

RATNABALI CAPITAL MARKETS LIMITED

BOARD OF DIRECTORS

VIKASH SOMANI
Managing Director

SURESH KUMAR SOMANI
Joint Managing Director

DIRECTORS

HARSH VARDHAN
J. P. KUNDRA
ADITYA GOENKA
RATNANKO BANERJI

COMPANY SECRETARY

HANSRAJ JARIA

MAIN BANKERS

HDFC Bank Ltd.
State Bank of Patiala

AUDITORS

G. P. AGRAWAL & CO.
Chartered Accountants
&
GOENKA SURESH & ASSOCIATES
Chartered Accountants

REGISTERED OFFICE

FMC Fortuna, Block No. A-7 & A-8, 4th Floor,
234/3A, A. J. C. Bose Road, Kolkata-700 020.
Tel : (033) 4015 - 0000/0100, Fax : (033) 2287-5374
Email : ratnabali@ratnabali.com
Website : www.ratnabali.com

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RATNABALI CAPITAL MARKETS LIMITED

NOTICE to the Members

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of RATNABALI CAPITAL MARKETS LIMITED will be held on Saturday, the 19th June, 2010, at 11.30 A.M. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700 017, to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as on that date and the Auditors' Report thereon.
2. To declare dividend on equity shares, for the financial year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Harsh Vardhan, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint Joint Statutory Auditors for the current year and to authorise the Board of Directors to fix their remuneration.

Messrs G. P. Agrawal & Co., Chartered Accountants and Messrs Goenka Suresh & Associates, Chartered Accountants, the present Joint Statutory Auditors of the Company, are eligible for re-appointment.

Special Business :

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, or any re-enactments thereof, read with Schedule XIII to the Act, the consent of the Company, be and is hereby accorded to the re-appointment of Shri Vikash Somani, as Managing Director of the Company w.e.f.1st January, 2010, who shall not be liable to retire by rotation, on the terms and conditions and remuneration (including minimum remuneration to be paid in the event of loss or inadequacy of profit in any financial year during his tenure) as set out in the Explanatory Statement annexed thereto, with the liberty to the Board of Directors to alter and vary the terms and conditions of the re-appointment in such manner as may be prescribed by the Central Government from time to time, as may be agreed to by and between the Board and Shri Vikash Somani."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do and perform all such acts and deeds as may be considered desirable or expedient to give effect to the aforesaid resolution."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, or any re-enactments thereof, read with Schedule XIII to the Act, the consent of the Company, be and is hereby accorded to the re-appointment of Shri Suresh Kumar Somani, as Joint Managing Director of the Company w.e.f.1st January, 2010, who shall not be liable to retire by rotation, on the terms and conditions and remuneration (including minimum remuneration to be paid in the event of loss or inadequacy of profit in any financial year during his tenure) as set out in the Explanatory Statement annexed thereto, with the liberty to the Board of Directors to alter and vary the terms and conditions of the re-appointment in such manner as may be prescribed by the Central Government from time to time, as may be agreed to by and between the Board and Shri Suresh Kumar Somani."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do and perform all such acts and deeds as may be considered desirable or expedient to give effect to the aforesaid resolution."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and 268 of the Companies Act, 1956 and subject to the approval of the Central Government, the Article 89 and 106 of the Articles of Association of the Company be and are hereby altered as follows :

RATNABALI CAPITAL MARKETS LIMITED

NOTICE to the Members (*Contd.*)

Article No. 89

(3) ROTATION OF DIRECTORS

At the Annual General Meeting of the Company in every year one-third of the Directors for the time being are liable to retire by rotation and if their number is not three or a multiple of three then the number nearest thereto shall retire from office. The Directors to retire at such Annual General Meeting shall be the Director (other than the Managing Directors and or any other Director or Directors who by virtue of the provisions of any agreement are not liable to retire) who shall have been longest in office since their last election. As between Directors who became Directors on the same day those to retire shall (in default of agreement between them) be determined by lot.

Article No. 106

V. MANAGEMENT

The Board of Directors may appoint Managing or Whole Time Director/ Directors or Manager to manage the affairs of the Company and / or a Secretary or other Officers for such period and on such remuneration and on such terms and conditions with the sanction, when so required by the Act, of the shareholders in General Meeting and /or approved by the Central Government."

Registered Office:

FMC Fortuna, A-7 & A-8 , 4th Floor,
234/3A, A.J.C. Bose Road,
Kolkata- 700 020, India
1st May, 2010

By Order of the Board

HANSRAJ JARIA
Company Secretary

NOTES :

1. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in relation to Item No. 5, 6 and 7 is annexed hereto.
2. **A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.**

The instrument of appointing a proxy in order to be effective must be duly filled, stamped and signed and must reach the Company's Registered Office not less than 48 hours before the commencement of the Annual General Meeting.

Corporate Members are requested to send the Company, a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.

Members are requested to bring their admission slips along with their copy of the Annual Report at the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 10th June, 2010 to Saturday, the 19th June, 2010 (both days inclusive).
4. Members who are holding shares in physical mode, are requested to notify the changes with respect to their bank details, change of address, change in name, etc. if any, to the Registered Office of the Company or the Registrar & Share Transfer Agent, (RTA) M/s ABS Consultants Pvt. Ltd. before 10th June, 2010.
5. Members desiring any information about accounts, to be explained at the meeting are requested to inform the Company at least 10 days in advance, so that the papers relating thereto may be made available.
6. Members who hold shares in de-materialised form are requested to bring their Client ID and DP ID Number for easier identification of attendance at the meeting. In all correspondence with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the de-materialised form, they must quote their DP ID and Client ID Number.
7. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to the amendment in the Companies Act, 1956. The prescribed Form (Form 2B) can be obtained from the Company or its Registrar & Share Transfer Agent. Members desiring to avail of this facility, may send their Nomination Form duly filled in, to the Company or its Registrar & Share Transfer Agent by quoting their respective Folio Number.

RATNABALI CAPITAL MARKETS LIMITED

NOTICE to the Members (Contd.)

8. Members may avail the facility of ECS to receive the dividend, if any, through Electronic Mode directly into their Bank Account. Interested members may fill up the attached form and deliver the same to the Registrar & Share Transfer Agent of the Company.
9. Members of the Company are informed that pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unclaimed/ unpaid for a period of 7 years would be transferred to the Investor Education and Protection Fund constituted by the Central Government and the members would not be able to claim any amount of the dividend so transferred to the Fund from the Company. As such, members who have not encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividends declared by the Company for the financial years 2002-03 to 2008-09.

During the financial year ended 31st March, 2010 the Company has transferred unpaid dividend for the financial year 2001-02, amounting to Rs. 8,570.00 to the Investor Education and Protection Fund (IEPF) of the Central Government.
10. As required under Clause 49 (IV) (G) of the Listing Agreement, given below are the details of Directors seeking re-appointment at the Annual General Meeting :

Brief Resume and Nature of Expertise

1. Mr. Harsh Vardhan (Date of Birth: 15.01.1931) is a Bachelor of Arts and has more than 50 years of experience in fields like Planning, Budgeting, Finance and Administration. He has worked in various capacities in some big corporate houses with a great deal of success. He is holding 500 equity shares in the Company. He is holding the following positions with various Companies (excluding Private Limited Companies/ Foreign Companies/ Section 25 Companies) :
Directorship : Ratnabali Capital Markets Limited , Macmet India Limited and J. R. Agro Industries Limited.
Committee Positions Held : Ratnabali Capital Markets Limited : Chairman- Audit Committee, Remuneration Committee and Investors Grievance Committee.
Macmet India Limited : Member- Remuneration Committee.
2. Mr. Vikash Somani (Date of Birth: 05.04.1960) is a commerce graduate. He is the Managing Director of the Company. He has more than 20 years of entrepreneurship experience in stock broking, investment and allied services. He has considerable experience in operations, financial control and corporate affairs. He is holding 6,91,800 equity shares in the company. He is holding the following positions with various Companies (excluding Private Limited Companies/ Foreign Companies/ Section 25 Companies) :
Directorship : Ratnabali Capital Markets Limited.
Committee Positions Held : Ratnabali Capital Markets Limited : Chairman - Share Transfer Committee and Finance Committee.
3. Mr. Suresh Kumar Somani (Date of Birth: 19.05.1963) is a commerce graduate from St. Xaviers College, Kolkata. He is the Joint Managing Director of the Company. He has more than 20 years of entrepreneurship experience in stock broking, investment and finance. He is responsible for financial control, business developments, marketing, fund management and general administration of the Company. He is holding 6,91,800 equity shares in the Company. He is holding the following positions with various Companies (excluding Private Limited Companies/ Foreign Companies/ Section 25 Companies) :
Directorship : Ratnabali Capital Markets Limited and New India Retailing & Investment Limited.
Committee Positions Held : Ratnabali Capital Markets Limited : Member - Share Transfer Committee and Finance Committee.
New India Retailing & Investment Limited : Member - Audit Committee.

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 5

The Board of Directors of the Company in their meeting held on 20th January, 2010 have decided to extend the terms of re-appointment of Shri Vikash Somani as Managing Director of the Company for a further period of 3 years w.e.f. 1st January, 2010 on the following terms and conditions as recommended by the Remuneration Committee :

RATNABALI CAPITAL MARKETS LIMITED

NOTICE to the Members (Contd.)

- | | | |
|-------|---|---|
| 1. | TENURE | 3 years w.e.f. 1st January, 2010. |
| 2. | REMUNERATION | |
| 2.1 | Basic Salary | Rs.1,25,000/- (Rupees One Lac Twenty Five Thousand) per month with an authority to the Board to review the same from time to time as it may deem fit. The increase in salary will take effect from 1st January, 2010.

There will be an increment of Rs. 15,000/- per month every year w.e.f.1st April, 2011 onwards. |
| 2.2 | Performance Linked Bonus | Such amount as may be determined by the Board, subject to a maximum limit of 1% of the net profit of the Company for each year calculated in accordance with Section 349 and Section 350 of the Companies Act, 1956. |
| 2.3 | Perquisites | |
| 2.3.1 | Residential Accommodation | Free furnished residential accommodation, or in case no accommodation is provided, the Managing Director shall be entitled to house rent allowance @ 50% of the basic salary. |
| 2.3.2 | Medical Reimbursement | Reimbursement of actual medical expenses (including mediclaim insurance premium) incurred in India and / or abroad and including hospitalisation, nursing home and surgical charges for himself and family. In case of any medical treatment abroad, the travelling, boarding and lodging expenses for patient and attendant are also payable. Payment of insurance premium of Group Mediclaim Policy of Managing Director at Company's cost. |
| 2.3.3 | Leave Travel Concession | Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave travel periods, wherever undertaken, whether in India or abroad. |
| 2.3.4 | Other Allowances | Any other allowances, benefit and perquisites as per the rules of the Company as are applicable to the senior executives of the Company and / or which may become applicable in the future and / or any other allowances, benefit and perquisites as the Board may from time to time decide. |
| 2.3.5 | Car and Telephone | Free use of Company's car for Company's work as well as for personal purposes along with driver and telephone at residence at Company's cost. |
| 2.3.6 | Club Fee | Membership & Subscription for two clubs in India and / or abroad, be borne by the Company including the Admission Fee and Life Membership Fee, if any. |
| 2.3.7 | Entertainment Expenses and Other Expenses | Reimbursement of entertainment and other expenses incurred in the course of business of the Company. |
| 2.3.8 | In addition to the above, they will also be entitled to the following : | |
| | (a) Provident Fund | Company's contribution to Provident Fund as per the rules of the Company. |
| | (b) Gratuity | As per the rules of the Company, but not exceeding half a month's salary for each completed year of service. |
| | (c) Leave | Leave with full pay and allowances (including encashment of unavailed earned leave thereof) as per the rules of the Company.

For the purpose of Provident Fund, Gratuity and Leave Benefit, the service of the Managing Director will be considered as continuous service from the date of his joining the Company without considering any break in service. |

For the purpose of contribution towards Gratuity, the basic salary shall only be considered.

Minimum Remuneration : Notwithstanding the above, wherein in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, perquisites and any other allowances not exceeding the overall limit prescribed in Schedule XIII and other applicable provisions of the Companies Act, 1956 or any amendment thereof as minimum

NOTICE to the Members (Contd.)

remuneration subject to the conditions stipulated therein in addition to the amount mentioned in 2.3.8 (a), (b) and (c) and encashment of leave at the end of the tenure which shall not be included in the computation of the ceiling of remuneration.

Memorandum of Concern or Interest : Except Shri Vikash Somani and his brother Shri Suresh Kumar Somani, none of the Directors is interested in the aforesaid resolution.

The requisite information prescribed in Schedule XIII for inclusion in this explanatory statement is given after the explanatory statement for item no. 7.

Item No. 6

The Board of Directors of the Company in their meeting held on 20th January, 2010 have decided to extend the terms of re-appointment of Shri Suresh Kumar Somani as the Joint Managing Director of the Company for a further period of 3 years w.e.f. 1st January, 2010 on the following terms and conditions as recommended by the Remuneration Committee:

1. **TENURE** 3 years w.e.f. 1st January, 2010.
2. **REMUNERATION**
 - 2.1 Basic Salary Rs.1,25,000/- (Rupees One Lac Twenty Five Thousand) per month with an authority to the Board to review the same from time to time as it may deem fit. The increase in salary will take effect from 1st January, 2010.
There will be an increment of Rs. 15,000/- per month every year w.e.f. 1st April, 2011 onwards.
 - 2.2 Performance Linked Bonus Such amount as may be determined by the Board, subject to a maximum limit of 1% of the net profit of the Company for each year calculated in accordance with Section 349 and Section 350 of the Companies Act, 1956.
 - 2.3 Perquisites
 - 2.3.1 Residential Accommodation Free furnished residential accommodation , or in case no accommodation is provided, the Joint Managing Director shall be entitled to house rent allowance @ 50% of the basic salary.
 - 2.3.2 Medical Reimbursement Reimbursement of actual medical expenses (including mediclaim insurance premium) incurred in India and / or abroad and including hospitalisation, nursing home and surgical charges for himself and family. In case of any medical treatment abroad, the travelling, boarding and lodging expenses for patient and attendant are also payable. Payment of insurance premium of Group Mediclaim Policy of Joint Managing Director at Company's cost.
 - 2.3.3 Leave Travel Concession Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave travel periods, wherever undertaken, whether in India or abroad.
 - 2.3.4 Other Allowances Any other allowances, benefit and perquisites as per the rules of the Company as are applicable to the senior executives of the Company and / or which may become applicable in the future and / or any other allowances, benefit and perquisites as the Board may from time to time decide.
 - 2.3.5 Car and Telephone Free use of Company's car for Company's work as well as for personal purposes along with driver and telephone at residence at Company's cost.
 - 2.3.6 Club Fee Membership & Subscription for two clubs in India and / or abroad, be borne by the Company including the Admission Fee and Life Membership Fee, if any.
 - 2.3.7 Entertainment Expenses and Other Expenses Reimbursement of entertainment and other expenses incurred in the course of business of the Company.

RATNABALI CAPITAL MARKETS LIMITED

NOTICE to the Members (*Contd.*)

2.3.8 In addition to the above, they will also be entitled to the following :

- | | | |
|-----|----------------|--|
| (a) | Provident Fund | Company's contribution to Provident Fund as per the rules of the Company. |
| (b) | Gratuity | As per the rules of the Company, but not exceeding half a month's salary for each completed year of service. |
| (c) | Leave | Leave with full pay and allowances (including encashment of unavailed earned leave thereof) as per the rules of the Company. |

For the purpose of Provident Fund, Gratuity and Leave Benefit, the service of the Joint Managing Director will be considered as continuous service from the date of his joining the Company without considering any break in service.

For the purpose of contribution towards Gratuity, the basic salary shall only be considered.

Minimum Remuneration : Notwithstanding the above, wherein in any financial year during the currency of tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, perquisites and any other allowances not exceeding the overall limit prescribed in Schedule XIII and other applicable provisions of the Companies Act, 1956 or any amendment thereof as minimum remuneration subject to the conditions stipulated therein in addition to the amount mentioned in 2.3.8 (a), (b) and (c) and encashment of leave at the end of the tenure which shall not be included in the computation of the ceiling of remuneration.

Memorandum of Concern or Interest : Except Shri Suresh Kumar Somani and his brother Shri Vikash Somani, none of the Directors is interested in the aforesaid resolution.

The requisite information prescribed in Schedule XIII for inclusion in this explanatory statement is given after the explanatory statement for item no.7.

Item No. 7

Section 255 of the Companies Act, 1956 provides that unless the articles provide for the retirement of all directors at every Annual General Meeting, not less than two-thirds of the total number of directors of a public company or of a private company which is a subsidiary of a public company, shall be persons whose period of office is liable to determination by retirement of directors by rotation. Further, Section 256 provides that one-third of such of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

The present Article 89 and 106 of the Articles of Association deals with "Rotation of Directors" i.e. rotation of all the Directors other than Managing Director, Nominee Directors and Whole Time Directors.

Your Directors proposed the amendment in the said clause in order to remove the restriction of non rotation of Executive Directors or Whole Time Directors (excluding Managing Director, Jt. Managing Director or any other Directors who by virtue of the provisions of any agreement are not liable to retire by rotation). This amendment will help the Company to appoint Executive Directors and Whole Time Directors who shall be liable to retire by rotation and to comply with the requirement of provisions of Section 255 and 256 of the Companies Act, 1956 without increasing the number of retiring Directors.

None of the Directors of the Company is interested in the aforesaid resolution. The Board recommends the resolution for your approval.

Additional information relevant to the said re-appointment of the Managing Director and Joint Managing Director as per Notification dated January 16, 2002 issued by the Department of Company Affairs is as follows for item nos. 5 & 6 :

I. General Information :

1. **Nature of Industry :** Stock broking, investment and allied services.
2. **Date of/ expected date of commencement of commercial production :** The Company was incorporated on 5th May, 1994 and started its business immediately.
3. **In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus :** Not Applicable.

RATNABALI CAPITAL MARKETS LIMITED

NOTICE to the Members (Contd.)

4. **Financial performance based on given indicators :** (Rs. in lacs)

Sl. No.	Particulars	Audited figure for the year ended 31.03.2010	Audited figure for the year ended 31.03.2009	Audited figure for the year ended 31.03.2008
1.	Net Sales/Income from Operations	97410.38	112414.73	122562.39
2.	Other Income	3000.74	760.38	2041.73
3.	Total Expenditure (including adjustment of stock)	99072.87	112639.85	122099.29
4.	Interest	252.75	49.43	459.42
5.	Depreciation	43.00	25.26	18.69
6.	Profit/ (loss) before tax	1042.50	460.58	2026.74
7.	Tax Provision/(Write Back)	(23.68)	110.45	208.77
8.	Net Profit	1066.18	350.13	1817.97
9.	Rate of Dividend (%)	50	40	70
10.	Amount of Dividend	260.15	208.12	364.21

5. **Export performance and Foreign Exchange earned for the period ended 31st March, 2010 :** Nil.

6. **Foreign investments or collaboration, if any :** Nil.

II. **Information about the Managing Director and Joint Managing Director :**

1. **Background details :** Mr. Vikash Somani, aged 49 years is a commerce graduate. He has been serving the Company as a Director since incorporation. He was appointed as a Managing Director w.e.f. 01.05.2001. Prior to the incorporation of the Company, he was actively associated with the capital market and stock broking services. He has more than 20 years of experience in stock broking, investment and allied services. In view of Mr. Vikash Somani's experience and knowledge and his association with the Company, it is desirable that the Company should avail of his experience and guidance.

Mr. Suresh Kumar Somani, aged 46 years, is the Joint Managing Director of the Company since 01.05.2001. He is a commerce graduate from St. Xaviers College, Kolkata. He has been serving the Company as a Director since incorporation. Prior to the incorporation of the Company, he was actively associated with the capital market. He has more than 20 years of experience in stock broking, finance and investment related business. In view of Mr. Suresh Kumar Somani's experience and knowledge in the Capital Market and his association with the Company, it is desirable that the Company should avail of his experience and guidance.

2. **Past Remuneration drawn :** (Rs. in lacs)

Particulars	Mr. Vikash Somani			Mr. Suresh Kumar Somani		
	01.04.2009 to 31.12.2009	01.04.2008 to 31.03.2009	01.04.2007 to 31.03.2008	01.04.2009 to 31.12.2009	01.04.2008 to 31.03.2009	01.04.2007 to 31.03.2008
Basic Salary	3.15	4.20	4.20	3.15	4.20	4.20
House Rent Allowance	1.89	2.52	2.52	1.89	2.52	2.52
Perquisites	0.40	0.44	0.19	0.21	0.67	0.22
Total	5.44	7.16	6.91	5.25	7.39	6.94

3. **Recognition or awards :** The Company has been ranked 20th among India's top 400 Small Cap Companies for the year 2006, by Dalal Street Investment Journal, Mumbai. The Company's operations are ISO 9001:2000 certified by the certifying agency Det Norske Veritas (DNV), Netherland.

4. **Job profile and suitability :** Mr. Vikash Somani is the Managing Director of the Company since 1st May, 2001. He is responsible for operations, financial control and corporate affairs of the Company. The Company

NOTICE to the Members (*Contd.*)

has grown substantially under his guidance. Considering his qualification, expertise and vast experience, the Managing Director is best suited for the responsibilities carried out by him.

Mr. Suresh Kumar Somani is the Joint Managing Director of the Company since 1st May, 2001. He is responsible for financial control, business developments, marketing, fund management and general administration of the Company. The company has achieved number of financial landmarks under his guidance. Considering his qualification, expertise and vast experience, the Joint Managing Director is best suited for the responsibilities carried out by him.

5. **Remuneration proposed :** Mr. Vikash Somani, Managing Director and Mr. Suresh Kumar Somani, Joint Managing Director are entitled to salary in the scale of Rs. 1,25,000/- per month with an increment of Rs. 15,000/- per month every year and the benefits, perquisites, allowances as prescribed in Item No. 5 & 6 of the Explanatory Statement and as may be determined by the Board/Remuneration Committee of the Board from time to time .

Minimum Remuneration : Where in any financial year, during the currency of tenure of the Managing Director and Joint Managing Director, the profits of the Company are inadequate, the Company will pay the Managing Director and Joint Managing Director remuneration by way of salary, perquisites and allowances as specified in Item No. 5 & 6 of the Explanatory Statement.

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :** Taking into consideration the size of the Company, the profile of the Managing Director and Joint Managing Director, the responsibilities shouldered by them and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointees in other companies.
7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any :** Mr. Vikash Somani and Mr. Suresh Kumar Somani are the Promoter Directors of the Company. They are brothers and each of them is holding 6,91,800 equity shares i.e. 13.29% of the paid-up capital of the Company. No other managerial personnel have any relationship with Mr. Vikash Somani and Mr. Suresh Kumar Somani.

III. Other Information

1. **Reasons for inadequate profits :**

The business of the Company consists of stock broking and trading & investment in shares and securities. The Company has earned sufficient profit in the current year as also in the past. In the current year, the profit was mainly from the investment activities and not from the trading activities due to volatility in the market. As the profit from investment activities is not to be considered for the purpose of calculation of managerial remuneration, there is loss as computed under Section 309 (read with section 198, 349 and 350) of the Companies Act, 1956.

2. **Steps taken by the company to improve performance :**

- | | |
|-------------------------------|--|
| a) Improved efficiency, | b) Process improvement, |
| c) Widening of customer base, | d) Expansion of business activities, and |
| e) Minimisation of cost. | |

3. **Expected increase in productivity and profits in measurable terms :** The Company expects to improve its income from operations and profitability through various measures stated above.

IV. Disclosures

The necessary information with regard to the remuneration and other information of the Directors are provided in the Corporate Governance Report.

Registered Office :
FMC Fortuna, A-7 & A-8 , 4th Floor,
234/3A, A.J.C. Bose Road,
Kolkata- 700 020, India
1st May, 2010

By Order of the Board

HANSRAJ JARIA
Company Secretary

RATNABALI CAPITAL MARKETS LIMITED

DIRECTORS' REPORT to the Members

Your Directors have pleasure in presenting your Company's Sixteenth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2010.

FINANCIAL RESULTS	For the year ended 31st March, 2010 (Rupees in Lacs)	For the year ended 31st March, 2009 (Rupees in Lacs)
Profit before Interest, Depreciation & Taxation	1338.25	535.27
Less : Interest	252.75	49.43
Profit before Depreciation & Taxation	1085.50	485.84
Less: Depreciation	43.00	25.26
Profit before Tax	1042.50	460.58
Less : Provision for Tax		
(a) Current Tax	0.41	11.46
(b) Fringe Benefit Tax	—	4.04
(c) Deferred Tax	(28.40)	89.27
(d) Income Tax for earlier years	4.31	5.68
Profit after tax	1066.18	350.13
Adding thereto :		
Balance as per last Balance Sheet brought forward	4533.32	4676.68
Balance available for appropriation	5599.50	5026.81
THE APPROPRIATIONS ARE		
General Reserve	106.62	250.00
Proposed Dividend	260.15	208.12
Tax on Dividend	44.21	35.37
Balance carried to Balance Sheet	5188.52	4533.32
	5599.50	5026.81
Paid-up Equity Share Capital	520.30	520.30
Basic and diluted EPS (Rs.)	20.49	6.73

REVIEW OF OPERATIONS

The Company's profit after tax is Rs. 1066.18 lacs in comparison to last year's profit of Rs. 350.13 lacs. The Board recommends to transfer a sum of Rs. 106.62 lacs to the General Reserve. Overall performance of the Company was satisfactory considering the present market conditions. Barring unforeseen events, your Directors expects to achieve good results in the coming years.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 5/- per equity share for the financial year ended 31st March, 2010, as against Rs. 4/- paid for the previous year.

OPEN OFFER UNDER SEBI REGULATION

In terms of the provisions of regulation 11(2) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 (Takeover Regulations), Mr. Vikash Somani, Mr. Suresh Kumar Somani, Mrs. Jaishree Somani ('Acquirers') and Ashwamedh Properties Private Limited ('Person Acting in Concert/ PAC') has made a public announcement on 12th August, 2009 to acquire upto 10,40,600 equity shares of Rs. 10/- each representing 20% of the paid up capital of the Company at a price of Rs. 123.40 per share determined in terms of SEBI Takeover Regulations. The open offer opened on 5th April, 2010 and closed on 24th April, 2010.

RATNABALI CAPITAL MARKETS LIMITED

DIRECTORS' REPORT to the Members (*Contd.*)

SUBSIDIARY

Ratnabali Investment Private Limited (formerly Ratnabali Realty Pvt. Ltd.) has become a wholly - owned subsidiary of Ratnabali Capital Markets Ltd. w.e.f. 11th September, 2009. For the year ended on 31st March, 2010 the Subsidiary Company has reported a net profit of Rs. 2.14 lacs.

The Subsidiary Company is not a material non-listed subsidiary company as defined under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd.

The Annual Accounts of the Subsidiary Company for the year ended 31st March, 2010 is annexed to this Report.

The Subsidiary Company has made an application for grant of Certificate of Registration of Non Banking Finance Company with Reserve Bank of India, which is under process.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31st March, 2010 are attached and forms part of the Annual Report. The consolidated financial statements have been prepared in accordance with the requirements of the Listing Agreement with the Bombay Stock Exchange Ltd. and in accordance with the Accounting Standard 21 issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 it is hereby confirmed that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation ;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2010 and of the profit of the company for the year ended 31st March, 2010;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

The report on Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under amended Clause 49 of the Listing Agreement and the Management Discussion and Analysis Report, are annexed to the Directors' Report.

DIRECTORS

Mr. Harsh Vardhan, Director of the Company, will retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

The Board of Directors in their meeting held on 20th January, 2010 has approved the re-appointment of Mr. Vikash Somani and Mr. Suresh Kumar Somani as Managing Director and Joint Managing Director respectively w.e.f. 1st January, 2010 for a period of 3 years, with revised terms and conditions and remuneration, subject to the approval of the members at the ensuing Annual General Meeting.

AUDITORS

Messrs G. P. Agrawal & Co. Chartered Accountants and Messrs Goenka Suresh & Associates, Chartered Accountants, the Joint Statutory Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible on having furnished the required certificate under Section 224(1B) of the Companies Act, 1956 offer themselves for re-appointment.

AUDITORS' REPORT

No comments under Section 217(3) of the Companies Act, 1956 are required against the Auditors' Report.

DIRECTORS' REPORT
to the Members *(Contd.)*

PARTICULARS OF EMPLOYEES

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST MARCH, 2010.

Employee Name	Designation/ Nature of duties	Relation	Age	Qualification	Experience	Remuneration (Rs.)	Date of commencement of Employment	Previous Employment/ Experience
Vikash Somani	Managing Director	Brother of Jt. Managing Director	49	B.Com	20 years	11,84,210/-**	1st May, 2001*	Not Applicable
Suresh Kumar Somani	Joint Managing Director	Brother of Managing Director	46	B.Com	20 years	11,69,087/-**	1st May, 2001*	Not Applicable

* Mr. Vikash Somani and Mr. Suresh Kumar Somani are the Directors of the Company since incorporation i.e. 5th May, 1994.

** Remuneration includes salary, company's contribution to provident fund and monetary value of perquisites.

STATUTORY DISCLOSURES

The information relating to energy conservation, technology absorption and foreign exchange earnings and outgo as required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure forming part of this Report.

APPRECIATION

The Board thanks its bankers, employees, shareholders and other business associates for their support during the year and looks forward to their continued co-operation and support in future.

For and on behalf of the Board
VIKASH SOMANI
Managing Director

Place : Kolkata
Date : 1st May, 2010

SURESH KUMAR SOMANI
Jt. Managing Director

Annexure to the Directors' Report

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

DISCLOSURES

A. CONSERVATION OF ENERGY

The Company is engaged in the financial services sector, hence its operations do not account for substantial energy consumptions. Accordingly, the Company is not required to furnish information in Form A under the head "Conservation of Energy" under Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures have been adopted by the Company as such :

- Installation of TFT monitors that save power.
- Minimising air-conditioning usage.
- Educating and making the employees aware to save power.
- Power shutdown of idle monitors.
- Shutting off all the lights when not in use.

RATNABALI CAPITAL MARKETS LIMITED

DIRECTORS' REPORT to the Members (*Contd.*)

B. TECHNOLOGY ABSORPTION

FORM B for disclosure of particulars with respect to absorption.

Research and Development (R&D) :		
1	Specific areas in which R&D carried out by the Company.	The Company has not carried out any specific research and development activities during the year.
2	Benefits derived as a result of the above R & D.	Nil
3	Future plan of action.	Nil
4	Expenditure on R & D :	
	(a) Capital	Nil
	(b) Recurring	Nil
	(c) Total	Nil
	(d) Total R&D expenditure as a percentage of total turnover.	Nil
Technology absorption, adaptation and innovation :		
1	Efforts, in brief, made towards technology absorption, adaptation and innovation.	The management keeps itself abreast of the technological advancements in the industry and ensures continued and sustained efforts towards absorption as well as development of the same to meet business needs and objectives. Such as : TCP IP and MPLS connectivity for front office, Bloomberg, Capitaline and other softwares for analysis.
2	Benefits derived as a result of the above efforts, e.g. Product improvement, cost reduction, product development, import substitution, etc.	The technological absorption has resulted in improvement in services and cost reduction. However, the benefits derived from the technological advancements are not quantifiable.
3	In case of imported technology (imported during the last 5 years, reckoned from the beginning of the financial year) following information may be furnished : (a) Technology imported. (b) Year of import. (c) Has technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	Nil Not Applicable Not Applicable Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not exported any products and services during the year. During the period under review, the Company's foreign exchange earning was nil and the Company has incurred a foreign currency outgo of Rs. 17,89,002/-.

For and on behalf of the Board

VIKASH SOMANI
Managing Director

SURESH KUMAR SOMANI
Jt. Managing Director

Place : Kolkata
Date : 1st May, 2010

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as incorporated in Clause 49 of the Listing Agreement is set out below :

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Ratnabali Capital Markets Limited is committed to the adoption of best governance practices and its adherence in true spirit at all times. The Company has ensured compliances of the additional requirements as laid down in the revised provisions contained in Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, relating to Corporate Governance as on the date of Report.

Your Company has started incorporating a separate section of report on Corporate Governance in their Annual Report, thus committing it to transparency in all its dealings and places emphasis on business ethics and has continued the same in this year.

2. BOARD OF DIRECTORS

The Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors in compliance with the provisions of Clause 49 of the Listing Agreement.

(i) Composition of Board, Directorships and Committee positions held in other Companies as at 31st March, 2010 :

Name of Directors	Executive/ Non-Executive/ Independent	No. of outside Directorships held (excluding Private Limited Companies, Foreign Companies and Section 25 Companies)	No. of outside Committee positions held (excluding Private Limited Companies, Foreign Companies and Section 25 Companies)	
			Chairman	Member
Mr. Vikash Somani	Managing Director	—	—	—
Mr. Suresh Kumar Somani	Joint Managing Director	1	—	1
Mr. Harsh Vardhan	Non-Executive and Independent	2	—	1
Mr. J.P. Kundra	Non-Executive and Independent	4	4	4
Mr. Aditya Goenka	Non- Executive	—	—	—
Mr. Ratnanko Banerji	Non-Executive and Independent	2	—	—

(ii) None of the Directors is a member of more than ten Committees or Chairman of more than five Committees across all Companies.

(iii) Necessary information as mentioned in Annexure IA to Clause 49 of the Listing Agreement as applicable to the Company, has been placed before the Board for their consideration.

(iv) Necessary information as mentioned in Clause 49 IV(E) (v) and Clause 49 IV(G) (i) of the Listing Agreement are provided in the Notice of Annual General Meeting.

RATNABALI CAPITAL MARKETS LIMITED

CORPORATE GOVERNANCE REPORT (Contd.)

(v) The details of pecuniary relationships / transactions and the remuneration paid to the Directors during the year are as follows :

Name of Directors	Relation with other Directors	Business relation with the Company, if any	Shareholding of the Directors	Amount paid to them during the year 2009-2010 (in Rs.)				Service Contract / Notice Period / Severance Fees, if any
				Sitting Fees	Salary	Perquisites	Total	
Mr. Vikash Somani	Brother of Jt. Managing Director	Promoter	6,91,800	—	11,11,500	72,710	11,84,210	Term of office from 01.01.2010 to 31.12.2012. No notice period and no severance fees
Mr. Suresh Kumar Somani	Brother of Managing Director	Promoter	6,91,800	—	11,11,500	57,587	11,69,087	Term of office from 01.01.2010 to 31.12.2012. No notice period and no severance fees
Mr. Harsh Vardhan	None	None	500	52,000	—	—	52,000	Retire by rotation
Mr. J. P. Kundra	None	None	Nil	52,000	—	—	52,000	Retire by rotation
Mr. Aditya Goenka	None	Professional	100	—	—	—	—	Retire by rotation
Mr. Ratnanko Banerji	None	None	Nil	12,000	—	—	12,000	Retire by rotation

There is no stock options provided to the Directors. Salary includes contribution to Provident Fund for Mr. Vikash Somani and Mr. Suresh Kumar Somani amounting to Rs. 45,000/- each.

(vi) Attendance of Directors in meetings held during the financial year 2009-2010 :

Sl. No.	Nature & Date of Meeting	Name of Directors					
		Mr. Vikash Somani	Mr. Suresh Kumar Somani	Mr. Harsh Vardhan	Mr. J. P. Kundra	Mr. Aditya Goenka	Mr. Ratnanko Banerji
1.	Board Meeting on 9th May, 2009	Present	Present	Present	Present	Present	Present
2.	Board Meeting on 25th July, 2009	Present	Absent	Present	Present	Present	Present
3.	Board Meeting on 26th October, 2009	Present	Present	Present	Present	Present	Present
4.	Board Meeting on 20th January, 2010	Present	Present	Present	Present	Present	Absent
5.	Annual General Meeting on 29th August, 2009	Present	Present	Present	Absent	Present	Absent

3. CODE OF CONDUCT

The Company has laid down a Code of Conduct for all its employees including the Board Members and senior management personnel of the Company. All the Board Members and senior management personnel have affirmed compliance with the Code of Conduct. The Code of Conduct of the Company has been posted on the website at www.ratnabali.com for general viewing. A declaration signed by the Managing Director in this regard is attached and forms part of the Annual Report of the Company.

CORPORATE GOVERNANCE REPORT (Contd.)

4. COMMITTEES OF THE BOARD

The Board of Directors constituted 5 committees of the Board.

A. Audit Committee

(i) Terms of Reference

The Company has a qualified and independent Audit Committee with the functioning and terms of reference as prescribed under Section 292A of the Companies Act, 1956, and the Listing Agreement with the Bombay Stock Exchange Ltd. including their role, powers and duties as prescribed therein as laid down by the Board and adopted in their meeting.

(ii) Composition

The Committee presently comprises of three Directors and all of them are independent except Mr. Aditya Goenka. The composition of the Committee is in conformity with Clause 49 II (A) of the Listing Agreement. The Committee comprises of the following members :

Sl.No.	Members	No. of meetings held	No. of meetings attended
1.	Mr. Harsh Vardhan-Chairman	4	4
2.	Mr. J.P.Kundra	4	4
3.	Mr. Aditya Goenka	4	4

During the financial year ended 31.03.2010, four committee meetings were held on 09.05.2009, 25.07.2009, 26.10.2009 and 20.01.2010. The Managing Director and the Jt. Managing Director are permanent invitees and Mr. Hansraj Jaria, Company Secretary, acts as the Secretary of the Committee. The representative of the Statutory Auditors have attended all the four Audit Committee Meetings held during the year.

B. Investors Grievance Committee

(i) The Investors Grievance Committee was constituted to specifically look into redressing of the shareholders' and investors' complaints. The Committee also advises on matters which can facilitate better investor services and relations. The Investors Grievance Committee comprises of the following members :

Sl.No.	Members	No. of meetings held	No. of meetings attended
1.	Mr. Harsh Vardhan-Chairman	4	4
2.	Mr. J.P.Kundra	4	4
3.	Mr. Aditya Goenka	4	4

The composition of the Committee is in conformity with Clause 49 IV (G) (iii) of the Listing Agreement. During the financial year ended 31.03.2010, four committee meetings were held on 09.05.2009, 25.07.2009, 26.10.2009 and 20.01.2010. Mr. Hansraj Jaria, Company Secretary acts as the Secretary of the Committee and Compliance Officer for overseeing the investors grievances. The Company has allotted a dedicated email ID for investors' grievance i.e. grievance@ratnabali.com.

(ii) No. of shareholder grievances received during the year : NIL
 No. of shareholder grievances not resolved to the satisfaction of the shareholders : NIL
 No. of pending shareholder grievances : NIL

C. Share Transfer Committee

The Company has a Committee of Directors as Share Transfer Committee headed by Mr. Vikash Somani to look into various matters relating to share transfer, issue of duplicate share certificates and other related matters. The Committee meets frequently, as and when required to effectively dispose off the matters. Mr. Hansraj Jaria, Company Secretary, acts as the Secretary of the Committee. The composition of the Committee and the attendance of each Director at the meeting are as follows :

Sl.No.	Members	No. of meeting held	No. of meeting attended
1.	Mr. Vikash Somani-Chairman	1	1
2.	Mr. Suresh Kumar Somani	1	1
3.	Mr. Aditya Goenka	1	1

CORPORATE GOVERNANCE REPORT (Contd.)

D. Remuneration Committee

The Remuneration of the Directors is determined by the Remuneration Committee comprised of only Non-Executive Directors. The Company has a remuneration policy of retaining high calibre talent at the best suitable remuneration. The Company pays remuneration by way of salary and perquisites to the Managing Director and Joint Managing Director. The Non- Executive Directors are remunerated by way of commission and sitting fees of Rs. 4,000/- for attending each Board meeting and Committee thereof. The salary and the commission is recommended by the Remuneration Committee to the Board of Directors and placed before the shareholders' meeting for approval. During the year only one meeting of the Committee was held on 20th January, 2010. The composition of Remuneration Committee and the attendance of each Director at the meeting are as follows :

Sl.No.	Members	No. of meeting held	No. of meeting attended
1.	Mr. Harsh Vardhan-Chairman	1	1
2.	Mr. J.P.Kundra	1	1
3.	Mr. Ratnanko Banerji*	1	—
4.	Mr. Aditya Goenka**	1	—

* Mr. Ratnanko Banerji was appointed as a member of the Committee w.e.f. 20.01.2010.

** Mr. Aditya Goenka stepped down as a member of the Committee w.e.f. 20.01.2010.

E. Finance Committee

The Company has constituted a Finance Committee in order to review, evaluate, assess, approve and make recommendations relating to financial and investment matters.

The composition of Finance Committee is as follows :

Sl. No.	Name of Directors	Position
1.	Mr. Vikash Somani	Chairman
2.	Mr. Suresh Kumar Somani	Member
3.	Mr. Aditya Goenka	Member

No Finance Committee meeting was held during the year.

5. DETAILS OF GENERAL MEETINGS

Financial Year	Date of Meetings	Location	Time
2008-2009	15th Annual General Meeting held on 29th August, 2009	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700 017	11.30.A.M.
2007-2008	14th Annual General Meeting held on 21st June, 2008	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700 017	11.30.A.M.
2006-2007	13th Annual General Meeting held on 23rd June, 2007	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700 017	11.30 A.M.

One Special Resolution was passed during the preceding three years but no Postal Ballot Resolution was required to be passed by the Company.

6. SUBSIDIARY

The Company has a wholly - owned subsidiary company i.e. Ratnabali Investment Pvt. Ltd. (formerly Ratnabali Realty Pvt. Ltd.) which is not a material non-listed Indian subsidiary whose turnover or net worth (i.e. Paid - up Capital and Free Reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiary in the immediately preceding accounting year ended on 31st March, 2010.

CORPORATE GOVERNANCE REPORT (Contd.)

The Company monitors the performance of its subsidiary, inter alia, by the following means :

- The Financial Statements, in particular the investments made by the unlisted subsidiary company, is reviewed by the Company's Audit Committee as well as by the Board.
- The Minutes of Board Meetings of the subsidiary is noted at the Board Meetings of the Company.
- Details of significant transactions and arrangements entered into by the unlisted subsidiary company is placed before the Company's Board, as and when applicable.

7. CEO/CFO CERTIFICATION

A declaration signed by the Managing Director and CFO of the Company is attached and forms part of the Annual Report of the Company.

8. DISCLOSURES

- (i) Details of related party transactions during the year have been set out under Note No. '8' of Notes on Accounts of Schedule '19' of the Annual Accounts. However, these transactions do not have any conflict with the interest of the Company.
- (ii) The Company has complied with the requirements of Stock Exchanges, SEBI and other Statutory Authorities on all matters related to Capital Markets during the last three years. No penalties have been imposed or strictures have been issued by SEBI, Stock Exchanges or any other Statutory Authorities on the matters relating to Capital Markets during the last three years.
- (iii) The Company is regular in complying with all the mandatory requirements of Clause 49 of the Listing Agreement regarding composition of the Board, Code of conduct , Audit Committee, quarterly and annual disclosures, etc. The Company has adopted the non-mandatory requirement of Remuneration Committee.
- (iv) The Company has followed the Guidelines of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006.
- (v) Ratnabali Investment Pvt. Ltd. (formerly Ratnabali Realty Pvt. Ltd.) is a wholly – owned subsidiary of Ratnabali Capital Markets Limited.

9. MEANS OF COMMUNICATION

- (i) The Company has been disclosing the corporate financial results i.e. quarterly, half yearly and the annual audited financial results well within the stipulated period to the Bombay Stock Exchange Limited after the Board approves them. The results are normally published in the editions of Financial Express and in one vernacular newspaper.
- (ii) The aforesaid results are posted at the website of the Company at www.ratnabali.com. The investors can view the results at the aforesaid website.

10. GENERAL SHAREHOLDERS' INFORMATION

- (i) Annual General Meeting :- Date, Time and Venue :

The Sixteenth Annual General Meeting is scheduled to be held on Saturday, the 19th June, 2010 at 11.30 A.M. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata -700 017, as per the notice enclosed with the Annual Report .

- (ii) Financial Calendar (tentative) for the year 2010-11 :

Financial Reporting & Limited Review Report	Date of Submission to Stock Exchange
For the quarter ending June 30, 2010	July, 2010
For the quarter ending September 30, 2010	October, 2010
For the quarter ending December 31, 2010	January, 2011
For the quarter ending March 31, 2011	May, 2011
Annual General Meeting for the year ended March 31, 2011	June/July, 2011

- (iii) Next date of book closure : 10th June, 2010 to 19th June, 2010 (both days inclusive)

- (iv) Dividend payment date : On or after 22nd June, 2010

- (v) Depository connectivity :

National Securities Depository Ltd. (NSDL) Trade World, 4th floor, A-Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Website : www.nsdl.co.in ; Email : info@nsdl.co.in	Central Depository Services (India) Ltd. (CDSL) Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Fort, Mumbai - 400 001 Website : www.cdslindia.com Email : investors@cdslindia.com
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Shareholders may write to the respective depository for guidance on depository services.

RATNABALI CAPITAL MARKETS LIMITED

CORPORATE GOVERNANCE REPORT (Contd.)

(vi) Listing of shares : The shares of the Company are listed at :

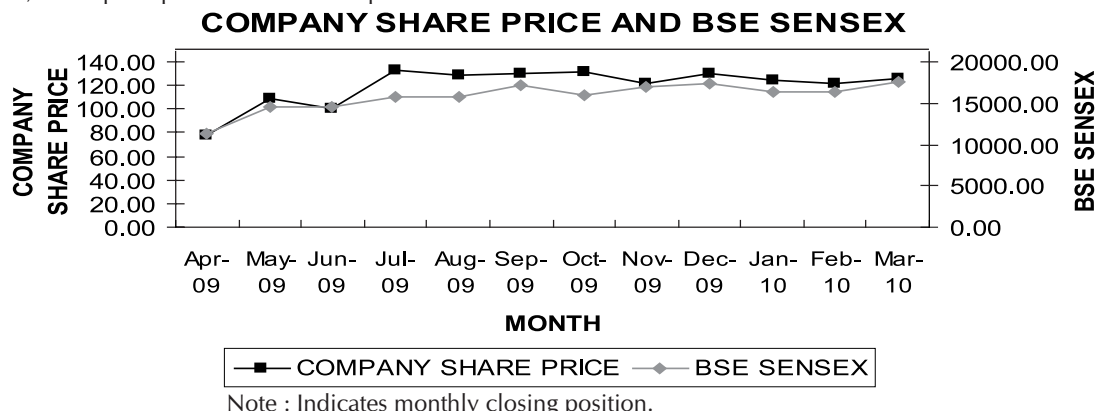
Stock Exchange	Address	Stock Code	ISIN
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001	531391	INE050D01011

Listing fees of the Bombay Stock Exchange Ltd. for the year 2010-2011 has been paid.

(vii) Market price data of shares at Bombay Stock Exchange Limited :

Month	High	Low
April, 2009	80.00	61.00
May, 2009	109.20	80.00
June, 2009	120.35	91.00
July, 2009	132.50	95.10
August, 2009	136.90	108.15
September, 2009	134.90	123.50
October, 2009	141.85	122.25
November, 2009	137.50	119.00
December, 2009	137.50	122.00
January, 2010	139.85	124.00
February, 2010	129.90	116.05
March, 2010	127.00	115.55

(viii) Stock price performance in comparison to BSE Sensex :



(ix) Registrar & Share Transfer Agent :

M/s ABS Consultants Pvt. Ltd., 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700001, Telephone : (033) 2230-1043, Fax : (033) 2243-0153, Email : absconsultant@vsnl.net, the Registrar and Share Transfer Agent of the Company deals with both physical and dematerialised segments. Any assistance regarding share transfers and transmissions, change of address, duplicate / missing share certificates, demat and any other matters, and for redressal of all share related complaints and grievances, please write to or contact the Registrar and Share Transfer Agent at the aforesaid address.

(x) Share Transfer System :

The members of the Share Transfer Committee meets as and when required for approving the transfer of shares in physical form and other related activities. The average time taken for processing the share transfers including dispatch of share certificates is about 30 days as long as the documents have been cleared in all respects.

CORPORATE GOVERNANCE REPORT (Contd.)

(xi) Distribution of shareholding as on 31st March, 2010 :

(a) On the basis of shares held :

No. of shares	No. of shareholders	% of total shareholders	No. of shares held	% to total shares held
1-500	452	77.00	61,983	1.19
501-1000	67	11.41	56,518	1.09
1001-2000	22	3.75	33,596	0.65
2001-3000	8	1.36	20,991	0.40
3001-4000	3	0.51	10,600	0.20
4001-5000	1	0.17	4,294	0.08
5001-10000	9	1.54	61,674	1.19
10001 & above	25	4.26	49,53,344	95.20
Total	587	100.00	52,03,000	100.00

(b) On the basis of Category :

Category	No. of shares held	%
Promoters Group	38,97,300	74.90
Financial Institutions/Mutual Funds/Banks	—	—
Foreign Holding(FII's, OCB's, & NRI's)	—	—
Other Corporate Bodies	9,87,469	18.98
Insurance Companies	—	—
Shares Representing GDRs	—	—
Indian Public	3,18,231	6.12
Grand Total	52,03,000	100.00

(xii) Dematerialisation of shares : As on 31st March, 2010, 48.39% of the Company's total equity shares representing 25,17,869 equity shares were held in dematerialised form. The equity shares of the Company are compulsorily traded in dematerialised form.

(xiii) Unclaimed Dividend :

Dividend unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, in accordance with Section 205A of the Companies Act, 1956. The Shareholders who have not yet encashed their dividend warrants relating to financial year(s) up to 2008-09 may claim it through the Company.

The dividend for the under-noted years, if unclaimed for 7 years, will be transferred to IEPF and no claim shall lie on the Company in respect thereof.

Financial Year	Interim/ Final	Rate of Dividend	Total Dividend (Rs.)	Unclaimed Dividend as on 31.03.10 (Rs.)	Due for transfer to IEPF in
02-03	Final	10%	52,03,000	6,115.00	August, 2010
03-04	Interim	25%	1,30,07,500	14,012.50	March, 2011
04-05	Interim	25%	1,30,07,500	29,250.00	March, 2012
04-05	Final	10%	52,03,000	12,152.00	August, 2012
05-06	Interim	40%	2,08,12,000	37,188.00	March, 2013
05-06	Final	10%	52,03,000	9,732.00	August, 2013
06-07	Interim	50%	2,60,15,000	36,510.00	March, 2014
06-07	Final	10%	52,03,000	12,636.00	August, 2014
07-08	Interim	60%	3,12,18,000	59,850.00	March, 2015
07-08	Final	10%	52,03,000	13,030.00	August, 2015
08-09	Final	40%	2,08,12,000	49,340.00	October, 2016

RATNABALI CAPITAL MARKETS LIMITED

CORPORATE GOVERNANCE REPORT (Contd.)

(xiv) Address for correspondence :

Ratnabali Capital Markets Limited, FMC Fortuna, Block A-7 & A-8, 4th Floor, 234/3A, A.J.C. Bose Road, Kolkata -700 020, India, Tel : (033) 4015-0000/0100, Fax : (033) 2287-5374
Email : ratnabali@ratnabali.com; Website : www. ratnabali.com

For and on behalf of the Board

VIKASH SOMANI
Managing Director

Place : Kolkata
Date : 1st May, 2010

SURESH KUMAR SOMANI
Jt. Managing Director

CEO / CFO CERTIFICATION

To the Board of Directors,
Ratnabali Capital Markets Limited

Re : Financial Statements for the year ended 31.03.2010
Certification by Managing Director and Chief Financial Officer

We, Vikash Somani, Managing Director and Rakesh Pandiya, Chief Financial Officer, responsible for the finance function certify that :

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2010 and to the best of our knowledge and belief :
 - i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2010 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) there has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) there has not been any significant change in the accounting policies during the year; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Kolkata, 1st May, 2010

CA. RAKESH PANDIYA
CFO

VIKASH SOMANI
Managing Director

DECLARATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING CODE OF CONDUCT

All the Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of Ratnabali Capital Markets Limited as adopted by the Company for the financial year ended 31st March, 2010.

Kolkata, 1st May, 2010

VIKASH SOMANI
Managing Director

CORPORATE GOVERNANCE REPORT (Contd.)

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

To the Members of Ratnabali Capital Markets Limited

We have examined the compliance of the conditions of the Corporate Governance by Ratnabali Capital Markets Limited for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges in India.

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

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

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

For G.P. AGRAWAL & CO.
Chartered Accountants

CA. AJAY AGRAWAL
Partner
Membership No. 17643
F. R. No. 302082E
Kolkata, 1st May, 2010

For GOENKA SURESH & ASSOCIATES
Chartered Accountants

CA. S.K.GOENKA
Proprietor
Membership No. 51226
F. R. No. 313139E

CORPORATE GOVERNANCE REPORT (Contd.)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian capital markets have witnessed a transformation over the last decade. Investor base in the country has increased substantially. The Indian capital markets have also undergone substantial reforms in regulation and supervision. Market determined prices, screen based nation wide trading, dematerialisation and electronic transfer of securities, rolling settlement and derivatives trading have greatly improved both regulatory framework and efficiency of trading and settlement. Significant changes have been introduced to strengthen the risk management systems such as margin requirements for exposure and mark to market have been introduced to ensure seamless trading in the market. SEBI and Exchange(s) are also taking regular initiatives to launch new products in the market like trading in currency derivatives, mutual funds trading etc. to cater the various investors' needs.

Your Company is in the business of providing securities broking and allied services and is a corporate member of National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange Ltd.(BSE), MCX Stock Exchange Limited (MCX-SX) providing broking services in the Capital Markets Segment, Futures & Options Segment and Currency Derivatives Segment and also as a Depository Participant of National Securities Depositories Ltd. (NSDL).

OPPORTUNITIES AND THREATS

The securities market operation involves inbuilt risk and uncertainty, which carries various opportunities and threats to the investors. Increase in inflation rate has been a major concern among the general public.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Your Company is engaged in one segment as defined under Accounting Standard 17.

OUTLOOK

In spite of the setbacks suffered during the year 2007-08, the fundamentals of the economy continue to remain strong and the financial services industry in particular continue to remain buoyant powered by a strong and growing economy. The outlook for the Company is bright in future depending on the performance of the securities market. Barring unforeseen circumstances, the Company expects to perform satisfactorily during the next year 2010-11.

RISK AND CONCERNS

The Company's operation involves inbuilt risk due to uncertain economic conditions and unforeseen events beyond the Company's control.

FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE

The financial year under review was satisfactory for the Company from the financial and operational performance point of view. Barring unforeseen events, the management expects to achieve good results in the coming years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has appropriate internal control systems commensurate with the nature of its business and the size of the Company. Internal Control Systems are periodically evaluated and constantly monitored by the Audit Committee set up by the Board.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company looks upon its manpower as the most important tool in its growth and future progress and therefore attaches paramount importance to its employees. The Company seeks to inculcate in every employee a sense of belonging with the Company. The Company regularly takes necessary steps for the development of its human resource. Employees are encouraged to attend various seminars and conferences organized by various industry and regulatory bodies.

The above statements are to be viewed with caution and judicious understanding, as the Company's operations involve inbuilt risk due to uncertain economic conditions and unforeseen events beyond the Company's control.

RATNABALI CAPITAL MARKETS LIMITED

STATEMENT PURSUANT TO SECTION 212 of the Companies Act, 1956 relating to Subsidiary Company

Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Company's interest in Subsidiary Company for the year ended 31st March, 2010.

1	Name of the Subsidiary Company	Ratnabali Investment Private Limited
2	The financial year of the Subsidiary Company ends on	31st March, 2010
3	Date from which it became Subsidiary Company	11th September, 2009
4	Holding Company's Interest	5,20,000 equity shares of Rs. 10/- each fully paid-up.
5	Extent of holding	100%
6	The net aggregate amount of the subsidiary Company profit so far as it concerns the members of the holding Company	
	a. Not dealt with in the holding Company's accounts	
	i) For the financial year ended 31st March, 2010	Rs. 2,14,433/-
	ii) For the previous financial years of the subsidiary Company since it became the holding Company's subsidiary	NIL
	b. Dealt with in the holding Company's accounts	
	i) For the financial year ended 31st March, 2010	NIL
	ii) For the previous financial years of the subsidiary Company since it became the holding Company's subsidiary	NIL
7.	a) Changes in the holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding Company's financial year.	N.A.
	b) Material changes which have occurred between the end of the aforesaid financial year of the subsidiary and the end of the holding Company's financial year in respect of:-	
	i) The subsidiary's fixed assets	N.A.
	ii) Its Investments	N.A.
	iii) Moneys lent by the subsidiary company	N.A.
	iv) The moneys borrowed by it for any purpose other than that of meeting current liabilities	N.A.

For and on behalf of the Board
VIKASH SOMANI
Managing Director
SURESH KUMAR SOMANI
Jt. Managing Director
HANSRAJ JARIA
Company Secretary

Place : Kolkata
Date : 1st May, 2010

RATNABALI CAPITAL MARKETS LIMITED

AUDITORS' REPORT to the Members of Ratnabali Capital Markets Limited

1. We have audited the attached Balance Sheet of RATNABALI CAPITAL MARKETS LIMITED, as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4.
 - a) In our opinion, proper books of accounts and records as specified in Rule 15 of Securities Contract (Regulation) Rules, 1957 have been kept so far as appears from our examination of such books.
 - b) The Company has complied with the requirements of the Stock Exchange so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the Stock Exchange.
5. 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 purposes of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (v) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For G.P. AGRAWAL & CO.
Chartered Accountants

CA. AJAY AGRAWAL
Partner
Membership No. 17643
F. R. No. 302082E
Kolkata, 1st May, 2010

For GOENKA SURESH & ASSOCIATES
Chartered Accountants

CA. S.K.GOENKA
Proprietor
Membership No. 51226
F. R. No. 313139E

AUDITORS' REPORT to the Members of Ratnabali Capital Markets Limited (*Contd.*)

Annexure to the Auditors' Report

Statement referred to in paragraph 3 of our Report of even date to the members of RATNABALI CAPITAL MARKETS LIMITED for the year ended 31st March, 2010.

- i)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) The fixed assets have been physically verified by the management during the year. To the best of our knowledge, no material discrepancy was noticed on such verification.
 - c) During the year, the Company has not disposed off substantial part of fixed assets.
- ii)
 - a) The inventory consisting of shares and securities have been physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks consisting of shares and securities followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks and the book records.
- iii)
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - b) As the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act, clauses (iii)(b) to (iii)(d) of paragraph 4 of the said order are not applicable to the Company.
 - c) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - d) As the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act, clauses (iii)(f) to (iii)(g) of paragraph 4 of the said order are not applicable to the Company.
- iv) On the basis of information and explanations given to us, we are of the opinion that the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed any instances of major weakness in the aforesaid internal control systems.
- v)
 - a) Based on the audit procedure applied by us and according to information and explanations given to us, the particulars of contracts or arrangements, referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii) The provision regarding maintenance of cost records is not applicable to the Company.

RATNABALI CAPITAL MARKETS LIMITED

AUDITORS' REPORT to the Members of Ratnabali Capital Markets Limited (Contd.)

ix) a) According to the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Service Tax, Investor Education and Protection Fund & other statutory dues with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable. As explained to us, the provisions of Employees' State Insurance, Sales Tax, Custom Duty, Excise Duty and Cess are not applicable to the Company.

b) The particulars of disputed statutory dues of Rs. 6,22,886/- that have not been deposited on account of matter pending before appropriate authority is as under :

Sl. No.	Name of the Statute	Nature of dues	Period to which it pertains	Amount (Rs.)	Forum (Where the dispute is pending)
1.	Income Tax Act, 1961	Income Tax	Accounting year 2006-2007	6,22,886/-	Commissioner of Income Tax (Appeals)

- x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi) The Company has not defaulted in payment of dues to any of the banks. The Company has not issued any debentures and does not have any borrowings from any financial institution.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) The provisions of any Special Statute applicable to the chit fund, nidhi or mutual benefit society are not applicable to this Company.
- xiv) The Company has maintained proper records of the transactions and contracts regarding dealings in shares, securities, debentures and other investments and timely entries have been made thereon. The shares, securities, debentures and other investments have been held by the Company in its own name.
- xv) According to the records of the Company and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- xix) The Company has not issued any secured debentures.
- xx) The Company has not raised any money by public issue during the period covered by our audit report.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For G.P. AGRAWAL & CO.
Chartered Accountants

CA. AJAY AGRAWAL
Partner
Membership No. 17643
F. R. No. 302082E
Kolkata, 1st May, 2010

For GOENKA SURESH & ASSOCIATES
Chartered Accountants

CA. S.K.GOENKA
Proprietor
Membership No. 51226
F. R. No. 313139E

RATNABALI CAPITAL MARKETS LIMITED

BALANCE SHEET as at 31st March, 2010

	Schedule	As at		As at	
		Rs.	Rs.	Rs.	Rs.
I SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	5,20,30,000		5,20,30,000	
Reserves and Surplus	2	<u>70,67,01,680</u>		<u>63,05,19,490</u>	
			75,87,31,680		68,25,49,490
Loan Funds					
Secured Loans	3	10,36,16,622		—	
Unsecured Loans	4	<u>4,25,00,000</u>		—	
			14,61,16,622		—
			90,48,48,302		<u>68,25,49,490</u>
II APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	4,18,73,768		3,16,03,214	
Less: Depreciation		<u>1,37,63,387</u>		<u>1,02,51,564</u>	
Net Block			2,81,10,381		2,13,51,650
Investments	6		26,37,06,793		9,97,33,503
Deferred Tax Assets (Net)			28,61,422		21,304
(Refer Note - 11 of Schedule 19)					
Current Assets,					
Loans and Advances					
Inventories	7	21,88,65,724		31,81,38,068	
Sundry Debtors	8	2,65,06,326		31,32,088	
Cash and Bank Balances	9	32,15,17,942		22,60,21,185	
Other Current Assets	10	2,05,11,750		55,54,404	
Loans and Advances	11	<u>7,55,87,943</u>		<u>6,79,91,297</u>	
		66,29,89,685		62,08,37,042	
Less: Current Liabilities and Provisions					
Liabilities	12	2,11,34,729		3,42,33,009	
Provisions	13	<u>3,16,85,250</u>		<u>2,51,61,000</u>	
		5,28,19,979		5,93,94,009	
Net Current Assets			61,01,69,706		<u>56,14,43,033</u>
			90,48,48,302		<u>68,25,49,490</u>
Significant Accounting Policies	18				
Notes on Accounts	19				
The Schedules referred to above form an integral part of the Balance Sheet.					
As per our attached report of even date.					
For G. P. AGRAWAL & CO. Chartered Accountants CA. AJAY AGRAWAL Partner Membership No. 17643 F. R. No. 302082E Place : Kolkata Date : 1st May, 2010		For GOENKA SURESH & ASSOCIATES Chartered Accountants CA. S. K. GOENKA Proprietor Membership No. 51226 F. R. No. 313139E		For and on behalf of the Board VIKASH SOMANI Managing Director SURESH KUMAR SOMANI Jt. Managing Director HANSRAJ JARIA Company Secretary	

RATNABALI CAPITAL MARKETS LIMITED

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010

	Schedule	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
INCOME			
Sale of Shares, Securities and Mutual Fund Units (Refer Note - 3 of Schedule 19)		9,69,99,16,101	11,21,97,42,603
Income from Share Broking / Dealing		4,11,21,823	2,17,30,781
Other Operating Income	14	14,45,94,326	4,03,84,441
Other Income	15	15,54,79,371	3,56,53,459
Closing Stock of Inventories		21,88,65,723	31,81,38,068
		10,25,99,77,344	11,63,56,49,352
EXPENDITURE			
Opening Stock of Inventories		31,81,38,068	24,13,18,311
Purchase of Shares, Securities and Mutual Fund Units		9,70,89,50,858	11,26,63,28,071
Administrative and Other Expenses	16	9,90,63,340	7,44,76,373
Interest	17	2,52,75,436	49,42,571
Depreciation		42,99,792	25,26,196
		10,15,57,27,494	11,58,95,91,522
PROFIT BEFORE TAXATION		10,42,49,850	4,60,57,830
Less : Provision for Taxation :			
Current Tax		40,453	11,44,526
Fringe Benefit Tax		—	4,04,515
Deferred Tax		(28,40,118)	89,27,371
Tax for earlier years		4,31,075	5,68,484
PROFIT AFTER TAXATION		10,66,18,440	3,50,12,934
Add : Balance brought forward		45,33,31,990	46,76,68,056
PROFIT AVAILABLE FOR APPROPRIATION		55,99,50,430	50,26,80,990
APPROPRIATIONS			
Proposed Dividend		2,60,15,000	2,08,12,000
Corporate Tax on Dividend		44,21,250	35,37,000
Transfer to General Reserve		1,06,61,844	2,50,00,000
Balance carried to Balance Sheet		51,88,52,336	45,33,31,990
		55,99,50,430	50,26,80,990
Basic and Diluted Earnings Per Share of Rs.10/- each. (Refer Note - 9 of Schedule - 19)		20.49	6.73
Significant Accounting Policies	18		
Notes on Accounts	19		
The Schedules referred to above form an integral part of the Profit and Loss Account. As per our attached report of even date.			
For G. P. AGRAWAL & CO. <i>Chartered Accountants</i> CA. AJAY AGRAWAL <i>Partner</i> Membership No. 17643 F. R. No. 302082E Place : Kolkata Date : 1st May, 2010	For GOENKA SURESH & ASSOCIATES <i>Chartered Accountants</i> CA. S. K. GOENKA <i>Proprietor</i> Membership No. 51226 F. R. No. 313139E	For and on behalf of the Board VIKASH SOMANI <i>Managing Director</i> SURESH KUMAR SOMANI <i>Jt. Managing Director</i> HANSRAJ JARIA <i>Company Secretary</i>	

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at <u>31st March, 2010</u> Rs.	As at <u>31st March, 2009</u> Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
55,00,000 Equity Shares of Rs. 10/- each (Previous year - 55,00,000 Equity Shares of Rs. 10/- each)	<u>5,50,00,000</u>	<u>5,50,00,000</u>
Issued, Subscribed and Paid-up		
52,03,000 Equity Shares of Rs. 10/- each fully paid up (Previous year - 52,03,000 Equity Shares of Rs. 10/- each fully paid up)	<u>5,20,30,000</u>	<u>5,20,30,000</u>
Note : The above includes 9,31,000 Equity Shares of Rs. 10/- each (Previous year 9,31,000 Equity Shares of Rs. 10/- each) which were issued and allotted as fully paid-up shares to the shareholders of the erstwhile Ratnabali Securities Limited, on its amalgamation with the Company, for consideration other than cash.		
SCHEDULE - 2		
RESERVES AND SURPLUS		
	As at <u>31st March, 2009</u> Rs.	As at <u>31st March, 2010</u> Rs.
Capital Reserve *	21,87,500	21,87,500
General Reserve	17,50,00,000	18,56,61,844
Profit & Loss Account	45,33,31,990	51,88,52,336
	<u>63,05,19,490</u>	<u>70,67,01,680</u>
* represents profit on re-issue of forfeited shares.		
SCHEDULE - 3		
SECURED LOANS		
	As at <u>31st March, 2010</u> Rs.	As at <u>31st March, 2009</u> Rs.
Term Loan from a Bank ** (Secured to the extent of pledge of fixed deposit receipts of Rs. 2,50,00,000/- and interest accrued thereon) (Previous Year Rs. Nil)	5,00,00,000	—
Cash Credit from Banks (Secured by pledge of fixed deposit receipts of Rs. 7,03,00,000/- and by pledge of shares of Rs. 6,27,93,680/-) (Previous Year Rs. Nil)	5,28,11,065	—
Car Loan from a Bank (Secured by way of Hypothecation of the vehicle purchased)	8,05,557	—
** due for repayment within one year	<u>10,36,16,622</u>	<u>—</u>
SCHEDULE - 4		
UNSECURED LOANS		
Other Loan from a Corporate Body	<u>4,25,00,000</u>	—
	<u>4,25,00,000</u>	<u>—</u>

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 5											
FIXED ASSETS											
Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.09	Additions during the year	Deductions during the year	As at 31.03.10	Up to 31.03.09	For the year	Adjustment for deductions during the year	Up to 31.03.10	As at 31.03.10	As at 31.03.09
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Office Premises	21,33,638	—	—	21,33,638	3,03,913	34,778	—	3,38,691	17,94,947	18,29,725
2	Office Equipments	32,93,503	17,96,479	26,812	50,63,170	8,57,329	3,95,378	12,895	12,39,812	38,23,358	24,36,174
3	Furniture and Fittings	38,33,553	5,02,140	—	43,35,693	6,44,931	4,01,608	—	10,46,539	32,89,154	31,88,622
4	Computers, Servers and other Information Technology Equipments	1,42,98,658	36,35,935	51,315	1,78,83,278	61,72,293	22,52,779	50,667	83,74,405	95,08,873	81,26,365
5	Electric Installation	22,78,410	—	—	22,78,410	93,813	3,69,330	—	4,63,143	18,15,267	21,84,597
6	Vehicles	57,65,452	58,48,877	14,34,750	1,01,79,579	21,79,285	8,45,919	7,24,407	23,00,797	78,78,782	35,86,167
	Total	3,16,03,214	1,17,83,431	15,12,877	4,18,73,768	1,02,51,564	42,99,792	7,87,969	1,37,63,387	2,81,10,381	2,13,51,650
	Previous Year	2,02,86,952	1,19,84,000	6,67,738	3,16,03,214	80,54,533	25,26,196	3,29,165	1,02,51,564	2,13,51,650	—

SCHEDULE - 6					
INVESTMENTS					
Long Term (Other than Trade)(at cost)	Face Value (Rs.)	As at 31st March, 2010		As at 31st March, 2009	
		Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
A. In Equity Shares of Companies					
Name of the Company					
Quoted, Fully Paid up					
Disa India Ltd.	10/-	—	—	5,153	82,81,691
Fem Care Pharma Ltd.	10/-	—	—	19,000	1,32,95,484
The Madras Aluminium Company Ltd.	2/-	—	—	15,353	16,97,020
NHPC Ltd.	10/-	5,91,500	1,83,97,999	—	—
Indian Oil Corporation Ltd.	10/-	21,600	72,20,120	—	—
Reliance Industries Ltd.	10/-	92,800	10,00,32,813	—	—
Matrix Laboratories Ltd.	2/-	—	—	1,236	1,80,756
Novartis India Ltd.	5/-	—	—	3,000	10,79,959
Tudor India Ltd.	10/-	—	—	11,246	7,61,992
Zenotech Laboratories Ltd.	10/-	—	—	55,000	58,80,743
			12,56,50,932		3,11,77,645
Unquoted, Fully Paid up					
Bombay Stock Exchange Ltd.	1/-	41,054	20,55,858	41,054	20,55,858
Electrosteel Integrated Ltd.	10/-	20,00,000	2,00,00,000	—	—
Vayana Enterprises Pvt. Ltd.	10/-	7,16,418	2,40,00,003	—	—
Devkripa Vyapaar Pvt. Ltd.	10/-	5,00,000	50,00,000	—	—
Fortuna Services Ltd.	1/-	1	—	1	—
Ratnabali Investment Pvt. Ltd.#	10/-	5,20,000	2,05,00,000	—	—
# a wholly owned subsidiary company w.e.f. 11th September, 2009	(A)		7,15,55,861		20,55,858
			19,72,06,793		3,32,33,503

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 6 (Contd.)		As at 31st March, 2010		As at 31st March, 2009	
	Face Value (Rs.)	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
B. In Debentures of Companies – Unquoted, Fully Paid up					
9% Secured Non-Convertible Redeemable Debentures of					
— Ashwamedh Properties Private Limited	1000/-	16,500	1,65,00,000	16,500	1,65,00,000
— Amrit Malls Private Limited*	1000/-	20,000	2,00,00,000	20,000	2,00,00,000
— Somani Bhoodhan Private Limited*	1000/-	30,000	3,00,00,000	30,000	3,00,00,000
*companies under the same management	(B)		6,65,00,000		6,65,00,000
	(A + B)		26,37,06,793		9,97,33,503
			<u>Book Value</u>		<u>Market Value</u>
			Rs.	Rs.	Rs.
Aggregate value of Quoted Investments			12,56,50,932	12,40,89,775	3,11,77,645
Aggregate value of Unquoted Investments			13,80,55,861	—	6,85,55,858
			26,37,06,793	12,40,89,775	9,97,33,503
					3,09,68,296
					—
					3,09,68,296
SCHEDULE - 7					
INVENTORIES					
Stock of Shares and Securities					
Equity Shares – Quoted (Other than trade)			21,82,05,479		1,08,49,601
Equity Warrants – Quoted (Other than trade)			6,60,245		—
Units of Mutual Funds – Unquoted (Other than trade)			—		30,72,88,467
			21,88,65,724		31,81,38,068
Note : Details of Stock are as follows :					
		As at 31st March, 2010		As at 31st March, 2009	
Name of the Company	Face Value	Quantity	Cost or Market Value whichever is lower	Quantity	Cost or Market Value whichever is lower
	(Rs.)	(Nos.)	(Rs.)	(Nos.)	(Rs.)
A : Equity Shares - Quoted, Fully Paid Up Other than trade					
ABB Ltd.	2/-	1,217	10,10,110	—	—
ACC Ltd.	10/-	100	95,105	—	—
Adani Enterprises Ltd.	1/-	800	3,73,771	—	—
Adani Power Ltd.	10/-	5,000	5,79,019	—	—
Balaji Distilleries Ltd.	10/-	10,000	4,55,500	—	—
Balrampur Chini Mills Ltd.	1/-	1,50,000	1,38,37,500	—	—
Bharti Airtel Ltd.	5/-	1,000	3,12,550	—	—
Bharat Heavy Electricals Ltd.	10/-	2,500	59,76,625	—	—
Canara Bank	10/-	90	36,918	—	—
CCL Products (India) Ltd.	10/-	11,000	25,14,050	—	—
Crompton Greaves Ltd.	2/-	5,000	12,84,610	—	—
DLF Ltd.	2/-	—	—	3,200	5,35,360
EIH Ltd.	2/-	19,100	23,05,370	—	—
Fame India Ltd.	10/-	64,893	55,19,150	—	—
Financial Technologies (India) Ltd.	2/-	500	7,84,300	—	—
Fortis Healthcare Ltd.	10/-	2,500	4,40,500	—	—
Globus Spirits Ltd.	10/-	10,000	13,53,500	—	—
Goodyear India Ltd.	10/-	100	28,485	—	—
GVK Power & Infrastructure Ltd.	1/-	50	2,239	—	—
Hindustan Construction Co. Ltd.	1/-	315	42,242	—	—
HCL Technologies Ltd.	2/-	1,435	5,14,304	—	—

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 7 (Contd.)					
Name of the Company	As at 31st March, 2010			As at 31st March, 2009	
	Face Value	Quantity	Cost or Market Value whichever is lower	Quantity	Cost or Market Value whichever is lower
	(Rs.)	(Nos.)	(Rs.)	(Nos.)	(Rs.)
Housing Development Finance Corporation Ltd.	10/-	250	6,78,652	300	4,23,660
Housing Development & Infrastructure Ltd.	10/-	145	41,521	3,096	2,53,408
Hero Honda Motors Ltd.	2/-	140	2,72,216	—	—
ICICI Bank Ltd.	10/-	2,600	24,76,500	—	—
IDBI Bank Ltd.	10/-	2,500	2,87,500	—	—
India Cements Ltd.	10/-	2,881	3,79,572	—	—
Infosys Technologies Ltd.	5/-	200	5,23,190	—	—
IRB Infrastructure Developers Ltd.	10/-	2,500	6,38,375	—	—
Jindal Saw Ltd.	2/-	10,000	21,24,000	—	—
Jaiprakash Associates Ltd.	2/-	2,300	3,43,965	—	—
Jaiprakash Power Ventures Ltd.	10/-	3,125	2,11,250	—	—
JSW Energy Ltd.	10/-	2,500	2,79,625	—	—
Jubilant Foodworks Ltd.	10/-	500	1,56,800	—	—
Jyoti Structures Ltd.	2/-	2,500	4,06,125	—	—
Kotak Mahindra Bank Ltd.	10/-	1,000	7,48,150	—	—
Linc Pen & Plastics Ltd.	10/-	1,000	68,350	—	—
Mcleod Russel India Ltd.	5/-	1,000	13,21,400	—	—
Spicejet Ltd.	10/-	5,000	2,91,500	—	—
Neyvelli Lignite Corporation Ltd.	10/-	4,425	6,41,404	—	—
Nalwa Sons Investments Ltd.	10/-	1,250	13,52,187	—	—
NTPC Ltd.	10/-	8,125	16,25,494	—	—
Orbit Corporation Ltd.	10/-	1,500	4,13,475	—	—
Orchid Chemicals & Pharmaceuticals Ltd.	10/-	14,700	22,62,330	37,800	28,08,413
Praj Industries Ltd.	2/-	4,400	3,74,794	—	—
PSL Ltd.	10/-	2,500	3,43,375	—	—
Reliance Industries Ltd.	10/-	2,500	26,85,625	900	13,72,275
Reliance Infrastructure Ltd.	10/-	276	2,75,738	1,104	5,54,201
State Bank of India	10/-	65	1,34,803	—	—
Sun Pharma Advanced Research Company Ltd.	1/-	1,30,000	1,16,04,139	—	—
Srei Infrastructure Finance Ltd.	10/-	20,000	15,27,000	—	—
Tech Mahindra Ltd.	10/-	3,000	25,59,300	—	—
Techno Electric & Engineering Company Ltd.	2/-	10,000	21,94,983	—	—
Tamil Nadu Newsprint & Papers Ltd.	10/-	2,59,709	2,16,74,556	—	—
Torrent Power Ltd.	10/-	7,500	21,66,375	—	—
Television Eighteen India Ltd.	5/-	36,500	27,47,396	—	—
Tata Investment Corporation Ltd.	10/-	—	—	21,245	49,02,284
United Breweries (Holdings) Ltd.	10/-	2,500	6,91,500	—	—
United Breweries Ltd.	1/-	2,500	4,51,915	—	—
Videocon Industries Ltd.	10/-	854	1,94,370	—	—
Visa Steel Ltd.	10/-	2,47,500	1,04,94,000	—	—
Welspun Gujarat Stahl Rohren Ltd.	5/-	2,500	6,60,554	—	—
Yes Bank Ltd.	10/-	2,500	6,17,875	—	—
Zee News Ltd.	1/-	16,29,250	10,17,97,752	—	—
			<u>21,82,05,479</u>		<u>1,08,49,601</u>

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Name of the Company	Face Value	As at 31st March, 2010		As at 31st March, 2009	
		Quantity	Cost or Market Value whichever is lower (Rs.)	Quantity	Cost or Market Value whichever is lower (Rs.)
SCHEDULE - 7 (Contd.)					
B : Warrants - Quoted, Fully Paid up Other than trade	(Rs.)	(Nos.)	(Rs.)	(Nos.)	(Rs.)
Fortis Healthcare Ltd.	0.05	18,960	6,60,245	—	—
			<u>6,60,245</u>		<u>—</u>
C : Mutual Funds Units - Unquoted, Fully Paid up Other than trade					
Reliance Money Manager Fund - Institutional Plan - Growth Option	1000/-	—	—	75,408	9,00,00,000
Reliance Liquid Fund - Treasury Plan Institutional - Growth Option	10/-	—	—	9,64,415	2,06,86,416
Birla Sunlife Savings Fund - Institutional Plan - Growth Option	10/-	—	—	12,05,722	2,00,03,279
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale Growth	10/-	—	—	10,42,605	2,00,03,636
TATA Floating Rate Short Term Inst. Plan - Growth (Cash)	10/-	—	—	37,87,299	5,25,15,859
HSBC Floating Rate Fund - Long Term Institutional Growth Plan	10/-	—	—	29,23,119	4,00,68,578
UTI Treasury Advantage Fund - Institutional Growth Plan	1000/-	—	—	16,624	2,40,03,963
Kotak Mahindra Mutual Fund - Floater Long Term Fund - Growth Option	10/-	—	—	28,82,756	4,00,06,736
			<u>—</u>		<u>30,72,88,467</u>
Note : The above includes shares having a book value of Rs. 4,29,39,398/- (Previous year Rs. Nil) lodged with NSCCL as non-cash margin deposit and Rs. 5,12,23,945/- (Previous year Rs. Nil) lodged with Banks against Cash Credit.					
SCHEDULE - 8					
SUNDRY DEBTORS		As at		As at	
		31st March, 2010		31st March, 2009	
(Unsecured)		Rs.		Rs.	
Debts outstanding for a period exceeding six months (considered doubtful)		2,67,675		2,87,675	
Other Debts (considered good)		2,65,06,326		31,32,088	
		<u>2,67,74,001</u>		<u>34,19,763</u>	
Less : Provision for Doubtful Debts		2,67,675		2,87,675	
		<u>2,65,06,326</u>		<u>31,32,088</u>	
SCHEDULE - 9					
CASH AND BANK BALANCES					
Cash-in-hand (As certified by the management)		10,80,149		27,505	
Balances with Scheduled Banks :					
In Current Accounts		40,91,464		1,20,08,106	
In Fixed Deposit Accounts		31,58,75,000		21,37,26,000	
{Includes Rs. 31,58,75,000/- (Previous year - Rs. 21,26,40,500/-) deposited as margin money / deposit with clearing houses of Exchanges and as security for guarantees issued by Banks and pledged with banks for availing cash credit & term loan}					
In Unpaid Dividend Accounts		2,79,815		2,27,015	
Stamps-in-hand (As certified by the management)		1,91,514		32,559	
		<u>32,15,17,942</u>		<u>22,60,21,185</u>	

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE - 10		
OTHER CURRENT ASSETS		
Interest accrued on Bank Deposits	2,05,11,750	55,54,404
	<u>2,05,11,750</u>	<u>55,54,404</u>
SCHEDULE - 11		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	39,65,608	33,35,628
Equity Index Option Premium Account	9,03,830	—
Advance Payment of Taxes {Net of Provision for Taxation Rs. 3,49,03,494/- (Previous Year - Rs. 5,56,02,740/-)}	1,76,19,890	1,17,34,050
Deposits	5,30,98,615	5,29,21,619
	<u>7,55,87,943</u>	<u>6,79,91,297</u>
SCHEDULE - 12		
CURRENT LIABILITIES		
Sundry Creditors		
Total outstanding dues of micro and small enterprises (Refer Note - 12 of Schedule 19)		
Due to creditors other than micro and small enterprises {includes temporary bank overdraft of Rs.51,30,491/- (Previous Year-Rs.25,30,965/-)}	1,11,07,669	48,81,347
Equity Index Option Premium Account	—	6,83,589
Equity Stock Option Premium Account	—	67,635
Mark-to-Market Margin Equity Derivatives	13,90,689	1,73,47,628
Mark-to-Market Margin Index Derivatives	39,037	37,99,651
Mark-to-Market Margin Currency Derivatives	2,07,713	35,478
Deposits from Customers	72,74,000	70,51,000
Investor Education & Protection Fund - Unpaid Dividend (Not due for transfer)	2,79,815	2,27,015
TDS Payable	4,85,464	1,39,666
Interest Accrued but not due on Secured Loan	3,50,342	—
	<u>2,11,34,729</u>	<u>3,42,33,009</u>
SCHEDULE - 13		
PROVISIONS		
For Proposed Dividend	2,60,15,000	2,08,12,000
For Corporate Tax on Proposed Dividend	44,21,250	35,37,000
For Gratuity & Leave encashment	12,49,000	8,12,000
	<u>3,16,85,250</u>	<u>2,51,61,000</u>
SCHEDULE - 14		
OTHER OPERATING INCOME		
Dividend Income :		
On Shares & Mutual Fund units held as Stock in Trade (other than trade)	10,82,67,192	1,21,04,799
Interest :		
On Bank Deposits {(Gross : Tax deducted at source - Rs. 38,44,366/-) (Previous Year - Rs.55,40,360/-)}	3,58,44,291	2,81,85,978
Incentive Income	3,66,398	93,664
Income from Depository Services	1,16,445	—
	<u>14,45,94,326</u>	<u>4,03,84,441</u>

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 15	Year ended	Year ended
OTHER INCOME	31st March, 2010	31st March, 2009
	Rs.	Rs.
Dividend Income : On long term Investments (other than trade)	1,27,04,426	18,76,290
Interest : On Debentures {Gross: Tax deducted at source Rs. 5,98,500/- (Previous Year - Rs. 8,13,881/-)}	59,85,000	39,50,877
On Income Tax Refund	6,79,509	7,61,018
Other Interest {Gross: Tax deducted at source Rs. 11,607/- (Previous Year - Rs. 1,57,449/-)}	1,16,065	7,64,316
Profit on sale of Investments On Current Investments (other than trade)	13,56,02,575	—
Sundry Balance written back (net)	—	98,115
Provision/Liability no longer required written back	20,000	10,000
Provision for diminution in value of Investments written back	—	2,76,86,800
Miscellaneous Income	3,71,796	5,06,043
	<u>15,54,79,371</u>	<u>3,56,53,459</u>
 SCHEDULE - 16		
ADMINISTRATIVE AND OTHER EXPENSES		
Salaries, Bonus and Exgratia	1,29,08,502	72,35,124
Contribution to Provident & other Funds	5,30,586	3,62,741
Staff Welfare	6,40,625	3,35,736
Office Rent	12,78,522	8,51,065
Repairs - Buildings	5,83,993	2,20,297
- Others	22,33,999	26,43,952
Insurance	1,03,92,398	1,03,00,171
Rates and Taxes	3,90,85,765	1,83,90,902
Directors' Remuneration	23,26,497	19,05,161
Stock Exchange Transaction Charges	72,32,715	21,22,347
Demat Transaction Charges	1,26,437	3,06,051
Electricity Expenses	12,38,354	7,49,085
Membership and Subscription	17,34,467	17,62,873
Legal and Professional	24,42,939	10,46,680
Travelling and Conveyance	29,32,878	20,78,688
Vehicle Running Expenses	15,68,232	13,78,635
Telephone, Internet & Leaseline	22,97,192	10,42,482
Bank Charges	7,18,894	9,58,614
Auditors' Remuneration (Refer Note - 17 of Schedule 19)	2,13,000	1,76,000
Advertisement & Business Promotion	12,75,102	7,46,459
Commission	18,20,385	12,27,138
Donations	1,97,000	7,10,000
Loss on Sale of Fixed Assets	1,10,208	1,78,073
Loss on Sale of Long Term Investments (other than trade)	—	1,59,24,376
Provision for Doubtful Debts	—	1,67,675
Sundry Balance written off (net)	5,106	—
Miscellaneous Expenses	51,69,544	16,56,048
	<u>9,90,63,340</u>	<u>7,44,76,373</u>
 SCHEDULE - 17		
INTEREST PAID		
On Term Loans	46,44,341	—
On Others	2,06,31,095	49,42,571
	<u>2,52,75,436</u>	<u>49,42,571</u>

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 18

SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting

The accounts have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and the accounting principles generally accepted in India and comply with the Accounting Standards as notified under the Companies (Accounting Standard) Rules, 2006.

2. Fixed Assets and Depreciation

Fixed Assets are stated at cost of acquisition including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation. Depreciation is provided on the straight line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 excepting mobile phones which are depreciated equally over a period of 3 years.

3. Investments

Investments are stated at cost of acquisition. The diminution, if any, in the value of investments stated at cost, is recognised when such diminution is considered other than temporary.

4. Inventories

Inventories are valued at lower of cost or market price/fair value, scripwise. Cost is determined on first-in first-out (FIFO) basis.

5. Employee Benefits

a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.

b) Post employment and other long-term employee benefits are recognised as an expense in the Profit & Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuations. Actuarial gains and losses in respect of post employment and other long-term employee benefits are recognised in the profit and loss account.

6. a) Revenue Recognition

Revenue from broking activities and transactions in respect of investments / dealing in shares and securities are recognised on the trade date. Dividend Income is accounted for as and when declared. Interest Income and all other incomes are recognised on accrual basis.

b) Expenses

All expenses are accounted for on accrual basis.

7. Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at the year end denominated in foreign currencies are recognised in the profit and loss account.

8. Taxes on Income

Current tax is determined on the basis of the amount of tax payable in respect of taxable income for the period.

Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognised and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

9. Impairment of Assets

Impairment losses, if any, are recognised in accordance with the Accounting Standard (AS 28) as notified under the Companies (Accounting Standard) Rules, 2006.

10. Provisions, Contingent Liabilities and Contingent Assets

a) Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 18 (Contd.)

- b) Contingent liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- c) Contingent Assets are neither recognised nor disclosed in the financial statements.
- 11. Derivatives Market Trading**
- a) In respect of the Option Contract, premium for contracts expiring beyond the balance sheet date has been treated as Current Assets / Current Liabilities, adjusted for loss, if any.
- b) In respect of Future Contracts, debit balance in Mark to Market Margin Account has been fully provided for and credit balance has been considered as Current Liabilities.
- 12. Borrowing Cost**
Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of the asset upto the date the asset is put to use. All other borrowing costs are charged to revenue in the period in which they are incurred.
- 13. Intangible Assets**
Intangible Assets if any are recognised in accordance with the Accounting Standard (AS 26) as notified under the Companies (Accounting Standard) Rules, 2006.

SCHEDULE - 19

NOTES ON ACCOUNTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous year - Rs. 1,50,000/-) and advance paid there against - Rs. Nil (Previous year - Rs. 1,01,500/-)
- Contingent liabilities not provided for in respect of :
 - Bank Guarantees given in respect of margin money to NSCCL and BOISL - Rs. 5,00,00,000/- (Previous year - Rs. 6,00,00,000/-) includes guarantees given in respect of outstanding futures and option contracts and are secured by pledge of Fixed Deposit Receipts of Rs. 1,25,00,000/- (Previous year-Rs. 3,00,00,000/-) and by shares worth Rs. 2,50,00,000/- (Previous year-Rs. Nil).
 - Bank Guarantees deposited with Sales Tax Authorities - Rs. Nil (Previous year - Rs. 65,500/-) is secured by pledge of Fixed Deposits of Rs. Nil (Previous year - Rs. 65,500/-).
 - Income Tax Demand / Refund under dispute - Rs. 25,93,129/- (Previous year - Rs. 18,55,795/-) out of which demand of Rs.18,55,795/- has already been paid.
- Sales includes Shares / units of Companies / Mutual fund valued at Rs. 10,95,11,680/- (Previous year - Rs. 4,50,00,000/-) transferred from Stock in Trade to Investments.
- Investments includes securities valued at Rs. 8,90,81,197/- (Previous year - Rs. Nil) deposited with NSCCL towards non-cash margin deposit and Rs. 3,65,69,735/- (Previous year - Rs. Nil) lodged with Banks against Cash Credit.
- a. Computation of Net Profit in accordance with Section 198 read with Section 349 and 350 of the Companies Act, 1956.

	<u>2009-10 (Rs.)</u>	<u>2008-09 (Rs.)</u>
Profit before tax as per Profit & Loss Account	10,42,49,850	4,60,57,830
Less : i) Profit on sale of Investment	13,56,02,575	—
ii) Provision for doubtful debts written back	20,000	—
iii) Provision for diminution in value of Investments written back	—	—
	13,56,22,575	2,76,86,800
Add : i) Directors' remuneration	24,69,297	19,05,161
ii) Provision for Doubtful debts	—	1,67,675
iii) Loss on sale of Investments	—	1,59,24,376
iv) Loss on sale of Fixed Assets	1,10,208	1,78,073
	25,79,505	1,81,75,285
Net Profit / (Loss) as per Section 309(5) of the Companies Act, 1956.	(2,87,93,220)	3,65,46,315
Maximum Remuneration permissible under the Companies Act, 1956 at 10%	Nil	36,54,632
Minimum Remuneration as per Schedule XIII of the Companies Act, 1956 and as approved by the shareholders (Refer Note - 14 of Schedule 19)	23,53,297	—

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 19 (Contd.)	2009-10 (Rs.)		2008-09 (Rs.)	
Commission Payable to a Non-executive Director @ 1% of Net Profit	Nil		3,65,463	
Restricted to	Nil		3,50,000	
b. Remuneration paid to Directors :				
Salary	21,33,000		13,44,000	
Contribution to provident fund	90,000		—	
Director's Sitting Fees	1,16,000		1,00,000	
Commission	—		3,50,000	
Perquisites	1,30,297		1,11,161	
	<u>24,69,297</u>		<u>19,05,161</u>	
Note : The above figures do not include Provision for Gratuity since the same is provided on an actuarial basis for the company as a whole.				
6. Disclosure pursuant to Accounting Standard - 15 Employee Benefits :				
i) Defined Contribution Plan : Employee benefits in the form of Provident Fund is considered as defined contribution plan. The contributions to the Provident fund is made in accordance with the relevant statute and are recognised as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognised as an expense for the year is Rs. 4,86,704/- (Previous year - Rs. 3,32,861/-).				
ii) Defined Benefit Plan : The company has Defined Benefit Plan namely Gratuity and Leave encashment for all employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. The Present Value of the obligation is determined based on actuarial valuation using the Projected Unit Credit Method.				
	Gratuity Unfunded		Leave Salary Unfunded	
	2009-10	2008-09	2009-10	2008-09
	Rs.	Rs.	Rs.	Rs.
(I) Change in Benefit Obligation				
Liability at the beginning of the year	7,49,000	4,65,000	63,000	73,000
Interest Cost	1,40,000	46,000	8,000	5,000
Current Service Cost	3,57,000	1,96,000	39,000	13,000
Past Service Cost (Vested Benefit)	—	—	—	—
Benefit Paid	—	—	—	—
Actuarial (gain)/loss on obligations	(1,35,000)	42,000	28,000	(28,000)
Liability at the end of the year	<u>11,11,000</u>	<u>7,49,000</u>	<u>1,38,000</u>	<u>63,000</u>
(II) Fair Value of Plan Assets	Not Applicable		Not Applicable	
(III) Actual Return on Plan Assets	Not Applicable		Not Applicable	
(IV) Amount Recognised in the Balance Sheet				
Liability at the end of the year	11,11,000	7,49,000	1,38,000	63,000
Fair value of Plan Assets at the end of the year	—	—	—	—
Difference (Funded Status)	(11,11,000)	(7,49,000)	(1,38,000)	(63,000)
Amount Recognised in the Balance sheet	<u>(11,11,000)</u>	<u>(7,49,000)</u>	<u>(1,38,000)</u>	<u>(63,000)</u>
(V) Expenses Recognised in the Income Statement				
Current Service Cost	3,57,000	1,96,000	39,000	13,000
Interest Cost	1,40,000	46,000	8,000	5,000
Expected Return on Plan Assets	—	—	—	—
Net Actuarial (gain)/loss to be recognised	(1,35,000)	42,000	28,000	(28,000)
Past Service Cost (Vested Benefit Recognised)	—	—	—	—
Expenses / (write back) Recognised in Profit and Loss Account	<u>3,62,000</u>	<u>2,84,000</u>	<u>75,000</u>	<u>(10,000)</u>
(VI) Balance Sheet Reconciliation				
Opening Net Liability	(7,49,000)	(4,65,000)	(63,000)	(73,000)
(Expenses) / write back as above	(3,62,000)	(2,84,000)	(75,000)	10,000
Employers Contribution	—	—	—	—
Amount Recognised in the Balance Sheet	<u>(11,11,000)</u>	<u>(7,49,000)</u>	<u>(1,38,000)</u>	<u>(63,000)</u>

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 19 (Contd.)	<u>Gratuity Unfunded</u>		<u>Leave Salary Unfunded</u>																																																																																																																																																																																									
	2009-10	2008-09	2009-10	2008-09																																																																																																																																																																																								
(VII) Actuarial Assumptions : For the year																																																																																																																																																																																												
Discount Rate Current	7.50%	7.50%	7.50%	7.50%																																																																																																																																																																																								
Rate of Return on Plan Assets Current	—	—	—	—																																																																																																																																																																																								
Salary Escalation Current	5.00%	5.00%	5.00%	5.00%																																																																																																																																																																																								
(VIII) Investment details — as at period end	Not Applicable		Not Applicable																																																																																																																																																																																									
The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion & other relevant factors including supply and demand in the employment market. The above information is certified by an Actuary.																																																																																																																																																																																												
The Gratuity expenses and Leave Encashment expenses have been recognised in “Contribution to Provident & Other Funds” under Schedule - 16.																																																																																																																																																																																												
The amount of the present value of obligations and experience adjustment arising on plan liabilities and plan assets for the previous four annual periods are not available and therefore, not disclosed.																																																																																																																																																																																												
7. a) In respect of futures contract, position of open interest as on the Balance Sheet date is as under :																																																																																																																																																																																												
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RATNABALI CAPITAL MARKETS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Schedule - 19 (Contd.)												
8. Related party Disclosures as per Accounting Standard - 18												
a) Transactions with related parties.												
Name of concern/Nature of Transaction	Investment in Share & Securities	Sale of Share & Securities	Provision of Services	Receipt of Services	Reimbursement of expenses	Deposit Given	Rent Expenses	Asset Purchase	Interest received	Donation Paid	Dividend Paid	Balance outstanding as at year end
Key Management Personnel (KMP)												
Mr. Vikash Somani	NIL	NIL	NIL	11,84,210 (7,15,819)	NIL	(56,25,000)	2,25,000 (1,12,500)	NIL	NIL	NIL	26,28,000 (6,49,500)	NIL
Mr. Suresh Kumar Somani	NIL	NIL	NIL	11,69,087 (7,39,342)	NIL	2,40,000 (56,25,000)	2,25,000 (1,12,500)	NIL	NIL	NIL	26,44,284 (6,53,800)	NIL
Others	1,00,000 (-)	NIL	54,848 (9,035)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Relatives of KMP												
Mrs. Vinod Somani	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	30,42,000 (6,60,500)	NIL
Mrs. Namita Somani	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	17,18,400 (3,91,100)	NIL
Others	NIL	NIL	2,199 (3,253)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	14,09,632 (2,83,500)	NIL
Concern in which KMP & their relatives are interested												
Amrit Mall's Pvt. Ltd.	(2,00,00,000)	NIL	89,575 (-)	NIL	NIL	NIL	NIL	NIL	18,00,000 (6,93,064)	NIL	NIL	NIL
Amrit Somani Memorial Trust	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(1,50,000)	NIL	NIL
Matukripa Developers Pvt. Ltd.	NIL	NIL	NIL	NIL	NIL	(75,00,000)	1,80,000 (1,80,000)	NIL	NIL	NIL	NIL	NIL
Ratnabali Leasings Pvt. Ltd.	NIL	NIL	(41,100)	NIL	NIL	(75,00,000)	1,80,000 (1,80,000)	NIL	NIL	NIL	NIL	NIL
Ratnabali Exports Pvt. Ltd.	NIL	NIL	(49,400)	NIL	NIL	(75,00,000)	1,80,000 (1,80,000)	NIL	NIL	NIL	13,68,000 (3,42,000)	NIL
Ratnabali Commodities Pvt. Ltd.	NIL	NIL	(92,866)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
S & S Hospitality Pvt. Ltd.	NIL	NIL	NIL	NIL	66,482 (-)	1,60,000 (-)	NIL	2,10,000 (-)	NIL	NIL	NIL	NIL
Somani Bhoodhan Pvt. Ltd.	(3,00,00,000)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	27,00,000 (13,39,141)	NIL	NIL	NIL
Satyanarayan Somani (HUF)	NIL	NIL	NIL	NIL	NIL	(37,50,000)	1,50,000 (75,000)	NIL	NIL	NIL	NIL	NIL
Satyanarayan Somani Foundation	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(5,50,000)	NIL	NIL
Vikash Somani Securities Pvt. Ltd.	NIL	(34,416)	2,24,112 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	2,48,236 (1,82,206)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	12,98,800 (2,99,300)	NIL
Wholly owned Subsidiary												
Ratnabali Investment Pvt. Ltd.	2,04,00,000 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
GRAND TOTAL	2,05,00,000 (5,00,00,000)	(34,416)	6,18,970 (3,77,860)	23,53,297 (14,55,161)	66,482 (-)	4,00,000 (3,75,00,000)	11,40,000 (8,40,000)	2,10,000 (-)	45,00,000 (20,32,205)	(7,00,000)	1,41,09,116 (32,79,700)	NIL

Figures in brackets indicate those of the Previous Year

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 19 (Contd.)

- b) No amount has been written back / written off during the year in respect of due to / from related parties.
 c) No amount is due from related parties hence no provision for doubtful debts in respect of dues from such related parties is required.

d) **Names of Related Parties and description of relationship**

i) **Key Management Personnel (KMP) :**

Mr. Vikash Somani and Mr. Suresh Kumar Somani

ii) **Concerns in which KMP & their relatives are interested :**

Vikash Somani Securities Pvt. Ltd., Kaveri Merchants Pvt. Ltd., Rockhard Builders Pvt. Ltd., Ratnabali Leasings Pvt. Ltd., Matukripa Developers Pvt. Ltd., Windfall Properties Pvt. Ltd., Ratnabali Commodities Pvt. Ltd., Somani Bhoodhan Pvt. Ltd., Ganpati Shares & Securities Pvt. Ltd., Ratnabali Exports Pvt. Ltd., Amrit Malls Pvt. Ltd., S & S Hospitality Pvt. Ltd., Satyanarayan Somani Foundation, Amrit Somani Memorial Trust, Vikash Somani - HUF & Satyanarayan Somani - HUF, concerns where Managing Director is a Karta, Suresh Kumar Somani - HUF, a concern where Joint Managing Director is a Karta.

iii) **Relatives of Key Management Personnel :**

Mrs. Vinod Somani - Mother of Managing Director and Joint Managing Director, Mrs. Jaishree Somani - wife of Managing Director, Mrs. Namita Somani - wife of Joint Managing Director.

iv) **Wholly owned Subsidiary :** Ratnabali Investment Pvt. Ltd.

9. Earning Per Share

		<u>2009-10</u>	<u>2008-09</u>
a) Net profit after tax for Equity Shareholders (Rs.)	(A)	10,66,18,440	3,50,12,934
b) Weighted average number of Equity Shares of Rs.10/- each outstanding during the year (No. of shares)	(B)	52,03,000	52,03,000
c) Basic / Diluted Earnings Per Share (Rs.)	(A / B)	20.49	6.73

10. The Company is engaged in single segment as defined in Accounting Standard (AS) 17, hence Segment Reporting is not applicable.

11. Deferred Tax

The major components of Deferred Tax Assets and Liabilities are :

	<u>2009-10</u>	<u>2008-09</u>
Deferred Tax Assets	Rs.	Rs.
Expenses allowable on Payment basis	5,03,801	3,73,780
Carry forward of Business Loss	9,50,354	—
Loss in respect of open positions of Futures & Options Contract allowable on square up / expiry	42,87,644	16,76,078
	<u>57,41,799</u>	<u>20,49,858</u>
Deferred Tax Liability		
Depreciation being the difference between carrying amount of Fixed Assets as per Accounts and written down value as per Income Tax Act, 1961.	28,80,377	20,28,554
	<u>28,80,377</u>	<u>20,28,554</u>
Deferred Tax Assets (net)	28,61,422	21,304

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 19 (Contd.)

12. Micro, Small and Medium Enterprises

The company does not have any dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. (Previous year - Rs. NIL)

13. No Provision for diminution in the value of Investments to the extent of Rs.15,61,157/- (Previous Year - Rs. 2,09,349/-) (being the difference between the book value of quoted investments and the market value of quoted Investments at the year end) has been made in these accounts as the same is not considered to be permanent in nature.

14. Director's Remuneration include Salary and Contribution to PF amounting to Rs. 8,79,000/- paid to the Managing Director and Joint Managing Director of the Company, which is subject to the approval of the Shareholders.

15. The amounts shown under Advance Payment of Taxes and Provision for Taxes in the previous year have been regrouped and shown as net amount to confirm with the current year's figures. The figures shown under Other Income in previous years have been re-grouped as Other Operating Income and Other Income to confirm with the current years figures which were re-classified.

16. Disclosure in terms of Accounting Standard-29 on Provisions, Contingent Liabilities and Contingent Assets:

a) Movement for provision for liabilities :

Particulars	Legal Cases/Contingencies
Balance as at 1st April, 2009	—
Provided during the Year	—
Amount used during the Year	—
Reversed during the year	—
Balance as at 31st March, 2010	—
Timing of outflow / uncertainties	Outflow on settlement / crystallisation

b) The Contingent Liability mentioned at Sl. No.2(c) is dependent upon the outcome of the appeal.

c) No reimbursement is expected in the case of Contingent Liability shown under Sl.No.2(c) above.

17. Auditors' Remuneration :

	Year ended 31st March, 2010	Year ended 31st March, 2009
	Rs.	Rs.
As Auditors	1,57,000	1,35,000
As Advisor - Taxation matter	9,250	9,250
- Management Services	33,000	21,250
For Certification Matters	13,750	10,500
	<u>2,13,000</u>	<u>1,76,000</u>

18. Expenditure in Foreign Currency: a) Travelling	12,10,528	7,73,016
b) Books & Periodicals	36,000	16,769
c) Membership Subscription	1,49,438	1,18,735
d) Telephone Expenses	1,754	4,471
e) Medical reimbursement	—	13,725
f) General Charges	36,445	7,084
g) For Capital Goods	—	6,16,593

19. C.I.F. Value of Imports - Capital Goods

	—	7,58,190
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SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 19 (Contd.)

20. Disclosure under Clause 32 of the Listing Agreement :

There are no transactions with Subsidiary Company (other than those referred to in Note - 8 of Schedule 19) which are required to be disclosed under Clause 32 of the Listing Agreement with the Bombay Stock Exchange Limited.

21. Balance Sheet Abstract & Company's General Business Profile

a) Registration Details:

Registration No.	L65999WB1994PLC063116	State Code	21
Balance Sheet Date	31.03.2010		

b) Capital raised during the year (Amount in Rs. Thousands) :

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

c) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands) :

Total Liabilities	904848*	Total Assets	904848*
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* excluding current liabilities & provisions of Rs. 52,820 thousand.

SOURCES OF FUNDS

Paid-up Capital	52030	Reserves & Surplus	706702
Secured Loans	103616	Unsecured Loans	42500

APPLICATION OF FUNDS

Net Fixed Asset	28110	Investment	263707
Deferred Tax Assets (net)	2861		
Net Current Assets	610170		

d) Performance of Company (Amount in Rs. Thousands) :

Turnover	10041112	Total Expenditure	9936862
Profit/Loss Before Tax	104250	Profit/Loss After Tax	106618
Earning Per Share (Rs.)	20.49	Dividend Rate (%)	50

e) Generic Names of Three Principal Products/Services of Company :

Not Applicable being a Stock Broking Company.

22. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For G. P. AGRAWAL & CO.
Chartered Accountants
CA. AJAY AGRAWAL
Partner
Membership No. 17643
F. R. No. 302082E
Place : Kolkata
Date : 1st May, 2010

For GOENKA SURESH & ASSOCIATES
Chartered Accountants
CA. S. K. GOENKA
Proprietor
Membership No. 51226
F. R. No. 313139E

For and on behalf of the Board
VIKASH SOMANI
Managing Director
SURESH KUMAR SOMANI
Jt. Managing Director
HANSRAJ JARIA
Company Secretary

RATNABALI CAPITAL MARKETS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year ended		Year ended	
	31st March, 2010		31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
I CASH FLOW FROM OPERATING ACTIVITIES				
A. NET PROFIT BEFORE TAXATION		10,42,49,850		4,60,57,830
Adjustment for :				
Depreciation on Fixed Assets	42,99,792		25,26,196	
Interest Paid	2,06,31,095		49,42,571	
(Profit) / Loss on Sale of Fixed Assets	1,10,208		1,78,073	
(Profit) / Loss on sale of long term Investments	(13,56,02,575)		1,59,24,376	
Provision for Diminution in value of Investments	—		(2,76,86,800)	
Provision for Doubtful debts	—		1,67,675	
Provision for Gratuity & Leave encashment	4,37,000		2,84,000	
Sundry balance written off (net)	5,106		(98,115)	
Provision/Liability no longer required written back	(20,000)		(10,000)	
Interest received	(67,80,574)		(54,76,211)	
Interest on Bank Deposits	(3,58,44,291)		(2,81,85,978)	
Dividend Received	(12,09,71,618)	(27,37,35,857)	(1,39,81,089)	(5,14,15,302)
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES		(16,94,86,007)		(53,57,472)
B. CHANGES IN WORKING CAPITAL				
Adjustment for :				
Trade & Other Receivables	(4,00,22,390)		1,83,64,796	
Inventories	9,92,72,344		(12,18,19,757)	
Trade Payables	(1,31,03,386)	4,61,46,568	10,08,412	(10,24,46,549)
CASH GENERATED FROM OPERATION		(12,33,39,439)		(10,78,04,021)
Direct Taxes (Paid) / Refund (net)		(63,57,368)		9,58,242
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		(12,96,96,807)		(10,68,45,779)
Extra Ordinary Items		—		—
NET CASH FROM / (USED IN) OPERATING ACTIVITIES		(12,96,96,807)		(10,68,45,779)
II CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Investment		(1,91,90,56,795)		(84,10,91,129)
Sale of Investment		1,89,06,86,080		90,75,04,317
Maturity Proceeds of Fixed Deposit (net)		1,64,00,000		(1,03,20,000)
Interest Received		4,26,24,865		3,36,62,189
Purchase of Fixed Assets		(1,17,83,431)		(1,19,84,000)
Sale Proceeds of Fixed Assets		6,14,700		1,60,500
Dividend Received		12,09,71,618		1,39,81,089
NET CASH FROM INVESTING ACTIVITIES		14,04,57,037		9,19,12,966

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)

	Year ended <u>31st March, 2010</u> Rs.	Year ended <u>31st March, 2009</u> Rs.
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(repayment) of Secured Loans	10,36,16,622	—
Proceeds from Unsecured Loans	4,25,00,000	—
Dividend Paid (including corporate tax on dividend)	(2,43,49,000)	(60,87,250)
Interest Paid	(2,06,31,095)	(49,42,571)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	<u>10,11,36,527</u>	<u>(1,10,29,821)</u>
Net Change in Cash & Cash Equivalents	11,18,96,757	(2,59,62,634)
Cash and Cash Equivalents as on 1st April, 2009	6,33,21,185	8,92,83,819
Cash and Cash Equivalents as on 31st March, 2010	<u>17,52,17,942</u>	<u>6,33,21,185</u>
Cash and Cash Equivalents comprises :		
Cash in Hand	10,80,149	27,505
Balance with Scheduled Banks in Current Account	43,71,279	1,22,35,121
Fixed Deposits (less than three month)	16,95,75,000	5,10,26,000
Stamps in Hand	1,91,514	32,559
	<u>17,52,17,942</u>	<u>6,33,21,185</u>
Notes :		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 as notified under the Companies (Accounting Standards) Rules, 2006.		
2. Cash and Cash Equivalents on Cash Flow Statement includes Balance with Scheduled Banks in Unpaid Dividend Account - Rs. 2.80 lakhs (Previous year - Rs. 2.27 lakhs) and Client Bank Account - Rs. 34.89 lakhs (Previous year - Rs. 57.83 lakhs) and Fixed Deposits Rs. 169.58 lakhs (Previous year - Rs. 9.40 lakhs) lodged as Margin money with NSCCL and Bombay Stock Exchange Ltd. and as Margin money with Bank are not available for use by the Company.		
3. Reconciliation of items of Cash & Cash Equivalents as disclosed in Cash Flow Statement with the equivalent items as reported in the Balance Sheet.		
	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
Cash and Cash Equivalents as per Cash Flow Statement	17,52,17,942	6,33,21,185
Add : Fixed Deposits classified as Investing Activities	14,63,00,000	16,27,00,000
Cash and Bank Balances as reported in the Balance Sheet	<u>32,15,17,942</u>	<u>22,60,21,185</u>
4. Previous year's figures have been regrouped and rearranged wherever necessary to conform with this year's classification.		
5. Figures in bracket represents cash outflow from respective activities.		
As per our attached report of even date.		
For G. P. AGRAWAL & CO. <i>Chartered Accountants</i> CA. AJAY AGRAWAL <i>Partner</i> Membership No. 17643 F. R. No. 302082E Place : Kolkata Date : 1st May, 2010	For GOENKA SURESH & ASSOCIATES <i>Chartered Accountants</i> CA. S. K. GOENKA <i>Proprietor</i> Membership No. 51226 F. R. No. 313139E	For and on behalf of the Board VIKASH SOMANI <i>Managing Director</i> SURESH KUMAR SOMANI <i>Jt. Managing Director</i> HANSRAJ JARIA <i>Company Secretary</i>

RATNABALI CAPITAL MARKETS LIMITED

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS to the Board of Directors of Ratnabali Capital Markets Limited

1. We have examined the attached Consolidated Balance Sheet of RATNABALI CAPITAL MARKETS LIMITED and its Subsidiary as at 31st March, 2010, the Consolidated Profit & Loss Account for the year ended on that date annexed thereto.
2. These financial statements are the responsibility of the management of the Company and have been prepared by the management on the basis of separate financial statements and other financial information regarding components thereof. Our responsibility is to express an opinion on these financial statements based on our audit.
3. We have 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.
4. The financial statements for the year ended 31st March, 2010 of Ratnabali Investment Private Limited, the Subsidiary Company whose total assets of Rs. 2,08,12,856/- and total revenue of Rs. 7,88,506/- have been fully consolidated, have been audited by another auditor whose report has been furnished to us and our opinion, so far it relates to the amount included in respect of the Subsidiary, is based solely on the report of the other auditor.
5. We report that the Consolidated Financial Statements have been prepared by the management of Ratnabali Capital Markets Limited in accordance with Accounting Standard - 21, "Consolidated Financial Statements" notified under the Companies (Accounting Standard) Rules, 2006 on the basis of separate audited financial statements of Ratnabali Capital Markets Limited and its Subsidiary.
6. Based on our audit and on consideration of the reports of other auditors on separate financial statements, in our opinion and to the best of our information and according to the explanations given to us and read together with Significant Accounting Policies and Notes thereon, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Ratnabali Capital Markets Limited and its Subsidiary as at 31st March, 2010; and
 - (ii) in the case of the Consolidated Profit & Loss Account, of the consolidated result of operation of Ratnabali Capital Markets Limited and its Subsidiary for the year ended on that date.

For G.P. AGRAWAL & CO.
Chartered Accountants

CA. AJAY AGRAWAL
Partner
Membership No. 17643
F. R. No. 302082E
Kolkata, 1st May, 2010

For GOENKA SURESH & ASSOCIATES
Chartered Accountants

CA. S. K. GOENKA
Proprietor
Membership No. 51226
F. R. No. 313139E

RATNABALI CAPITAL MARKETS LIMITED

CONSOLIDATED BALANCE SHEET as at 31st March, 2010

	Schedule	Rs.	As at 31st March, 2010 Rs.
I SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	5,20,30,000	
Reserves and Surplus	2	<u>70,69,16,113</u>	75,89,46,113
Loan Funds			
Secured Loans	3	10,36,16,622	
Unsecured Loans	4	<u>4,25,00,000</u>	
TOTAL			<u>14,61,16,622</u> <u>90,50,62,735</u>
II APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		4,19,34,186	
Less: Depreciation		<u>1,37,64,066</u>	
Net Block			2,81,70,120
Investments	6		24,32,06,793
Deferred Tax Assets (Net) (Refer Note - 11 of Schedule 19)			28,59,939
Current Assets,			
Loans and Advances			
Inventories	7	21,88,65,724	
Sundry Debtors	8	2,65,06,326	
Cash and Bank Balances	9	34,21,05,207	
Other Current Assets	10	2,05,14,891	
Loans and Advances	11	<u>7,56,62,392</u>	
		68,36,54,540	
Less: Current Liabilities and Provisions			
Liabilities	12	2,11,43,407	
Provisions	13	<u>3,16,85,250</u>	
		<u>5,28,28,657</u>	
Net Current Assets			<u>63,08,25,883</u>
TOTAL			<u>90,50,62,735</u>
Significant Accounting Policies	18		
Notes on Accounts	19		
The Schedules referred to above form an integral part of the Balance Sheet.			
As per our attached report of even date.			
For G. P. AGRAWAL & CO. <i>Chartered Accountants</i> CA. AJAY AGRAWAL <i>Partner</i> Membership No. 17643 F. R. No. 302082E Place : Kolkata Date : 1st May, 2010	For GOENKA SURESH & ASSOCIATES <i>Chartered Accountants</i> CA. S. K. GOENKA <i>Proprietor</i> Membership No. 51226 F. R. No. 313139E	For and on behalf of the Board VIKASH SOMANI <i>Managing Director</i> SURESH KUMAR SOMANI <i>Jt. Managing Director</i> HANSRAJ JARIA <i>Company Secretary</i>	

RATNABALI CAPITAL MARKETS LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010

	Schedule	For the year ended 31st March, 2010 Rs.
INCOME		
Sale of Shares, Securities and Mutual Fund Units (Refer Note - 3 of Schedule 19)		9,69,99,16,101
Income from Share Broking / Dealing		4,11,21,823
Other Operating Income	14	14,53,76,832
Other Income	15	15,54,85,371
Closing Stock of Inventories		21,88,65,723
		<u>10,26,07,65,850</u>
EXPENDITURE		
Opening Stock of Inventories		31,81,38,068
Purchase of Shares, Securities and Mutual Fund Units		9,70,89,50,858
Administrative and Other Expenses	16	9,95,30,251
Interest	17	2,52,75,436
Depreciation		43,00,471
		<u>10,15,61,95,084</u>
PROFIT BEFORE TAXATION		10,45,70,766
Less: Provision for Taxation :		
Current Tax		1,45,453
Deferred Tax		(28,38,635)
Tax for earlier years		4,31,075
PROFIT AFTER TAXATION		<u>10,68,32,873</u>
Add : Balance brought forward		45,33,31,990
PROFIT AVAILABLE FOR APPROPRIATION		<u>56,01,64,863</u>
APPROPRIATIONS		
Proposed Dividend		2,60,15,000
Corporate Tax on Dividend		44,21,250
Transfer to General Reserve		1,06,61,844
Balance carried to Balance Sheet		51,90,66,769
		<u>56,01,64,863</u>
Basic and Diluted Earnings Per Share of Rs. 10/- each. (Refer Note - 9 of Schedule - 19)		20.53
Significant Accounting Policies	18	
Notes on Accounts	19	
The Schedules referred to above form an integral part of the Profit and Loss Account. As per our attached report of even date.		
For G. P. AGRAWAL & CO. Chartered Accountants CA. AJAY AGRAWAL Partner Membership No. 17643 F. R. No. 302082E Place : Kolkata Date : 1st May, 2010	For GOENKA SURESH & ASSOCIATES Chartered Accountants CA. S. K. GOENKA Proprietor Membership No. 51226 F. R. No. 313139E	For and on behalf of the Board VIKASH SOMANI Managing Director SURESH KUMAR SOMANI Jt. Managing Director HANSRAJ JARIA Company Secretary

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

		As at 31st March, 2010	
		Rs.	
SCHEDULE - 1			
SHARE CAPITAL			
Authorised			
	55,00,000 Equity Shares of Rs.10/- each		5,50,00,000
Issued, Subscribed and Paid-up			
	52,03,000 Equity Shares of Rs.10/- each fully paid up		5,20,30,000
Note : The above includes 9,31,000 Equity Shares of Rs.10/- each which were issued and allotted as fully paid-up shares to the shareholders of erstwhile Ratnabali Securities Ltd., on its amalgamation with the company, for consideration other than cash.			
SCHEDULE - 2			
RESERVES AND SURPLUS			
	As at		As at
	31st March, 2009	Additions	31st March, 2010
	Rs.	Rs.	Rs.
Capital Reserve *	21,87,500	—	21,87,500
General Reserve	17,50,00,000	1,06,61,844	18,56,61,844
Profit & Loss Account	45,33,31,990	10,68,32,873	51,90,66,769
	<u>63,05,19,490</u>	<u>11,74,94,717</u>	<u>70,69,16,113</u>
* represents profit on re-issue of forfeited shares.			
SCHEDULE - 3			
SECURED LOANS			
		As at 31st March, 2010	
		Rs.	
Term Loan from a Bank **			5,00,00,000
(Secured to the extent of pledge of fixed deposit receipts of Rs. 2,50,00,000/- and interest accrued thereon)			
Cash Credit from Banks			5,28,11,065
(Secured by pledge of fixed deposit receipts of Rs. 7,03,00,000/- and by pledge of shares of Rs. 6,27,93,680/-)			
Car Loan from a Bank			8,05,557
(Secured by way of Hypothecation of the vehicle purchased)			
** due for repayment within one year			
			<u>10,36,16,622</u>
SCHEDULE - 4			
UNSECURED LOANS			
Other Loan from a Corporate Body			4,25,00,000
			<u>4,25,00,000</u>

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 5											
FIXED ASSETS											
Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.09	Additions during the year	Deductions during the year	As at 31.03.10	Up to 31.03.09	For the year	Adjustment for deductions during the year	Up to 31.03.10	As at 31.03.10	As at 31.03.09
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets											
1	Office Premises	21,33,638	—	—	21,33,638	3,03,913	34,778	—	3,38,691	17,94,947	18,29,725
2	Office Equipments	32,93,503	17,96,479	26,812	50,63,170	8,57,329	3,95,378	12,895	12,39,812	38,23,358	24,36,174
3	Furniture and Fittings	38,33,553	5,02,140	—	43,35,693	6,44,931	4,01,608	—	10,46,539	32,89,154	31,88,622
4	Computers, Servers and other Information Technology Equipments	1,42,98,658	36,79,615	51,315	1,79,26,958	61,72,293	22,53,458	50,667	83,75,084	95,51,874	81,26,365
5	Electric Installation	22,78,410	—	—	22,78,410	93,813	3,69,330	—	4,63,143	18,15,267	21,84,597
6	Vehicles	57,65,452	58,48,877	14,34,750	1,01,79,579	21,79,285	8,45,919	7,24,407	23,00,797	78,78,782	35,86,167
Intangible Assets											
1	Goodwill on Consolidation	—	16,738	—	16,738	—	—	—	—	16,738	—
	Total	3,16,03,214	1,18,43,849	15,12,877	4,19,34,186	1,02,51,564	43,00,471	7,87,969	1,37,64,066	2,81,70,120	2,13,51,650

SCHEDULE - 6				As at
INVESTMENTS				31st March, 2010
Long Term (Other than Trade)(at cost)	Face Value	Quantity	Amount	
				(Rs.)
A. In Equity Shares of Companies				
Name of the Company				
Quoted, Fully Paid up				
NHPC Ltd.	10/-	5,91,500	1,83,97,999	
Indian Oil Corporation Ltd.	10/-	21,600	72,20,120	
Reliance Industries Ltd.	10/-	92,800	10,00,32,813	
				<u>12,56,50,932</u>

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 6 (Contd.)		As at 31st March, 2010	
	Face Value (Rs.)	Quantity (Nos.)	Amount (Rs.)
Unquoted, Fully Paid up			
Bombay Stock Exchange Ltd.	1/-	41,054	20,55,858
Electrosteel Integrated Ltd.	10/-	20,00,000	2,00,00,000
Vayana Enterprises Pvt. Ltd.	10/-	7,16,418	2,40,00,003
Devkripa Vyapaar Pvt. Ltd.	10/-	5,00,000	50,00,000
Fortuna Services Ltd.	1/-	1	—
			<u>5,10,55,861</u>
	(A)		<u>17,67,06,793</u>
B. In Debentures of Companies – Unquoted, Fully Paid up			
9% Secured Non-Convertible Redeemable Debentures of			
— Ashwamedh Properties Private Limited	1000/-	16,500	1,65,00,000
— Amrit Malls Private Limited*	1000/-	20,000	2,00,00,000
— Somani Bhoodhan Private Limited*	1000/-	30,000	3,00,00,000
*companies under the same management	(B)		<u>6,65,00,000</u>
	(A + B)		<u>24,32,06,793</u>
		<u>Book Value</u>	<u>Market Value</u>
		Rs.	Rs.
Aggregate value of Quoted Investments		12,56,50,932	12,40,89,775
Aggregate value of Unquoted Investments		11,75,55,861	—
		<u>24,32,06,793</u>	<u>12,40,89,775</u>
SCHEDULE - 7			Amount
INVENTORIES			Rs.
Stock of Shares and Securities			
Equity Shares – Quoted (Other than trade)			21,82,05,479
Equity Warrants – Quoted (Other than trade)			6,60,245
			<u>21,88,65,724</u>
Note : Details of Stock are as follows :			
		As at 31st March, 2010	
Name of the Company	Face Value (Rs.)	Quantity (Nos.)	Cost or Market Value whichever is lower (Rs.)
A : Equity Shares - Quoted, Fully Paid Up			
Other than trade			
ABB Ltd.	2/-	1,217	10,10,110
ACC Ltd.	10/-	100	95,105
Adani Enterprises Ltd.	1/-	800	3,73,771
Adani Power Ltd.	10/-	5,000	5,79,019
Balaji Distilleries Ltd.	10/-	10,000	4,55,500
Balrampur Chini Mills Ltd.	1/-	1,50,000	1,38,37,500
Bharti Airtel Ltd.	5/-	1,000	3,12,550
Bharat Heavy Electricals Ltd.	10/-	2,500	59,76,625
Canara Bank	10/-	90	36,918

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

Name of the Company	Face Value	As at 31st March, 2010	
		Quantity	Cost or Market Value whichever is lower
	(Rs.)	(Nos.)	(Rs.)
CCL Products (India) Ltd.	10/-	11,000	25,14,050
Crompton Greaves Ltd.	2/-	5,000	12,84,610
EIH Ltd.	2/-	19,100	23,05,370
Fame India Ltd.	10/-	64,893	55,19,150
Financial Technologies (India) Ltd.	2/-	500	7,84,300
Fortis Healthcare Ltd.	10/-	2,500	4,40,500
Globus Spirits Ltd.	10/-	10,000	13,53,500
Goodyear India Ltd.	10/-	100	28,485
GVK Power & Infrastructure Ltd.	1/-	50	2,239
Hindustan Construction Co. Ltd.	1/-	315	42,242
HCL Technologies Ltd.	2/-	1,435	5,14,304
Housing Development Finance Corporation Ltd.	10/-	250	6,78,652
Housing Development & Infrastructure Ltd.	10/-	145	41,521
Hero Honda Motors Ltd.	2/-	140	2,72,216
ICICI Bank Ltd.	10/-	2,600	24,76,500
IDBI Bank Ltd.	10/-	2,500	2,87,500
India Cements Ltd.	10/-	2,881	3,79,572
Infosys Technologies Ltd.	5/-	200	5,23,190
IRB Infrastructure Developers Ltd.	10/-	2,500	6,38,375
Jindal Saw Ltd.	2/-	10,000	21,24,000
Jaiprakash Associates Ltd.	2/-	2,300	3,43,965
Jaiprakash Power Ventures Ltd.	10/-	3,125	2,11,250
JSW Energy Ltd.	10/-	2,500	2,79,625
Jubilant Foodworks Ltd.	10/-	500	1,56,800
Jyoti Structures Ltd.	2/-	2,500	4,06,125
Kotak Mahindra Bank Ltd.	10/-	1,000	7,48,150
Linc Pen & Plastics Ltd.	10/-	1,000	68,350
Mcleod Russel India Ltd.	5/-	1,000	13,21,400
Spicejet Ltd.	10/-	5,000	2,91,500
Neyvelli Lignite Corporation Ltd.	10/-	4,425	6,41,404
Nalwa Sons Investments Ltd.	10/-	1,250	13,52,187
NTPC Ltd.	10/-	8,125	16,25,494
Orbit Corporation Ltd.	10/-	1,500	4,13,475
Orchid Chemicals & Pharmaceuticals Ltd.	10/-	14,700	22,62,330
Praj Industries Ltd.	2/-	4,400	3,74,794
PSL Ltd.	10/-	2,500	3,43,375
Reliance Industries Ltd.	10/-	2,500	26,85,625
Reliance Infrastructure Ltd.	10/-	276	2,75,738
State Bank of India	10/-	65	1,34,803
Sun Pharma Advanced Research Company Ltd.	1/-	1,30,000	1,16,04,139
Srei Infrastructure Finance Ltd.	10/-	20,000	15,27,000
Tech Mahindra Ltd.	10/-	3,000	25,59,300
Techno Electric & Engineering Company Ltd.	2/-	10,000	21,94,983
Tamil Nadu Newsprint & Papers Ltd.	10/-	2,59,709	2,16,74,556
Torrent Power Ltd.	10/-	7,500	21,66,375

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 7 (Contd.)		As at 31st March, 2010	
Name of the Company	Face Value	Quantity	Cost or Market Value whichever is lower
	(Rs.)	(Nos.)	(Rs.)
Television Eighteen India Ltd.	5/-	36,500	27,47,396
United Breweries (Holdings) Ltd.	10/-	2,500	6,91,500
United Breweries Ltd.	1/-	2,500	4,51,915
Videocon Industries Ltd.	10/-	854	1,94,370
Visa Steel Ltd.	10/-	2,47,500	1,04,94,000
Welspun Gujarat Stahl Rohren Ltd.	5/-	2,500	6,60,554
Yes Bank Ltd.	10/-	2,500	6,17,875
Zee News Ltd.	1/-	16,29,250	10,17,97,752
			<u>21,82,05,479</u>
B : Warrants - Quoted, Fully Paid up			
Other than trade			
Fortis Healthcare Ltd.	0.05	18,960	6,60,245
			<u>6,60,245</u>
Note : The above includes shares having a book value of Rs.4,29,39,398/- lodged with NSCCL as non-cash margin deposit and Rs. 5,12,23,945/- lodged with Banks against Cash Credit.			
SCHEDULE - 8		As at	
SUNDRY DEBTORS		31st March, 2010	
(Unsecured)		Rs.	
Debts outstanding for a period exceeding six months (considered doubtful)		2,67,675	
Other Debts (considered good)		2,65,06,326	
		<u>2,67,74,001</u>	
Less : Provision for Doubtful Debts		2,67,675	
		<u>2,65,06,326</u>	
SCHEDULE - 9			
CASH AND BANK BALANCES			
Cash-in-hand (As certified by the management)		11,42,069	
Balances with Scheduled Banks :			
In Current Accounts		44,16,809	
In Fixed Deposit Accounts (Includes Rs. 31,58,75,000/- deposited as margin money/deposit with clearing houses of Exchanges and as security for guarantees issued by Bank and pledged with Banks for availing Cash Credit & Term Loan)		33,60,75,000	
In Unpaid Dividend Accounts		2,79,815	
Stamps-in-hand (As certified by the management)		1,91,514	
		<u>34,21,05,207</u>	

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 10	As at
OTHER CURRENT ASSETS	31st March, 2010
	(Rs.)
Interest accrued on Bank Deposits	2,05,14,891
	<u>2,05,14,891</u>
SCHEDULE - 11	
LOANS AND ADVANCES	
(Unsecured, considered good)	
Advances recoverable in cash or in kind or for value to be received	39,65,608
Equity Index Option Premium Account	9,03,830
Advance Payment of Taxes (Net of Provision for Taxation Rs. 3,50,08,494/-)	1,76,94,339
Deposits	5,30,98,615
	<u>7,56,62,392</u>
SCHEDULE - 12	
CURRENT LIABILITIES	
Sundry Creditors	
Total outstanding due to micro and small enterprises (Refer Note - 12 of Schedule 19)	—
Due to creditors other than micro and small enterprises (includes temporary bank overdraft of Rs.51,30,491/-)	1,11,16,347
Mark-to-Market Margin Equity Derivatives	13,90,689
Mark-to-Market Margin Index Derivatives	39,037
Mark-to-Market Margin Currency Derivatives	2,07,713
Deposits from Customers	72,74,000
Investor Education & Protection Fund - Unpaid Dividend (Not due for transfer)	2,79,815
TDS Payable	4,85,464
Interest Accrued but not due on Secured Loan	3,50,342
	<u>2,11,43,407</u>
SCHEDULE - 13	
PROVISIONS	
For Proposed Dividend	2,60,15,000
For Corporate Tax on Proposed Dividend	44,21,250
For Gratuity & Leave encashment	12,49,000
	<u>3,16,85,250</u>
SCHEDULE - 14	Year ended
OTHER OPERATING INCOME	31st March, 2010
	Rs.
Dividend Income : On Shares & Mutual Fund units held as Stock in Trade (other than trade)	10,82,67,192
Interest : On Bank Deposits (Gross : Tax deducted at source - Rs. 39,22,616/-)	3,66,26,797
Incentive Income	3,66,398
Income from Depository Services	1,16,445
	<u>14,53,76,832</u>

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 15	Year ended
OTHER INCOME	<u>31st March, 2010</u>
	Rs.
Dividend Income : On long term Investments (other than trade)	1,27,04,426
Interest : On Debentures (Gross: Tax deducted at source Rs. 5,98,500/-)	59,85,000
On Income Tax Refund	6,79,509
Other Interest (Gross: Tax deducted at source Rs. 11,607/-)	1,16,065
Profit on sale of Investments	
On Current Investments (other than trade)	13,56,02,575
Provision/Liability no longer required written back	20,000
Miscellaneous Income	3,77,796
	<u>15,54,85,371</u>
SCHEDULE - 16	
ADMINISTRATIVE AND OTHER EXPENSES	
Salaries, Bonus and Exgratia	1,29,08,502
Contribution to Provident & other Funds	5,30,586
Staff Welfare	6,40,625
Office Rent	12,78,522
Repairs - Buildings	5,83,993
- Others	22,33,999
Insurance	1,03,92,398
Rates and Taxes	3,92,92,749
Directors' Remuneration	23,26,497
Stock Exchange Transaction Charges	72,32,715
Demat Transaction Charges	1,26,437
Electricity Expenses	12,38,354
Membership and Subscription	17,34,467
Legal and Professional	25,90,239
Travelling and Conveyance	29,53,968
Vehicle Running Expenses	15,68,232
Telephone,Internet & Leaseline	22,97,192
Bank Charges	7,18,894
Auditors' Remuneration	
(Refer Note - 16 of Schedule 19)	2,31,751
Advertisement & Business Promotion	12,75,102
Commission	18,20,385
Donations	2,48,000
Loss on Sale of Fixed Assets	1,10,208
Sundry Balance Written Off (net)	5,106
Preliminary Expense Written Off	11,436
Miscellaneous Expenses	51,79,894
	<u>9,95,30,251</u>
SCHEDULE - 17	
INTEREST PAID	
On Term Loans	46,44,341
On Others	2,06,31,095
	<u>2,52,75,436</u>

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 18

BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF CONSOLIDATION

The Consolidated Financial Statements relate to Ratnabali Capital Markets Limited ("the Company") and its Subsidiary namely Ratnabali Investment Pvt. Ltd. The Company and its Subsidiary constitute the Group.

a) Basis of Accounting

- i) The Financial Statements of the Subsidiary Company used in the consolidation are drawn up to the same reporting date as of the Company i.e. 31st March, 2010.
- ii) The Financial Statements of the Group have been prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other Generally Accepted Accounting Principles in India.

b) Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis :

- i) The Financial Statements of the Company and its Subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The inter-group balances and inter-group transactions and unrealised profits or losses have been fully eliminated.
- ii) The excess of cost to the Company of its Investments in the Subsidiary over its Share of Equity of the Subsidiary, at the date on which the investments are made, is recognised as "Goodwill" being an asset in the Consolidated Financial Statements.
- iii) There is no minority interest in the net assets of the Subsidiary as the same is 100% wholly-owned Subsidiary on the date of Balance sheet.

c) Company considered in the Consolidated Financial Statements is :

Name of the Company	Country of Incorporation	Percentage of ownership interest as at 31.03.2010	Financial Year ends on
Ratnabali Investment Pvt. Ltd.	India	100%	31.03.2010

II. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standard as notified under the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued Accounting Standards is initially adopted or a revision of an existing Accounting Standards requires a change in the accounting policy hitherto in use.

2. Use of Estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates generally include future obligation under employee retirement benefit plans and income taxes.

3. Fixed Assets and Depreciation

Fixed Assets are stated at cost of acquisition including any attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation. Depreciation is provided on the straight line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 excepting mobile phones which are depreciated equally over a period of 3 years.

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 18 (Contd.)

4. Investments

Investments are stated at cost of acquisition. The diminution, if any, in the value of investments stated at cost, is recognised when such diminution is considered other than temporary.

5. Inventories

Inventories are valued at lower of cost or market price/fair value, scripwise. Cost is determined on first-in first-out (FIFO) basis.

6. Employee Benefits

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- b) Post Employment and other long-term employee benefits are recognised as an expense in the Profit & Loss Account of the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuations. Actuarial gain and losses in respect of post employment and long-term employee benefits are recognised in the Profit & Loss Account.

7. Revenue Recognition

Revenue from broking activities and transactions in respect of investments / dealing in shares & securities are recognised on the trade date. Dividend Income is accounted for as and when declared. Interest income & all other incomes are recognised on accrual basis.

8. Expenses

All expenses are accounted for on accrual basis.

9. Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the transaction of monetary assets and liabilities at the year end denominated in foreign currency are recognised in the Profit & Loss Account.

10. Taxes on Income

Current tax is determined on the basis of the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred Tax Assets are recognised and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

11. Impairment of Assets

Impairment losses, if any, are recognised in accordance with the Accounting Standard (AS 28) as notified under the Companies (Accounting Standards) Rules, 2006.

12. Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.
- b) Contingent liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- c) Contingent Assets are neither recognised nor disclosed in the financial statements.

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 18 (Contd.)

13. Derivatives Market Trading

- a) In respect of the Option Contract, premium for contracts expiring beyond the balance sheet date has been treated as Current Assets / Current Liabilities, adjusted for loss, if any.
- b) In respect of the Future Contract, debit balance in Mark to Market Margin Account has been fully provided for and credit balance has been considered as Current Liabilities.

14. Borrowing Cost

Borrowing cost that are attributable to the acquisition, construction or production of qualifying asset is capitalised as part of cost of the asset upto the date the asset is put to use. All other borrowing costs are charged to revenue in the period in which they are incurred.

15. Intangible Assets

Intangible Assets if they are recognised in accordance with the Accounting Standard (AS 28) as notified under the Companies (Accounting Standards) Rules, 2006.

SCHEDULE - 19

NOTES ON ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.Nil and advance paid there against Rs.Nil.
2. Contingent liabilities not provided for in respect of:
 - a) Bank Guarantees given in respect of margin money to NSCCL and BOISL Rs.5,00,00,000/- includes guarantees given in respect of outstanding futures and option contracts and are secured by pledge of Fixed Deposit Receipts of Rs.1,25,00,000/- and by shares worth Rs. 2,50,00,000/-.
 - b) Income Tax Demand / Refund under dispute - Rs.25,93,129/- out of which demand of Rs.18,55,795/- has already been paid.
3. Sales includes Shares / Units of Companies / Mutual Fund valued at Rs.10,95,11,680/- transferred from Stock in Trade to Investments.
4. Investments includes securities valued at Rs.8,90,91,197/- deposited with NSCCL towards non-cash margin deposit and Rs.3,65,69,735/- lodged with Banks against Cash Credit.

	2009-10
	Rs.
5. Remuneration paid to Directors :	
Salary	21,33,000
Contribution to provident fund	90,000
Director's Sitting Fees	1,16,000
Commission	—
Perquisites	1,30,297
	<u>24,69,297</u>

Note : The above figures do not include Provision for Gratuity since the same is provided on an actuarial basis for the company as a whole.

6. Disclosure pursuant to Accounting Standard - 15 Employee Benefits :
 - i) **Defined Contribution Plan :** Employee benefits in the form of Provident Fund is considered as defined contribution plan. The contributions to the Provident fund is made in accordance with the relevant statute and are recognised as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognised as an expense for the year is Rs. 4,86,704/-.
 - ii) **Defined Benefit Plan :** The company has Defined Benefit Plan namely Gratuity and Leave encashment for all employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. The Present Value of the obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

RATNABALI CAPITAL MARKETS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 19 (Contd.)	Gratuity Unfunded	Leave Salary Unfunded
	2009-10 Rs.	2009-10 Rs.
(I) Change in Benefit Obligation		
Liability at the beginning of the year	7,49,000	63,000
Interest Cost	1,40,000	8,000
Current Service Cost	3,57,000	39,000
Past Service Cost (Vested Benefit)	—	—
Benefit Paid	—	—
Actuarial (gain)/loss on obligations	(1,35,000)	28,000
Liability at the end of the year	11,11,000	1,38,000
(II) Fair Value of Plan Assets	Not Applicable	Not Applicable
(III) Actual Return on Plan Assets	Not Applicable	Not Applicable
(IV) Amount Recognised in the Balance Sheet		
Liability at the end of the year	11,11,000	1,38,000
Fair value of Plan Assets at the end of the year	—	—
Difference (Funded Status)	(11,11,000)	(1,38,000)
Amount Recognised in the Balance sheet	(11,11,000)	(1,38,000)
(V) Expenses Recognised in the Income Statement		
Current Service Cost	3,57,000	39,000
Interest Cost	1,40,000	8,000
Expected Return on Plan Assets	—	—
Net Actuarial (gain)/loss to be recognised	(1,35,000)	28,000
Past Service Cost (Vested Benefit Recognised)	—	—
Expenses / (write back) Recognised in Profit and Loss Account	3,62,000	75,000
(VI) Balance Sheet Reconciliation		
Opening Net Liability	(7,49,000)	(63,000)
(Expenses) / write back as above	(3,62,000)	(75,000)
Employers Contribution	—	—
Amount Recognised in the Balance Sheet	(11,11,000)	(1,38,000)
(VII) Actuarial Assumptions : For the year		
Discount Rate Current	7.50%	7.50%
Rate of Return on Plan Assets Current	—	—
Salary Escalation Current	5.00%	5.00%
(VIII) Investment details — as at period end	Not Applicable	Not Applicable

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion & other relevant factors including supply and demand in the employment market. The above information is certified by an Actuary.

The Gratuity expenses and Leave Encashment expenses have been recognised in “Contribution to Provident & Other Funds” under Schedule - 16.

The amount of the present value of obligations and experience adjustment arising on plan liabilities and plan assets for the previous four annual periods are not available and therefore, not disclosed.

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 19 (Contd.)

7. a) In respect of futures contract, position of open interest as on the Balance Sheet date is as under :

(i) Equity Stock and Index Futures :

Name of Equity Stock / Index Future	No. of Contracts	No. of Units	
		Long	Short
ABB 29Apr10	10	5,000	
ACC 29Apr10	1	376	
ADANIEN 29Apr10	2		800
BAJAJ-AUTO 29Apr10	10		2,000
BANKBARODA 29Apr10	12		8,400
BANKNIFTY 29Apr10	5	250	
BHEL 29Apr10	20	3,000	
CANBK 29Apr10	16	12,800	
DLF 29Apr10	2		1,600
FORTIS 29Apr10	3	3,900	
HCC 29Apr10	1	2,100	
HCLTECH 29Apr10	10	13,000	
HDFCBANK 29Apr10	2		400
HDIL 29Apr10	2	1,548	
HEROHONDA 29Apr10	10	2,000	
ICICIBANK 29Apr10	12	4,200	
INDIACEM 29Apr10	2		2,900
INFOSYSTCH 29Apr10	13	2,600	
IOC 29Apr10	18		21,600
JINDALSAW 29Apr10	2	10,000	
JPPOWER 29Apr10	1		3,125
MCDOWELL-N 29Apr10	4	1,000	

Name of Equity Stock / Index Future	No. of Contracts	No. of Units	
		Long	Short
MINIFTY 27May10	25	500	
MINIFTY 29Apr10	215		4,300
NAGARCONST 29Apr10	1		2,000
NEYVELILIG 29Apr10	3		4,425
NIFTY 27May10	42		2,100
NIFTY 29Apr10	1,031	51,550	
NTPC 29Apr10	5		8,125
ORCHIDCHEM 29Apr10	7		14,700
PNB 29Apr10	8		2,400
PRAJIND 29Apr10	2		4,400
RELIANCE 29Apr10	330		99,000
RELINFRA 29Apr10	1		276
SBIN 29Apr10	8	1,056	
SIEMENS 29Apr10	8		6,016
TCS 29Apr10	12		12,000
TECHM 29Apr10	5		3,000
TV-18 29Apr10	20		36,500
ULTRACEMCO 29Apr10	1		400
VIDEOIND 29Apr10	1		854
WIPRO 29Apr10	7		4,200
ZEEL 29Apr10	245		3,43,000

ii) Currency Futures

Name of Currency Futures	No. of Contracts	No. of units	
		Long	Short
USDINR 28Apr10	385	—	3,85,000

b) In respect of option contracts, position of open interest as on the Balance Sheet date is as under :

Name of the Equity Stock / Option Index	Total premium carried forward as at the year end net of provisions made (Rs.)	Name of the Equity Stock / Option Index	Total premium carried forward as at the year end net of provisions made (Rs.)
BHEL	2,44,088	ICICIBANK	90,457
NIFTY	4,91,173	RELIANCE	1,24,350
UNITECH	7,200		

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 19 (Contd.)

8. Related Party Disclosures as per Accounting Standard -18.

a) Transactions with related parties.

Name of concern/Nature of Transaction	Investment in Share & Securities	Provision of Services	Receipt of Services	Reimbursement of expenses	Deposit Given	Rent Expenses	Asset Purchase	Interest received	Dividend Paid	Balance outstanding as at year end
Key Management Personnel (KMP)										
Mr. Vikash Somani	Nil	Nil	11,84,210	Nil	Nil	2,25,000	Nil	Nil	26,28,000	Nil
Mr. Suresh Kumar Somani	Nil	Nil	11,69,087	Nil	2,40,000	2,25,000	Nil	Nil	26,44,284	Nil
Others	1,00,000	54,848	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Relatives of KMP										
Mrs. Vinod Somani	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	30,42,000	Nil
Mrs. Namita Somani	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	17,18,400	Nil
Others	Nil	2,199	Nil	Nil	Nil	Nil	Nil	Nil	14,09,632	Nil
Concern in which KMP & their relatives are interested										
Amrit Malls Pvt. Ltd.	Nil	89,575	Nil	Nil	Nil	Nil	Nil	18,00,000	Nil	Nil
Matukripa Developers Pvt. Ltd.	Nil	Nil	Nil	Nil	Nil	1,80,000	Nil	Nil	Nil	Nil
Ratnabali Leasings Pvt. Ltd.	Nil	Nil	Nil	Nil	Nil	1,80,000	Nil	Nil	Nil	Nil
Ratnabali Exports Pvt. Ltd.	Nil	Nil	Nil	Nil	Nil	1,80,000	Nil	Nil	13,68,000	Nil
S & S Hospitality Pvt. Ltd.	Nil	Nil	Nil	66,482	1,60,000	Nil	2,10,000	Nil	Nil	Nil
Somani Bhoodhan Pvt. Ltd.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	27,00,000	Nil	Nil
Satyanarayan Somani (HUF)	Nil	Nil	Nil	Nil	Nil	1,50,000	Nil	Nil	Nil	Nil
Vikash Somani Securities Pvt. Ltd.	Nil	2,24,112	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	2,48,236	Nil	Nil	Nil	Nil	Nil	Nil	12,98,800	Nil
GRAND TOTAL	1,00,000	6,18,970	23,53,297	66,482	4,00,000	11,40,000	2,10,000	45,00,000	1,41,09,116	Nil

b) No amount has been written back / written off during the year in respect of due to / from related parties.

c) No amount is due from related parties hence no provision for doubtful debts in respect of dues from such related parties is required.

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 19 (Contd.)

d) Names of Related Parties and description of relationship

i) Key Management Personnel (KMP) :

Mr. Vikash Somani and Mr. Suresh Kumar Somani

ii) Concerns in which KMP & their relatives are interested :

Vikash Somani Securities Pvt. Ltd., Kaveri Merchants Pvt. Ltd., Rockhard Builders Pvt. Ltd., Ratnabali Leasings Pvt. Ltd., Matukripa Developers Pvt. Ltd., Windfall Properties Pvt. Ltd., Ratnabali Commodities Pvt. Ltd., Somani Bhoodhan Pvt. Ltd., Ganpati Shares & Securities Pvt. Ltd., Ratnabali Exports Pvt. Ltd., Amrit Malls Pvt. Ltd., S & S Hospitality Pvt. Ltd., Satyanarayan Somani Foundation, Amrit Somani Memorial Trust, Vikash Somani - HUF & Satyanarayan Somani - HUF, concerns where Managing Director is a Karta, Suresh Kumar Somani - HUF, a concern where Joint Managing Director is a Karta.

iii) Relatives of Key Management Personnel :

Mrs. Vinod Somani - Mother of Managing Director and Joint Managing Director, Mrs. Jaishree Somani - wife of Managing Director, Mrs. Namita Somani - wife of Joint Managing Director.

9. Earning Per Share

		2009-10
a) Net profit after tax for Equity Shareholders (Rs.)	(A)	10,68,32,873
b) Weighted average number of Equity Shares of Rs.10/- each outstanding during the year (No. of shares)	(B)	52,03,000
c) Basic / Diluted Earnings Per Share (Rs.)	(A / B)	20.53

10. The Company is engaged in single segment as defined in Accounting Standard (AS) 17, hence Segment Reporting is not applicable.

11. Deferred Tax

The major components of Deferred Tax Assets and Liabilities are :

	2009-10
	Rs.
Deferred Tax Assets	
Expenses allowable on Payment basis	5,03,801
Carry forward of Business Loss	9,50,354
Preliminary Expenses	2,356
Loss in respect of open positions of Futures & Options Contract allowable on square up / expiry	42,87,644
	<u>57,44,155</u>
Deferred Tax Liability	
Depreciation being the difference between carrying amount of Fixed Assets as per Accounts and written down value as per Income Tax Act, 1961.	28,84,216
	<u>28,84,216</u>
Deferred Tax Assets (net)	<u>28,59,939</u>

12. Micro, Small and Medium Enterprises

The Company does not have any dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

13. No Provision for diminution in the value of Investments to the extent of Rs. 15,61,157/- (being the difference between the book value of quoted investments and the market value of quoted Investments at the year end) has been made in these accounts as the same is not considered to be permanent in nature.

14. Director's Remuneration include Salary and Contribution to PF amounting to Rs. 8,79,000/- paid to the Managing Director and Joint Managing Director of the Company, which is subject to the approval of the Shareholders.

SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 19 (Contd.)

15. Disclosure in terms of Accounting Standard-29 on Provisions, Contingent Liabilities and Contingent Assets:

a) Movement for provision for liabilities :

Particulars	Legal Cases/Contingencies
Balance as at 1st April, 2009	—
Provided during the Year	—
Amount used during the Year	—
Reversed during the year	—
Balance as at 31st March, 2010	—
Timing of outflow / uncertainties	Outflow on settlement / crystallisation

b) The Contingent Liability mentioned at Sl. No.2(b) is dependent upon the outcome of the appeal.

c) No reimbursement is expected in the case of Contingent Liability shown under Sl.No.2(b) above.

16. Auditors' Remuneration :

	Year ended 31st March, 2010 Rs.
As Auditors	1,69,000
As Advisor - Taxation matter	9,250
- Management Services	33,000
For Certification Matters	18,750
Service Tax	1,751
TOTAL	<u>2,31,751</u>

17. Other notes in respect of Subsidiary Company (Ratnabali Investment Pvt. Ltd.) :

a. The Company has made a Fixed Deposit of Rs. 2,02,00,000/- (Rupees Two crores two lacs only) with IndusInd Bank for the purpose of meeting the Net Owned Fund criteria prescribed by the Reserve Bank of India prior to making an application with RBI to grant certificate of registration u/s 45IA of the RBI Act, 1934.

b. The Company has changed the accounting policy of preliminary expenses written off w.e.f. 1st April, 2009. The entire balance of preliminary expenses as on 1st April, 2009 has been written off during the year. Had the company followed the earlier accounting policy, the profit before tax for the year and preliminary expenses to the extent not written off or adjusted as on 31st March, 2010 would have been higher by Rs. 7,624/-.

c. i) During the year, the Company has issued and allotted 5,10,000 equity shares of Rs. 10/- each on a preferential basis to its holding company at a premium of Rs. 30/- per share, aggregating to Rs.204 lacs.

ii) The above proceeds of the preferential issue have been utilised for corporate purpose.

18. This being the first year of consolidation, (a) the cash flow statement could not be prepared under the indirect method in the absence of previous year comparatives, and (b) previous figures have not been given.

For G. P. AGRAWAL & CO.
Chartered Accountants
CA. AJAY AGRAWAL
Partner
Membership No. 17643
F. R. No. 302082E
Place : Kolkata
Date : 1st May, 2010

For GOENKA SURESH & ASSOCIATES
Chartered Accountants
CA. S. K. GOENKA
Proprietor
Membership No. 51226
F. R. No. 313139E

For and on behalf of the Board
VIKASH SOMANI
Managing Director
SURESH KUMAR SOMANI
Jt. Managing Director
HANSRAJ JARIA
Company Secretary

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

DIRECTORS' REPORT to the Members

Your Directors have pleasure in presenting your Company's Third Annual Report together with the Audited Accounts for the financial year ended 31st March, 2010.

FINANCIAL RESULTS	For the year ended 31st March, 2010 (Rs.)	For the year ended 31st March, 2009 (Rs.)
Profit before Taxation	3,20,916	(2,300)
Provision for Taxation :		
(a) Current Tax	1,05,000	—
(b) Deferred Tax	1,483	—
Profit After Taxation	2,14,433	(2,300)
Balance brought forward from Previous Year	(16,738)	(14,438)
Balance carried to Balance Sheet	1,97,695	(16,738)
Basic & Diluted Earnings Per Share	0.73	(0.23)

REVIEW OF OPERATIONS

Your Company has earned a profit of Rs. 2.14 Lacs during the year as compared to a loss of Rs. 0.02 Lacs for the last year. Barring unforeseen events, your Directors expects to achieve good results in the coming years.

The Company has become a wholly- owned subsidiary Company of Ratnabali Capital Markets Limited w.e.f. 11th September, 2009. The Company has issued and allotted 5,10,000 equity shares of Rs. 10/- each on a preferential basis to its holding Company on 11th September, 2009. Consequently, the paid up share capital of the Company increased to Rs.52,00,000/-.

The Company has made an application for Certificate of Registration of Non Banking Finance Company with Reserve Bank of India, which is under process.

DIVIDEND

Your Directors do not recommend any dividend for the year 2009-10.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 it is hereby confirmed that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation ;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for the year ended 31st March, 2010;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis.

DIRECTORS' REPORT
to the Members (Contd.)

DIRECTORS

Mr. Vikash Somani and Mr. Suresh Kumar Somani has resigned from the Directorship of the Company w.e.f. 14th October, 2009.

Mr. Rakesh Pandiya and Mr. Hansraj Jaria were appointed as Additional Directors, with effect from 7th October, 2009. Mrs. Swati Loharuka was appointed as an Additional Director, with effect from 11th November, 2009. They shall hold office up to the date of this Annual General Meeting of the Company. The Company has received notice under Section 257 of the Companies Act, 1956 along with the requisite deposit in respect of their appointments as Directors of the Company. Necessary approval in this regard is being sought at the ensuing Annual General Meeting.

AUDITORS

Messrs G. P. Agrawal & Co. Chartered Accountants, Statutory Auditors of the Company, retires at the conclusion of the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

AUDITORS' REPORT

No comments under Section 217(3) of the Companies Act, 1956 are required against the Auditors' Report.

COMPLIANCE CERTIFICATE

Pursuant to the provisions of Section 383 A of the Companies Act, 1956 read with Companies (Issue of Compliance Certificate) Rules, 2001 your Company has received a Compliance Certificate from Mr. S. Roy, Practicing Company Secretary of 333, Parnashree Pally, Behala, Kolkata - 700 060. The same forms part of this report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has neither incurred nor earned any Foreign Exchange during the year.

PARTICULARS OF EMPLOYEES

Disclosure in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is not applicable to your company.

STATUTORY DISCLOSURES

The additional information required under the provisions of 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 does not apply to the Company.

APPRECIATION

The Board thanks its bankers, shareholders and other business associates for their support during the year and look forward to their continued co-operation and support in future.

For and on behalf of the Board

RAKESH PANDIYA
Director

HANSRAJ JARIA
Director

Place : Kolkata

Date : 30th April, 2010

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

COMPLIANCE CERTIFICATE to the Members of Ratnabali Investment Private Limited

I have examined the registers, records, books and papers of Ratnabali Investment Private Ltd (formerly known as Ratnabali Realty Private Ltd.), as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanation furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a private limited company, is the subsidiary of a Public Limited Company, has the minimum prescribed paid up capital and its maximum no. of members during the said financial year was 7 (Seven) excluding its present and past employees and the Company during the year under scrutiny :
 - (i) has not invited public to subscribe for its shares or debentures.
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives .
4. The Board of Directors duly met 9 (Nine) times respectively on 16.04.09, 25.06.09, 18.08.09, 11.09.09 , 07.10.09, 14.10.09, 11.11.09, 01.12.09 and 31.03.10 in respect of which proper notices were given including resolution by circulation and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The annual general meeting for the financial year ended 31st March, 2009 was held on 30th September, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. Two extra ordinary general meetings were held on 18.05.2009 and 08.07.2009 during the financial year after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of the section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on allotment of securities and on lodgment thereof for transfer or any other purpose in accordance with the provisions of the Act.
 - (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) The Company was not required to transfer any amounts in unpaid dividend account.
 - (v) The Company has duly complied with the requirements of the section 217 of the Act.

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

COMPLIANCE CERTIFICATE

to the Members of Ratnabali Investment Private Limited (Contd.)

14. The Board of Directors of the Company is duly constituted and the appointment of additional Directors and cessation of Directors during the financial year have been duly made.
15. The Company has not appointed any Managing Director / Whole-Time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained all necessary approvals of the Central Government , Registrar or such other authorities as prescribed under the various provisions of the Act, during the financial year as detailed below:
 - (i) For change of name under section 21 of the Act from Ratnabali Realty Private Ltd. to Ratnabali Investment Private Ltd.
 - (ii) Increase of authorised capital of the Company from Rs.5 lacs to Rs.2 crores under section 97 of the Act.
 - (iii) To alter the objects clause of the Company under section 17 of the Act.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of section 299 (3) of the Act and the rules made there under.
19. The Company has issued equity shares during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31.03.2010.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny and complied with the provisions of the Act.
28. The Company has altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny and complied with the provisions of the Act.
29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any punishment was imposed on the Company during the financial year, for offences under the Act as stated by the management or information /explanations given by its officer to me.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the financial year since the same is not applicable.

Place : Kolkata
Date : 30th April, 2010

S. ROY
Company Secretary
FCS No. 1406
C. P. No. 4230

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

COMPLIANCE CERTIFICATE

to the Members of Ratnabali Investment Private Limited (Contd.)

Annexure 'A' : Secretarial Compliance Certificate

Name of the Company : Ratnabali Investment Private Limited

Registration No. : 21-120860 CIN :(U45400WB2007PTC120860)

Authorized Capital : Rs.2,00,00,000

Paid-up Capital : Rs. 52,00,000

Registers as maintained by the Company :

1. Register of Members u/s 150
2. Register of Share transfer u/s 108
3. Register of Directors u/s 303
4. Register of Directors Shareholding u/s 307
5. Register of Directors attendance under Regulations 71 of Table A
6. Register of shareholders' attendance at their meeting for quorum u/s 174
7. Minutes of Board Meeting of Directors u/s 193
8. Minutes of General Meeting of Members u/s 193 (1)
9. Register of contract u/s 301

Other Register :

1. File regarding copy of Annual Return u/s 163

Annexure 'B' :

Forms and Returns as filed by the Company, during the financial year ended 31st March, 2010 :

Sl No.	Form No. and Return	Filed u/s	For	Date of filing	Whether filed in the prescribed time	Whether additional fee paid for delay
1.	Form 5 - Increase of Authorised Capital	97	Increase of Authorised capital	29.05.09	Yes	No
2.	Form 1A	Rule 4A	For Availability of Name	05.06.09	Yes	No
3.	Form 23	192	Registration of special resolution	09.07.09	Yes	No
4.	Form 1B	21	Approval for change of name	10.07.09	Yes	No
5.	Form 2	75(1)	Return of allotment of equity shares	18.09.09	Yes	No
6.	Form 22B	187(c)	Declaration by persons not holding beneficial interest	06.10.09	Yes	No
7.	Form 32	303(2)	Appointment of directors	07.10.09	Yes	No
8.	Form 32	303(2)	Cessation of directors	15.10.09	Yes	No
9.	Forms 23AC-Balance Sheet & 23ACA-P&L A/C	220	Audited Annual Accounts up to 31.03.2009	22.10.09	Yes	No
10.	Form 22B	187(c)	Declaration by persons not holding beneficial interest	04.11.09	Yes	No
11.	Form 32	303(2)	Appointment of directors	11.11.09	Yes	No
12.	Form 20B-Annual Return	159	Annual General Meeting	25.11.09	Yes	No

Place : Kolkata
Date : 30th April, 2010

S. ROY
Company Secretary
FCS No. 1406
C. P. No. 4230

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

AUDITORS' REPORT to the Members of Ratnabali Investment Private Limited

1. We have audited the attached Balance Sheet of RATNABALI INVESTMENT PRIVATE LIMITED (formerly RATNABALI REALTY PRIVATE LIMITED) as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, all of which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 purposes of our audit;
 - ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books;
 - iii) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in Section 211(3C) of the Act;
 - v) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, read together with the Notes thereon, give in the prescribed manner the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2010;
 - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For G.P. AGRAWAL & CO.
Chartered Accountants

CA. SUNITA KEDIA
Partner
Membership No. 60162
F. R. No. 302082E

7A, Kiran Shankar Ray Road
Kolkata - 700 001
Date : 30th April, 2010

Annexure to the Auditors' Report

Statement referred to in our report of even date on the accounts of RATNABALI INVESTMENT PRIVATE LIMITED (Formerly RATNABALI REALTY PRIVATE LIMITED) for the year ended 31st March, 2010 :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) In our opinion fixed assets has been physically verified by the management at reasonable intervals. No material discrepancies between the book records and the physical inventory are noticed.
- (c) During the year, in our opinion, a substantial part of fixed assets has not been disposed off by the Company.

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

AUDITORS' REPORT

to the Members of Ratnabali Investment Private Limited (Contd.)

- (ii) The Company does not have inventory. Therefore, the provisions of para (ii) of paragraph 4 of the said order are not applicable to the Company.
- (iii) As informed the Company has not taken / granted any loans, secured or unsecured from / to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of para (iii) of paragraph 4 of the said order are not applicable to the Company.
- (iv) On the basis of information and explanations given to us, we are of the opinion that the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) a) Based on the audit procedure applied by us and according to information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section.
b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit as per directions issued by the Reserve Bank of India and within the meaning of Section 58A, 58AA and other relevant provisions of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The provisions of para (viii) of paragraph 4 of the said order regarding maintenance of cost records under Section 209 (1) (d) of the Act are not applicable to the Company.
- (ix) a) According to the records of the Company, the Company is regular in depositing Income Tax and other undisputed statutory dues with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable. As explained to us, the provisions of Provident Fund, Investor Education Protection Fund, Sales Tax, Custom duty, Excise duty, Service Tax, Cess and Wealth Tax are not applicable to the Company.
b) According to the information and explanations given to us, there are no disputed statutory dues pending for payment as at the Balance Sheet date.
- (x) The Company has no accumulated losses and has not incurred any cash losses during the period covered by our audit.
- (xi) The Company has not taken any loan from a bank or financial institution and has not issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of any Special Statute applicable to chit fund, nidhi or mutual benefit society are not applicable to this Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of para (xiv) of paragraph 4 of the said order are not applicable to the Company.
- (xv) According to the records of the Company and the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the records of the Company and the information and explanations given to us, the Company has not taken any term loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has made preferential allotment of shares to companies covered in the register maintained under Section 301 of the Act. In our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any money by public issue during the period covered by our audit report.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.

For G.P. AGRAWAL & CO.
Chartered Accountants

CA. SUNITA KEDIA
Partner

Membership No. 60162
F. R. No. 302082E

7A, Kiran Shankar Ray Road
Kolkata - 700 001
Date : 30th April, 2010

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

BALANCE SHEET
as at 31st March, 2010

	Schedule	As at		As at	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholder's Fund					
Share Capital	1	52,00,000		1,00,000	
Reserves & Surplus	2	1,54,97,695	2,06,97,695	—	1,00,000
Deferred Tax Liability			1,483		—
TOTAL			2,06,99,178		1,00,000
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	3	43,680		—	
Less: Depreciation		679		—	
Net Block			43,001		—
Current Assets, Loans and Advances					
Cash & Bank Balances	4	2,05,87,265		19,398	
Other Current Assets	5	3,141		—	
Loans and Advances	6	1,79,449		56,289	
		2,07,69,855		75,687	
Less :					
Current Liabilities & Provisions :					
Current Liabilities	7	8,678		3,861	
Provisions		1,05,000		—	
		1,13,678		3,861	
Net Current Assets			2,06,56,177		71,826
Miscellaneous Expenditure	8				
[To the extent not written off or adjusted]			—		11,436
Profit & Loss Account					
Debit balance as per annexed Account			—		16,738
TOTAL			2,06,99,178		1,00,000
Significant Accounting Policies and Notes on Accounts	10				

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

This is the Balance Sheet referred to in our report of even date.

For G. P. AGRAWAL & CO.
Chartered Accountants
CA. SUNITA KEDIA
Partner
Membership No. 60162
F. R. No. 302082E
Place : Kolkata
Date : 30th April, 2010

For and on behalf of the Board
RAKESH PANDIYA
Director
HANSRAJ JARIA
Director

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

**PROFIT & LOSS ACCOUNT
for the year ended 31st March, 2010**

	Schedule	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Interest (Gross) {(Tax Deducted at Source Rs.78,250/- (Previous year Rs. 1,289/-)}					
On Fixed Deposit with Bank		7,82,506		—	
On Loan / Margin Deposit		—	7,82,506	6,258	6,258
Real Estate Consultancy fees			6,000		7,800
TOTAL			7,88,506		14,058
EXPENDITURE					
Administrative Expenses	9		4,66,911		16,358
Depreciation			679		—
TOTAL			4,67,590		16,358
Profit/(Loss) Before Taxation			3,20,916		(2,300)
Provision for Taxation					
Current Tax		1,05,000		—	
Deferred Tax		1,483	1,06,483	—	—
Profit/(Loss) After Taxation			2,14,433		(2,300)
Balance brought forward from Previous Year			(16,738)		(14,438)
Balance Carried to Balance Sheet			1,97,695		(16,738)
Basic & Diluted Earnings Per Share					
(Face Value of Rs.10/- each)			0.73		(0.23)
(Refer Note No. B-4 of Schedule 10)					
Significant Accounting Policies and Notes on Accounts					
	10				
The Schedules referred to above form an integral part of the Profit and Loss Account.					
This is the Profit & Loss Account referred to in our report of even date.					
For G. P. AGRAWAL & CO. Chartered Accountants CA. SUNITA KEDIA Partner Membership No. 60162 F. R. No. 302082E Place : Kolkata Date : 30th April, 2010			For and on behalf of the Board RAKESH PANDIYA Director HANSRAJ JARIA Director		

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.								
SCHEDULE - 1										
SHARE CAPITAL										
Authorised										
20,00,000 (Previous year 50,000) Equity Shares of Rs. 10/- each	<u>2,00,00,000</u>	5,00,000								
Issued, Subscribed and Paid-up										
5,20,000 (Previous year 10,000) Equity Shares of Rs. 10/- each fully paid up in cash {Entire share capital of the Company is held by Ratnabali Capital Markets Ltd, the Holding Company and its nominees w.e.f. 11th September, 2009 (Previous year - Rs. Nil)}	<u>52,00,000</u>	1,00,000								
	<u>52,00,000</u>	<u>1,00,000</u>								
SCHEDULE - 2										
RESERVES AND SURPLUS										
Securities Premium										
Received during the year	1,53,00,000	—								
Profit & Loss Account	1,97,695	—								
Surplus as per Annexed Account	<u>1,54,97,695</u>	<u>—</u>								
SCHEDULE - 3										
FIXED ASSETS										
	GROSS BLOCK (ORIGINAL COST)	DEPRECIATION	NET BLOCK							
Particulars	As at 01.04.09	Additions during the year	Deductions during the year	As at 31.03.10	Up to 31.03.09	For the year	Adjustment for deductions during the year	Total Up to 31.03.10	As at 31.03.10	As at 31.03.09
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computers and Accessories	—	43,680	—	43,680	—	679	—	679	43,001	—
Total	—	43,680	—	43,680	—	679	—	679	43,001	—
Previous Year	—	—	—	—	—	—	—	—	—	—
SCHEDULE - 4										
CASH & BANK BALANCES										
Cash-in-Hand (As certified by the Management)	61,920	11,074								
Balances With Scheduled Banks										
In Current Account	3,25,345	8,324								
In Fixed Deposit Account	2,02,00,000	—								
	<u>2,05,87,265</u>	<u>19,398</u>								
SCHEDULE - 5										
OTHER CURRENT ASSETS										
Interest Accrued on Fixed Deposit	3,141	—								
	<u>3,141</u>	<u>—</u>								

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at 31st March, 2010	As at 31st March, 2009
	Rs.	Rs.
SCHEDULE - 6		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Loans / Margin Deposit	—	55,000
Advance Tax	1,01,199	—
Tax deducted at Source	78,250	1,289
	<u>1,79,449</u>	<u>56,289</u>
SCHEDULE - 7		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
Total outstanding dues of micro and small enterprises (Note No.B-3 of Schedule 10)		
Due to Creditors other than micro and small enterprises	—	—
	8,678	3,861
	<u>8,678</u>	<u>3,861</u>
Provision		
Provision for Taxation	1,05,000	—
	<u>1,13,678</u>	<u>3,861</u>
SCHEDULE - 8		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	11,436	15,248
Less : Written off during the year	11,436	3,812
	<u>—</u>	<u>11,436</u>
SCHEDULE - 9		
ADMINISTRATIVE EXPENSES		
Rates and Taxes	2,06,984	6,984
Legal and Professional	1,47,300	1,701
Travelling and Conveyance	21,090	—
General Expenses	3,100	—
Donation	51,000	—
Printing and Stationary	7,250	—
Auditors' Remuneration (Refer Note 10 of Schedule 10)	18,751	3,861
Preliminary Expenses Written off	11,436	3,812
	<u>4,66,911</u>	<u>16,358</u>

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 10

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting

The financial statements have been prepared on an accrual basis under the historical cost convention and comply in all material respects with the Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956.

2. Fixed Assets

Fixed Assets are stated at cost of acquisition including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation. Depreciation is provided on the straight-line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

3. Revenue Recognition

- a) Interest and all other incomes have been recognised on accrual basis.
- b) All expenses are accounted for on accrual basis.

4. Taxes on income

Current tax is determined on the basis of the amount of tax payable in respect of taxable income for the period. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, 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. Deferred Tax Assets are recognised and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

5. Provisions, Contingent liabilities and Contingent Assets

- a) Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.
- b) Contingent liabilities are shown by way of Notes on Accounts in respect of obligations, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- c) Contingent Assets are neither recognised nor disclosed in the financial statements.

6. Miscellaneous Expenditure

Preliminary expenses are expensed in the year of incurrence.

B. NOTES ON ACCOUNTS

- 1. The Company has become the wholly owned subsidiary of Ratnabali Capital Markets Ltd. w.e.f. 11th September, 2009.
- 2. The Company has made a Fixed Deposit of Rs. 2,02,00,000/- (Rupees Two crores two lacs only) (Previous year - Nil) with IndusInd Bank for the purpose of meeting the Net Owned Fund criteria prescribed by the Reserve Bank of India prior to making an application with RBI to grant certificate of registration u/s 451A of the RBI Act, 1934.
- 3. **Micro, Small and Medium Enterprises**
There are no dues to Micro and Small Enterprises as on 31st March, 2010 (Previous year - Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent of information available with the Company and relied upon by the auditors.

4. Earning Per Share

		<u>2009-10</u>	<u>2008-09</u>
a) Net profit/(Loss) after tax (Rs.)	(A)	2,14,433	(2,300)
b) Weighted average number of Equity Shares of Rs.10/- each outstanding during the period (No. of shares)	(B)	2,92,247	10,000
c) Basic / Diluted Earnings Per Share (Rs.)	(A / B)	0.73	(0.23)

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 10 (Contd.)		
5. Deferred Tax		
The break-up of Deferred Tax Liability (net) as at 31st March, 2010 is given below :		
Particulars	<u>As at 31st March, 2010</u>	<u>As at 31st March, 2009</u>
	Rs.	Rs.
Deferred Tax Liabilities :		
Depreciation	3,839	—
Deferred Tax Assets :		
Preliminary Expenses	2,356	—
Deferred Tax Liability (net)	<u>1,483</u>	<u>—</u>
6. Related Party Disclosure		
a) Names of the related parties with whom transactions have taken place during the period:		
<u>Name of Party</u>	<u>Nature of Relationship</u>	
Ratnabali Capital Markets Ltd.	Holding Company	
b) Transactions carried out with related parties referred to in above, in ordinary course of business, are as under :		
<u>Nature of transaction</u>	<u>2009-10</u>	<u>2008-09</u>
Allotment of shares at premium (Rs.)	2,04,00,000	Nil
c) Year end balance:		
<u>Name of Party</u>		
Ratnabali Capital Markets Ltd. (Rs.)	Nil	Nil
No amount has been written back/written off during the period in respect of dues to/from related parties.		
No amount is due from related parties and hence no provision for doubtful debts in respect of dues from such related parties is required.		
7. The Company has changed the accounting policy of preliminary expenses written off w.e.f. 1st April, 2009. The entire balance of preliminary expenses as on 1st April, 2009 has been written off during the year. Had the company followed the earlier accounting policy, the profit before tax for the year and preliminary expenses to the extent not written off or adjusted as on 31st March, 2010 would have been higher by Rs. 7,624/-.		
8. Accounting Standard 17 "Segment Reporting" notified under the Accounting Standard Rules, 2006 is not applicable as there is no reportable segment.		
9. a) During the year, the Company has issued and allotted 5,10,000 equity shares of Rs. 10/- each on a preferential basis to its holding company at a premium of Rs. 30/- per share, aggregating to Rs. 204 lacs.		
b) The above proceeds of the preferential issue have been utilised for corporate purpose.		
10. Auditors' Remuneration		
	<u>Year ended</u>	<u>Year ended</u>
	<u>31st March, 2010</u>	<u>31st March, 2009</u>
	Rs.	Rs.
As Auditors	12,000	3,500
As Advisor - Taxation matter	—	—
- Management Services	—	—
For Certification Matters	5,000	—
Service Tax	1,751	361
Total	<u>18,751</u>	<u>3,861</u>

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 10 (Contd.)

11. Balance Sheet Abstract and Company's General Business Profile

I. Registration Details :

Registration No.	U45400WB2007PTC120860	State Code	21
Balance Sheet Date	31.03.2010		

II. Capital raised during the year (Amount in Rs. Thousands) :

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	5100

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands) :

Total Liabilities	20699*	Total Assets	20699*
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* excluding current liabilities and provisions of Rs. 114 thousands.

SOURCES OF FUNDS

Paid-up Capital	5200	Reserves & Surplus	15498
Secured Loans	NIL	Unsecured Loans	NIL
Deferred Tax Liability	1		

APPLICATION OF FUNDS

Net Fixed Assets	43	Investments	NIL
Net Current Assets	20656	Misc Expenditure	NIL
Accumulated Losses	NIL	Dividend Rate (%)	NIL

IV. Performance of Company (Amount in Rs. Thousands) :

Turnover	789	Total Expenditure	468
Profit/Loss Before Tax	321	Profit/Loss After Tax	214
Earning Per Share (Rs.)	0.73		

V. Generic Names of Three Principal Products / Services of the Company

Being a finance and investment Company : Not Applicable.

12. The previous year figures have been rearranged / regrouped, wherever considered necessary to make them comparable.

Signatures to Schedules 1 to 10.

In terms of our report of even date annexed.

For G. P. AGRAWAL & CO.

Chartered Accountants

CA. SUNITA KEDIA

Partner

Membership No. 60162

F. R. No. 302082E

Place : Kolkata

Date : 30th April, 2010

For and on behalf of the Board

RAKESH PANDIYA

Director

HANSRAJ JARIA

Director

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	As at <u>31st March, 2010</u> Rs.	As at <u>31st March, 2009</u> Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Profit & Loss Account	3,20,916	(2,300)
Add : Depreciation	679	—
Add : Preliminary Expenses written off	11,436	3,812
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	3,33,031	1,512
Adjustment for :		
Trade payable & Other Liabilities	4,817	(1,048)
Trade & other receivables	51,859	13,711
CASH GENERATED FROM OPERATIONS	3,89,707	14,175
Direct Taxes (Paid) / Refund (net)	(1,78,160)	—
NET CASH FROM OPERATING ACTIVITIES	2,11,547	14,175
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Fixed Deposit Account	(2,02,00,000)	—
Purchase of Fixed Assets	(43,680)	—
NET CASH USED IN INVESTING ACTIVITIES	(2,02,43,680)	—
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Equity Share Capital	2,04,00,000	—
NET CASH FROM FINANCING ACTIVITIES	2,04,00,000	—
Net Increase in Cash and Cash Equivalents (A+B+C)	3,67,867	14,175
Cash and Cash Equivalents Opening Balance	19,398	5,223
Cash and Cash Equivalents Closing Balance	3,87,265	19,398
Notes :		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 as notified under the Companies (Accounting Standards) Rules, 2006.		
2. Figures in bracket represent cash outflow.		

RATNABALI INVESTMENT PRIVATE LIMITED (Formerly : Ratnabali Realty Pvt. Ltd.)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)

3. Cash and Cash equivalents at the end of the period consist of :

	Year ended 31st March, 2010 (Rs.)	Year ended 31st March, 2009 (Rs.)
a) Cash in hand	61,920	11,074
b) Balance with bank in Current Accounts	3,25,345	8,324
	<u>3,87,265</u>	<u>19,398</u>

4. Reconciliation of items of Cash & Cash Equivalents as disclosed in Cash Flow Statement with the equivalent items as reported in the Balance Sheet :

	Year ended 31st March, 2010 (Rs.)	Year ended 31st March, 2009 (Rs.)
Cash & Cash Equivalents as per Cash Flow Statement	3,87,265	19,398
Add : Fixed Deposits classified as Investing Activities	<u>2,02,00,000</u>	—
Cash & Bank Balances as reported in the Balance Sheet	<u>2,05,87,265</u>	<u>19,398</u>

As per our report of even date.

For G. P. AGRAWAL & CO.
Chartered Accountants
CA. SUNITA KEDIA
Partner
Membership No. 60162
F. R. No. 302082E
Place : Kolkata
Date : 30th April, 2010

For and on behalf of the Board
RAKESH PANDIYA
Director
HANSRAJ JARIA
Director