



Stocknet International Ltd.

**29th
Annual Report
2010 – 2011**

STOCKNET INTERNATIONAL LIMITED

Regd. Office: Amritdham Suite No. 5 & 6, P.O. Danesh Sekh Lane, Nityannad
Nagar, Bakultolla, Howrah –711 109.

NOTICE

NOTICE is hereby given that the Twenty Nine Annual General Meeting of **M/s STOCKNET INTERNATIONAL LIMITED** will be held on Friday, the 30th day of September, 2011 at its registered office at 11.00 A.M. to transact the following businesses:-

AS ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2011 and Profit & Loss Account for the period ended on that date, together with the report of the Directors and Auditors thereon.
- 2 To appointment of Director in place of Mr. G. Taparia who retire by rotation and being eligible offer himself for re-appointment.
3. To appoint the Auditor to hold office from the conclusion of this ensuing annual general meeting until the conclusion of the next Annual General Meeting.

AS SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:-

“RESOLVED THAT Mr. Ram Chandra Singh who was appointed an additional director of the Company by the Board of Directors in the Board Meeting held on 09.06.2011 and who holds office up to the date of the ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956, in respect of whom the Company has received notices from a few members proposing his candidature for the office of the director, be appointed a Director of the Company”

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:-

“RESOLVED THAT Mr. N. K. Pal who was appointed an additional director of the Company by the Board of Directors in the Board Meeting held on 09.06.2011 and who holds office up to the date of the ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956, in respect of whom the Company has received notices from a few members proposing his candidature for the office of the director, be appointed a Director of the Company”

By order of the Board

R. C. Singh
(Director)

Place: Howrah
Date: 02nd August 2011

STOCKNET INTERNATIONAL LIMITED

Notes:-

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. Proxies in order to be effective should be lodged with the company at the Registered Office of the Company not less than 48 hours before the start of the meeting.
3. Members are requested to notify the change, if any, in their address quoting their folio numbers.
4. The Register of Members and the share transfer books will remain closed from 26th day of September, 2011 to 30th day September, 2011 both days inclusive.

Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 with regard to the special business as set out in the accompanying notice.

Item No. 4

Mr. Ram Chandra Singh was appointed additional Director by the Board of Directors of the Company at their meeting held on 09.06.2011 pursuant to Section 260 of the Companies Act, 1956. Mr. Ram Chandra Singh shall hold office of the Additional Director up to the date of the ensuing Annual General Meeting. Notices have been received under Section 257 of the Companies Act, 1956 from some members of your Company signifying their intention proposing the appointment of Mr. Ram Chandra Singh a Director of your Company as set out under proposed Resolution No. 4.

The Board recommends the proposed Resolution No. 4 for your approval. None of the Director except the director whose name is proposed to be appointed a director, is directly or indirectly concerned or interested in the resolutions.

Item No. 5

Mr. N. K. Pal was appointed additional Director by the Board of Directors of the Company at their meeting held on 09.06.2011 pursuant to Section 260 of the Companies Act, 1956. Mr. N. K. Pal shall hold office of the Additional Director up to the date of the ensuing Annual General Meeting. Notices have been received under Section 257 of the Companies Act, 1956 from some members of your Company signifying their intention proposing the appointment of Mr. N. K. Pal a Director of your Company as set out under proposed Resolution No. 5.

The Board recommends the proposed Resolution No. 5 for your approval. None of the Director except the director whose name is proposed to be appointed a director, is directly or indirectly concerned or interested in the resolutions.

STOCKNET INTERNATIONAL LIMITED

Regd. Office: Amritdham Suite No. 5 & 6, P.O. Danesh Seikh Lane, Nityannad
Nagar, Bakultolla, Howrah -711 109.

Report of the Directors to the members of the Company

To
The Members,

Your Directors have pleasure in presenting the Twenty Nine Annual Report on the business and operations of your Company and the Audited Financial Results for the period ended 31st March 2011.

Financial Results	Y.E. 31.03.2011	Y.E. 31.03.2010
Operating Profit (PBIT)	(5777175.00)	254198.00
Less: Depreciation & Interest	151032.00	164003.00
Profit/(Loss) before tax	(5928207.00)	90195.00
Less: Taxation	1898.00	8530.00
Less : Fringe Benefit Tax	--	2057.00
Profit /(Loss) after Tax	(5930105.00)	79608.00
Balance brought forward	(4380823.00)	(4460431.00)
Balance carried to B/S	(10310928.00)	(4380823.00)

Dividend:-

In view of Loss for the period under review, your Directors do not recommend any dividend.

Fixed Deposits:-

During the period under the review, the Company did not accept or invite any deposit from public under the provisions of section 58A of the Companies Act, 1956 and the Rules made thereunder and therefore the question of compliance or otherwise does not arise.

Directors:-

Pursuant to provision of Section 256 of the Companies Act,1956 Mr. G. Taparia retires by rotation but being eligible offer himself for re-appointment.

Mr. Ram Chandra Singh and Mr. N. K. Pal were appointed an additional Director of the Company.

Mr. Harindra S. Hegde and Mr. A. Bajpaye resigned from the office of the Directors of the Company and the same was notified to the Registrar of Companies u/s. 303 of the Companies Act 1956. Your directors wish to place on record their appreciation for the able and efficient manner in which services were rendered by Mr. H. Hegde and Mr. A. Bajpaye during their association with the company in the office of Director.

STOCKNET INTERNATIONAL LIMITED

Directors' Responsibility Statement

In accordance with the requirements of Section 217 (2AA) of the Companies Act, 1956, your Directors wish to confirm the following:

i) that the applicable accounting standards have been followed in the preparation of the annual accounts;

ii) that 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 for the period under review;

iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) that the Directors have prepared the accounts for the period ended 31.03.2011 on a going concern basis

Other Aspects

Provisions relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are not applicable to your Company.

Particulars of Employees

The particulars as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, do not apply to your company as there was no employee drawing remuneration in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956 during the period ended 31st March, 2011.

Auditors & Auditors Report

The statutory Auditors of the Company M/s. Naushad Ahmed & Co., Chartered Accountants, Kolkata, hold office until the conclusion of the forthcoming Annual General Meeting of the company and being eligible offer themselves for reappointment.

Corporate Governance

The Auditors M/s. Naushad Ahmed & Co., have certified the Company's compliance of the requirements of Corporate Governance in terms of clause 49 of the Listing Agreement. The said certificate together with the management's discussion and analysis report, is attached which forms part of this report.

Acknowledgement

Your Directors wish to place on record their appreciation for the support of members of your company, the customers and constituents and the staff members of your company.

By order of the Board

R. C. Singh
(Director)

Place: Howrah

Date: 02nd August 2011

Stocknet International Limited

Regd. Office: Amritdham Suite No. 5 & 6, P.O. Danesh Sekh Lane, Nityanand Nagar, Bakultolla, Howrah –711 109.

CORPORATE GOVERNANCE REPORT

This report on Corporate Governance forms part of the report of the Directors to the members. This report complies with the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges and also provides a window through which one can view the constitution and functioning of the organization in its march to achieve its stated objectives.

Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance envisages the attainment of the highest level of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including members, employees, the government and lenders. Your company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time. The Company's Corporate Governance policies recognize the Company's commitment to good and efficient Corporate Governance. The Board of Directors - the Company's high policy making body is committed in its responsibility for all decisions to all constituents, including investors, employees and regulatory authorities. The Company recognizes that the members are ultimately the persons who are catalysts to the economic activities and also the ultimate beneficiaries thereof.

Composition of Board

The Board, currently has, four members (who are suitably qualified, experienced, and competent), and periodically reviews the need for its expansion. As per the current Articles of Association of the Company, the Board can have a maximum up to 12 (Twelve) Directors.

The Board has been constituted in a manner, which will result in appropriate mix of executive and independent directors. This has been done to preserve the independence of the Board and to separate the Board functions of policy decisions and governance and the day-to-day management. The Board functions either as a full-fledged Board or through committee. Policy formulation, setting up the goals, evaluation of the performances and control functions vest with the Board, while the committee oversees operational issues. The current Board has one independent director and two executive directors.

Eight meetings of the Board of Director were held during the year under review on 06.04.2010, 27.04.2010, 12.07.2010, 20.07.2010, 30.07.2010, 28.08.2010, 29.10.2010 and 27.01.2011.

The name of members of the Board of Directors, their attendance at eight board meetings and the number of their directorship are set out below:

Name of the Board Member	Board meeting attended during the year	Attendance at Last AGM	Number of Other directorship (Indian & foreign)
Mr. Harendra Hegde	8	Present	-
Mr. Ashutosh Bajpaye	8	Present	-
Mr. Ghanshyam Taparia	8	Present	-

Committee of Directors

The board of Directors provides guidance to operating management on policy matters as well as in the monitoring of the action of operating management. This involvement is formalized through the constitution of designated committee of Board. The committees are intended to provide regular exchange of information and ideas between the Board and operating management.

Audit Committee

To provide assistance to the Board of Directors of the Company the Audit committee was constituted. It consists of Chairman and two other members. The Chairman of the Audit Committee is independent Non-Executive Director. The Audit Committee provides direction to and oversees the Audit and the Risk Management functions, reviews the financial accounts, interacts with statutory auditors and reviews matters of special interest.

Composition, Name of Members, Chairman and other Details

1. Mr. Harendra Hagde (Chairman)
2. Mr. Ashutosh Bajpaye
3. Mr. Ghanshyam Taparia

Meeting and Attendance during the Year

Members	Meeting Held During the Tenure of Directors	Meetings Attended
Mr. Harendra Hagde	5	5
Mr. Ashutosh Bajpaye	5	4
Mr. Ghanshyam Taparia	5	5

General Body Meeting

Location and time for the last three Annual General Meetings

Description of Meeting	Location	Date	Time
26 th AGM	Amrit Dham, Suite No. 5 & 6, P.O. Danesh Sekh Lane, Nityanand Nagar, Bakultolla, Howrah-711109	24 th September 2008	11:00 A.M.
27 th AGM	AmritDham, Suite No. 5 & 6, P.O. Danesh Sekh Lane, Nityanand Nagar, Bakultolla, Howrah-711109	25 th September 2009	11.00 A.M.
28 th AGM	AmritDham, Suite No. 5 & 6, P.O. Danesh Sekh Lane, Nityanand Nagar, Bakultolla, Howrah-711109	27 th September 2010	11.00 A.M.

No postal ballots were used / invited for voting at the above meetings. There were no special resolutions to be passed. There is no proposal to pass any special resolution by Postal Ballots at the ensuing Annual General Meeting.

Location and time for the last three Extra-ordinary General Meetings:-

Date	Time	Venue
27.01.2011	10.00	At Registered Office

General shareholder Information

Compliance Officer : Mr. N. K. Pal

(a) Twenty eighthth Annual General Meeting

Date : 30th September, 2011
Time : 11.00 A.M.
Venue Amrit Dham, Suite No. 5 & 6, P.O. Danesh
Sekh Lane, Nityanand Nagar, Bakultolla,
Howrah – 711 109.

(b) Financial Calendar

Publication of Unaudited Results:

Quarter ending	3rd / 4th week of
June 30, 2010	July, 2010
September 30, 2010	October, 2010
December 31, 2010	January, 2011
March 31, 2011	April, 2011

(c) Book Closure Date : 26.09.2011 to 30.09.2011.
(Both days inclusive)

(d) Listing on Stock Exchanges

The Equity Shares of the Company are listed on The Stock Exchange, Mumbai, and Calcutta Stock Exchange Association Limited. The Company confirms that it has paid annual listing fees to The Stock Exchange, Mumbai and Calcutta Stock Exchange Association Limited, for the year 2011-12.

(e) Stock Code

The stock codes of the shares listed at the Stock Exchanges are given below:-

Name of the Company	Code
(i) The Stock Exchange, Mumbai	512640
(ii) Calcutta Stock Exchange Association Limited	10015092

(f) **Market Price Data**

The high & low of the share price of the Company during each month in the last financial year at the Stock Exchange, Mumbai are as follows:

Month	High	Low
April 2010	1.92	1.42
May 2010	2.07	1.46
June 2010	1.77	1.43
July 2010	1.74	1.42
August 2010	1.69	1.34
September 2010	1.84	1.32
October 2010	1.84	1.40
November 2010	1.78	1.17
December 2010	2.13	1.15
January 2011	2.24	1.50
February 2011	1.56	1.17
March 2011	2.13	1.29

(g) **Name of depository with whom the Company has entered into Agreement**

The Company has signed the Agreements with National Securities Depository Limited and Central Depository Services (India) Limited.

(h) **Registrar and Transfer Agents:-**

For Physical Shares: ABS Consultants Private Limited.
99, Stephen House,
4, B. B. D. Bagh (E),
Kolkata – 700 001.

(i) **Share Transfer System**

Transfer of Shares, splitting/consolidation of share certificates and issue of duplicate shares is delegated to a Share Transfer Committee consisting of Mr Harendra Hegde (Director) and Mr. Binit Kumar Shukla, Mr. Bachh Raj Kothari members. During the year under report Share Transfer Committee met Seven (Seven) Times.

(j) **Distribution of Shareholding**

The Distribution of shareholding as on 31st March 2011, is as follows:-

No. of Shares From	To	No. of Shareholders	%	No. of Shares	%
0	500	1247	46.24	345674	6.28
501	1000	621	23.03	575078	10.46
1001	2000	328	12.16	561516	10.03
2001	3000	153	5.67	413816	7.52
3001	4000	67	2.48	244582	4.45
4001	5000	97	3.60	471371	8.57
5001	10000	106	3.93	817991	14.87
10001	Above	78	2.89	2080422	37.82
Total		2781	100.00	5500350	100.00

(k) **Shareholding pattern as on 31st March, 2011:**

Category	No. of Shares	%
Nationalized Banks	-	-
Mutual Funds	-	-
NRIs / OCBs	-	-
Directors & Relatives and Bodies Corporate	1700	0.03
Other Bodies Corporate	492420	8.95
Public	5006230	91.02
Total	5500350	100.00

(l) **Dematerialisation of Shareholding**

As per the directions of SEBI the company's shares are in dematerialised form. So the shareholders have the option to hold/ trade their shares in the electronic mode. To enable the shareholders to have an easy access to the demat system the company has executed agreements with National securities depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL).

(m) **Address for Correspondence**

Registered Office:-

Amrit Dham, Suite No. 5 & 6, P.O. Danesh Sekh Lane,
Nityanand Nagar, Bakultolla, Howrah – 711 109.

Disclosures

The Company has entered into certain transaction with Companies in which the Directors or the Management or their relatives, etc., have interest. However, these transactions are of routine nature and do not have any potential conflict with the interest of the Company at large.

There is neither any non-compliance with any of the legal provision of law by the Company nor any penalty or stricture imposed by the Stock Exchange / SEBI / any other statutory authority, on matter related to the capital markets, during the last three years.

Means of communication

Information like Quarterly Financial Results and press releases on significant developments of the Company have been made available from time to time to the press and have also been submitted to the Stock Exchanges to enable them to put on their Web Sites. The quarterly Financial Results are published in English and Vernacular newspapers.

**AUDITORS' CERTIFICATE TO THE MEMBERS OF
M/S. STOCKNET INTERNATIONAL LIMITED**

We have examined the compliance of conditions of Corporate Governance by Stocknet International Limited, for the year ended 31st March 2011, as stipulated in clause 49 of the listing agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. 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 and the representations made by the Directors, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that on the report issued by the Registrars of the Company to the Share holders/ Investor Grievance Committee, as on 31st March 2011, there were no investor grievance matters against the Company remaining unattended / pending for more than 30 days.

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

For Naushad Ahmed & Co.
Chartered Accountants

Naushad Ahmed
(Proprietor)

Membership No : 067438
Firm Regn. No.: 326812E

Place : Kolkata
Date : 2nd August, 2011

To
The Members
STOCKNET INTERNATIONAL LIMITED

1. We have audited the attached Balance Sheet of M/s. **Stocknet International Limited** as at 31st March 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of 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 supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Further to our comments in the paragraph 4 below, we report that :
 - (a) **We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;**
 - (b) In our opinion, proper books of account, as required by law, have been kept by the company, so far as appears from our examination of those books ;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors of the Company, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act,1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and Cash Flow Statement together with the notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011;
 - (ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement of the Cash Flow for the year ended on that date.
4. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we state below on the matters specified in paragraphs 4 and 5 of the said Order :-
- 4.1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.**
- (b) During the year, the management has physically verified the fixed assets of the Company. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
 - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed off by the Company during the year. Accordingly, paragraph 4(1)(c) of the Order is not applicable.
- 4.2. (a) As explained to us, inventories were physically verified by the management at reasonable intervals.
- (b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company maintained proper records of its inventories. The discrepancies notice on physical verification between physical stock and book records were not material.
- 4.3. According to the information and explanation given to us, the Company has neither taken for granted any loans to any party in pursuance of the register maintain u/s.301 of the Companies Act, 1956. Accordingly, paragraph 4(iii)(b), (c) and (d) of the Order is not applicable.
- 4.4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 4.5. In our opinion and according to the information and explanation given to us, there were no transactions made in pursuance of any contract or arrangement entered into the register maintained u/s. 301 of the Companies Act, 1956 exceeding the value of Rs.5.00 lakh in respect of any party during the year. Accordingly, paragraph 4(v)(b) of the order is not applicable.

- 4.6. In our opinion and according to the explanation given to us, the Company has not accepted any deposits within the meaning of Section 58A and Section 58AA of the Companies Act, 1956 and the Rules framed there under.
- 4.7. In our opinion, the Company has an Internal Audit System commensurate with the size and nature of its business.
- 4.8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- 4.9. (a) According to the information and explanations given to us the Company is depositing with appropriate Authorities undisputed statutory dues including provident fund, investor education fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues to the extent applicable.
(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, wealth-tax and cess, which have not been deposited on account of any dispute as at 31st March, 2011.
- 4.10. The company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 4.11. The company has not taken any term loan from banks or financial institutions nor have issued any debentures accordingly paragraph 4(xi) of the Order is not applicable.
- 4.12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4(xii) of the Order is not applicable.
- 4.13. In our opinion and according to the information and explanations given to us, the Company is not a chitfund / nidhi / mutual benefit fund / society. Accordingly, paragraph 4(xiii) of the Order is not applicable.
- 4.14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
- 4.15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions during the year.
- 4.16. The Company has not availed any term loans during the year.
- 4.17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanation given to us, there are no funds raised on a short-term basis which have been used for long-term investment, and vice-versa.
- 4.18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. Accordingly, paragraph 4(xviii) of the Order is not applicable.

- 4.19. The Company has not issued any debentures during the year. Accordingly, paragraph 4(xix) of the Order is not applicable.
- 4.20. The Company has not raised any money by public issues during the year. Accordingly, paragraph 4(xx) of the Order is not applicable.
- 4.21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, notice or reported during the year, nor have we been informed of such case by the management.

For **Naushad Ahmed & Co.**
Chartered Accountants

Naushad Ahmed
(Proprietor)
Membership No :
067438
Firm Regn. No.:
326812E

Place : Kolkata
Date : 2nd August, 2011

STOCKNET INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	Sch. No.	Rupees As at March 31, 2011	Rupees As at March 31, 2010
<u>SOURCES OF FUNDS</u>			
1 Shareholders' Funds			
Share Capital	A	55,003,500	55,003,500
Reserves and Surplus	B	44,996,500	44,996,500
		100,000,000	100,000,000
 <u>APPLICATION OF FUNDS</u>			
1 Fixed Assets			
Gross Block	C	18,980,079	18,980,079
Less : Accumulated Depreciation		18,367,428	18,216,397
Net Block:		612,651	763,682
 2 Investments			
	D	28,485,000	3,400,000
 3 Current Assets, Loans and Advances			
Inventories		15,073,870	56,558,950
Sundry Debtors		8,695,300	1,500,000
Cash & Bank Balances		453,729	1,035,139
Loans and Advances		52,014,590	113,872,473
		76,237,489	172,966,562
Less : <u>Current Liabilities & Provisions</u>	F		
Current Liabilities		15,592,000	81,457,000
Provisions		54,067	54,067
		15,646,067	81,511,067
Net Current Assets		60,591,422	91,455,495
 Profit & Loss Account		10,310,927	4,380,823
		100,000,000	100,000,000
Accounting Policies & Notes to Accounts	K		

Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

NAUSHAD AHMED & CO.

Chartered Accountants

For and on behalf of the Board of Directors

Naushad Ahmed

(Proprietor)

Membership No. : 067438

Firm Regd. No. : 326812E

Place : Kolkata

Date : 2nd Day of August, 2011

R. C. Singh
Director

N. K. Pal
Director

STOCKNET INTERNATIONAL LIMITED

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

PARTICULARS	Sch. No.	Rupees For The Year ended March 31, 2011	Rupees For The Period ended March 31, 2010
INCOME			
Income from Operations	G	73,465,114	86,853,150
Other Income	H	470,260	120,384
		<u>73,935,374</u>	<u>86,973,534</u>
EXPENDITURE			
Cost of Goods Sold	I	73,464,114	86,257,150
Administrative & Other Expenses	J	6,248,435	462,186
		<u>79,712,549</u>	<u>86,719,336</u>
Operating Profit (PBIT)		(5,777,175)	254,198
Depreciation		151,032	164,003
Profit before Taxation (PBT)		(5,928,207)	90,195
Income Tax Paid		1,898	8,530
Fringe Benefit Tax		-	2,057
Profit after Taxation (PAT)		(5,930,105)	79,608
Balance brought forward from Previous Year		(4,380,823)	(4,460,431)
Balance Carried to Balance Sheet		<u>(10,310,928)</u>	<u>(4,380,823)</u>
Accounting Policies & Notes to Accounts	K		

Schedule referred to above form an integral part of the Profit & Loss Account

As per our report of even date

NAUSHAD AHMED & CO.

Chartered Accountants

For and on behalf of the Board of Directors

Naushad Ahmed

(Proprietor)

Membership No. : 067438

Firm Regd. No. : 326812E

Place : Kolkata

R. C. Singh
Director

N. K. Pal
Director

STOCKNET INTERNATIONAL LIMITED

SCHEDULES FORMING THE PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	Amount Rupees As At March 31, 2011	Amount Rupees As At March 31, 2010
<u>SCHEDULE 'A' :</u>		
<u>SHARE CAPITAL</u>		
Authorised		
55,01,400 Equity Shares of Rs. 10/- each.	55,014,000	55,014,000
Issued, Subscribed & Paid - Up		
55,00,350 Equity Shares of Rs. 10/- each.	55,003,500	55,003,500
	55,003,500	55,003,500
<u>SCHEDULE 'B' :</u>		
<u>RESERVES & SURPLUS</u>		
Capital Reserves		
As per last Account	44,996,500	44,996,500
	44,996,500	44,996,500
 <u>SCHEDULE 'D' : INVESTMENTS (At Cost)</u>		
Quoted Equity Shares	1,800,000	1,800,000
Unquoted Equity Shares	26,685,000	1,600,000
	28,485,000	3,400,000

STOCKNET INTERNATIONAL LIMITED

SCHEDULES FORMING THE PART OF THE BALANCE SHEET AS AT 31ST MARCH,2011

	Amount	Amount
	Rupees	Rupees
	As At	As At
	March 31, 2011	March 31, 2010
<u>SCHEDULE 'D' : INVESTMENTS (At Cost)</u>		
	<u>No. of</u>	
	<u>Shares</u>	
<u>Quoted Equity Shares</u>		
Esquire Money Guarantees Ltd.	36,000	1,800,000
		1,800,000
<u>Unquoted Equity Shares</u>		
Annapurna Texofin Pvt.Ltd.	4,000	2,000,000
Avesh Structure & Steel Pvt.Ltd.	38,500	385,000
Bhaskar Fund Management Ltd.	35,600	8,900,000
Cliftons Pearson Export & Agencies Ltd.	11,200	2,800,000
Delton Exim Pvt.Ltd.	16,000	4,000,000
Digital Components Pvt. Ltd.	13,000	1,300,000
Ganga Builders Ltd.	18,000	4,500,000
Gromore Fund Management Co.Ltd.	10,000	2,500,000
Valantine Finexim Pvt. Ltd.	1,500	300,000
	<u>28,485,000</u>	<u>3,400,000</u>

STOCKNET INTERNATIONAL LIMITED

SCHEDULES FORMING THE PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 'C': FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As At 01.04.2010	Additions	As at 31.03.2011	Upto 31.03.2010	For the Current Period	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Computer Equipment	12,053,294	-	12,053,294	12,053,294	-	12,053,294	-	-
Furniture & Fixtures	1,446,130	-	1,446,130	1,150,107	91,540	1,241,647	204,483	296,023
Vehicles	1,004,433	-	1,004,433	919,367	8,081	927,448	76,985	85,066
Office Equipment	115,428	-	115,428	112,159	3,269	115,428	-	3,269
Plant & Machinery	1,013,488	-	1,013,488	634,164	48,141	682,305	331,183	379,324
Softwares	15,400,600	-	15,400,600	15,400,600	-	15,400,600	-	-
Total	18,980,079	-	18,980,079	18,216,397	151,031	18,367,428	612,651	763,682
Previous Year	18,980,079	-	18,980,079	18,052,394	164,003	18,216,397	763,682	927,685

STOCKNET INTERNATIONAL LIMITED

SCHEDULES FORMING THE PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	Amount Rupees As At March 31, 2011		Amount Rupees As At March 31, 2010	
SCHEDULE 'E' :				
CURRENT ASSETS, LOANS & ADVANCES				
Inventories (at cost)				
Shares		15,073,870		56,558,950
Sundry Debtors				
Unsecured considered good				
Debts exceeding six months	8,695,300		1,500,000	
Other Debts	-	8,695,300	-	1,500,000
Cash & Bank Balance				
Cash in Hand (As certified by the management)	85,302		126,934	
Bank Balances with Scheduled Banks:				
- in Current Account	368,427	453,729	908,205	1,035,139
Loans and Advances				
(Unsecured, Secured Good)				
Loans				
Advances recoverable in cash or in kind or for value to be received	7,761,329		5,098,518	
To Others	20,525,000		15,800,000	
Share Application Money	23,263,080		92,555,000	
Tax Deducted at Source	465,181	52,014,590	418,955	113,872,473
		76,237,489		172,966,562
SCHEDULE 'F' :				
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Sundry Creditors				
	9,292,000		45,467,000	
Advances	6,300,000	15,592,000	35,990,000	81,457,000
Provisions				
Taxation				
	44,067		44,067	
Audit Fees	10,000	54,067	10,000	54,067
		15,646,067		81,511,067

STOCKNET INTERNATIONAL LIMITED

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Rupees For the year ended 31.03.2010	Rupees For the year ended 31.03.2009
SCHEDULE 'G' :		
INCOME FROM OPERATION		
Sales	73,465,114	86,853,150
	<u>73,465,114</u>	<u>86,853,150</u>
SCHEDULE 'H':		
OTHER INCOME		
Dividend	8,000	-
Interest on Loan	462,260	120,384
	<u>470,260</u>	<u>120,384</u>
SCHEDULE 'I':		
COST OF GOODS SOLD		
Opening Stock	56,558,950	1,899,000
Add : Purchases	31,979,034	140,917,100
	<u>88,537,984</u>	<u>142,816,100</u>
Less : Closing Stock	15,073,870	86,257,150
	<u>73,464,114</u>	<u>86,257,150</u>
SCHEDULE 'J' :		
ADMINISTRATIVE EXPENSES		
Salaries & Benefits	180,000	180,000
Staff Welfare Expenses	8,306	10,136
Lighting Charges	12,000	12,000
Rent	12,000	12,000
Repairs & Maintainance	11,000	9,000
Depositry Fees	33,090	44,120
Travelling & Conveyance	15,874	19,310
Professional Fees	62,450	63,500
Telephone Charges	4,756	5,600
Postage	3,164	2,964
Legal & Professional Charges	-	4,164
Loss on Sale of Shares	5,833,170	-
Vehicle Running & Maintainance	6,572	10,152
Registrar Charges	19,854	19,854
Filing Fees	1,000	5,500
Demat charges	-	-
Listing Fees	16,545	37,709
Auditor's Remuneration : Audit Fees	7,500	7,500
Tax Audit	2,500	2,500
Bank Charges	15,276	12,641
Miscellaneous Expenses	3,378	3,536
	<u>6,248,435</u>	<u>462,186</u>

STOCKNET INTERNATIONAL LIMITED

SCHEDULES FORMING THE PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 'K' :

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

NOTES ON ACCOUNT

A. SIGNIFICANT ACCOUNTING POLICIES

- (a) **Basis of Accounting** : The financial statements are prepared under the historical cost convention and comply with the mandatory Accounting Standards and Statements issued by The Institute of Chartered Accountants of India and The Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.
- (b) **Fixed Assets** : Fixed Assets are stated at cost of acquisition. Cost comprises purchase price and attributable cost.
- (c) **Depreciation** : Depreciation on Straight Line Method basis is provided on tangible Fixed Assets in the manner and at the rates as per Schedule XIV to the rates applicable in The Companies Act, 1956.
- (d) **Investments** : The investments are valued at cost.
- (e) **Inventories** : The inventory items are stated at cost.

B. NOTES ON ACCOUNTS

	<u>Rupees</u> <u>March 31, 2011</u>	<u>Rupees</u> <u>March 31, 2010</u>
1. Expenditure on employees getting remuneration not less than Rs. 12,00,000/- per year if employed through the year or Rs. 1,00,000/- per month if employed for the part of the year.	Nil	Nil
2. Earning & Expenditure in Foreign Currency	Nil	Nil
3. Estimated amount of contracts remaining to be executed on capital accounts and not provided for	Nil	Nil
4. Previous year's figure have been re-arranged and re-grouped wherever found necessary.		

5. Quantitative information of Opening Stock, Purchases, Sales & Closing Stock

Particulars	Opening Stock		Purchases		Sales		Closing Stock	
	Nos.	Amount Rs.	Nos.	Amount Rs.	Nos.	Amount Rs.	Nos.	Amount Rs.
Equity Shares	601,545	56,558,950	2,743,817	31,979,034	2,956,875	73,465,114	388,487	15,073,870
Previous Year Equity Shares	192,800	1,899,000	2,846,395	140,917,100	2,437,650	86,853,150	601,545	56,558,950

Signature to the Schedule A to K forming part of the Balance Sheet and Profit & Loss Account.

NAUSHAD AHMED & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Naushad Ahmed
(Proprietor)
Membership No. : 067438
Firm Regd. No. : 326812E

Place : Kolkata
Date : 2nd Day of August, 2011

R. C. Singh
Director

N. K. Pal
Director

STOCKNET INTERNATIONAL LIMITED

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

(1) Registration Number	:	21-36181
(2) State Code	:	21
(3) Balance Sheet Date	:	March 31, 2011

II. Capital Raised During the Year (Amount in Rs. Thousand)

(1) Public Issue	:	Nil
(2) Rights Issue	:	Nil
(3) Bonus Issue	:	Nil
(4) Private Placement	:	Nil

III. (A) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

(1) Total Liabilities	:	115646.067
(2) Total Assets	:	115646.067

(B) Sources of Funds

(1) Paid Up Capital	:	55003.500
(2) Reserves & Surplus	:	44996.500
(3) Unsecured Loans	:	-

(C) Application of Funds

(1) Fixed Assets (Net Block)	:	612.651
(2) Investments	:	28,485.000
(3) Net Current Assets	:	60,591.422
(4) Miscellaneous Expenditure	:	-

IV. Performance of Company (Amount in Rs. Thousand)

(1) Turnover & Other Income	:	73,935.374
(2) Total Expenditure	:	79,863.581
(3) Profit/(Loss) before Tax	:	(5,928.207)
(4) Profit/(Loss) after Tax	:	(5,928.207)
(5) Earnings per Share	:	Nil
(6) Dividend Rate %	:	Nil

V. Generic Names of the three Principle Products of the Company

(1) Item Code (ITC Code)	:	8524
(2) Product Description	:	Software Products Shares & Securities

Signature to the Schedule A to K forming part of the
Balance Sheet and Profit & Loss Account.

NAUSHAD AHMED & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Naushad Ahmed
(Proprietor)

Membership No. : 067438
Firm Regd. No. : 326812E

R. C. Singh
Director

N. K. Pal
Director

STOCKNET INTERNATIONAL LIMITED

**Cash Flow Statement for the Period Ended 31st March,2011
Pursuant to Clause 32 of the Listing Agreement**

	For the Year Ended March 31, 2011	For the Period Ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax (PBT)	(59.28)	0.90
Adjustments for :-		
Depreciation	1.51	1.64
Interest Paid	-	-
Interest & Other Income	-	-
Operating Profit before Working Capital Changes	(57.77)	2.54
Adjustments for :-		
Loans & Advances	618.58	327.35
Inventories	414.85	(546.60)
Sundry Debtors	(71.95)	-
Current Liabilities & Provision	(658.65)	(205.13)
Cash Generated from Operation	245.05	(421.84)
Adjustments for :-		
Direct Taxes Paid	-	(0.02)
Miscellaneous Expenditure	-	-
Provision for Taxation	-	-
Net Cash from Operating Activities	245.05	(421.86)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Adjustments for :-		
Purchases of Fixed Assets	-	-
Sales of Investments	(250.85)	430.00
Capital Working Process	-	-
Interest & Other Incomes	-	-
Net Cash Used in Investing Activities	(250.85)	430.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Adjustments for :-		
Loans	-	-
Net Cash Used in Financing Activities	-	-
Net Increase in Cash & Cash Equivalents (A+B+C)	(5.80)	8.14
Cash & Cash Equivalents as at 31st March,2008	10.35	2.30
Cash & Cash Equivalents as at 31st, March, 2009	4.54	10.35

For and on behalf of the Board

R. C. Singh
Director

N. K. Pal
Director

Auditor's Certificate

We have examined the above Cash Flow Statement of M/s **Stocknet International Limited** for the period ended 31st March, 2011. The statement have been prepared by the Company in accordance with the requirement of clause 32 of the the Listing Agreements with various stock exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report to the Members of the Company.

NAUSHAD AHMED & CO.
Chartered Accountants

Naushad Ahmed
(Proprietor)

Membership No. : 067438
Firm Regd. No. : 326812E

Place : Kolkata

Date : 2nd Day of August, 2011