



CONTENTS

NOTICE To SHAREHOLDERS	3
DIRECTOR'S REPORT	7
AUDITOR'S REPORT	22
BALANCE SHEET	25
PROFIT & LOSS ACCOUNT	26
NOTES	27
CASH FLOW STATEMENT	39
CONSOLIDATED FINANCIAL STATEMENT	41

BOARD OF DIRECTORS

Mr. SUNDAR IYER
Executive Chairman

Mr. CHANDRAMOULI
Managing Director

Mr. IYER VISHWANATH
Independent Director

Mr. S. HARIHARAN
Independent Director

COMPANY SECRETARY

Mr. A. V. M. SUNDARAM

AUDITORS

M/s. M. B. LADHA & COMPANY
Chartered Accountants
Mumbai

BANKERS

ICICI BANK LIMITED
HDFC BANK LTD

REGISTERED OFFICE

No. 158, 1st Floor, Eldams Road,
Alwarpet, Chennai - 600 018.

CORPORATE OFFICE

No. 603 & 604 Dalamal Chambers,
29, New Marine Lines,
Mumbai - 400 020.

SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.,
C13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W)
Mumbai - 400 078.
Phone: (022) 25963838
Fax: (022) 25946969



A large, empty rectangular frame with rounded corners, occupying the majority of the page. It is defined by a thin black border and is currently blank, suggesting it is a placeholder for content or a drawing area.



NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the Company will be held on Thursday, 14th March, 2013 at 12.30 p. m. at Asha Nivas, No. 9, Rutland Gate, 5th Street, Chennai - 600 006 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Statement of profit & loss account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification, the following resolution as an Special Resolution.

“RESOLVED THAT Mr. Iyer Vishwanath, who was appointed by the Board of Directors of the Company as an Independent Director on 6th February 2013 to hold office as such, upto the conclusion of the ensuing annual general meeting and in respect of whom the company has received a notice in writing from a member alongwith deposit of Rs.500, signifying his intention to propose the candidature of Mr. Iyer Vishwanath, for the office of director, as required by Section 257 of the Companies Act, 1956, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to Sections 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Iyer Vishwanath, the Director of

the Company be paid commission of an amount not exceeding 1% of the net profits of the company for each financial year or part thereof to be computed in accordance with the provisions of Section 198(1) of the Companies Act, 1956.

“RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental thereto.

4. To consider and if thought fit, to pass with or without modification, the following resolution as on Special Resolution.

“RESOLVED THAT Mr. S. Hariharan, who was appointed by the Board of Directors of the Company as an Independent Director on 6th February 2013 to hold office as such, upto the conclusion of the ensuing annual general meeting and in respect of whom the company has received a notice in writing from a member alongwith deposit of Rs. 500, signifying his intention to propose the candidature of Mr. S. Hariharan, for the office of director, as required by Section 257 of the Companies Act, 1956, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to Sections 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956, Mr. S. Hariharan, the Director of the Company be paid commission of an amount not exceeding 1% of the net profits of the company for each financial year of part thereof to be computed in accordance with the provisions of Section 198(1) of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to take all such steps as may be necessary for the



purpose of giving effect to this resolution and matters incidental thereto.

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

“RESOLVED THAT Mr. Krishnan Muthukumar, who was appointed by the Board of Directors of the Company as an Additional Director on 6th February 2013 to hold office as such, upto the conclusion of the ensuing annual general meeting and in respect of whom the company has received a notice in writing from a member alongwith deposit of Rs. 500, signifying his intention to propose the candidature of Mr. Krishnan Muthukumar, for the office of director, as required by Section 257 of the Companies Act, 1956, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to Sections 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Krishnan Muthukumar, the Director of the Company be paid commission of an amount not exceeding 1% of the net profits of the company for each financial year or part thereof to be computed in accordance with the provisions of Section 198(1) of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental thereto.

By Order of the Board

Place: Mumbai
Date: 14th February 2013

A. V. M. SUNDARAM
Company Secretary

NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE, AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- b) The instrument appointing proxy, in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the 26th annual general meeting of the company.
- c) The Register of Members and Share Transfer books of the Company will remain closed from 11th March, 2013 to 14th March, 2013 (both days inclusive).
- d) Profile of directors whose nominations were received for appointment as stipulated in terms of Clause 49 of the listing agreement with the stock exchanges is provided in the report on corporate governance, which forms an integral part of this annual report.
- e) Information pursuant to clause 49 of the Listing agreement for appointment/ reappointment of Directors.
- i. **Appointment of Mr. Iyer Vishwanath as Independent Director:**

Item No. 3: Mr. Iyer Vishwanath aged about 57 years was appointed as an Independent Director of the Company at the Board Meeting held on 6th February 2013 and he holds office only up to the date of this Annual General Meeting. Notice in writing



under Section 257 of the Companies Act, 1956 alongwith deposit amount of Rs. 500 has been received from a Shareholder of the Company signifying his intention to propose Mr. Iyer Vishwanath as a candidate for the office of the Director.

Particulars of Other Company Directorship is as follows:

Name of the Company	Designation
SNALCO Consulting Private Limited	Director

ii. Appointment of Mr. Hariharan as Independent Director:

Item No. 4: Mr. Hariharan aged about 62 years was appointed as an Independent Director of the Company at the Board Meeting held on 6th February 2013 and he holds office only up to the date of this Annual General Meeting. Notice in writing under Section 257 of the Companies Act, 1956 alongwith deposit amount of Rs. 500 has been received from a shareholder of the Company signifying his intention to propose Mr. Hariharan as a candidate for the office of the Director. Particulars of Other Company Directorship is as follows:

Name of the Company	Designation
Nil	Nil

iii. Appointment of Mr. Krishnan Muthukumar as Director:

Item No.5: Mr. Krishnan Muthukumar aged about 37 years was appointed as an additional Non-executive Director of

the Company at the Board Meeting held on 6th February 2013 and he holds office only up to the date of this Annual General Meeting. Notice in writing under Section 257 of the Companies Act, 1956 alongwith deposit amount of Rs. 500 has been received from a Shareholder of the Company signifying his intention to propose Mr. Krishnan Muthukumar as a candidate for the office of the Director. Particulars of Other Company Directorship is as follows:

Name of the Company	Designation
Tridhaatu Realty & Infra Pvt Ltd	Director
Monarch Catalyst (P) Limited	Director

- f. Members are requested to bring their copy of annual accounts, as no extra copies will be distributed at the meeting.

By Order of the Board

Place: Mumbai
Date: 14th February 2013

A. V. M. SUNDARAM
Company Secretary

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

Item No.3

Mr. Iyer Vishwanath was appointed as an Independent Director of the Company at the Board Meeting held on 6th February 2013 and he holds office only upto the date of this Annual General Meeting. Notice in writing under Section 257 of the Companies Act,



1956 has been received from a Shareholder of the Company alongwith deposit of Rs.500, signifying his intention to propose Mr. Iyer Vishwanath as a candidate for the office of Director. Mr. Iyer Vishwanath, 57 years, is a member of the Institute of Chartered Accountants of India. He is a practicing Chartered Accountant having over 22 years of experience in the field of finance, auditing and taxation. His experience in the field of accounting and taxation continue to be of immense benefit for the company. Hence the Board recommends the above appointment of Mr. Iyer Viswanath. Except Mr. Iyer Viswanath, none of the Directors are concerned or interested in the passing of this resolution.

Item No.4

Mr. Hariharan was appointed as an Independent Director of the Company at the Board Meeting held on 6th February 2013 and he holds office only upto the date of this Annual General Meeting. Notice in writing under Section 257 of the Companies Act, 1956 has been received from a Shareholder of the Company alongwith deposit of Rs.500, signifying his intention to propose Mr. Hariharan as a candidate for the office of Director. Mr. Hariharan, 62 years, is a qualified Company Secretary and Cost Accountant having more than 25 years of experience in the field of finance and company affairs and retired as a Company Secretary from Atlas Copco (I) Limited. His rich and varied experience will benefit the company in many ways. Hence the Board

recommends the above appointment of Mr. Hariharan. Except Mr. Hariharan, none of the Directors are concerned or interested in the passing of this resolution.

Item No.5

Mr. Krishnan Muthukumar was appointed as an Independent Director of the Company at the Board Meeting held on 6th February 2013 and he holds office only upto the date of this Annual General Meeting. Notice in writing under Section 257 of the Companies Act, 1956 has been received from a Shareholder of the Company alongwith deposit of Rs. 500, signifying his intention to propose Mr. Krishnan Muthukumar as a candidate for the office of Director. Mr. Krishnan Muthukumar 37 years, is a Post Graduate in Business Administration & Graduate in Commerce and an industrialist having more than 10 years of experience in the field of construction and real estate business. His rich and varied experience will benefit the company in many ways. Hence the Board recommends the above appointment of Mr. Krishnan Muthukumar. Except Mr. Krishnan Muthukumar, and Mr. Sundar Iyer - Chairman being a close relative, none of the Directors are concerned or interested in the passing of this resolution.

By Order of the Board

Place: Mumbai
Date: 14th February 2013

A. V. M. SUNDARAM
Company Secretary



DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 26th ANNUAL REPORT of your company together with the Auditor's Report for the year ended 31st March 2012.

FINANCIAL HIGHLIGHTS

The Financial Results for the year ended 31st March 2012.

	Rupees in Lacs	
	31/03/2012	31/03/2011
Profit/(Loss) from capital market operations	(447.99)	2296.77
Other Income	28.23	47.72
Profit/(Loss) before Depreciation & Tax	(746.40)	874.11
Interest	0.00	0.00
Depreciation	19.71	3.15
Profit/(Loss) before tax	(766.11)	870.96
Provision for tax	0.00	175.00
Deferred tax	(2.52)	1.18
Profit/(Loss) after tax	(763.59)	694.78

BUSINESS & PERFORMANCE

During the year under review, the Company has incurred a loss of Rs. 763.59 Lacs, against the net profit Rs.694.78 Lacs, in the last financial year. With the sovereign crisis deepening and growth faltering in 2011 for advanced countries, capital inflows into the emerging economies had slowed down considerably, Indian markets were also affected with the Foreign Institutional Investors (FIIs) inflows slowing. This has affected the performance of our company which is directly related to the market conditions. Hence our Directors are cautious in giving guidance and projecting profit for the current year. We look forward to

change in the investment climate which is a possibility in the near foreseeable future.

DIVIDEND

Considering the present conditions of the capital market, and inadequate profits during the year the directors have decided not to recommend any dividend to the shareholders for the year.

FUTURE PROSPECTS

The global environment is likely to continue to be an area of concern, although conditions have improved since the beginning of the last financial year. Growth is likely to improve in the second half of 2012 and may support the country's exports and increase access to global capital. India remains one of the fastest growing economies of the world, with a projected GDP growth rate of 6.25% to 6.5%. Falling inflation is also an encouraging factor.

Since our company is directly related to Equity Market we hope that the sentiment in the market will improve and our company will have an opportunity to increase the market operations in improving the profitability of the company.

We also hope that the improvement in the market scenario will help our subsidiary - Trading Member of National Stock Exchange of India Limited to enhance the services to their Institutional Clients. We expect that the broking income of the subsidiary will remain stable at the present levels.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Corporate Governance" has been annexed to this Annual Report.

DEPOSITS

Your company has not accepted any deposits from the public during the year under review. There are no outstanding deposits as on 31st March 2012.



PARTICULARS OF EMPLOYEES

The Company has no employees, who are in receipt of remuneration, requiring disclosure under Section 217(2A) of the Companies Act, 1956.

AUDITOR'S & AUDIT REPORT

M.B. Ladha & Company, Chartered Accountants, auditors of the company retire at the ensuing Annual General Meeting and are eligible for reappointment.

Auditors of the company in their report made an observation that, the company has no internal audit department, commensurate with the size of the company and nature of its business. Also they have made comment on non provision of gratuity in the accounts in the event of any employee leaving services by reason of death or incapability. In addition they have also observed that an inoperative bank account amounting to 1.53 lacs exists and the same has neither been closed nor written off.

Regarding internal audit system, management is of the opinion that (as the company does not have volume of transaction - other than investments in Equities - which are directly under supervision of the Chairman) the decision to have the internal audit system be deferred and can be considered later.

Regarding non provision of gratuity, the management opines that, gratuity for the period of services rendered by the employees, is being paid to the employees leaving services by reason of resignation, and due to death or incapability, to the legal heirs of the deceased or to the employee disabled and accounted for on cash basis. Hence no provision is made in the books of the company.

Regarding the inoperative bank account, the Company is looking into the matter seriously and the audit committee has been ordered to take necessary steps in this regard.

Regarding the other qualifications mentioned in the Auditors' Report, the reply to the remarks made by the auditors in their report are detailed

in the Notes on Accounts well as in the Report itself. Since the information provided therein are self explanatory they do not call for any further comments by the Board of Directors.

DIRECTORS

Mr. Iyer Vishwanath and Mr. S. Hariharan, directors of the company liable to retire by rotation at the ensuing Annual General Meeting ceased to be the Directors since AGM was not held within the extended period and have been reinducted as Non-executive - Independent Directors in the board meeting held on 6th February 2013 and being eligible offer themselves for re - appointment as Non-executive - Independent Directors.

Mr. Krishnan Muthukumar appointed as additional director in the board meeting held on 6th February 2013 being eligible offer himself for appointment as Non-executive Director.

As stipulated in terms of Clause 49 of the listing agreement with the stock exchanges, the brief resume of Mr. Iyer Vishwanath, Mr. S. Hariharan and Mr. Krishnan Muthukumar, is provided in the report on corporate governance, which forms an integral part of this annual report.

Due to the overall reconstitution of the Board of Directors, the Annual General Meeting of the Company shall be held on 14th day of March, 2013, beyond the extended period of date of holding AGM, i.e. 23/12/2012, as approved by Registrar of Companies, Chennai.

PARTICULARS AS REQUIRED UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

Conservation of Energy

The Company had taken steps to conserve the use of energy in its office, consequent to which energy consumption has been minimized. No



additional Proposals/Investments were made to conserve energy. Since the company has not carried on industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc., are not applicable.

Technology Absorption

Company's business does not require any technology absorption and hence no reporting is required to be furnished under this heading.

Foreign Exchange Inflow & Outflow

Foreign Exchange inflow and outflow during the year is Nil.

SUBSIDIARY COMPANY

The Company has a subsidiary TWENTYFIRST CENTURY SHARES & SECURITIES LIMITED. The Company is not attaching copies of the balance sheet and profit and loss account, reports of Board of Directors and Auditors thereon, in respect of the subsidiary as required under Section 212(1) of the Companies Act, 1956 ("the Act") to its accounts as per the dispensation available pursuant to the directions issued by the Ministry of Corporate Affairs vide general circular no. 2/2011. However, as required under the aforesaid circular and pursuant to Clause 32 of the Listing Agreement, the consolidated financial statement of the Company duly audited by the statutory auditors forms part of this annual report. The Company shall make available, the annual accounts and related information of its subsidiary, to those shareholders who wish to have the copies of the same. Further, these documents shall be available for inspection by a shareholder at the registered office of the Company as well as its subsidiary on any working day, except Saturdays, between 11.00 a.m. and 3.00 p.m.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

- * In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- * Appropriate accounting principles have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit or loss of the Company for the year ended on that date.
- * Proper and sufficient care has been taken 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.
- * The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

The Board of Directors would like to thank all employees of the Company as also Company's shareholders, auditors, customers and bankers for their continued support.

The Board with regret would like to inform that AGM for the year 2011-2012 could not be held within the stipulated period/extended time permitted by Registrar of Companies, Chennai. However the board has consciously decided to hold the AGM as given in the notice for the AGM which is annexed with this report.

For and on behalf of the Board

Place : Mumbai
Date : 30th May 2012

SUNDAR IYER
CHAIRMAN



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC VIEW

Global economic recovery which has been taking shape since the 2008 financial crises and looked promising at one point suffered a major setback in 2011. The global economy was hit by unresolved structural fragilities and a barrage of shocks leading to major sell-off in risky assets across global markets in 2011. The future of the Economic and Monetary Union of European Union came under question in 2011 as sovereign debt crises spilled over causing sharp increases in key government bond yields. Confidence also deteriorated sharply, escalating financial stress further leading to a contraction of the euro area economy. Real GDP also contracted in Japan, due to supply disruptions from floods in Thailand and weaker global demand. However, activities in the United States accelerated in the latter half with growing consumption and pick up in investments. Credit and the labour market also began to show some resilience. The engines of growth, the emerging and developing economies, saw activity softening in 2011. Labour market conditions are likely to remain very difficult in many advanced economies. Deleveraging by households and governments in advanced nations has kept household consumption muted. However,

consumption dynamics in the emerging and developing economies have been strong which is consistent with strong labour markets. Greater uncertainty, accelerated deleveraging by banks in the euro area, and credit tightening in selected emerging market economies has slowed the growth of fixed investment. In various emerging market economies, notably China, real estate markets are cooling down, which implies slowing investment in construction. Inflation risks in emerging market economies have kept policy on tightening mode for most of 2011. Oil prices were volatile in 2011 rising 30% YoY to an average of US\$110/barrel. Though production recovered in Libya, it fell in other OPEC nations, and non-OPEC output remained relatively weak. In addition, geopolitical risks have boosted oil prices. Other commodity prices have not seen much appreciation in prices as recovery in global economy stalled. Emerging markets would likely see inflation elevated with oil prices still high and economies operating close to full capacity plus supplyside disruptions. Balancing between inflation and growth would be a challenge for policy makers in emerging world. Policy has played an important role in lowering systemic risk posed in 2011. We are seeing many of the advanced nations making progress in putting in place and implementing fiscal consolidation programs.



INDIAN ECONOMY

After two successive years of fairly robust growth of 8.4 per cent, GDP is estimated to decelerate sharply to 6.9 per cent in FY 2012, with a marked slowdown in agriculture, mining and quarrying, manufacturing and construction sectors. The estimated level of growth of 6.9% in GDP in FY 2012 was comprised of lower growth in all sectors; 2.5% growth in agriculture, which fell from 7.0% in FY 2011; 3.6% in industry v/s 6.8% growth in FY 2011; and 8.8% in services v/s 9.2% in FY 2011. The growth slowdown was driven by a sharp fall in investment, some moderation in private consumption and fall in net external demand. Industrial growth slowed sharply during FY 2012, led by contraction in mining and poor performance of the manufacturing sub-sector. Industrial activity lost steam on account of weak demand for consumer durables, reflecting interest rate sensitivity, deceleration in external demand and subdued investment demand due to decline in business confidence. The drag from investment is likely to continue in the near term. The key reasons that led to a slump in investments are:

1. Elevated Inflation: Inflation concerns continued in FY12 (third year in a row) as demand pressures rose significantly, especially in H1FY12. Higher level of inflation led to aggressive monetary policy tightening by RBI and this had an adverse impact on investment and growth. Moreover high inflation also had undesirable impact on savings rates and resulted in increased business uncertainty. However easing of inflation in Q4FY12 provided much needed relief.
2. Tight Monetary Policy: Throughout the first half of 2011-12, RBI was in an aggressive tightening mode to contain demand pressures in the economy. Accordingly RBI increased the policy rate by 50 bps rather than a calibrated 25 bps hike. This has resulted in the constriction of the overall monetary condition in the economy. Moreover the excessive tightening led to hardening of money market rates, thus slowing down the investments during the year. However acknowledging the slowdown in inflation and tight monetary conditions, RBI began easing and slashing the CRR by 125 bps followed by surprise rate cut in April 2012 to improve the investment sentiment.
3. Decline in business confidence: Due to a slew corruption charges government too went into a shell and dithered taking important policy actions which resulted in business confidence eroding further. There were no motivating factors for the industrialists to improve their investments and thereby the growth. However towards the end of FY12,



government realized the gravity; of the issue and is now trying to address it.

4. Slippages in fiscal and Current Account Deficit (CAD): FY12 saw significant slippages in fiscal deficit as the subsidies overshoot the budgeted amount. This has a cascading impact on inflation, growth and interest rates. The major reason for the widening of CAD in FY12 was petroleum and gold imports, Realising the government had taken steps to reduce the gold imports and accordingly CAD is expected to contract from the elevated levels of FY12.

CAPITAL MARKETS

SECONDARY EQUITY MARKET

With the sovereign crises deepening and growth faltering in 2011 for advanced countries, capital inflows into the emerging economics slowed down considerably. Indian markets were also affected with the Foreign Institutional Investors (FIIs) inflows slowing. FIIs invested US\$ 19 billion in the Indian markets including in debt instruments during FY2012, down 41% from FY 2011 record levels of US\$ 32 billion. The total market capitalisation of the companies listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) as on March 31, 2012, stood at '6,214,491 Crore and '6,096,518 Crore respectively as

compared to '6,839,084 Crore and '6,702,616 Crore as on March 31, 2011. The average daily turnover on the cash segment of BSE and NSE dropped to '2,681 Crore and '11,289 Crore during FY 2012 as compared to '4,333 Crore and '14,029 Crore respectively during FY 2011. However, there was a substantial improvement in the volumes on the derivatives segment of NSE where the average ('in Crore). .

DEBT MARKET

Developing Bond Markets with an objective of attaining the depth and activity level observed in the equity markets continue to be among the top priorities of the RBI and SEBI. This effort got a significant boost this year as fixed income emerged as a powerful asset class during a period when equities suffered due to a host of global and domestic concerns. The space for foreign investment in local currency bonds was widened to accommodate the FII investment demand - the limits were increased by \$5 billion each in the government and corporate debt categories while the infrastructure category limits were hiked to \$20 billion. The FII appetite is also exemplified in the unprecedented \$10 billion of net foreign inflows into the system.

However some of the major initiatives like Treasury Bill interest rate futures, Corporate Bond Repos and Credit Default Swaps have not taken off at the expected pace. These are crucial to the overall progress of debt markets and should develop along expected lines in due course as and when regulations open up these segments to broader class of participants.



Indian Economy hinges on infrastructure growth and to this effect, Tax Free infra bonds and other public issuances have been useful capital raising tools for government backed companies as well as an attractive investment opportunity for institutional and retail investors. Retail investor interest in these issues has been a highlight for the year and attracting further participation from this voluminous segment will be the key in transforming the Indian Debt Market landscape.

Opportunities and Threats

Opportunities

Economy is growing at healthy rate leading to investment/capital requirement.

Growing Financial Services industry's share of wallet for disposable income.

Huge market opportunity for wealth management service providers as Indian wealth management business is transforming from mere wealth safeguarding to growing wealth.

Regulatory reforms would aid greater participation by all class of investors.

Leveraging technology to enable best practices and processes.

Corporates looking at consolidation/ acquisitions/ restructuring opens out opportunities for the corporate advisory business.

Threats

Rising inflationary expectations on account of increase in fuel prices and supply concerns.

Cautiously optimistic approach due to global slowdown

Increased intensity of competition from local and global players

Our Business Streams and Outlook:

Your company is an Investment Company and the standalone operations have two critical elements:

- (i) Build on a sound portfolio with deeper analysis and a constant churning of the same to adapt to the changing dynamics of the prevalent Indian Capital Market.
- (ii) Your company continues to rely heavily on capital market operations, which accounts for bulk of the consolidated revenues. As such, the performance and results of your company have a direct correlation to the conditions prevailing in the Indian capital market.
- (iii) We recognize the fact the retail investors are still hesitant and averse to investment in the capital market. Based on our past experience we have initiated and are practicing ideal risk management policies to cope up with the conservative expansion in the retail business in future.
- (iv) Since the institutional business has progressed we have focused on the growth of institutional broking business during this year.



REPORT ON CORPORATE GOVERNANCE

1. *Company's Philosophy on Corporate Governance*

The Company defines Corporate Governance as a Systematic Process by which companies are directed and controlled to enhance their wealth generating capacity. Since large corporations employ vast quantum of social resources, we believe that the governance process should ensure that these companies are managed in a manner that meets stakeholders' aspirations and social expectations.

The basic objective of corporate governance policies adopted by the company is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to meet with statutory requirements but also goes beyond them by putting in to place procedures and systems, which are in accordance with best practice of governance. Your company believes that good corporate governance enhance the trust and confidence of all the stakeholders. Good practice in corporate behaviour helps to enhance and maintain public trust in companies and stock market.

2. Board of Directors

Composition and category of Board of Directors

The Board of Directors of the company comprises of two Executive Directors and two Independent (non executive) Directors.

Attendance at the Board Meetings and Annual General Meeting were are as under:

Dates of Board Meeting

During the financial year 2011-2012 Six (6) meetings were held on the following dates: 20th May 2011, 29th July 2011, 9th November 2011, 10th February 2012, 12th March 2012 and and 29th March 2012.

The last Annual General Meeting was held on 23rd September 2011.

The Board comprises of two independent directors out of present strength of four directors. Composition, attendance of each director at the Board Meetings and at the last AGM and the number of other directorship, committee memberships are set out below:

Name	Category	No. of Board Meeting attended	Attendance of the Last AGM	Directorship in Other Companies	Other Companies Committee Chairmanships	Other Companies Committee Memberships
Mr. Sundar Iyer	Chairman-Executive Director	6	No	4	Nil	Nil
Mr. Chandramouli	Managing Director Executive	6	Yes	3	Nil	Nil
Mr. Iyer Vishwanath	Independent Non-Executive Director	6	Yes	1	Nil	Nil
Mr. S. Hariharan	Independent Non-Executive Director	6	Yes	Nil	Nil	Nil

3. Board Committees:

A. Audit Committee

Charter

The primary object of the Audit Committee of the company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure



accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

Composition:

The company derived immense benefit from the deliberations of Audit Committee comprising of the following directors of the company:

Name of the Director	Category of Membership
Mr. Iyer Vishwanath	Chairman
Mr. S. Hariharan	Member
Mr. Chandramouli	Member

The major terms of reference of this Committee are as under:

- * Reviewing with management, the financial statements before submission of the same to the Board.
- * Overseeing of company's financial reporting process and disclosures of its financial information.
- * Reviewing the adequacy of the internal audit function.
- * Recommendation for appointment and fixing remuneration of statutory auditors.
- * Reviewing the reports furnished by the statutory auditors and ensuring suitable follow up thereon.

Meeting and Attendance of the Committee:

During the financial year four Audit Committee meetings were held on the following dates: 20.05.2011, 29.07.2011, 9.11.2011 and 10.02.2012. The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreements with the Stock Exchanges.

The attendance of directors at the Audit Committee meetings held during the year 2011-2012 is given below:

Name	Category of Membership	Meetings Held	Meetings Attended
Mr. Iyer Vishwanath	Chairman	4	4
Mr. S. Hariharan	Member	4	4
Mr. Chandramouli	Member	4	4

B. Remuneration Committee

Composition:

The Remuneration Committee comprises of Mr. Iyer Vishwanath, Mr. Hariharan and Mr. Chandramouli. Mr. Iyer Vishwanath is the Chairman of the Remuneration Committee.

Meeting and Attendance of the Committee:

One meeting of the Remuneration Committee was held on 9th November 2011, which was attended by all the members.

Terms of Reference:

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

Remuneration Policy:

The Remuneration of the Executive Directors is recommended by the Remuneration Committee, based on criteria such as industry benchmarks, the Company's performance vis-a-vis the industry and responsibilities shouldered. The Company pays remuneration by way of salary and perquisites to its Executive Directors.



Remuneration of Directors:

The remuneration paid as are per the terms recommended by the Remuneration Committee approved by the Board and confirmed by the shareholders of the Company.

Name of the Director	Salary (Rs.) p.a.	No. of shares held
Mr. Sundar Iyer	12,25,000*	27,39,716
Mr. Chandramouli	12,50,000*	5,17,600

* Salary paid to the Executive Directors for the period 1.4.2011 to 31.03.2012 is less compared to the previous year for the reasons given below:

- a. Chairman has voluntarily agreed to waive the salary effective from 1st November 2011.
- b. Managing Director has voluntarily agreed to revise the salary from Rs. 150000 to 100000 per month, effective from 1st November 2011 and waive salary from 1.1.2012.

No fee/remuneration were paid to the Non-executive Directors. Further the company has not entered into any pecuniary relationship or transactions with the Non-executive directors. No sitting fee has been paid to the directors.

C. Shareholders/Investors Grievance and Share Transfer Committee

Composition:

The Shareholders/Investors Grievance and Share Transfer Committee comprises of:

1. Mr. S. Hariharan, Chairman of the Committee.

2. Mr. Iyer Vishwanath, Member.

3. Mr. Sundar Iyer, Member.

Chairman is a non-executive Director.

Terms of reference:

The shareholders/investor grievances committee specifically looks into redressing of shareholder's and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividend, conversion of shares and to ensure expeditious share transfers.

Meeting and Attendance of the Committee

The Committee oversees the process of share transfer and recommends measures to improve the shareholders/investors service. The said committee met three (3) times during the year 2011-2012. The Company Secretary is the compliance officer.

Shareholders queries received and replied in 2011-12

During the financial year 2011-12, six complaints were received from shareholders and were replied/redressed to the satisfaction of the investors. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31st March 2012.

D. Compliance Certificate

Compliance certificate for Corporate Governance from the auditors of the company is enclosed.



4. General Body Meetings

The particulars of Annual General Meeting held during the last three years are as under:

Year	Location	Date	Time
2008-2009	Narada Gana Sabha/Mini Hall, 314, T.T.K Road, Chennai-600 018	14/09/ 2009	4.00 P.M.
2009-2010	Bharatiya Vidya Bhavan /Mini Hall, New No. 18,20,22 (Old No. 37-39) East/Mada Street, Chennai-600 004.	27/09/ 2010	3.30 P.M.
2010-2011	Bharatiya Vidya Bhavan /Mini Hall, New No. 18,20,22 (Old No. 37-39) East/Mada Street, Chennai-600 004.	23/09/ 2011	3.30 P.M.

Special Resolution Passed in the Past EGM's

EGM held on 23rd March 2009:

Approving issue of 10,00,000 - 12% Redeemable Non-Convertible Preference Shares of Rs.100 each aggregating Rs.10 Crore for cash at par on a private placement and / or preferential basis, to Promoters and their group associates.

EGM held on 11th March 2011

Approving Appointment of auditors - M/s. M. B. Ladha & Company, Chartered Accountants as Auditors of the company for the financial year 2010- 11

Special Resolution Passed in the Past three AGMs:

AGM held on 14th September 2009

- a. Appointment of Mr. Sundar Iyer as Executive chairman and approving payment of remuneration.
- b. Appointment of Mr. Chandramouli as Managing Director and approving payment of remuneration.
- c. Appointment of Mr. S. Hariharan as an Independent Director and approving payment of commission.

Postal Ballot:

No Special resolutions were passed last year through Postal Ballot.

5. Disclosures

No transaction of material nature has been entered into by the Company with its promoters, Directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company.

There were no instances of non-compliance or penalty imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market.

The annual, half-yearly and quarterly results are regularly submitted to the stock exchanges in accordance with the listing agreement.

The Company has no Whistle Blower Policy and further no personnel has been denied access to the audit committee.

No money has been raised through public/right/ preferential issue during the year.

Company has extended the maturity of 12% Redeemable Preference Shares of the face value of Rs.750 lacs, which were due for payment on 30th March 2012 to 30th March 2015 with the consent of all the preference shareholders at their EGM held on 28th March 2012. Company could not redeem the Preference Shares due to inadequate profits.

Profile of directors seeking re-appointment

(i) Mr. Iyer Vishwanath

Mr. Iyer Vishwanath, aged about 57 years, holds Nil paid up share capital, is a member of Institute of Chartered Accountants of India and is practicing Chartered Accountant having over 25 years of experience in the field of finance, auditing and taxation. His experience in the



field of accounting and finance continue to be of immense benefit for the company. He is not holding any shares in the company.

Particulars of other company directorship are as follows:

Name of the Company	Designation
SNACO Consulting Pvt Ltd	Director

(ii) **Mr. S. Hariharan**

Mr. S. Hariharan, 62 years, holds Nil paid up share capital, is a qualified Company Secretary and Cost Accountant, having more than 27 years of experience in the field of finance and company affairs and retired as a Company Secretary from Atlas Copco (I) Limited. His rich and varied experience will benefit the company in many ways. He is not holding any shares in the company.

He does not hold any directorship or any committee position in any other company.

(ii) **Mr. Krishnan Muthukumar**

Mr. Krishnan Muthukumar is a Post Graduate in Business Administration and a Graduate in commerce. He is an industrialist with expertise in construction and real estate business. His rich and varied experience will benefit the company in many ways. He is holding 2000 shares in the company.

Name of the Company	Designation
Tridhaatu Realty & Infra Pvt Ltd	Director
Monarch catalyst (P) Limited	Director

6. Means of Communication

The annual, half-yearly and quarterly results are regularly submitted to the stock exchanges in accordance with the

listing agreement and are published in Trinity Mirror (English) and Makkal Kural (Tamil) newspapers.

7. Management Discussion and Analysis Report

Management Discussion and Analysis Report and the Corporate Governance report for the year forms part of the Director's Report. (Given in Annexure)

8. General Shareholders Information

Annual General Meeting

The 26th Annual General Meeting of the Company will be held on Thursday, 14th March, 2013 at 12.30 p. m. at Asha Nivas, No. 9, Rutland Gate, 5th Street, Chennai - 600 006.

Financial Calendar for the year 2012-2013 (Provisional)

Results for the first quarter ending 30th June, 2012	Last week of July, 2012
Results for the second quarter ending 30th September, 2012	Second week of November, 2012
Results for the third quarter ending 31st December, 2012	Second week of February, 2013
Results for the fourth quarter ending 31st March, 2013	Second week of May, 2013
Annual General Meeting for the year ending 31st March, 2013	Second week of September, 2013

Listing on the Stock Exchanges

The Equity shares of the Company are listed on the Bombay Stock Exchange and National Stock Exchanges. The Company has paid annual listing fees to the respective stock exchanges.

Trading in shares of the company in National Stock Exchange was suspended in the year 2003-2004, since the company did not have full time Company Secretary. This requirement has been since met and the Company has taken up the issue with NSE for revoking the suspension order. Matter is pending with NSE authorities.

**BSE Stock Code: 526921****Market price data:**

High/Low during each month in last financial year at the Bombay stock exchange

Month	Share Prices (Rs.)	
	High	Low
April 2011	20.30	15.50
May 2011	18.20	15.45
June 2011	19.50	14.00
July 2011	15.90	13.25
August 2011	14.20	9.45
September 2011	12.50	9.00
October 2011	10.14	8.50
November 2011	9.99	7.06
December 2011	8.74	7.02
January 2012	10.19	7.16
February 2012	12.88	9.05
March 2012	10.90	6.90

Registrar and transfer agents

Link Intime India Pvt. Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W)
Mumbai - 400 078.
Tel: 25963838, Fax: 25946969

Address for communication

No. 158, 1st Floor, Eldams Road,
Teynampet,
Chennai - 600 018.
Tel: 24328452, Fax: 24328252

Share Transfer System

Presently the share transfer documents, which are received by the Company, are processed, approved and kept ready for dispatch within 15 days from the date of the receipt.

Distribution of shareholding as on 31st March, 2012

Slab of Shareholdings (Rs.)	Shareholders	%	Amount in Rs.	%
1-500	5205	81.38	763335	7.27
501-1000	505	7.89	435216	4.15
1001-2000	303	4.74	489219	4.66
2001-3000	105	1.64	268208	2.55
3001-4000	39	0.61	138676	1.32
4001-5000	49	0.77	236621	2.25
5001-10000	94	1.47	720857	6.87
Above 10000	96	1.50	7447868	70.93
Total	6396	100.00	105000000	100.00

Shareholding pattern as on 31st March, 2012

Categories	Number of shares	%
Promoters, Directors, relatives and associates	4665839	44.44
Mutual Funds	15800	0.15
FII's	36509	0.35
Private Corporate Bodies	626839	5.97
Indian Public	4447650	42.36
HUF	254443	2.42
NRI's/OCB's	374086	3.56
Clearing Members	78834	0.75
Total	105000000	100.00

Dematerialisation of shares

The equity shares of the company has been admitted for dematerialization with NSDL and CDSL and 88.98% of the company's paid up Equity share capital has been dematerialised up to March 31, 2012.

**E-mail ID of Investor Grievance Redressal Cell**

E-mail ID: investors@tcms.bz

9. Non-Mandatory Requirements

- a. Chairman of the Board: The Company maintains the office of the Chairman at its Corporate Office/Registered Office and also reimburses the expenses incurred in performance of duties.
- b. The Board has duly constituted a Remuneration Committee under the Chairmanship of Mr. Iyer Vishwanath, which determines the remuneration package for Executive Directors.
- c. Shareholder Rights: The quarterly financial results are regularly submitted to the stock exchanges.
- d. Audit qualifications: The company has unqualified financial statements.
- e. Training of Board members: Periodical meetings are held with skilled consultancy agencies for the Board members to appraise them of recent developments and existing laws and practices.
- f. Mechanism of evaluating Non-executive directors: Same as above.
- g. Whistle Blower Policy: As mentioned earlier, the Company does not have a Whistle blower policy.

DECLARATION

As provided under Clause 49 of the Listing agreement with the Stock Exchanges, this is to confirm that all the members of the board and the senior Management have affirmed compliance with the Code of conduct for the year ended 31st March, 2012.

For Twentyfirst Century Management Services Ltd.

Sundar Iyer
Chairman

Place: Mumbai
Date: 30.05.2012

Auditor's Certificate on Corporate Governance

We have examined the compliance of Corporate Governance by Twentyfirst Century Management Services Limited for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

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

On the basis of information and explanation given to us and as per the records maintained by the Company, we state that no investor grievance(s) is pending for a period exceeding one month against the Company.

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

For M.B. Ladha & Company
Chartered Accountants
(FRN: 105503W)

Mukesh Ladha (M.No.35544)
Proprietor

Place: Mumbai
Date : 30-05-2012



CEO/CFO CERTIFICATION

To

The Board of Directors

TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED

Chennai

We, Sundar Iyer, Chairman and Chandramouli, Managing director of Twentyfirst Century Management Services Limited, on the basis of the review of the financial statements and cash flow statement for the year ended 31st March, 2012 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March 2012 are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the

auditors and the Audit Committee, those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

5. We have indicated to the Auditors and the Audit Committee:

- * there have been no significant changes in internal controls over financial reporting during the year covered by this report.
- * there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
- * there have been no instances of significant fraud of which we have become aware, and the involvement therein, of management or an employee having significant role in the company's internal controls system over financial reporting.

For Twentyfirst Century Management Services Ltd

SUNDAR IYER
Chairman

CHANDRAMOULI
Managing Director

Place: Mumbai
Date : 30-05-2012



AUDITOR'S REPORT

TO THE MEMBERS OF TWENTYFIRST CENTURY MANAGEMENT SERVICES LTD

We have audited the attached Balance Sheet of Twentyfirst Century Management Services Limited for the year ended 31st March 2012 and also the Profit & Loss Account for the year ended on that date, annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub section (4A) of Sec. 227 of the Companies Act 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said Order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of the books.
- (iii) In our opinion the Balance Sheet and Profit & Loss Account comply with the accounting standards referred to in Sub section (3C) of Section 211 of the Companies Act, 1956, subject to:

Note 2(h), in respect of no provision for gratuity has been made in accounts, in the event of any employee leaving the services by reason of death / incapability / retirement or resignation.

Note 13, in respect of non provision of sundry debtors amounting to Rs. 2307.13 lacs transferred from subsidiary company which are considered good by the management.

Note 14(3), in respect of inoperative bank accounts amounting to Rs. 1.53 lacs, no confirmation is received and the accounts are neither closed nor written off.

- (iv) We further report that, had the observation made by us in Para above, been considered, the loss for the year would have been Rs. 3072.25 lacs (as against reported loss of Rs.763.59 lacs) and accumulated loss would have been Rs. 2442.23 lacs (as against reported accumulated loss of Rs. 133.57 lacs) and sundry debtors would have been Nil (as against reported sundry debtors of Rs. 2307.13 lacs) and Cash and Bank balance would have been Rs. 14.83 lacs (as against reported Cash and Bank balance of Rs. 16.36 lacs)
- (v) The Balance Sheet and Profit & Loss A/c dealt with by this report are in agreement with the books of account.
- (vi) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vii) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view, Subject to Para (iii) and (iv) above in conformity with the accounting principles generally accepted in India:
 - a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2012.
 - b) In the case of Profit & Loss Account, of the Loss of the company for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For M.B. Ladha & Company
Chartered Accountants
(FRN: 105503W)

Mukesh Ladha (M.No. 35544)
Proprietor

Place: Mumbai
Date : 30-05-2012



ANNEXURE TO THE AUDITOR'S REPORT

1. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.

The fixed assets of the company have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion the verification is reasonable having regard to the size of the Company and the nature of its assets.

As per the information and explanations given to us, during the year, the company has not disposed off any substantial part of the fixed assets that would affect the going concern.

2. The company is primarily engaged in investing activities. Accordingly, it does not hold any physical inventories. Thus paragraph 4(ii) of the Order is not applicable to the company.
3. The company has not taken any loans from companies or firms listed in the register maintained under section 301 of the company's act 1956 and from company under the same management. The company has not given any loan to companies or firms listed in the register maintained under section 301 of the companies act, 1956 and from companies under the same management.
4. The Company has adequate internal control procedures commensurate with its size and nature of business with regard to purchase of shares, fixed assets and for the sale of shares, assets or equipments. We have not observed any continuing failure to correct such internal control systems.

5. The transactions that are required to be entered into the register in pursuance of Section 301 of the act have been so entered.

In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the companies act 1956 and exceeding the value of Rs.5 Lacs in respect of any party during the year have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time where such market prices are available.

6. During the year under review, the company has not accepted any deposits from the public to which the provisions of Section 58A of the Companies Act, 1956 apply.
7. Company does not have any internal audit department, commensurate with the size of the company and nature of its business.
8. We have been informed that Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, in respect of any activities carried on by the Company.
9. According to the information and explanations given to us, the company has been regular in depositing Employees Provident Fund dues and has also been regular in depositing undisputed income tax and other applicable statutory dues with appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax as at 31st March 2012 which have not been deposited on account of a dispute pending are as under:



Name of the Statute	A Y	Nature of Dispute	Forum where the disputes are pending	Amount Disputed
Income tax Act, 1961	1995-96	Demand raised subject to rectification by ACIT	ACII Company Circle III (2)	Rs.20.20 lacs
Income tax Act, 1961	2003-04	Diminution in the value of stock	Madras High Court	Rs.1289 lacs (Value written off)
Income tax Act, 1961	2006-07	Department has disallowed the Carry forward Loss related to AY 1998-99, 2003-04. The company had claimed the Carry forward loss related to AY 2003-04, as the matter is pending before Hon'ble Madras High court	Commissioner of Appeals - III, Chennai-34. The Appeal has been made against 143(1) of the Income tax Act	Rs.562.33 lacs
Income tax Act, 1961	2007-08	Department has raised demand on Short Term Capital gains @ 30.99% instead of 15% company had claimed the Carry forward loss related to AY 2003-04, as the matter is pending before Hon'ble Madras High court	Commissioner of Appeals - III, Chennai-34. The Appeal is made against the order u/s 154 of the Income tax Act	Rs.598.14 lacs

10. The company has no accumulated losses till the immediately preceding financial year, but has incurred a losses of Rs. 763.59 Lacs during the current financial year under this report.
11. On the basis of records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion the company is not a Chit Fund or a Nidhi/Mutual Fund/Society. Therefore the provisions of clause 4 (xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures and other investments and timely entries have been made therein.
15. The company has given corporate guarantee of Rs. 287.50 lacs for the credit facilities availed by its subsidiary. According to the information and explanations given by the management, in our opinion the terms and conditions of the guarantee given for loans are not prejudicial to the interest of the Company.
16. According to the information and explanations given to us, the company has not obtained any term loans during the year under review.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, funds raised on short term basis, have not been used for long term investments.
18. The company has not made any preferential allotment of shares during the year.
19. There are no secured debentures issued during the year.
20. The company has not raised any money by public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us no material fraud on or by the company has been noticed or reported during the course of our audit.

For M.B. Ladha & Company
Chartered Accountants
(FRN: 105503W)

Mukesh Ladha (M.No.35544)
Proprietor

Place: Mumbai
Date : 30-05-2012

**BALANCE SHEET AS ON 31st MARCH 2012**

(Rupees inThousands)

	NOTES	31.03.2012	31.03.2011
Equity & Liabilities			
Shareholders' Funds			
Share Capital	3	179786	179786
Reserves & Surplus	4	322576	398935
Non-Current Liabilities			
Deferred Tax Liabilities		0	127
Current Liabilities			
Short-term borrowings	5	550	55000
Trade payables	6	175951	0
Other Current liabilities	7	777	863
Short-term provisions	8	19940	36815
TOTAL		699580	671526
Assets			
Non-Current Assets			
Fixed Assets			
Tangible assets	9	5741	7712
Non-Current investments	10	364754	436822
Deferred tax asset		125	0
Long-term loans & advances	11	8272	12913
CURRENT ASSETS			
Current investments	12	75000	0
Trade receivables	13	230713	200368
Cash and bank balances	14	1636	1489
Short-term loans and advances	15	13339	12222
		699580	671526

See accompanying notes forming part of the financial statements

AS PER OUR REPORT ATTACHED
for M.B. LADHA & COMPANY
CHARTERED ACCOUNTANTS (FRN: 105503W)

FOR AND ON BEHALF OF THE BOARD
SUNDAR IYER
CHAIRMAN

MUKESH LADHA (M.No.35544)
PROPRIETOR

A.V.M. SUNDARAM
COMPANY SECRETARY

CHANDRAMOULI
MANAGING DIRECTOR

Place : Mumbai
Date : 30.05.2012


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2012

(Rupees in Thousands)

	NOTES	31.03.2012	31.03.2011
Revenue			
Revenue from operations	16	(44799)	229677
Other Income	17	2823	4772
Total Revenue		(41976)	234449
Expenses			
Employee benefits expense	18	5582	7227
Depreciation and amortisation expenses	9	1971	315
Other expenses	19	27082	139811
Total expenses		34635	147353
Profit / (Loss) before exceptional and extraordinary items and tax		(76611)	87096
Exceptional items		0	0
Profit / (Loss) before extraordinary items and tax		(76611)	87096
Extraordinary items		0	0
Profit / (Loss) before tax		(76611)	87096
Tax expense			
Current tax		0	17500
Deferred tax	20	(252)	118
Profit / (Loss) for the year		(76359)	69478
Earning per equity share of Rs.10/- each(in Rs.) Basic and Diluted	21	(7.29)	4.73

See accompanying notes forming part of the financial statements

AS PER OUR REPORT ATTACHED

for M.B. LADHA & COMPANY

CHARTERED ACCOUNTANTS (FRN: 105503W)

MUKESH LADHA (M.No.35544)
PROPRIETORA.V.M. SUNDARAM
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD

SUNDAR IYER

CHAIRMAN

CHANDRAMOULI
MANAGING DIRECTORPlace : Mumbai
Date : 30.05.2012



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

1. *General information*

Twentyfirst Century Management Services Limited (TCMSL) is a listed company engaged in investments in Capital Market segment and Debt Instruments. The company has a wholly owned subsidiary which is a trading member of the National Stock Exchange of India Limited.

Our Company has been incorporated in the year 1986 to:

- * Deploy the investible surplus funds in the Capital Market.
- * Act as Intermediaries in the Financial Market.
- * Assist Corporates for Mobilisation and Deployment of Resources (funds)
- * Be a Trading Member of Fully Automated Stock Exchange - National Stock Exchange of India Limited (NSEIL) through our SUBSIDIARY COMPANY - TWENTYFIRST CENTURY SHARES AND SECURITIES LIMITED.

2. *Significant Accounting Policies*

a) *Basis of preparation of financial Statements*

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards and the relevant provisions of the Companies Act 1956 of India.

b) *Use of Estimates*

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and

the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ. Differences between the actual results and estimates are recognized in the period in which the results are known or materialized.

c) *Revenue Recognition*

Revenue Income and Expenditure are generally accounted on accrual or as they are earned or incurred except in case of significant uncertainty. Profit/Loss from trading activity is recognized on trade dates on first in first out basis. In respect of completed transactions pending settlement process, necessary treatment is given in the accounts for the Profits/Losses arising from these transactions. Dividend income is recognized when right to receive the payment is established.

d) *Fixed Assets*

Fixed asset is stated at cost less depreciation and impairment losses.

e) *Depreciation*

Assets are depreciated under the written down value method at the rates prescribed in Schedule XIV to the companies Act and on the revised carrying amount of the asset, identified as impaired on which depreciation has been provided over the residual life of the respective assets.

f) *Investments*

Current investments are carried at cost. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

g) *Current and Deferred Tax*

Provision for current income tax is made in accordance with the Income tax act 1961.



Deferred Tax Liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. No deferred tax asset has been created on carried forward losses as per income tax, as there is no reasonable certainty of reversal of the same in one or more subsequent year.

h) Employment Benefits

No provision for Gratuity has been made in accounts, however in the event of any employee leaving the services by reason of death/ incapability/ retirement or resignation, gratuity for the period of the services shall be paid and accounted for on cash basis.

No provision for leave encashment has been made in the accounts. However encashment of leave can be availed by the employee for balance in the earned account as of preceding financial year. All carry forward earned leaves with maximum limit of 10 days are available for availment but not for encashment.

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to profit and loss account in the year in which they accrue.

i) Contingent Liabilities

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Disclosure for contingent liability is made when there is a possible obligation or present obligation that may, but probably will not require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote.

j) Impairment of assets

The carrying amount of assets is reviewed at each Balance Sheet date for indication of any impairment based on internal/ external factors. An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value and impairment loss is charged to the Profit & Loss account. The impairment of loss recognized in the prior accounting period is reversed if there has been a change in estimates of recoverable amount.

k) Current assets, loans & advances

The current assets, Loans and Advances have a value on realization at least equal to the amount at which they are stated in the balance sheet.

l) Borrowing costs

Borrowing costs that are attributable to the acquisition of assets are capitalized as part of cost of the asset. All other borrowing costs are charged to statement of Profit and Loss.

m) Segment reporting

The Company operates in only one segment i.e., Capital Market operations, hence segment reporting in accordance with Accounting Standard - 17 is not applicable.



(Rupees in Thousands)

NOTE - 3**SHARE CAPITAL****AUTHORISED CAPITAL**

2,00,00,000 Equity Shares of Rs.10/- each

200000

200000

10,00,000 12% cumulative Redeemable Preference Shares of Rs. 100/- each

100000

100000

300000**300000****ISSUED , SUBSCRIBED AND PAID UP**

1,05,00,000 Equity shares of Rs.10/-each

105000

105000

Less: Calls in arrears (other than directors)
(42700 shares at Rs. 5 per share)**214**

214

104786

104786

7,50,000 12% redeemable cumulative preference Shares of Rs. 100/- each

75000

75000

179786

179786

Disclosure:

1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity Shares	31.03.2012		31.03.2011	
	Qty	Rs. In Thousands	Qty	Rs. In Thousands
At the beginning of the period	10500000	105000	10500000	105000
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	10500000	105000	10500000	105000

Preference Shares	31.03.2012		31.03.2011	
	Qty	Rs. In Thousands	Qty	Rs. In Thousands
At the beginning of the period	750000	75000	750000	75000
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	750000	75000	750000	75000

2. Rights, preferences and restrictions attached to shares:

Equity Shares:

The company has one class of equity shares having face value of Rs.10 per share. Every shareholder is entitled to one vote for every one share held. In the event of liquidation, the equity shareholders shall be entitled to receive remaining assets of the company after distribution of all dues in proportion to their share holdings.

**Cumulative Redeemable Preference Share (CRPS):**

The company has issued 7,50,000 12% CRPS of Rs.100 each. Each CRPS will be redeemable at par on 30th March 2015 together with arrears of dividend if any.

3. Details of Shareholders holding more than 5% shares in the company.

Equity shares of Rs.10/- each fully paid up

Name	31.03.2012		31.03.2011	
	Qty	% of holding	Qty	% of holding
Mr. Sundar Iyer	2739716	26.09	2739716	26.09
Mr. Siddharth Iyer	530000	5.05	549901	5.24

Preference shares of Rs.100/- each fully paid up

Name	31.03.2012		31.03.2011	
	Qty	% of holding	Qty	% of holding
Mr. Sundar Iyer	400000	53.33	400000	53.33
Mrs. Vanaja Sundar Iyer	200000	26.67	200000	26.67
Mr. Chandramouli	100000	13.33	100000	13.33
Mrs. Shobana Chandramouli	50000	6.67	50000	6.67

4. Details of Unpaid Calls

Particulars	31.03.2012		31.03.2011	
	Qty	Rs. in Thousands	Qty	Rs. in Thousands
Equity shares with voting rights Aggregate of calls unpaid				
- by directors	0	0	0	0
- by officers	0	0	0	0
- by others	42700	214	42700	214

5. The Unpaid Calls are not forfeited during the year.



	(Rupees inThousands)	
	As on 31.03.2012	As on 31.03.2011
NOTE - 4		
RESERVES & SURPLUS		
Securities Premium Account	335933	335933
General Reserve	41361	35761
Add: Transferred from profit & Loss Account	0	5600
	41361	41361
Transferred to Profit & Loss Account	(41361)	0
	0	41361
Surplus/ (Deficit)		
Balance brought forward from previous year	21641	(22297)
Profit / (Loss) for the period	(76359)	69478
	(54718)	47181
Balance available for appropriations	(54718)	47181
Transferred from General Reserves	41361	0
	(13357)	47181
Appropriations		
Transferred to general reserve	0	5600
Preference dividend	0	17100
Tax on preference dividend	0	2840
	0	2554
Balance carried forward to next year	(13357)	21641
	322576	398935
NOTE - 5		
SHORT TERM BORROWINGS		
Loans and advances from related parties		
Unsecured loans from company	550	55000
	550	55000
NOTE - 6		
TRADE PAYABLE		
Sundry creditors	175951	0
	175951	0

Disclosure:

Balances of Trade Payables are subject to confirmation by the parties.



(Rupees inThousands)

NOTE - 7**OTHER CURRENT LIABILITIES****Other Payables**

	As on 31.03.2012	As on 31.03.2011
Unpaid dividend (2007-08)	533	533
Statutory remittance	72	155
Others	172	175
	777	863

Disclosure:

Unpaid dividend figure does not include any amount due and outstanding to be credited to Investor Education & Protection Fund.

(Rupees inThousands)

NOTE - 8**SHORT TERM PROVISIONS**

	As on 31.03.2012	As on 31.03.2011
Preference dividend	17100	17100
Dividend tax	2840	2840
Provision for Income tax	0	16875
	19940	36815



NOTE -9
TANGIBLE FIXED ASSETS & DEPRECIATION
(Rupees in Thousands)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 31.03.2011	ADDITIONS	DELETIONS	AS ON 31.03.2011	ADDITIONS	DELETIONS	AS ON 31.03.2012	AS ON 31.03.2012
I. FURNITURE	6385	0	0	6051	60	0	6111	274
II. OFFICE EQUIPMENTS	4884	0	0	4884	0	0	4884	0
III. COMPUTERS	14098	0	0	14093	2	0	14095	3
IV. MOTOR CAR	12909	0	0	5536	1909	0	7445	5464
V. AIRCONDITIONER	1419	0	0	1419	0	0	1419	0
TOTAL	32084	0	0	31983	1971	0	33954	5741
PREVIOUS YEAR	32084	7611	0	31688	315	0	31983	7712



(Rupees in Thousands)

NOTE - 10**NON CURRENT INVESTMENTS****A. Trade Investments (At cost)**

- i. Investments in Equity Instruments of Subsidiary Company (Unquoted)
(55,89,500 equity shares of face value Rs. 10/- each fully paid up)
- ii. Investments in preference shares of Subsidiary Company (Unquoted)
(750000 12% Cumulative redeemable preference shares of Rs. 100/- each redeemable by the end of 16.09.2012 i.e. within 36 months of date of issue)

B. Other Investments (At cost)

Investments in Equity Instruments of others (Quoted)

Investments in shares (Unquoted)

Akshay Software Technologies Ltd (418000 shares)

Aggregate amount of Quoted Investments

Aggregate Market Value of Listed and Quoted Investments

Disclosure:

Details of Investments (Quoted)

Scrip	Qty	Cost	Mkt Value
Glodyne Techno serve	514056	197725	183004
Modern Dairies	10000	596	120
Puneet Resins	12500	173	437
Repro India	5000	887	960
Vindhya Tele	1200	105	164
Zylog Systems	225000	90753	140625
Total		290239	325310

NOTE - 11**LONG TERM LOANS & ADVANCES****Unsecured Considered Good**

- Loans and advances to related parties
- Other Loans and advances
- Advance payment of taxes (net of provisions)
- Deposits

As on 31.03.2012	As on 31.03.2011
61895	61895
0	75000
290239	287307
12620	12620
364754	436822
325310	230822

As on 31.03.2012	As on 31.03.2011
1786	8904
2946	2946
3540	0
0	1063
8272	12913



(Rupees in Thousands)

NOTE - 12**CURRENT INVESTMENTS****Other current investments**

Investment in preference shares of Subsidiary Company (Unquoted)
(7,50,000 12% Cumulative redeemable preference shares of
Rs.100/- each redeemable by the end of 16.09.2012 i.e. within
36 months of date of issue)

75000

0

75000

0

NOTE - 13**TRADE RECEIVABLES**

Sundry Debtors
(Unsecured considered doubtful outstanding more than six months)

230713

200368

230713

200368

Disclosure:

Sundry debtors shown in the current year are transferred from its subsidiary and is subject to confirmation and the management is confident that there will not be any dispute arise from the debtors and that it will be realised in the ordinary course of its business.

NOTE - 14**CASH & BANK BALANCES****Cash and cash Equivalents**

Cash on hand

111

96

Balances in current accounts with scheduled banks

318

256

Balances in earmarked accounts for Unpaid Dividend (2007-08)

533

533

Balances in fixed deposit accounts with scheduled banks

674

604

1636

1489

Disclosure:

1. Balance with the banks includes Unclaimed Dividend of Rs. 5.33 lacs (Previous year: Rs. 5.33 lacs)
2. Fixed deposits with banks is having maturity period of more than 12 months.
3. Balance in current accounts with scheduled banks includes Rs. 1.53 lacs for which no confirmation has been obtained and the accounts are neither closed nor written off.

NOTE - 15**SHORT TERM LOANS & ADVANCES****Unsecured considered good**

Loans and advances to employees

0

50

Margin paid for derivative segment

13234

12172

Prepaid Insurance

105

0

13339

12222



(Rupees in Thousands)

NOTE - 16**REVENUE FROM OPERATIONS****Income from capital market operations**

Profit / (Loss) from cash segment

Profit / (Loss) from derivative segment

**As on
31.03.2012****As on
31.03.2011****(61213)**

223365

16414

6312

(44799)**229677**

Disclosure:

The company is primarily engaged in investing activities, hence profit and loss from the activity is shown as revenue from operations.

NOTE - 17**OTHER INCOME**

Interest on fixed deposit

(Tax deducted at source Rs.0.11 lacs, Previous year: 0.10 lacs)

Dividend received

Service Charges

81

50

2730

4710

12

12

2823

4772

NOTE - 18**EMPLOYMENT COST**

Directors remuneration

Salaries and bonus

Employers contribution to provident fund

2475

3900

2937

3168

170

159

5582**7227****NOTE - 19****OTHER EXPENSES**

Audit Fees

Advances/Bad debts irrecoverable written off

Communication expenses

Depository charges

Car insurance

Issuer charges

Legal fees

Listing fees

Other expenses

Printing & Stationary

Professional fees

Travelling expenses

55

55

25571

136551

55

102

77

1143

14

0

66

66

50

270

112

83

227

737

296

228

559

426

0

150

27082**139811**



20. In view of the loss during the year, no tax provision has been made in the accounts for the year ended 31st March 2012.

No deferred tax asset has been created on carried forward losses as per income tax, as there is no reasonable certainty of reversal of the same in one or more subsequent year.

Deferred tax asset of Rs. 2.52 lacs has been created for difference in written down value of fixed assets between books and tax accounts, detailed as under:

(Rs. in Lacs)

Particulars	31/03/2012	31/03/2011
On timing differences on depreciation on fixed assets	(8.15)	3.81
Deferred tax thereon	(2.52)	1.18

21. Earning Per Share

Particulars	31.03.12	31.03.11
Net Profit/(Loss) After Tax (Rs. in Lacs)	(763.59)	694.78
Weighted average number of outstanding shares (In Lacs)	105	105
Basic/Diluted EPS (in Rs.) (Face Value of Rs.10 each)	(7.29)	4.73

22. Related party disclosures as required under AS-18 (Related Party Disclosures)

Wholly owned subsidiary

Twentyfirst Century Shares & Securities Limited

Key Management personnel

Mr. Sundar Iyer

Mr. Chandramouli

Entities owned by relative of Directors

SI Investments & Broking Pvt. Limited.

Vasudhara Trading Pvt. Ltd.

Transactions with subsidiary & Related Parties (For Trading Activity)

Due to Twentyfirst Century Shares & Securities Ltd - 1741.50 lacs

Due from Vasudhara Trading Pvt Ltd. - Rs. 1296.43 lacs

Remuneration paid to directors

Mr. Sundar Iyer - 12.25 Lacs

Mr. Chandramouli- 12.50 Lacs

23. Contingent liability of Rs.287.50 Lacs towards corporate guarantee given to ICICI Bank Ltd for the credit facilities availed by its subsidiary has not been provided for.

24. Company has not provided income tax liability of Rs. 1160.47 Lacs for the Assessment year 2006-07 and 2007-08 that may arise in respect of income tax matters pending in appeal. It is not practicable to estimate the timing of cash outflows in respect of this matter. However, the company has been advised that it has fair chance of winning the appeal.



25. In view of loss during the year, under review Rs. 90 lacs preference dividend for preference share capital has not been provided in the accounts.
26. Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October, 2 2006 certain disclosure are required to be made relating to Micro, Small & Medium Enterprises. There have been no reported cases of delays in payments to Micro and Small Enterprises or of interest payments due to delays in such payments.
27. Previous year figures have been rearranged and regrouped wherever necessary to facilitate the comparison.

As per our Report of even Date

For and on behalf of Board

For M.B. Ladha & Company
Chartered Accountants
(FRN: 105503W)

Sundar Iyer
Chairman

Mukesh Ladha (M.No.35544)
Proprietor

Chandramouli
Managing Director

Place : Mumbai
Date : 30-05-2012

A.V.M. Sundaram
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012**

(Rupees in Thousands)

	31.03.2012		31.03.2011	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		(76611)		87096
Add : Depreciation	1971		315	
Bad debts written off	0		136551	
Interest received	(81)		(50)	
Dividend received	(2730)	(840)	(4710)	132106
Operating Profit before working capital changes		(77451)		219202
Trade and other receivables	(30345)		(336919)	
Loans & advances	7064		45497	
Trade payables and other liabilities	175865	152584	(42749)	(334171)
Cash generated from operations		75133		(114969)
Direct Taxes paid		(20415)		(713)
Net cash flow from operating activities (A)		54718		(115682)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		0		(7611)
Other investments		(2932)		63829
Interest Received		81		50
Dividend received		2730		4710
Bank deposits		(70)		(40)
Net cash flow from investing activities (B)		(191)		60938
CASH FLOW FROM FINANCING ACTIVITIES				
Unsecured loans		(54450)		54450
Net cash flow from financing activities (C)		(54450)		54450
Net increase/(decrease) in cash & cash equivalents (A+B+C)		77		(294)
Cash & cash equivalents - Opening Balance		885		1179
Cash & cash equivalents - Closing Balance		962		885

PER OUR REPORT ATTACHED
for M.B. LADHA & COMPANY
CHARTERED ACCOUNTANTS (FRN: 105503W)

FOR AND ON BEHALF OF THE BOARD
SUNDAR IYER
CHAIRMAN

MUKESH LADHA (M.No.35544)
PROPRIETOR

A.V.M. SUNDARAM
COMPANY SECRETARY

CHANDRAMOULI
MANAGING DIRECTOR

Place : Mumbai
Date : 30.05.2012



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1.	Name of the Subsidiary Company	:	Twentyfirst Century Shares & Securities Ltd.
2.	Financial year ending	:	31st March, 2012
3.	Shares of the Subsidiary held on above date		
	Number and face value	:	55.89,500 equity shares of Rs.10/- each fully paid up 7,50,000 12% cumulative redeemable preference shares of Rs.100/- each
	Extent of holding Company	:	100%
4.	Net aggregate amount of the Subsidiary profit and losses not dealt within the Holding Company's Account		
	a. Current Year	:	Rs. (33540) Thousands
	b. Previous years since it became Subsidiary	:	Rs. 42001 Thousands
5.	Net aggregate amount of the Subsidiary profit and losses dealt within the Holding Company's Account		
	a. Current Year	:	Nil
	b. Previous years since it became Subsidiary	:	Nil

For and on behalf of the Board

SUNDAR IYER
Chairman

A.V.M. SUNDARAM
Company Secretary

CHANDRAMOULI
Managing Director

Place: Mumbai
Date : 30/05/2012



AUDITOR'S REPORT

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED AND ITS SUBSIDIARY

We have examined the attached consolidated Balance Sheet of TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED and its subsidiary, TWENTYFIRST CENTURY SHARES AND SECURITIES LIMITED as at 31st March 2012 and the consolidated Profit & Loss Account for the Year then ended.

These financial statements are the responsibility of the management of the Twentyfirst Century Management Services Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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 statements, we believe that our audit provides a reasonable basis for our opinion subject to following qualification.

1. Non provision for gratuity has been made in accounts, in the event of any employee leaving the services by reason of death / incapability / retirement or resignation.
2. Non provision of sundry debtors amounting to Rs. 2307.13 lacs transferred from subsidiary company which are considered good by the Management.

3. Inoperative bank accounts amounting to Rs. 1.53 lacs, no confirmation is received and the accounts are neither closed nor written off.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Twentyfirst Century Management Services Limited and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Twentyfirst Century Management Services Limited and its aforesaid subsidiary, we are of the opinion that:

- (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Twentyfirst Century Management Services Limited and its subsidiary as at 31st March 2012.
- (b) the Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operations of Twentyfirst Century Management Services Limited and its subsidiary for the year then ended.
- (c) In case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For M.B. Ladha & Company
Chartered Accountants
(FRN: 105503W)

Mukesh Ladha (M.No.35544)
Proprietor

Place: Mumbai
Date : 30-05-2012



CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2012

(Rupees in Thousands)

	NOTE NO.	31.03.2012	31.03.2011
Equity & Liabilities			
Shareholders' Funds			
Share Capital	3	179786	179786
Reserves & Surplus	4	331037	440936
Money reced against share warrant		0	0
Share application money pending allotment		0	0
Non-Current Liabilities			
Long- term borrowings		0	0
Deferred tax Liabilities		0	0
Long-term provisions		0	0
Current Liabilities			
Short-term borrowings	5	190536	255057
Trade payables	6	75921	0
Other Current liabilities	7	2150	2540
Short-term provisions	8	19940	36815
TOTAL		<u>799370</u>	<u>915134</u>
Assets			
Non-Current Assets			
Fixed Assets			
Tangible assets	9	28285	36590
Intangible assets-Goodwill on consolidation		6000	6000
Non-Current investments	10	329859	301220
Deferred tax asset		869	368
Long-term loans & advances	11	28247	46037
CURRENT ASSETS			
Current investments		0	0
Trade receivables	12	288949	322266
Cash and bank balances	13	95397	165333
Short-term loans and advances	14	21335	36632
Other current assets	15	429	688
		<u>799370</u>	<u>915134</u>

See accompanying notes forming part of the financial statements

AS PER OUR REPORT ATTACHED
for M.B. LADHA & COMPANY
CHARTERED ACCOUNTANTS (FRN: 105503W)

FOR AND ON BEHALF OF THE BOARD
SUNDAR IYER
CHAIRMAN

MUKESH LADHA (M.No.35544)
PROPRIETOR

A.V.M. SUNDARAM
COMPANY SECRETARY

CHANDRAMOULI
MANAGING DIRECTOR

Place : Mumbai
Date : 30.05.2012



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2012
(Rupees in Thousands)

	NOTES	31.03.2012	31.03.2011
Revenue			
Revenue from operations	16	(2482)	290483
Other Income	17	9789	12433
Total Revenue		7307	302916
Expenses			
Employee benefits expense	18	22894	27447
Finance costs		17582	21163
Depreciation and amortisation expenses		6269	3703
Other expenses	19	56304	164830
Total expenses		103049	217143
Profit / (Loss) before exceptional and extraordinary items and tax		(95742)	85773
Exceptional items			
Profit/(Loss) on sale of motor car		355	0
Profit / (Loss) before extraordinary items and tax		(95387)	85773
Extraordinary items		0	0
Profit / (Loss) before tax		(95387)	85773
Tax expense			
Current tax		0	17500
Tax pertaining to earlier years		15013	0
Deferred tax	20	(501)	(51)
		14512	17449
Profit / (Loss) for the year		(109899)	68324
Earning per equity share of Rs.10/- each(in Rs.) Basic and Diluted	21	(10.49)	4.61

See accompanying notes forming part of the financial statements

AS PER OUR REPORT ATTACHED
for M.B. LADHA & COMPANY
CHARTERED ACCOUNTANTS (FRN: 105503W)

FOR AND ON BEHALF OF THE BOARD
SUNDAR IYER
CHAIRMAN

MUKESH LADHA (M.No.35544)
PROPRIETOR

A.V.M. SUNDARAM
COMPANY SECRETARY

CHANDRAMOULI
MANAGING DIRECTOR

Place : Mumbai
Date : 30.05.2012



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Consolidation

The consolidated financial statements relate to Twentyfirst Century Management Services Limited and its subsidiary Company.

a) *Basis of Accounting*

The financial statements of the Subsidiary Company used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended 31st March 2012. Consolidated financial statements have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

b) *Principles of Consolidation:*

The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expense. The intra-group balances and intra-group transactions and unrealized profits or losses are fully eliminated as per AS-21 (Consolidated Financial Statement) issued by Institute of Chartered Accountants of India.

c) *Goodwill / Capital Reserve on consolidation*

The excess of cost to the Company of its investment in the subsidiary over the Company's portion of equity of the subsidiary as at the date of investment is recognized in the consolidated financial statement as goodwill.

d) *Particulars of Subsidiaries*

Name of the Company	Country of Incorporation	Proportion of ownership interest
Twentyfirst Century Shares & Securities Ltd	India	100%

2. Significant Accounting Policies

a) *Basis of Accounting*

The financial statement of the Company and its subsidiary company are maintained under the historical cost convention on an accrual basis unless otherwise stated and have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and generally accepted accounting principles.

b) *Use of Estimates*

The preparation of financial statements are in conformity with the Generally Accepted Accounting Principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ. Differences between the actual results and estimates are recognized in the period in which the results are known or materialized.

c) *Revenue Recognition*

Revenue Income and Expenditure are generally accounted on accrual or as they are earned or incurred except in case of significant uncertainty. Profit/Loss from trading activity is recognized on trade dates on first in first out basis. In respect of completed transactions pending settlement process, necessary treatment is given in the accounts for the Profits/Losses arising from these transactions. Dividend income is accounted for on receipt basis.

d) *Fixed Assets*

Fixed asset is stated at cost less depreciation and impairment losses.

e) *Depreciation*

Assets are depreciated under the written down value method at the rates prescribed in Schedule XIV to the companies Act and on



the revised carrying amount of the asset, identified as impaired on which depreciation has been provided over the residual life of the respective assets.

f) **Investments**

Current Investments are carried at lower of cost and quoted value, computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

g) **Current and Deferred Tax**

Provision for current income tax is made in accordance with the Income tax act 1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

h) **Employment Benefits**

No provision for gratuity has been made in accounts, however in the event of any employee leaving the services by reason of death / incapability / retirement or resignation gratuity for the period of the services shall be paid and accounted for on cash basis.

No provision for leave encashment has been made in the account. However encashment of leave can be availed by the employee for balance in the earned account as of preceding year. All carry forward earned leaves with maximum limit of 10 days are available for availment but not for encashment.

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to profit and loss account in the year in which they accrue.

i) **Contingent Liabilities**

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or present obligation that may, but probably will not require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote.

j) **Impairment of assets**

The carrying amount of assets is reviewed at each Balance Sheet date for indication of any impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value and impairment loss is charged to the Profit & Loss account. The impairment of loss recognized in the prior accounting period is reversed if there has been a change in estimates of recoverable amount.

k) **Current assets, loans & advances**

The current assets, Loans and Advances have a value on realization at least equal to the amount at which they are stated in the balance sheet.

l) **Borrowing costs**

Borrowing costs that are attributable to the acquisition of assets are capitalized as part of cost of the asset. All other borrowing costs are charged to statement of Profit and Loss.

m) **Segment reporting**

The Company operates in only one segment i.e., Capital Market operations, hence segment reporting in accordance with Accounting Standard-17 is not applicable.



(Rupees in Thousands)

NOTE - 3**SHARE CAPITAL****AUTHORISED CAPITAL**

2,00,00,000 Equity Shares of Rs.10/- each

200000

200000

10,00,000 12% cumulative Redeemable Preference Shares of Rs. 100/- each

100000

100000

300000**300000****ISSUED , SUBSCRIBED AND PAID UP**

1,05,00,000 Equity shares of Rs.10/-each

105000

105000

Less: Calls in arrears

214

214

104786

104786

7,50,000 12% cumulative redeemable preference Shares of Rs. 100/- each

75000

75000

179786

179786

Disclosure:

1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Equity Shares	31.03.2012		31.03.2011	
	Qty	Rs. In Thousands	Qty	Rs. In Thousands
At the beginning of the period	10500000	105000	10500000	105000
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	10500000	105000	10500000	105000

Preference Shares	31.03.2012		31.03.2011	
	Qty	Rs. In Thousands	Qty	Rs. In Thousands
At the beginning of the period	750000	75000	750000	75000
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	750000	75000	750000	75000

2. Rights, preferences and restrictions attached to shares:

Equity Shares:

The company has one class of equity shares having face value of Rs.10 per share. Every shareholder is entitled to one vote for every one share held. In the event of liquidation, the equity shareholders shall be entitled to receive remaining assets of the company after distribution of all dues in proportion to their share holdings.

**Cumulative Redeemable Preference Share (CRPS):**

The company has issued 7,50,000 12% CRPS of Rs.100 each. Each CRPS will be redeemable at par on 30th March 2015 together with arrears of dividend if any.

3. Details of Shareholders holding more than 5% shares in the company.

Equity shares of Rs.10/- each fully paid up

Name	31.03.2012		31.03.2011	
	Qty	% of holding	Qty	% of holding
Mr. Sundar Iyer	2739716	26.09	2739716	26.09
Mr. Siddharth Iyer	530000	5.05	549901	5.24

Preference shares of Rs.100/- each fully paid up

Name	31.03.2012		31.03.2011	
	Qty	% of holding	Qty	% of holding
Mr. Sundar Iyer	400000	53.33	400000	53.33
Mrs. Vanaja Sundar Iyer	200000	26.67	200000	26.67
Mr. Chandramouli	100000	13.33	100000	13.33
Mrs. Shobana Chandramouli	50000	6.67	50000	6.67

4. Details of Unpaid Calls

Particulars	31.03.2012		31.03.2011	
	Qty	Rs. in Thousands	Qty	Rs. in Thousands
Equity shares with voting rights Aggregate of calls unpaid				
- by directors	0	0	0	0
- by officers	0	0	0	0
- by others	42700	214	42700	214

5. The Unpaid Calls are not forefited during the year.



(Rupees inThousands)

NOTE - 4**RESERVES & SURPLUS**

	As on 31.03.2012	As on 31.03.2011
Securities Premium Account	335933	335933
Capital reserve	224	224
Revaluation reserve	196	196
General Reserve	41461	35861
Add: Transferred from profit & Loss Account	0	5600
	41461	41461
Transferred to Profit & Loss Account	31764	0
	9697	41461
Surplus/ (Deficit)		
Balance brought forward from previous year	63122	20338
Profit / (Loss) for the period	(109899)	68324
Balance available for appropriations	(46777)	88662
Transferred from General Reserves	31764	0
	(15013)	88662
Appropriations		
Transferred to general reserve	0	5600
Preference dividend	0	17100
Tax on preference dividend	0	2840
	0	2554
Balance carried forward to next year	(15013)	63122
	331037	440936

NOTE - 5**SHORT TERM BORROWINGS****Loan repayable on demand****From Banks (Secured)**

CITI Bank (Loan against shares)	93694	139721
ICICI Bank (Loan against shares)	96292	60336
Unsecured loans from company	550	55000
	190536	255057



Disclosure:

1. Loan against shares secured by pledge of shares held by holding company and directors.

Particulars	Nature of the Security	Rupees in Thousands	
		31/03/2012	31/03/2011
Loan repayable on demand From Banks (Secured)			
CITI Bank (Loan against shares)	Shares	253998	288173
ICICI Bank (Loan against shares)	Shares	222603	161342

2. The Company has not defaulted in repayment of loans and interest in respect the Short Term Borrowings.
3. Company has availed Bank guarantee from ICICI Bank amounting Rs. 575 lacs, out of which Rs.555 lacs given to ICICI Bank (Professional Clearing Members) towards Initial Margin requirement for derivative Segment and Rs. 25 lac to National securities Clearing Corporation of India. For the above guarantee Twentyfirst Century Management Services Ltd. (Holding Company) has given corporate guarantee of Rs. 287.50 lacs.

NOTE - 6

	Rupees in Thousands	
TRADE PAYABLES	31/03/2012	31/03/2011
Sundry creditors	75921	0
	75921	0

Disclosure:

Balance of trade payables are subject to confirmation by the parties.

NOTE - 7

OTHER CURRENT LIABILITIES	31/03/2012	31/03/2011
Unpaid dividend (2007-08)	533	533
Statutory remittance	881	1594
Others	736	413
	2150	2540

Disclosure:

Unpaid dividend figure does not include any amount due and outstanding to be credited to Investor Education & Protection Fund.

NOTE - 8

SHORT TERM PROVISIONS	31/03/2012	31/03/2011
Preference dividend	17100	17100
Dividend tax	2840	2840
Provision for income tax	0	16875
	19940	36815

**NOTE - 9****TANGIBLE FIXED ASSETS & DEPRECIATION****(Rupees in Thousands)**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	ASON 31.03.2011	ADDITIONS	DELETIONS	ASON 31.03.2012	ASON 31.03.2011	ADDITIONS	DELETIONS	ASON 31.03.2012	ASON 31.03.2012	ASON 31.03.2011
I. BUILDING	11542	0	0	11542	0	3057	0	3057	8485	11542
II. FURNITURE	20257	0	0	20257	8720	2088	0	10808	9449	11537
III. OFFICE EQUIPMENTS	9382	0	52	9330	7309	288	26	7571	1759	2073
IV. COMPUTER	25079	1172	0	26251	23824	908	0	24732	1519	1255
V. MOTOR CAR	19256	0	2976	16280	9073	2539	2405	9207	7073	10183
VI. AIR CONDITONER	1419	0	0	1419	1419	0	0	1419	0	0
TOTAL	86935	1172	3028	85079	50345	8880	2431	56794	28285	36590
PREVIOUS YEAR	68202	18939	206	86935	46745	3703	103	50345	36590	

Note: Depreciation for the current year on building includes prior period depreciation of Rs. 26.11 lacs.

(Rupees in Thousands)**NOTE - 10****NON CURRENT INVESTMENTS****Other Investments (At cost)**

Investments in Equity Instruments of others (Quoted)

317239

288600

Investments in shares (Unquoted)

Akshay Software Technologies Ltd (418000 shares)

12620

12620

329859**301220****Aggregate Market Value of Listed and Quoted Investments****352010**

230822

352010**230822**



Disclosure:

1. Details of Investments (Quoted)

Scrip	Qty	Cost	Mkt Value
Glodyne Technoserve	589056	224725	209704
Modern Dairies	10000	596	120
Puneet Resins	12500	173	437
Repro India	5000	887	960
Vindhya Tele	1200	105	164
Zylog Systems	225000	90753	140625
Total		317239	352010

2. Investments of Rs. 12.93 lacs which has no reliable value has been written off in the accounts as diminution in the value of Investments.

(Rupees inThousands)

NOTE - 11

LONG TERM LOANS & ADVANCES

Unsecured considered good

	As on 31.03.2012	As on 31.03.2011
Security deposit with NSE	15510	15510
Security deposit with NSCCL	1900	1900
Loans and advances related parties	1786	8904
Advance payment of taxes (net of provisions)	5090	14299
Other Loans and advances	2946	2946
Other deposits	1015	2478
	28247	46037



(Rupees inThousands)

NOTE - 12**TRADE RECEIVABLES****Unsecured considered good**

Outstanding for a period more than six months

As on**31.03.2012**

As on

31.03.2011

230713

200368

Other Debts

58236

121898

288949**322266**

Disclosure:

Balances of trade receivables are subject to confirmation by the parties.

NOTE - 13**Cash and cash Equivalents**

Cash on hand

3018

2572

Balances in current accounts with scheduled banks

21788

77595

Balances in earmarked accounts for Unpaid Dividend (2007-08)

533

533

Balances in fixed deposit accounts with scheduled banks

70058

84633

95397**165333**

Disclosure:

1. Fixed deposits with banks includes deposits of Rs.131.74 lacs with maturity period beyond 12 months.
2. Amount of Rs. 287.50 lacs held in fixed deposits account is having lien for bank guarantees provided of Rs. 575 lacs and fixed deposits of Rs. 362.50 lacs given as collateral to ICICI Bank (Professional Clearing Member for Futures & Options segment) for Initial Margin requirement.
3. Balance in current accounts with scheduled banks includes Rs.3.92 lacs for which no confirmation has been obtained and the accounts are neither closed nor written off.

NOTE - 14**SHORT TERM LOANS & ADVANCES****Unsecured considered good**

Loans and advances to employees

260

3215

Margin paid for derivative segment

13234

12172

Additional base capital with NSE

7500

21245

Prepaid Insurance

341

0

21335**36632**



(Rupees inThousands)

NOTE - 15**OTHER CURRENT ASSETS**

Interest receivable on fixed deposits

As on 31.03.2012	As on 31.03.2011
429	688
429	688

NOTE - 16**REVENUE FROM OPERATIONS****i. Income from capital market operations**

Profit / (Loss) from cash segment

(61213)	223365
---------	--------

Profit from derivative segment

16414	6312
-------	------

(44799)	229677
----------------	---------------

ii. Brokerage received

From wholesale debt market

12678	12114
-------	-------

From capital market

28479	43181
-------	-------

Mutual fund brokerage

173	86
-----	----

41330	55381
--------------	--------------

iii. Depository charges received

1313	3743
------	------

iv. Profit / (Loss) on trading in Govt. securities

(326)	1682
-------	------

(2482)	290483
---------------	---------------

Disclosure:

The company is primarily engaged in investing activities, hence profit and loss from the activity is shown as revenue from operations.

NOTE - 17**OTHER INCOME**

Dividend received

2730	4710
------	------

Interest on fixed deposit

5478	5102
------	------

(TDS: Rs. 5.53 lacs, Previous year Rs. 5.30 lacs)

Miscellaneous Income

729	2609
-----	------

Miscellaneous written back

840	0
-----	---

Services charges

12	12
----	----

9789	12433
-------------	--------------



(Rupees inThousands)

NOTE - 18**EMPLOYMENT COST**

	As on 31.03.2012	As on 31.03.2011
Directors remuneration	2475	3900
Salaries and bonus	19034	21827
Gratuity	161	282
Employers contribution to provident fund	1068	1115
Staff welfare expenses	156	323
	22894	27447

NOTE - 19**OTHER EXPENSES**

Audit Fees	110	110
Advances/Bad debts irrecoverable written off	29729	136551
Bank guarantee charges	960	1647
Bank processing fees	276	0
Business promotion expenses	420	314
Charges paid for institutional trade	594	1166
Clearing member charges	1381	1614
Communication expenses	4377	5035
Depository charges	559	1913
Donations	110	305
Electricity charges	1194	1066
Insurance	537	800
Issuer charges	66	66
Legal fees	50	270
Listing fees	112	83
Membership fees	535	780
NSE annual subscription	110	110
NSE charges	696	115
Office expenses	201	271
Other expenses	713	1906
Printing & Stationary	541	538
Prior period depreciation on Building	2611	0
Professional fees	2345	1797
Rent	2721	2832
Repairs & maintenance	2018	2307
SEBI turnover fees	217	220
Service tax paid	1101	1049
Stamp charges	950	1208
Travel & conveyance	1070	757
	56304	164830



20. No deferred tax asset has been created on carried forward losses as per income tax, as there is no reasonable certainty of reversal of the same in one or more subsequent year.

Deferred tax asset of Rs. 5.01 lacs has been created for difference in written down value of fixed assets between books and tax accounts, detailed as under:

(Rs.in Lacs)

Particulars	31/03/2012	31/03/2011
On timing differences on depreciation on fixed assets	(16.21)	(1.66)
Deferred tax thereon	(5.01)	(0.51)

21. Earning Per Share

Particulars	31.03.12	31.03.11
Net Profit/(Loss) After Tax (Rs. in Lacs)	(1098.99)	683.24
Weighted average number of outstanding shares (In Lacs)	105	105
Basic/Diluted EPS (in Rs.) (Face Value of Rs.10 each)	(10.49)	4.61

22. The company operates in only one segment i.e., Capital Market operations, hence segment reporting in accordance with Accounting Standard-17 is not applicable.
23. There was no employee, getting salary in excess of Rs. 5 lacs per month or more throughout or part of the financial year under review.
24. Related party disclosures as required under AS - 18, (Related Party Disclosures).

Wholly owned subsidiary

Twentyfirst Century Shares & Securities Limited

Key Management personnel

Mr. Sundar Iyer
Mr. Chandramouli

Related party and their relationship

Related party	Relationship
Twentyfirst Century Shares & Securities Ltd.	Subsidiary Company
Mr. Sundar Iyer	Director
Mr. Chandramouli	Director
Mr. A. V. M. Sundaram	Company Secretary
Vasudhara Trading Pvt. Ltd.	Company owned by relative of director
SI Family Trust	Entity owned by relative of director
SI Investment & Broking Pvt. Ltd.	Company owned by relative of director
Mrs. Vanaja Sundar Iyer	Relative of a director
Mr. Siddharth Iyer	Director
Mrs. Vimala Sundaram	Relative of a director
Palani Andavar and Holdings Pvt. Ltd.	Company in which directors are interested
Lubricants and Allied Products Mfg. Co. Pvt. Ltd.	Company in which directors are interested
Mrs. Shobana Chandramouli	Relative of a director



Transactions with the related parties for trading activity

Sundry Debtors/Creditors and corresponding brokerage received for trading activity.

Rs. in Lacs

Name of the party	Debtors/Creditors		Brokerage received
Vasudhara Trading Pvt. Ltd.	DR	1675.55	10.78
Sundar Iyer	CR	790.97	43.30
SI Family Trust	CR	586.32	3.72
Palani Andavar Holdings Pvt Ltd	DR	34.76	7.10
Siddharth Iyer	DR	124.95	23.41
Vanaja Sundar Iyer	CR	1062.76	8.49
SI Investments & Broking Pvt Ltd	DR	205.36	9.17

Rent paid to Lubricants and Allied Products Mfg. Co. Pvt. Ltd. - 21 Lacs.

Remuneration paid to Directors

Mr. Sundar Iyer - 12.25 Lacs
Mr. Chandramouli - 12.50 Lacs

25. In view of loss during the year under review preference dividend of Rs.90 lacs has not been provided in the accounts.

26. Contingent liability in respect of Bank Guarantee not provided for in accounts is Rs.575 lacs, out of which 550 lacs given to ICICI Bank (Professional Clearing Member) towards Initial Margin requirement for Derivative segment and 25 lacs to National Stock Exchange of India Limited. Also company has not provided in the accounts, a contingent liability of Rs. 287.50 lacs towards corporate guarantee given to ICICI Bank Ltd for the credit facilities availed by its subsidiary.

Also Company has not provided income tax liability of Rs. 1160.47 Lacs that may arise in respect of income tax matters pending in appeal. It is not practicable to estimate the timing of cash outflows in respect of this matter. However, the company has been advised that it has fair chance of winning the appeal.

27. Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October, 2 2006 certain disclosure are required to be made relating to Micro, Small & Medium Enterprises. There have been no reported cases of delays in payments to Micro and Small Enterprises or of interest payments due to delays in such payments.

28. Previous year figures have been rearranged and regrouped wherever necessary to facilitate the comparison.

As per our Report of even Date

For and on behalf of Board

For M. B. Ladha & Company
Chartered Accountants
(FRN: 105503W)

Mukesh Ladha (M.No.35544)
Proprietor

Sundar Iyer
Chairman

Chandramouli
Director

Place: Mumbai
Date: 30.05.2012

A.V.M. Sundaram
Company Secretary



TWENTYFIRST CENTURY MANAGEMENT SERVICES LTD
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(Rupees in Thousands)

	31.03.2012	31.03.2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(95387)	85773
Add : Depreciation	8880	3703
Bad debts written off	0	136551
Profit on sale of motor car	(355)	0
Interest paid	17582	21163
Interest Received	(5478)	(5102)
Dividend received	(2730)	(4710)
	<u>17899</u>	<u>151605</u>
Operating Profit before working capital changes	(77488)	237378
Trade and other receivables	132713	(199083)
Trade payables and other liabilities	(22361)	(45244)
Loans & advances	22633	45361
Cash generated from operations	<u>55497</u>	<u>38412</u>
Direct Taxes Paid	(22679)	(1271)
Net cash flow from operating activities (A)	<u>32818</u>	<u>37141</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Bank deposits	14575	(42835)
Investments	(28639)	63829
Purchase of fixed assets	(1172)	(18939)
Disposal of fixed assets	952	103
Interest received	5478	5102
Dividend received	2730	4710
Capital work in progress	0	10967
Net cash flow from investing activities (B)	<u>(6076)</u>	<u>22937</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Loan against shares	(10071)	(35848)
Unsecured Loans	(54450)	54450
Interest paid	(17582)	(21163)
Net cash flow from financing activities (C)	<u>(82103)</u>	<u>(2561)</u>
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(55361)	57517
Cash & cash equivalents - Opening Balance	80700	23183
Cash & cash equivalents - Closing Balance	25339	80700

PER OUR REPORT ATTACHED
for M. B. LADHA & COMPANY
CHARTERED ACCOUNTANTS (FRN: 105503W)

MUKESH LADHA (M.No.35544)
PROPRIETOR

A.V.M. SUNDARAM
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD
SUNDAR IYER
CHAIRMAN

CHANDRAMOULI
MANAGING DIRECTOR

Place : Mumbai
Date : 30.05.2012