.2011 (₹) |
|--|-----------------------|---------------------|-----------------------|
| Liability Items : | | | |
| Depreciation | (22,49,429.00) | 5,14,796.00 | (17,34,633.00) |
| Total | (22,49,429.00) | 5,14,796.00 | (17,34,633.00) |
| Assets Items : | | | |
| Carried Forward Loss | 38,00,057.00 | 39,26,794.00 | 77,26,851.00 |
| Total | 38,00,057.00 | 39,26,794.00 | 77,26,851.00 |
| Deferred Tax (Liabilities) / Assets (Net) | 15,50,628.00 | 44,41,590.00 | 59,92,218.00 |

As per our attached report of even date

For PATNI & CO.

Chartered Accountants

sd/- **S. Sureka**

Partner

Membership No. 57918

Firm Regn. No. 320304E

Place : Kolkata

Date : 30th May, 2011

For and on behalf of Board of Directors

sd/-

Narendra Kumar Rai

Company Secretary

sd/-

Rajesh Kumar Bajaj

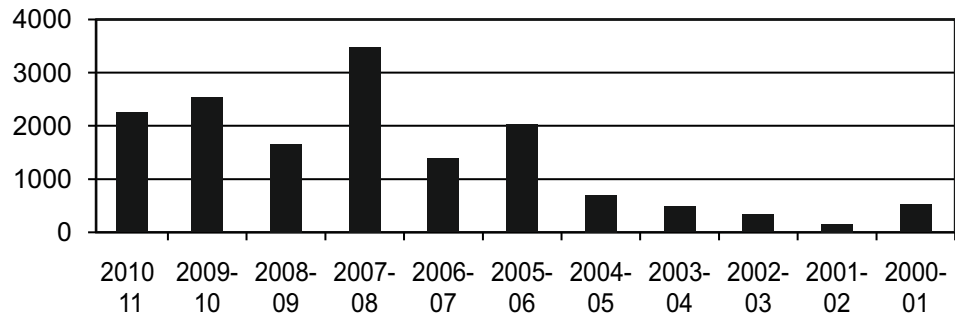
Managing Director

sd/-

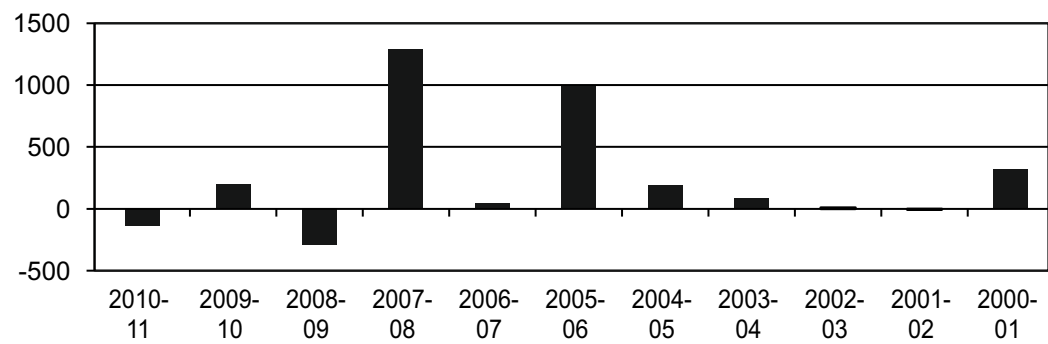
Sudheer Kumar Jain

Whole-time Director

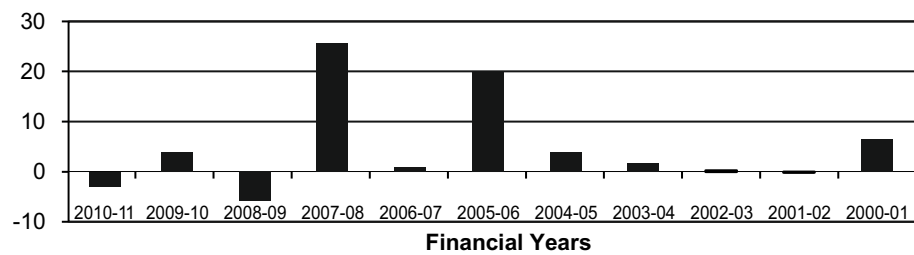
Total Income



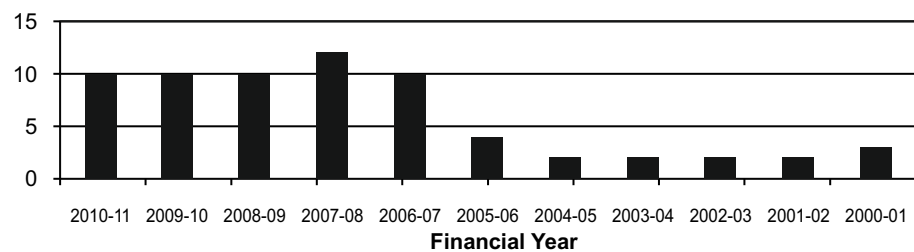
PAT



Basic EPS (Rs.)



Dividend (%)



Financial Snapshot
Lohia Securities Limited
Standalone
Financial Years

(₹ in lacs)

| Particulars | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 | 2000-01 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|
| Total Income | 2221.01 | 2,534.32 | 1,652.39 | 3,491.66 | 1,387.24 | 2,025.86 | 705.45 | 485.06 | 338.21 | 150.50 | 525.75 |
| Employee Cost | 333.79 | 300.94 | 391.72 | 241.35 | 124.00 | 55.31 | 20.65 | 17.68 | 14.66 | 14.57 | 12.11 |
| Administration & other Expenses | 1817.01 | 1,680.80 | 1,408.84 | 846.63 | 487.08 | 442.82 | 319.84 | 282.92 | 259.56 | 102.10 | 133.06 |
| EBITDA | 70.21 | 552.58 | (148.17) | 2,403.68 | 776.16 | 1,527.73 | 364.97 | 184.46 | 63.99 | 33.83 | 380.57 |
| Interest | 117.06 | 91.31 | 133.38 | 109.34 | 72.86 | 60.84 | 40.97 | 24.67 | 15.29 | 10.30 | 29.04 |
| Depreciation | 92.43 | 110.73 | 140.95 | 137.03 | 49.65 | 45.40 | 38.06 | 33.69 | 36.34 | 33.40 | 24.09 |
| PBT | (139.28) | 350.54 | (422.50) | 2,157.30 | 653.65 | 1,421.49 | 285.95 | 126.10 | 12.36 | (9.87) | 327.44 |
| Tax | (22.72) | 152.98 | (131.79) | 872.85 | 607.32 | 428.49 | 97.22 | 39.52 | 2.66 | (3.35) | 8.64 |
| PAT | (116.56) | 197.56 | (290.71) | 1,284.45 | 46.33 | 993.00 | 188.72 | 86.58 | 9.70 | (6.52) | 318.80 |
| Equity Share Capital | 498.73 | 498.73 | 498.73 | 498.10 | 497.96 | 497.78 | 497.78 | 497.78 | 497.72 | 497.72 | 488.77 |
| Reserves & Surplus | 2547.70 | 2,722.17 | 2,582.71 | 2,931.06 | 1,716.44 | 1,728.43 | 758.24 | 580.94 | 506.22 | 507.79 | 522.26 |
| NetWorth | 3046.43 | 3,220.61 | 3,080.36 | 3,427.37 | 2,214.14 | 2,226.11 | 1,255.64 | 1,076.86 | 1,000.15 | 999.40 | 1002.60 |
| Basic EPS (Rs.) | (2.34) | 3.96 | (5.83) | 25.69 | 0.93 | 19.86 | 3.77 | 1.74 | 0.19 | (0.13) | 6.52 |
| NPM(%) | (5.25) | 7.80 | (17.59) | 36.79 | 3.34 | 49.02 | 26.75 | 17.85 | 2.87 | (4.33) | 60.64 |
| RONW (%) | (3.83) | 6.13 | (9.44) | 37.48 | 2.09 | 44.61 | 15.03 | 8.04 | 0.97 | (0.65) | 31.80 |
| Dividend (%) | 10 | 10 | 10 | 12 | 10 | 4 | 2 | 2 | 2 | 2 | 3 |

LOHIA SECURITIES LIMITED

Registered Office:6, Lyons Range,1st Floor,Kolkata-700001

Serial No.

ATTENDANCE SLIP

| | | |
|--|--|--|
| | DP | |
| | Client Id* | |
| | Regd. Folio No. | |
| | *Applicable if shares are held in electronic form. | |

I/We hereby record my/our presence at the 17th ANNUAL GENERAL MEETING of the Company on Saturday, the 17th day of September, 2011, at 4, brabourne Road, 5th Floor, Kolkata 700001 at 10:30 A.M.

Signature of the Shareholder/Proxy present: _____

Name of the Proxy holder (where applicable) Mr./Ms.: _____

Notes:

1. Shareholder/Proxy holder is requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the entrance gate after affixing their signature on it.
2. Shareholder/Proxy holder who come to attend the meeting is requested to bring their copy of the Annual Report with them.
3. Every person holding equity share of the company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be a member of the company.

LOHIA SECURITIES LIMITED

Registered Office:6, Lyons Range,1st Floor,Kolkata-700001

Serial No.

PROXY FORM

| | |
|--|--|
| DP | |
| Client Id* | |
| Regd. Folio No. | |
| *Applicable if shares are held in electronic form. | |

I/We of
.....in the district of.....being a member/
members of Lohia Securities Limited hereby appoint.....of
.....in the district of.....failing him
.....of.....in the district.....as my/our
proxy to vote for me/us on my/ our behalf at the 17th ANNUAL GENERAL MEETING of the Company to
be held on Saturday, the 17th September, 2011, at 10.30 A.M. and at any adjournment thereof.

For Office Use only

Proxy No. :

No. of Shares :

Signature (s) _____

Affix
Re 1/-
Revenue
Stamp

Notes:

1. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
2. In case of joint shareholding the proxy is required to be signed by all the members.
3. Every person holding equity share of the company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be a member of the Company.

