

## RATNABALI CAPITAL MARKETS LIMITED

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### BOARD OF DIRECTORS

VIKASH SOMANI  
*Managing Director*

SURESH KUMAR SOMANI  
*Joint Managing Director*

### EXECUTIVE DIRECTOR

ADITYA GOENKA

### DIRECTORS

HARSH VARDHAN

J. P. KUNDRA

RATNANKO BANERJI

### COMPANY SECRETARY

HANSRAJ JARIA

### MAIN BANKERS

HDFC Bank Ltd.

IndusInd Bank

CitiBank N.A.

Development Credit Bank

### 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](mailto:ratnabali@ratnabali.com)

Website : [www.ratnabali.com](http://www.ratnabali.com)

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## RATNABALI CAPITAL MARKETS LIMITED

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### NOTICE to the Members

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of RATNABALI CAPITAL MARKETS LIMITED will be held on Saturday, the 18th June, 2011 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 audited Balance Sheet as at 31st March, 2011, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares, for the financial year ended 31st March, 2011.
3. To appoint a Director in place of Mr. Joginder Pal Kundra, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ratnanko Banerji, who retires from office by rotation and being eligible, offers himself for re-appointment.
5. To re-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 :

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 of the Act, the consent of the Company, be and is hereby accorded to the appointment of Mr. Aditya Goenka, Director of the Company, as an Executive Director for a period of three years w.e.f. 2nd February, 2011 who shall 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 appointment, as may be agreed to by and between the Board and Mr. Aditya Goenka."

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

*Registered Office:*  
FMC Fortuna, A-7 & A-8 , 4th Floor,  
234/3A, A.J.C. Bose Road,  
Kolkata- 700 020, India  
30th April, 2011

By Order of the Board

HANSRAJ JARIA  
Company Secretary

## RATNABALI CAPITAL MARKETS LIMITED

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### NOTICE to the Members (*Contd.*)

#### NOTES :

1. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in relation to Item No. 6 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 for 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 9th June, 2011 to Saturday, the 18th June, 2011 ( 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 9th June, 2011.

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.

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 2004-05 to 2009-10.

During the financial year ended 31st March, 2011 the Company has transferred unpaid dividend for the financial year 2002-03 and 2003-04, amounting to Rs. 4,715 and Rs. 10,512 to the Investor Education and Protection Fund (IEPF) of the Central Government.

## RATNABALI CAPITAL MARKETS LIMITED

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### NOTICE to the Members (*Contd.*)

10. As required under Clause 49 (IV) (G) of the Listing Agreement, given below are the details of the Directors seeking appointment / re-appointment at the Annual General Meeting :

#### **Brief Resume and Nature of Expertise**

##### **Item No. 3**

Mr. Joginder Pal Kundra (Date of Birth: 14.04.1930), is a B.A. LLB. and has more than 51 years of experience in the areas of Finance and Banking. He has been a Director of the Company since 16th January, 1995. He is a former Managing Director of the State Bank of India and has also been the Chairman of the Banking Service Recruitment Board. Mr. Kundra is not holding any equity shares of Ratnabali Capital Markets Limited. He is holding the following positions with various Companies (excluding Private Limited Companies, Foreign Companies and Section 25 Companies):

##### **Directorship :**

Ratnabali Capital Markets Limited , Taurus Asset Management Company Ltd. (Chairman), Dhunseri Petrochem & Tea Limited, Ginni Filaments Limited and SVIL Mines Limited.

##### **Committee Positions Held :**

Ratnabali Capital Markets Limited: Member - Audit Committee, Remuneration Committee and Investors Grievance Committee.

Dhunseri Petrochem & Tea Limited: Chairman- Audit Committee, Investors Grievance Committee. Member-Remuneration Committee.

Ginni Filaments Limited: Chairman - Audit Committee, Selection-cum-Remuneration Committee. Member- Committee of Directors.

Taurus Asset Management Co. Ltd.: Chairman- Remuneration Committee.

SVIL Mines Limited: Member- Remuneration Committee and Audit Committee.

##### **Item No. 4**

Mr. Ratnanko Banerji (Date of Birth: 24.08.1968), is a Barrister-at-Law from University of London. He is an advocate by profession. He has more than 17 years of experience in the legal field. He has been a Director of the Company since 21st January, 2009. Mr. Ratnanko Banerji is not holding any equity shares of Ratnabali Capital Markets Limited. He is holding the following positions with various Companies (excluding Private Limited Companies, Foreign Companies and Section 25 Companies) :

##### **Directorship :**

Ratnabali Capital Markets Limited and Jardine Henderson Limited.

##### **Committee Positions Held :**

Ratnabali Capital Markets Limited : Member- Remuneration Committee, Finance Committee.

##### **Item No. 6**

Mr. Aditya Goenka (Date of Birth: 04.10.1963), is a B.Com (Hons) Graduate, and has more than 15 years of experience in the stock and securities market. He has been a Director of the Company since 18th October, 2000. He is holding 100 equity shares of Ratnabali Capital Markets Limited. He is holding the following positions with various Companies (excluding Private Limited Companies, Foreign Companies and Section 25 Companies) :

##### **Directorship :**

Ratnabali Capital Markets Limited and Ratnabali Investment Private Limited (wholly owned subsidiary of a Public Limited Company).

## RATNABALI CAPITAL MARKETS LIMITED

### NOTICE to the Members (*Contd.*)

#### Committee Positions Held :

Ratnabali Capital Markets Limited: Member-Audit Committee, Investors Grievance Committee, Share Transfer Committee and Finance Committee.

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

#### Item No. 6

The Board of Directors of the Company in their meeting held on 2nd February, 2011 have appointed Mr. Aditya Goenka, Director of the Company, as an Executive Director for a period of 3 years w.e.f. 2nd February, 2011 subject to the approval of the members and on the following terms and conditions as recommended by the Remuneration Committee :

- |       |   |  |
|-------|---|--|
| 1.    | TENURE  | 3 years w.e.f. 2nd February, 2011.   |
| 2.    | REMUNERATION  |  |
| 2.1   | Basic Salary  | Rs. 2,00,000/- (Rupees Two Lakhs ) per month with an authority to the Board/Remuneration Committee to review the same from time to time as it may deem fit. There will be an increment of 10% every year w.e.f. 1st April, 2012.   |
| 2.2   | Performance Linked Bonus  | Such amount as may be determined by the Board/Remuneration Committee considering the performance of Mr. Aditya Goenka in accordance with Section 198, 269, 309 and Schedule XIII and any other provisions of the Companies Act, 1956.  |
| 2.3   | Perquisites :   |  |
| 2.3.1 | 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 Mediclaim Policy of Executive Director at Company's cost. |
| 2.3.2 | 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.   |
| 2.3.3 | 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/Remuneration Committee may decide from time to time .   |
| 2.3.4 | 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.  |
| 2.3.5 | 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.   |
| 2.3.6 | Entertainment and Other Expenses                                      | Reimbursement of entertainment and other expenses incurred in the course of business of the Company.   |
| 2.3.7 | In addition to the above, he 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.   |

## RATNABALI CAPITAL MARKETS LIMITED

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- (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 Executive 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 only shall be considered.

**Minimum Remuneration :**

Notwithstanding the above, wherein in any financial year during the currency of tenure of the Executive 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 2.3.7 (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 Mr. Aditya Goenka, none of the Directors is interested in the aforesaid resolution.

*Registered Office:*

FMC Fortuna, A-7 & A-8 , 4th Floor,  
234/3A, A.J.C. Bose Road,  
Kolkata- 700 020, India  
30th April, 2011

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 Seventeenth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2011.

#### FINANCIAL RESULTS

The standalone performance of the Company for the financial year ended 31st March, 2011 is summarised below :

	<b>For the year ended 31st March, 2011 (Rupees in Lacs)</b>	For the year ended 31st March, 2010 (Rupees in Lacs)
Profit before Interest, Depreciation & Taxation	<b>1292.51</b>	1338.25
Less: Interest	<b>346.48</b>	252.75
Profit before Depreciation & Taxation	<b>946.03</b>	1085.50
Less: Depreciation	<b>41.58</b>	43.00
Profit before Tax	<b>904.45</b>	1042.50
Less: Provision for Tax		
(a) Current Tax	<b>6.47</b>	0.41
(b) Deferred Tax	<b>(48.46)</b>	(28.40)
(c) Income Tax for earlier years	<b>(14.40)</b>	4.31
Profit after Tax	<b>960.84</b>	1066.18
Adding thereto :		
Provision for Corporate Dividend Tax no longer required	<b>1.00</b>	—
Balance as per last Balance Sheet brought forward	<b>5188.52</b>	4533.32
Balance available for appropriation	<b>6150.36</b>	5599.50
THE APPROPRIATIONS ARE		
General Reserve	<b>96.08</b>	106.62
Proposed Dividend	<b>208.12</b>	260.15
Tax on Dividend	<b>33.76</b>	44.21
Balance carried to Balance Sheet	<b>5812.40</b>	5188.52
	<b>6150.36</b>	5599.50
Paid-up Equity Share Capital	<b>520.30</b>	520.30
Basic and diluted EPS (Rs.)	<b>18.47</b>	20.49

#### REVIEW OF OPERATIONS

The Company's profit after tax amounts to Rs. 960.84 lacs in comparison to last year's profit of Rs. 1066.18 lacs. The amount transferred to General Reserve is Rs. 96.08 lacs. Overall performance of the Company was satisfactory considering the present market conditions. Barring unforeseen events, your Directors expect to achieve good results in the coming years.

#### DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 4/- per equity share for the financial year ended 31st March, 2011 as against Rs. 5/- per equity share paid for the previous year.

#### NOTES ON SUBSIDIARY

##### Ratnabali Investment Private Limited

During the year, the Subsidiary Company has reported a net profit of Rs. 8.50 Lacs as against Rs. 2.14 Lacs earned in the previous year. The Company is not a material non-listed Subsidiary Company as defined under Clause 49 of the Listing Agreement with the Bombay Stock Exchange. The Company is a Non Banking Finance Company registered with Reserve Bank of India.

## RATNABALI CAPITAL MARKETS LIMITED

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

The Holding Company has obtained exemption from the Ministry of Corporate Affairs, Government of India, New Delhi, under Section 212(8) of the Companies Act, 1956 from annexing to this report, the Annual Report of the above Subsidiary Company for the year ended on 31st March, 2011. However, if any member of the Company so desires, the Company will make available copies of Annual Accounts and related information of the above Subsidiary Company.

The Annual Accounts of the said Subsidiary is also available for inspection by any investor at the Registered Office of the Company and of the Subsidiary Company concerned between 11.00 a.m. and 1.00 p.m. on any working day, upto the date of the seventeenth Annual General Meeting.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements for the year ended 31st March, 2011 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 Stock Exchange and in accordance with the Accounting Standard 21 read with Accounting Standard 23 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, 2011 and of the profit of the company for the year ended 31st March, 2011;
- (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. Joginder Pal Kundra and Mr. Ratnanko Banerji, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

The Board of Directors in their meeting held on 2nd February, 2011 has approved the appointment of Mr. Aditya Goenka, Director of the Company, as an Executive Director w.e.f. 2nd February, 2011 for a period of 3 years, 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.



## RATNABALI CAPITAL MARKETS LIMITED

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

#### AUDITORS' REPORT

The observation made in the Auditor's Report on the Consolidated Financial Statements are self explanatory and do not require further explanations / comments.

#### PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and notification no. F.No. 2/29/1998- CL.V dated 31st March, 2011 issued by Government of India, Ministry of Corporate Affairs is not applicable to the Company.

#### 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*

SURESH KUMAR SOMANI  
*Jt. Managing Director*

Kolkata, 30th April, 2011

#### 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, 2011.

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

## 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 (b) Recurring (c) Total (d) Total R&D expenditure as a percentage of total turnover.	Nil Nil Nil 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, Ace equity 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. 19,78,147/-.

For and on behalf of the Board  
VIKASH SOMANI  
Managing Director

SURESH KUMAR SOMANI  
Jt. Managing Director

Kolkata, 30th April, 2011

# RATNABALI CAPITAL MARKETS LIMITED

## 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 consists 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 31<sup>st</sup> March, 2011 :

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	—	—
Mr. J.P. Kundra	Non-Executive and Independent	4	3	1
Mr. Aditya Goenka	Executive Director*	1	—	—
Mr. Ratnanko Banerji	Non-Executive and Independent	1	—	—

\* Mr. Aditya Goenka was appointed as an Executive Director w.e.f. 2<sup>nd</sup> February, 2011.

\*\* In accordance with Clause 49(1)(C) (ii) of the Listing Agreement, the Audit Committee and the Shareholders/Investors Grievance Committee alone has been considered for this purpose.

- (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 2010-2011 (in Rs.)				Service Contract/Notice period/ Severance Fees, if any
				Sitting fees	Remuneration	Perquisites	Total	
Mr. Vikash Somani	Brother of Jt. Managing Director	Managing Director	6,91,800	—	24,30,000	2,31,513	26,61,513	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	Joint Managing Director	6,91,800	—	24,30,000	2,50,329	26,80,329	Term of office from 01.01.2010 to 31.12.2012. No notice period and no severance fees
Mr. Harsh Vardhan	None	Director	500	52,000	—	—	52,000	Retire by rotation
Mr. J. P. Kundra	None	Director	Nil	52,000	—	—	52,000	Retire by rotation
Mr. Aditya Goenka	None	Executive Director	100	—	4,40,533	—	4,40,533	Term of office from 02.02.2011 to 01.02.2014. No notice period and no severance fees. Retire by rotation.
Mr. Ratnanko Banerji	None	Director	Nil	28,000	—	—	28,000	Retire by rotation

There is no stock options provided to the Directors. Remuneration includes contribution to Provident Fund for Mr. Vikash Somani, Mr. Suresh Kumar Somani amounting to Rs.1,80,000/- each and Mr. Aditya Goenka amounting to Rs. 47,200/-.

(vi) Attendance of Directors in meetings held during the financial year 2010-2011:

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 1 <sup>st</sup> May, 2010	Present	Present	Present	Present	Present	Present
2.	Board Meeting on 31 <sup>st</sup> July, 2010	Present	Present	Present	Present	Present	Present
3.	Board Meeting on 27 <sup>th</sup> October, 2010	Present	Present	Present	Present	Present	Present
4.	Board Meeting on 2 <sup>nd</sup> February, 2011	Present	Present	Present	Present	Present	Present
5.	Annual General Meeting on 19 <sup>th</sup> June, 2010	Present	Absent	Present	Absent	Present	Present

### 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](http://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.

## RATNABALI CAPITAL MARKETS LIMITED

### 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 – two of them are Independent and Non-Executive and one is Executive Director. All of them are experts in corporate finance, accounts and corporate law. The Chairman of the Committee is an Independent and Non Executive Director. 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 31.03.2011, four committee meetings were held on 01.05.2010, 31.07.2010, 27.10.2010 and 02.02.2011. 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 representatives of the Statutory Auditors have attended all the four Audit Committee Meetings held during the year.

##### B. Investors Grievance Committee

###### (i) Terms of Reference

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.

###### (ii) Composition

The composition of the Committee is in conformity with Clause 49 IV (G) (iii) of the Listing Agreement.

The Committee comprises of 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 31.03.2011, four committee meetings were held on 01.05.2010, 31.07.2010, 27.10.2010 and 02.02.2011. 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](mailto:grievance@ratnabali.com).

(iii) 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 and two other Directors to look into various matters relating to share transfer, issue of duplicate share certificates, dematerialisation and other related matters. The Committee meets 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	2	2
2	Mr. Suresh Kumar Somani	2	2
3	Mr. Aditya Goenka	2	2

During the financial year ended 31.03.2011, two Committee meetings were held on 08.05.2010 and 18.12.2010.

## RATNABALI CAPITAL MARKETS LIMITED

### CORPORATE GOVERNANCE REPORT(Contd.)

#### D. Remuneration Committee

The Remuneration of the Directors is determined by the Remuneration Committee comprised of only Non-Executive and Independent Directors. The Company has a remuneration policy of retaining high calibre talent at the best suitable package. The Company pays remuneration by way of salary and perquisites to the Managing Director, Joint Managing Director and Executive Director. The Non- Executive Directors are remunerated by way of sitting fees of Rs. 4,000/- each for attending each Board of Directors meeting and Committee meeting. The salary of Executive Director 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 02.02.2011. The composition of Remuneration Committee and the attendance of each Director at the meeting are as follows :

Sl. No.	Members	No. of meetings held	No. of meetings attended
1	Mr. Harsh Vardhan- Chairman	1	1
2	Mr. J.P.Kundra	1	1
3	Mr. Ratnanko Banerji	1	1

#### E. Finance Committee

The Company has constituted a Finance Committee in order to review, evaluate, assess and make recommendations relating to all financial and investment plans and to approve the matters relating to availing of financial facilities. During the year, two meetings of the Committee has been held on 27.10.2010 and 02.02.2011. The composition of Finance Committee is as follows :

Sl. No.	Members	No. of meetings held	No. of meetings attended
1	Mr. Vikash Somani- Chairman	2	2
2	Mr. Suresh Kumar Somani	2	2
3	Mr. Aditya Goenka	2	2
4	Mr. Ratnanko Banerji*	2	2

\* Mr. Ratnanko Banerji was appointed as a member of the Committee w.e.f. 27th October, 2010.

#### 5. DETAILS OF GENERAL MEETINGS

Financial Year	Date of Meetings	Location	Time
2009-2010	16th Annual General Meeting held on 19th June, 2010	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700017	11.30.A.M.
2008-2009	15th Annual General Meeting held on 29th August, 2009	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700017	11.30.A.M.
2007-2008	14th Annual General Meeting held on 21st June, 2008	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700017	11.30.A.M.

5.1 Special Resolutions passed at the last three AGMs:

- (i) At 16th AGM-
  - Re-appointment of Mr. Vikash Somani as Managing Director of the Company.
  - Re-appointment of Mr. Suresh Kumar Somani as Joint Managing Director of the Company.
  - To amend Article No. 89 and 106 of Articles of Association of the Company.
- (ii) No Special Resolution was passed at the 14th and 15th AGM.

## RATNABALI CAPITAL MARKETS LIMITED

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### CORPORATE GOVERNANCE REPORT(Contd.)

#### 6. POSTAL BALLOT

The approval of shareholders was sought through postal ballot for amending the main objects in the object clause III (A) of the Memorandum of Association of the Company by inserting a new sub clause 8 - to finance or sponsor the setting up of any securitization company or reconstruction company which is registered or to be registered under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI). The notice dated October 27, 2010 was sent to the members and the last date for receipt of postal ballot forms by Mr. Sanjeev Gupta, Chartered Accountant, the Scrutinizer appointed by the Board, was December 8, 2010. According to the Scrutinizer's report the resolution was passed by overwhelming majority of 99.9% (representing 39,05,253 equity shares). The result of the postal ballot was declared on December 10, 2010 and published on December 11, 2010 in the Mint (Kolkata edition) and Arthik Lipi for the information of members.

The Company has complied with the procedures for the postal ballot in terms of Section 192A of the Companies Act, 1956 as well as Companies (Passing of Resolution by Postal Ballot) Rules, 2001. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of special resolution through Postal Ballot.

#### 7. SUBSIDIARY

The Company has a wholly - owned subsidiary company i.e. Ratnabali Investment 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 subsidiaries in the immediately preceding accounting year ended on 31st March, 2011.

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 are placed before the Company's Board, as and when applicable.

#### 8. 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.

#### 9. DISCLOSURES

- (i) Details of related party transactions during the year have been set out under Note No. '12' 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.
- (iv) The Company has not adopted any Whistle Blower Policy. However, the Company has not denied access of any personnel to approach the Management or the Audit Committee on any issue.
- (v) The Company has followed the Guidelines of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006.

## RATNABALI CAPITAL MARKETS LIMITED

### CORPORATE GOVERNANCE REPORT(Contd.)

#### 10. 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 Stock Exchange after the Board approves them. The results are normally published in the editions of Financial Express and in one vernacular newspaper.
- (ii) The quarterly results are posted on the website of the Company at [www.ratnabali.com](http://www.ratnabali.com). The investors can view the results at the aforesaid website.

#### 11. GENERAL SHAREHOLDERS' INFORMATION

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

The Seventeenth Annual General Meeting is scheduled to be held on Saturday , the 18th June, 2011 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 2011-12 :

Financial Reporting & Limited Review Report	Date of Submission to Stock Exchange
For the quarter ending June 30, 2011	2nd Week of August, 2011
For the quarter ending September 30, 2011	2nd Week of November, 2011
For the quarter ending December 31, 2011	2nd Week of February, 2012
For the quarter ending March 31, 2012	4th Week of April, 2012
Annual General Meeting for the year ended March 31, 2012	June/July, 2012

- (iii) Next date of book closure : 9th June, 2011 to 18th June, 2011 (both days inclusive)
- (iv) Dividend payment date : On or after 21st June , 2011
- (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 : <a href="http://www.nsdl.co.in">www.nsdl.co.in</a> Email : <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a>	Central Depository Services (India) Ltd. (CDSL) Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Fort, Mumbai - 400 001 Website :- <a href="http://www.cdslindia.com">www.cdslindia.com</a> Email : <a href="mailto:investors@cdslindia.com">investors@cdslindia.com</a>
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Shareholders may write to the respective depository for guidance on depository services.

- (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 Limited for the year 2011-12 has been paid.

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

Month	High	Low
April, 2010	126.50	121.50
May,2010	129.50	115.00
June, 2010	129.85	119.50
July, 2010	125.95	115.00
August, 2010	125.00	113.30

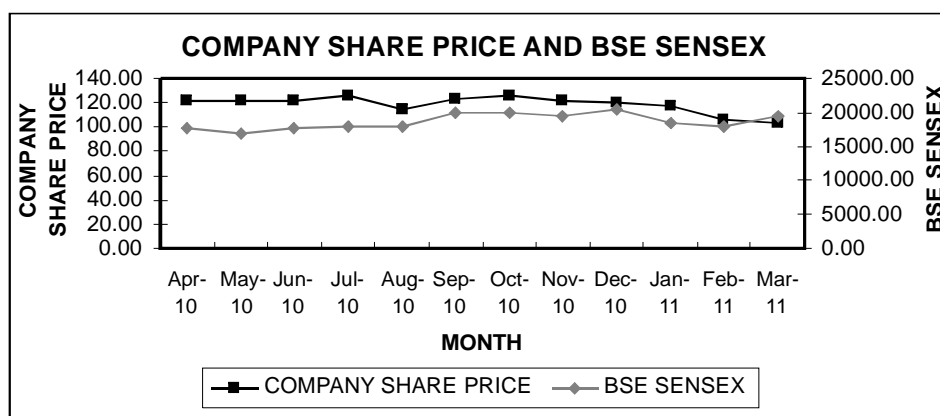


## RATNABALI CAPITAL MARKETS LIMITED

### CORPORATE GOVERNANCE REPORT(Contd.)

September, 2010	126.80	115.05
October, 2010	130.10	121.00
November, 2010	128.95	119.90
December, 2010	127.90	109.55
January, 2011	122.95	110.00
February, 2011	127.30	106.00
March, 2011	110.00	103.35

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



Note : Indicates monthly closing positions.

(ix) Registrar & Share Transfer Agent :

M/s. ABS Consultants Pvt. Ltd., 99, Stephen House, 6<sup>th</sup> Floor, 4, B.B.D. Bag (East), Kolkata-700001, Telephone: (033) 22301043, Fax : (033) 22430153, Email : absconsultant@vsnl.net, 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.

(xi) Distribution of shareholding as on 31<sup>st</sup> March, 2011 :

(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	500	79.37	59,411	1.14
501-1000	61	9.68	51,709	0.99
1001-2000	24	3.81	36,282	0.70
2001-3000	9	1.43	23,591	0.45
3001-4000	1	0.16	3,500	0.07
4001-5000	1	0.16	4,600	0.09
5001-10000	7	1.11	45,723	0.88
10001 & above	27	4.28	49,78,184	95.68
Total	630	100.00	52,03,000	100.00

## RATNABALI CAPITAL MARKETS LIMITED

### CORPORATE GOVERNANCE REPORT(Contd.)

(b) On the basis of category :

Category	No. of shares held	%
Promoters Group	39,01,274	74.98
Financial Institutions /Mutual Funds/Banks	—	—
Foreign Holding(FII's, OCB's, & NRI's)	—	—
Other Corporate Bodies	9,72,272	18.69
Insurance Companies	—	—
Shares Representing GDRs	—	—
Indian Public	3,29,454	6.33
Grand Total	52,03,000	100.00

(xii) Dematerialisation of shares : As on 31st March, 2011, 48.52 % of the Company's total equity shares representing 25,24,669 equity shares were held in dematerialised form. The shares of the Company are compulsorily traded in dematerialised form.

(xiv) Outstanding ADR/ GDR/ Warrants : Nil.

(xv) 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 years up to 31st March, 2011 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 31.03.11 (Rs.)	Due for transfer to IEPF in
04-05	Interim	25%	1,30,07,500	25,750	March, 2012
04-05	Final	10%	52,03,000	10,752	August, 2012
05-06	Interim	40%	2,08,12,000	31,588	March, 2013
05-06	Final	10%	52,03,000	8,332	August, 2013
06-07	Interim	50%	2,60,15,000	36,510	March, 2014
06-07	Final	10%	52,03,000	11,236	August, 2014
07-08	Interim	60%	3,12,18,000	59,850	March, 2015
07-08	Final	10%	52,03,000	10,460	August, 2015
08-09	Final	40%	2,08,12,000	43,740	October, 2016
09-10	Final	50%	2,60,15,000	44,725	July, 2017
	Total		15,86,91,500	2,82,943	

(xiv) Address for correspondence :

Ratnabali Capital Markets Ltd., FMC Fortuna, A-7 & A-8, 4th floor, 234/3A, A. J. C. Bose Road, Kolkata: 700020, India, Telephone : 033- 40150000/0100, Fax : 033-22875374, Email : ratnabali@ratnabali.com, Website : www.ratnabali.com

For and on behalf of the Board

Kolkata, 30th April, 2011

VIKASH SOMANI  
Managing Director

SURESH KUMAR SOMANI  
Jt. Managing Director

## RATNABALI CAPITAL MARKETS LIMITED

### CORPORATE GOVERNANCE REPORT(Contd.)

#### CEO / CFO CERTIFICATION

To the Board of Directors,  
Ratnabali Capital Markets Limited

Re : Financial Statements for the year ended 31<sup>st</sup> March, 2011  
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 31<sup>st</sup> March, 2011 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 31<sup>st</sup> March, 2011 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, 30<sup>th</sup> April, 2011

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 31<sup>st</sup> March, 2011.

Kolkata, 30<sup>th</sup> April, 2011

VIKASH SOMANI  
Managing Director

## RATNABALI CAPITAL MARKETS LIMITED

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### 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 Corporate Governance by Ratnabali Capital Markets Limited for the year ended 31<sup>st</sup> March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange 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 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*  
F.R. NO. 302082E

CA. SUNITA KEDIA  
*Partner*  
Membership No. 60612

For GOENKA SURESH & ASSOCIATES  
*Chartered Accountants*  
F.R. NO. 313139E

CA. S.K.GOENKA  
*Proprietor*  
Membership No. 51226

Kolkata, 30th April, 2011

## RATNABALI CAPITAL MARKETS LIMITED

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### CORPORATE GOVERNANCE REPORT(Contd.)

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

##### INDUSTRY STRUCTURE AND DEVELOPMENT

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 Ltd. (MCX-SX) providing broking services in the Capital Markets Segment, Futures & Options Segment and Currency Derivatives Segment. Your Company is also a Depository Participant of National Securities Depository Ltd. (NSDL) providing depository services.

Retail investor base in the country has increased substantially over the last decade. Regulatory bodies have introduced various innovative systems such as market determined prices, screen based nation wide trading, dematerialisation and electronic transfer of securities, rolling settlement and derivatives trading, in the stock market to improve the efficiency in trading and settlement.

The Indian capital market has shown some revival during the year 2010-11 due to the various steps taken by the Ministry, RBI and SEBI, thereby leading to increase capital inflows, resource mobilization and smart recovery of stock market. The impact of inflation on the market was also evidenced during the year.

##### 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 also been a major concern among the general public.

##### SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

##### OUTLOOK

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 2011-12.

##### 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

The Company has adequate system of strong internal controls for business processes, with regard to operations, financial reporting, compliance with applicable laws and regulations, etc. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the existing control system in view of changing business needs from time to time.

##### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Your Company firmly believes that its employees are the key to driving performance and developing competitive advantage. The emphasis has been on proper recruitment of talent and empowerment while devoting resources for their continuous development. The basic objective has been to unlock the people potential and further developing their functional, operational and behavioural competencies so as to build a team of dedicated employees who work with passion, zeal and a sense of belongingness and play a defining role in significantly accelerating the growth and transformation of the Company.

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 UNDER SECTION 212 of the Companies Act, 1956 relating to Subsidiary Company

Pursuant to Section 212(3) of the Companies Act, 1956					
1.	Name of the Subsidiary Company	Ratnabali Investment Private Limited			
2.	The financial year of the Subsidiary Company ends on	31st March, 2011			
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's 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, 2011	Rs. 8,49,759/-			
	ii) For the previous financial years of the Subsidiary Company since it became the Holding Company's Subsidiary	Rs. 2,14,433/-			
	b. Dealt with in the Holding Company's accounts				
	i) For the financial year ended 31st March, 2011	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.			
Pursuant to direction under Section 212(8) of the Companies Act, 1956					
Sl. No.	Particulars	Ratnabali Investment Pvt. Ltd. (Rs.)	Sl. No.	Particulars	Ratnabali Investment Pvt. Ltd. (Rs.)
	Financial year ending on	31st March, 2011		Financial year ending on	31st March, 2011
1.	Share Capital	52,00,000	8.	Profit before Taxation	12,41,453
2.	Reserves and Surplus	1,63,47,454	9.	Provision for Taxation	
3.	Liabilities	1,00,25,370		– Current Tax	3,87,000
4.	Total Liabilities	3,15,72,824		– Deferred Tax	4,694
5.	Total Assets	3,15,72,824	10.	Profit after Taxation	8,49,759
6.	Investments	—	11.	Proposed Dividend	—
7.	Turnover	16,61,661			
Kolkata, 30th April, 2011		HANSRAJ JARIA Company Secretary	For and on behalf of the Board SURESH KUMAR SOMANI Jt. Managing Director		
			VIKASH SOMANI Managing Director		

## 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, 2011 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 purpose 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, the 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, the Profit and Loss Account and the 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 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 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 31<sup>st</sup> March, 2011;
    - 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*

F.R. NO. 302082E

CA. SUNITA KEDIA  
*Partner*

Membership No. 60162

Kolkata, 30th April, 2011

For GOENKA SURESH & ASSOCIATES  
*Chartered Accountants*

F.R. NO. 313139E

CA. S.K.GOENKA  
*Proprietor*

Membership No. 51226

## RATNABALI CAPITAL MARKETS LIMITED

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### 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, 2011.

- 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 so 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.
- 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



## RATNABALI CAPITAL MARKETS LIMITED

### AUDITORS' REPORT

#### to the Members of Ratnabali Capital Markets Limited (Contd.)

dues were outstanding as at 31<sup>st</sup> March, 2011 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. 7,37,263/- that have not been deposited on account of matter pending before appropriate authority are 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	Assessment Year- 2006-07	6,22,886/-	Commissioner of Income Tax (Appeals)
2.	Employees Provident Fund & Miscellaneous Provision Act, 1952	Provident Fund	Accounting Year- 2009-10	1,14,377/-	Assistant Provident Fund Commissioner

- 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 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 except to the extent of exemption granted under Section 49 of the Act.
- 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 and Cash Flow Statement 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  
F.R. NO. 302082E  
CA. SUNITA KEDIA  
Partner  
Membership No. 60162  
Kolkata, 30th April, 2011

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

## RATNABALI CAPITAL MARKETS LIMITED

### BALANCE SHEET as at 31st March, 2011

	Schedule	As at		As at	
		Rs.	Rs.	Rs.	Rs.
		31st March, 2011		31st March, 2010	
<b>I SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	5,20,30,000	5,20,30,000		
Reserves and Surplus	2	<u>77,86,97,707</u>	<u>70,67,01,680</u>		
			<b>83,07,27,707</b>		75,87,31,680
<b>Loan Funds</b>					
Secured Loans	3	34,95,70,340	10,36,16,622		
Unsecured Loans	4	<u>14,51,50,000</u>	<u>4,25,00,000</u>		
			<b>49,47,20,340</b>		14,61,16,622
<b>TOTAL</b>			<b><u>1,32,54,48,047</u></b>		<b><u>90,48,48,302</u></b>
<b>II APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>	5				
Gross Block		4,02,81,660	4,18,73,768		
Less: Depreciation		<u>1,60,98,650</u>	<u>1,37,63,387</u>		
Net Block			<b>2,41,83,010</b>		2,81,10,381
<b>Investments</b>	6		<b>14,24,29,772</b>		26,37,06,793
<b>Deferred Tax Assets (Net)</b> (Refer Note - 15 of Schedule 19)			<b>77,07,043</b>		28,61,422
<b>Current Assets,</b>					
<b>Loans and Advances</b>					
Inventories	7	66,00,19,016	21,88,65,724		
Sundry Debtors	8	20,91,90,164	2,65,06,326		
Cash and Bank Balances	9	32,38,90,192	32,15,17,942		
Other Current Assets	10	1,12,96,566	2,05,11,750		
Loans and Advances	11	<u>4,40,17,277</u>	<u>7,55,87,943</u>		
		<b>1,24,84,13,215</b>	<b>66,29,89,685</b>		
<b>Less: Current Liabilities and Provisions</b>					
Liabilities	12	7,07,46,766	2,11,34,729		
Provisions	13	<u>2,65,38,227</u>	<u>3,16,85,250</u>		
		<b>9,72,84,993</b>	<b>5,28,19,979</b>		
<b>Net Current Assets</b>			<b>1,15,11,28,222</b>		61,01,69,706
<b>TOTAL</b>			<b><u>1,32,54,48,047</u></b>		<b><u>90,48,48,302</u></b>
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> F.R. No. 302082E CA. SUNITA KEDIA <i>Partner</i> Membership No. 60162 Place : Kolkata Dated : 30th April, 2011	For GOENKA SURESH & ASSOCIATES <i>Chartered Accountants</i> F.R. No. 313139E CA. S. K. GOENKA <i>Proprietor</i> Membership No. 51226	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>
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## RATNABALI CAPITAL MARKETS LIMITED

### PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011

	Schedule	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
<b>INCOME</b>			
Sale of Shares, Securities and Mutual Fund Units (Refer Note - 2 of Schedule 19)		8,20,96,34,177	9,69,99,16,100
Income from Share Broking / Dealing		3,57,10,263	4,11,21,823
Other Operating Income	14	9,68,06,786	14,45,94,326
Other Income	15	4,29,13,252	15,54,79,371
Closing Stock of Inventories		66,00,19,016	21,88,65,724
<b>TOTAL</b>		<b>9,04,50,83,494</b>	<b>10,25,99,77,344</b>
<b>EXPENDITURE</b>			
Opening Stock of Inventories		21,88,65,724	31,81,38,068
Purchase of Shares, Securities and Mutual Fund Units		8,59,89,80,562	9,70,89,50,858
Administrative and Other Expenses	16	9,79,85,362	9,90,63,340
Interest	17	3,46,48,556	2,52,75,436
Depreciation		41,58,533	42,99,792
<b>TOTAL</b>		<b>8,95,46,38,737</b>	<b>10,15,57,27,494</b>
<b>PROFIT BEFORE TAXATION</b>		<b>9,04,44,757</b>	<b>10,42,49,850</b>
Less : Provision for Taxation :			
Current Tax		6,47,215	40,453
Deferred Tax		(48,45,621)	(28,40,118)
Tax for earlier years / (Written back)		(14,40,608)	4,31,075
<b>PROFIT AFTER TAXATION</b>		<b>9,60,83,771</b>	<b>10,66,18,440</b>
Add : Provision for Corporate Dividend Tax no longer required		1,00,483	—
Balance brought forward		51,88,52,336	45,33,31,990
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>61,50,36,590</b>	<b>55,99,50,430</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		2,08,12,000	2,60,15,000
Corporate Tax on Dividend		33,76,227	44,21,250
Transfer to General Reserve		96,08,377	1,06,61,844
Balance carried to Balance Sheet		58,12,39,986	51,88,52,336
		<b>61,50,36,590</b>	<b>55,99,50,430</b>
Basic and Diluted Earnings Per Share of Rs.10/- each. (Refer Note - 13 of Schedule - 19)		18.47	20.49
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> F.R. No. 302082E CA. SUNITA KEDIA <i>Partner</i> Membership No. 60162 Place : Kolkata Dated : 30th April, 2011	For GOENKA SURESH & ASSOCIATES <i>Chartered Accountants</i> F.R. No. 313139E CA. S. K. GOENKA <i>Proprietor</i> Membership No. 51226	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, 2011</u>	As at <u>31st March, 2010</u>
	Rs.	Rs.
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
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>
<b>Issued, Subscribed and Paid-up</b>		
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 erstwhile Ratnabali Securities Limited, on its amalgamation with the Company, for consideration other than cash.		
<b>SCHEDULE - 2</b>		
<b>RESERVES AND SURPLUS</b>		
	As at <u>31st March, 2010</u>	As at <u>31st March, 2011</u>
	Rs.	Rs.
Capital Reserve *	21,87,500	<u>21,87,500</u>
General Reserve	18,56,61,844	<u>19,52,70,221</u>
Profit & Loss Account	51,88,52,336	<u>58,12,39,986</u>
	<u>70,67,01,680</u>	<u>77,86,97,707</u>
* represents profit on re-issue of forfeited shares.		
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
	As at <u>31st March, 2011</u>	As at <u>31st March, 2010</u>
	Rs.	Rs.
Term Loan from a Bank {Secured to the extent of pledge of fixed deposit receipts of Rs. 7,50,00,000/- and interest accrued thereon (Previous Year - Rs. 2,50,00,000/-)} - due for repayment within one year.	<u>15,00,00,000</u>	5,00,00,000
Cash Credit From Banks {Secured by pledge of fixed deposit receipts of Rs. Nil (Previous year - Rs. 7,03,00,000/-) and by pledge of shares of Rs. 49,05,12,529/- (Previous year - Rs. 6,27,93,680/-)} - (Refer Note 3 & 4 in Schedule - 19).	<u>19,90,98,116</u>	5,28,11,065
Car Loan From a Bank {Secured by way of Hypothecation of the vehicle purchased - due for repayment within one year - Rs. 3,33,336/- (Previous year - Rs. 3,33,336/-)}.	<u>4,72,224</u>	8,05,557
	<u>34,95,70,340</u>	<u>10,36,16,622</u>
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
Other Loan from Corporate Bodies	<u>14,51,50,000</u>	4,25,00,000
	<u>14,51,50,000</u>	<u>4,25,00,000</u>

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

<b>SCHEDULE - 5</b>											
<b>FIXED ASSETS</b>											
Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01.04.10	Additions during the year	Deductions during the year	As at 31.03.11	Up to 31.03.10	For the year	Adjustment for deductions during the year	Up to 31.03.11	As at 31.03.11	As at 31.03.10
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	<b>TANGIBLE ASSETS</b>										
1.	Office Premises	21,33,638	—	—	21,33,638	3,38,691	34,778	—	3,73,469	17,60,169	17,94,947
2.	Office Equipments	50,63,170	3,04,491	4,73,495	48,94,166	12,39,812	3,35,156	65,210	15,09,758	33,84,408	38,23,358
3.	Furniture and Fittings	43,35,693	38,450	92,164	42,81,979	10,46,539	2,49,766	58,303	12,38,002	30,43,977	32,89,154
4.	Computers, Servers and other Information Technology Equipments	1,78,83,278	2,18,445	21,28,342	1,59,73,381	83,74,405	20,94,606	16,99,757	87,69,254	72,04,127	95,08,873
5.	Electric Installation	22,78,410	—	—	22,78,410	4,63,143	3,69,332	—	8,32,475	14,45,935	18,15,267
6.	Vehicles	1,01,79,579	—	—	1,01,79,579	23,00,797	9,66,794	—	32,67,591	69,11,988	78,78,782
	<b>Total (A)</b>	<b>4,18,73,768</b>	<b>5,61,386</b>	<b>26,94,001</b>	<b>3,97,41,153</b>	<b>1,37,63,387</b>	<b>40,50,432</b>	<b>18,23,270</b>	<b>1,59,90,549</b>	<b>2,37,50,604</b>	<b>2,81,10,381</b>
	<b>INTANGIBLE ASSETS</b>										
1.	Computer Software	—	5,40,507	—	5,40,507	—	1,08,101	—	1,08,101	4,32,406	—
	<b>Total (B)</b>	<b>—</b>	<b>5,40,507</b>	<b>—</b>	<b>5,40,507</b>	<b>—</b>	<b>1,08,101</b>	<b>—</b>	<b>1,08,101</b>	<b>4,32,406</b>	<b>—</b>
	<b>Grand Total (A + B)</b>	<b>4,18,73,768</b>	<b>11,01,893</b>	<b>26,94,001</b>	<b>4,02,81,660</b>	<b>1,37,63,387</b>	<b>41,58,533</b>	<b>18,23,270</b>	<b>1,60,98,650</b>	<b>2,41,83,010</b>	<b>2,81,10,381</b>
	Previous Year	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	—

<b>SCHEDULE - 6</b>					
<b>INVESTMENTS</b>					
Long Term (Other than Trade)(at cost)	Face Value (Rs.)	As at 31st March, 2011		As at 31st March, 2010	
		Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
<b>A. In Equity Shares of Companies</b>					
Name of the Company					
<b>Quoted, Fully Paid up</b>					
Dabur India Ltd	1/-	2,34,000	2,50,30,413	—	—
Goodyear India Ltd.	10/-	25,000	60,90,607	—	—
Electrosteel Steels Ltd. (Listed w.e.f. 8th October, 2010)	10/-	20,00,000	2,00,00,000	—	—
Indian Oil Corporation Ltd.	10/-	—	—	21,600	72,20,120
MOIL Ltd.	10/-	1,892	7,09,500	—	—
NHPC Ltd.	10/-	7,43,000	1,71,26,752	5,91,500	1,83,97,999
Oil & Natural Gas Corporation Ltd.	5/-	40,000	1,32,37,665	—	—
Punjab & Sind Bank	10/-	9,785	11,74,200	—	—
Reliance Industries Ltd.	10/-	—	—	92,800	10,00,32,813
			<b>8,33,69,137</b>		<b>12,56,50,932</b>
<b>Unquoted, Fully Paid up</b>					
Bombay Stock Exchange Ltd.	1/-	41,054	20,55,858	41,054	20,55,858
Devkripa Vyapaar Pvt. Ltd.	10/-	5,00,000	50,00,000	5,00,000	50,00,000
Electrosteel Integrated Ltd. (Name changed w.e.f. 5th May, 2010)	10/-	—	—	20,00,000	2,00,00,000
Fortuna Services Ltd.	1/-	4,774	4,774	1	—
Midas Asset Reconstruction Company Pvt. Ltd. (an Associate company w.e.f. 12th October, 2010)	10/-	7,50,000	75,00,000	—	—
Ratnabali Investment Pvt. Ltd. # # a wholly owned subsidiary company w.e.f.11th September,2009	10/-	5,20,000	2,05,00,000	5,20,000	2,05,00,000
Vayana Enterprises Pvt. Ltd.	10/-	7,16,418	2,40,00,003	7,16,418	2,40,00,003
			<b>5,90,60,635</b>		<b>7,15,55,861</b>
	<b>(A)</b>		<b>14,24,29,772</b>		<b>19,72,06,793</b>

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 6 (Contd.)		As at 31st March, 2011		As at 31st March, 2010	
	Face Value (Rs.)	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
<b>B. In Debentures of Companies – Unquoted, Fully Paid up</b>					
9% Secured Non-Convertible Redeemable Debentures of					
— Ashwamedh Properties Private Limited	1,000/-	—	—	16,500	1,65,00,000
— Amrit Malls Private Limited*	1,000/-	—	—	20,000	2,00,00,000
— Somani Bhoodhan Private Limited*	1,000/-	—	—	30,000	3,00,00,000
*companies under the same management	(B)		—		6,65,00,000
	(A + B)		<b>14,24,29,772</b>		<b>26,37,06,793</b>
		<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
		Rs.	Rs.	Rs.	Rs.
Aggregate value of Quoted Investments		<b>8,33,69,137</b>	<b>7,77,32,146</b>	12,56,50,932	12,40,89,775
Aggregate value of Unquoted Investments		<b>5,90,60,635</b>	—	13,80,55,861	—
		<b>14,24,29,772</b>	<b>7,77,32,146</b>	<b>26,37,06,793</b>	<b>12,40,89,775</b>
<b>SCHEDULE - 7</b>		<b>Amount</b>		<b>Amount</b>	
<b>INVENTORIES</b>		<b>Rs.</b>		<b>Rs.</b>	
<b>Stock of Shares and Securities</b>					
Equity Shares – Quoted (Other than trade)			<b>66,00,19,016</b>		21,82,05,479
Equity Warrants – Quoted (Other than trade)			—		6,60,245
			<b>66,00,19,016</b>		<b>21,88,65,724</b>
Note : Details of Stock are as follows :					
		<b>As at 31st March, 2011</b>		<b>As at 31st March, 2010</b>	
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.)
<b>A : Equity Shares - Quoted, Fully Paid Up Other than trade</b>					
3M India Ltd.	10/-	158	5,01,808	—	—
ABB Ltd.	2/-	—	—	1,217	10,10,110
ACC Ltd.	10/-	—	—	100	95,105
Accel Frontline Ltd.	10/-	5,391	2,21,260	—	—
Adani Enterprises Ltd.	1/-	—	—	800	3,73,771
Adani Power Ltd.	10/-	—	—	5,000	5,79,019
Alfa Laval (India)Ltd.	10/-	385	5,63,672	—	—
Amara Raja Batteries Ltd.	2/-	30,000	48,62,381	—	—
Ambuja Cement Ltd.	2/-	1,705	2,37,421	—	—
Areva T&D India Ltd.	2/-	7,189	17,81,434	—	—
Atlas Copco (India) Ltd.	10/-	15,085	4,01,30,626	—	—
Bajaj Auto Ltd.	10/-	595	7,53,785	—	—
Balaji Distilleries Ltd.	10/-	—	—	10,000	4,55,500
Balrampur Chini Mills Ltd.	1/-	—	—	1,50,000	1,38,37,500
Bank of Baroda	10/-	160	1,35,246	—	—
Bharat Heavy Electricals Ltd.	10/-	500	10,04,413	2,500	59,76,625
Bharti Airtel Ltd.	5/-	—	—	1,000	3,12,550
Blue Dart Express Ltd.	10/-	1,384	13,83,308	—	—
Cambridge Solutions Ltd.	10/-	2,350	78,255	—	—

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 7 (Contd.)					
Name of the Company	Face Value	As at 31st March, 2011		As at 31st March, 2010	
		Quantity	Cost or Market Value whichever is lower	Quantity	Cost or Market Value whichever is lower
	(Rs.)	(Nos.)	(Rs.)	(Nos.)	(Rs.)
Canara Bank Ltd.	10/-	—	—	90	36,918
CCL Products (India) Ltd.	10/-	—	—	11,000	25,14,050
Chennai Petroleum Corporation Ltd.	10/-	1,20,000	2,67,72,000	—	—
Cipla Ltd.	2/-	8,407	25,22,785	—	—
Colgate Palmolive (India) Ltd.	1/-	211	1,71,775	—	—
Crisil Ltd.	10/-	16	98,869	—	—
Crompton Greaves Ltd.	2/-	—	—	5,000	12,84,610
Cummins India Ltd.	2/-	249	1,66,083	—	—
DLF Ltd.	2/-	4,000	10,74,200	—	—
EIH Ltd.	2/-	—	—	19,100	23,05,370
Elantas Beck India Ltd.	10/-	231	1,79,949	—	—
Fag Bearings India Ltd.	10/-	213	1,74,439	—	—
Fairfield Atlas Ltd.	10/-	28,635	15,73,493	—	—
Fame India Ltd.	10/-	—	—	64,893	55,19,150
Financial Technologies (India) Ltd.	2/-	—	—	500	7,84,300
Foseco India Ltd.	10/-	1,057	4,81,199	—	—
Fresenius Kabi Oncology Ltd.	1/-	2,395	2,13,873	—	—
Fortis Healthcare (India) Ltd.	10/-	—	—	2,500	4,40,500
Fulford (India) Ltd.	10/-	15	12,316	—	—
Gillette India Ltd.	10/-	56	93,974	—	—
Glaxosmithkline Consumer Healthcare Ltd.	10/-	48	1,03,728	—	—
Glaxosmithkline Pharmaceuticals Ltd.	10/-	83	1,73,839	—	—
Gmm Pfaunder Ltd.	2/-	4,561	4,33,295	—	—
Globus Spirits Ltd.	10/-	—	—	10,000	13,53,500
Goodyear India Ltd.	10/-	3,158	7,92,250	100	28,485
Grindwell Norton Ltd.	5/-	1,152	2,51,176	—	—
GVK Power & Infrastructure Ltd.	1/-	—	—	50	2,239
HCL Technologies Ltd.	2/-	717	3,38,463	1,435	5,14,304
Henkel India Ltd.	10/-	4,117	1,72,708	—	—
Hero Honda Motors Ltd.	2/-	—	—	140	2,72,216
Honda Siel Power Products Ltd.	10/-	15,000	53,18,222	—	—
Hindustan Construction Co. Ltd.	1/-	—	—	315	42,242
Honeywell Automation India Ltd.	10/-	769	17,27,174	—	—
Housing Development & Infrastructure Ltd.	10/-	—	—	145	41,521
Housing Development Finance Corporation Ltd.	10/-	—	—	250	6,78,652
ICICI Bank Ltd.	10/-	500	5,22,578	2,600	24,76,500
IDBI Bank Ltd.	10/-	—	—	2,500	2,87,500
India Cements Ltd.	10/-	—	—	2,881	3,79,572
The Indian Hotels Co. Ltd.	1/-	2,000	1,68,000	—	—
Indo Bonito Multinational Ltd.	10/-	23,000	1,01,200	—	—
Ineos ABS (India) Ltd.	10/-	4,765	17,76,622	—	—
Infosys Technologies Ltd.	5/-	332	10,34,961	200	5,23,190
IRB Infrastructure Developers Ltd.	10/-	—	—	2,500	6,38,375
Jaiprakash Associates Ltd.	2/-	8,000	7,42,400	2,300	3,43,965

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE - 7 (Contd.)					
Name of the Company	Face Value	As at 31st March, 2011		As at 31st March, 2010	
		Quantity	Cost or Market Value whichever is lower	Quantity	Cost or Market Value whichever is lower
	(Rs.)	(Nos.)	(Rs.)	(Nos.)	(Rs.)
Jaiprakash Power Ventures Ltd.	10/-	—	—	3,125	2,11,250
Jaypee Infratech Ltd.	10/-	3,821	2,21,809	—	—
Jindal Saw Ltd.	2/-	—	—	10,000	21,24,000
JSW Energy Ltd.	10/-	—	—	2,500	2,79,625
JSW Steel Ltd.	10/-	189	1,69,164	—	—
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
KSB Pumps Ltd.	10/-	425	2,12,075	—	—
Linc Pen & Plastics Ltd.	10/-	—	—	1,000	68,350
Larsen & Toubro Ltd.	2/-	500	8,25,950	—	—
Lumax Industries Ltd.	10/-	292	1,04,259	—	—
Maruti Suzuki India Ltd.	5/-	1,391	17,55,651	—	—
McLeod Russel India Ltd.	5/-	—	—	1,000	13,21,400
Merck Ltd.	10/-	858	5,07,250	—	—
Moil Ltd.	10/-	1,108	4,37,383	—	—
Mudra Life Style Ltd.	10/-	1,15,000	61,37,455	—	—
Nalwa Sons Investments Ltd.	10/-	—	—	1,250	13,52,187
Neyvelli Lignite Corporation Ltd.	10/-	—	—	4,425	6,41,404
NHPC Ltd.	10/-	16,000	4,04,800	—	—
Nirma Ltd.	5/-	5,87,834	14,85,17,442	—	—
Nitta Gelatin India Ltd.	10/-	5,102	5,00,051	—	—
NTPC Ltd.	10/-	—	—	8,125	16,25,494
Oil & Natural Gas Corporation Ltd.	5/-	4,000	11,65,200	—	—
Oracle Financial Services Software Ltd.	5/-	355	7,05,278	—	—
Orbit Corporation Ltd.	10/-	—	—	1,500	4,13,475
Orchid Chemicals & Pharmaceuticals Ltd.	10/-	—	—	14,700	22,62,330
Panasonic Carbon India Co Ltd.	10/-	3,209	4,74,932	—	—
Panasonic Energy India Company Ltd.	10/-	371	23,929	—	—
Panasonic Home Appliances India Company Ltd.	10/-	1,294	1,62,720	—	—
Pantaloon Retail (India) Ltd.	2/-	2,51,000	6,26,31,068	—	—
Piramal Healthcare Ltd.	2/-	1,000	4,16,800	—	—
Praj Industries Ltd.	2/-	—	—	4,400	3,74,794
Punjab & Sind Bank	10/-	215	23,521	—	—
PSL Ltd.	10/-	—	—	2,500	3,43,375
Reliance Communication Ltd.	5/-	4,000	4,30,600	—	—
Reliance Industries Ltd.	10/-	1,000	9,15,808	2,500	26,85,625
Reliance Infrastructure Ltd.	10/-	1,000	6,89,950	276	2,75,738
Reliance Media Works Ltd.	5/-	35,000	51,94,895	—	—
Rural Electrification Corporation Ltd.	10/-	515	1,24,775	—	—
Seamec Ltd.	10/-	11,653	11,61,804	—	—
Sharp India Ltd.	10/-	26,126	7,89,005	—	—
Shipping Corporation of India Ltd.	10/-	1,200	1,23,453	—	—
Siemens Ltd.	2/-	2,92,270	25,50,81,122	—	—



## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

<b>SCHEDULE - 7 (Contd.)</b>					
Name of the Company	Face Value	As at 31st March, 2011		As at 31st March, 2010	
		Quantity	Cost or Market Value whichever is lower	Quantity	Cost or Market Value whichever is lower
	(Rs.)	(Nos.)	(Rs.)	(Nos.)	(Rs.)
Singer India Ltd.	10/-	100	3,016	—	—
SKF India Ltd.	10/-	304	1,74,800	—	—
SML Isuzu Ltd.	10/-	746	2,44,017	—	—
Sparsh Bpo Services Ltd.	10/-	4,03,860	4,27,33,495	—	—
Spicejet Ltd.	10/-	—	—	5,000	2,91,500
Srei Infrastructure Finance Ltd.	10/-	—	—	20,000	15,27,000
State Bank of India	10/-	400	10,96,871	65	1,34,803
Steel Authority Of India Ltd.	10/-	4,000	6,78,400	—	—
Sterlite Industries (India) Ltd.	1/-	4,000	6,34,716	—	—
Suashish Diamonds Ltd.	10/-	5,164	7,01,013	—	—
Sun Pharma Advanced Research Company Ltd.	1/-	—	—	1,30,000	1,16,04,139
Tamil Nadu Newsprint & Papers Ltd.	10/-	—	—	2,59,709	2,16,74,556
Tata Global Beverages Ltd.	1/-	2,000	1,93,490	—	—
Tata Communication Ltd.	10/-	3,000	6,44,493	—	—
Tata Motors Ltd.	10/-	107	1,20,568	—	—
Tech Mahindra Ltd.	10/-	—	—	3,000	25,59,300
Techno Electric & Engineering Company Ltd.	2/-	—	—	10,000	21,94,983
Television Eighteen India Ltd.	5/-	—	—	36,500	27,47,396
Thomas Cook (India) Ltd.	1/-	1,10,587	57,46,293	—	—
Torrent Power Ltd.	10/-	—	—	7,500	21,66,375
United Breweries (Holdings) Ltd.	10/-	—	—	2,500	6,91,500
United Breweries Ltd.	1/-	—	—	2,500	4,51,915
VA Tech Wabag Ltd.	5/-	4,000	50,35,800	—	—
Videocon Industries Ltd.	10/-	—	—	854	1,94,370
Visa Steel Ltd.	10/-	—	—	2,47,500	1,04,94,000
Wabco -Tvs (India) Ltd.	5/-	459	4,75,203	—	—
Warren Tea Ltd.	10/-	55,945	1,16,23,513	—	—
Wendt (India ) Ltd.	10/-	102	1,05,068	—	—
Welspun Gujarat Stahl Rohren Ltd.	5/-	—	—	2,500	6,60,554
Whirlpool Of India Ltd.	10/-	3,589	9,53,238	—	—
Wyeth Ltd.	10/-	121	1,01,693	—	—
Yes Bank Ltd.	10/-	—	—	2,500	6,17,875
Zee News Ltd.	1/-	—	—	16,29,250	10,17,97,752
			<u>66,00,19,016</u>		<u>21,82,05,479</u>
<b>B : Equity Warrants - Quoted, Fully Paid up</b>					
<b>Other than trade</b>					
Fortis Healthcare (India) Ltd.	0.05	—	—	18,960	6,60,245
			—		<u>6,60,245</u>

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

<b>SCHEDULE - 8</b>	<b>As at</b>	<b>As at</b>
<b>SUNDRY DEBTORS</b>	<b>31st March, 2011</b>	<b>31st March, 2010</b>
(Unsecured)	<b>Rs.</b>	<b>Rs.</b>
Debts outstanding for a period exceeding six months		
- Considered good	2,00,552	—
- Considered doubtful	2,67,675	2,67,675
Other Debts - considered good	<u>20,89,89,612</u>	<u>2,65,06,326</u>
	<b>20,94,57,839</b>	<b>2,67,74,001</b>
Less : Provision for Doubtful Debts	<u>2,67,675</u>	<u>2,67,675</u>
	<b><u>20,91,90,164</u></b>	<b><u>2,65,06,326</u></b>
<b>SCHEDULE - 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash-in-hand (As certified by the management)	2,78,306	10,80,149
Balances with Scheduled Banks :		
In Current Accounts	1,23,27,349	40,91,464
In Fixed Deposit Accounts	31,06,75,000	31,58,75,000
{Includes Rs. 30,76,75,000/- (Previous year - Rs. 31,58,75,000/-) deposited as margin money with Exchanges & its clearing houses as security for guarantees issued by Banks and pledged with a Bank for availing Term loan.}		
In Unpaid Dividend Accounts	2,82,943	2,79,815
Stamps-in-hand (As certified by the management)	<u>3,26,594</u>	<u>1,91,514</u>
	<b><u>32,38,90,192</u></b>	<b><u>32,15,17,942</u></b>
<b>SCHEDULE - 10</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued on Bank Deposits	<u>1,12,96,566</u>	<u>2,05,11,750</u>
	<b><u>1,12,96,566</u></b>	<b><u>2,05,11,750</u></b>
<b>SCHEDULE - 11</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	40,47,329	39,65,608
Currency Option Premium Account	2,50,615	—
Equity Index Option Premium Account	—	9,03,830
Advance Payment of Taxes {Net of Provision for Taxation- Rs. 7,08,214/- (Previous Year - Rs. 3,49,03,494/-)}	2,26,47,955	1,76,19,890
Deposits	<u>1,70,71,378</u>	<u>5,30,98,615</u>
	<b><u>4,40,17,277</u></b>	<b><u>7,55,87,943</u></b>

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<b>SCHEDULE - 12</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
Total outstanding dues of micro and small enterprises (Refer Note - 16 of Schedule 19)	—	—
Due to creditors other than micro and small enterprises {includes temporary bank overdraft of Rs. 59,29,898/- (Previous Year- Rs. 51,30,491/-)}	1,58,56,642	1,11,07,669
Equity Index Option Premium Account	72,44,883	—
Equity Stock Option Premium Account	1,43,575	—
Mark-to-Market Margin Equity Derivatives	8,52,319	13,90,689
Mark-to-Market Margin Index Derivatives	52,300	39,037
Mark-to-Market Margin Currency Derivatives	48,790	2,07,713
Deposits from Customers	4,38,21,757	72,74,000
Investor Education & Protection Fund - Unpaid Dividend - not due for transfer	2,82,943	2,79,815
Interest Accrued but not due on Secured Loan	10,17,161	3,50,342
Other Liabilities	14,26,396	4,85,464
	<u>7,07,46,766</u>	<u>2,11,34,729</u>
<b>SCHEDULE - 13</b>		
<b>PROVISIONS</b>		
For Proposed Dividend	2,08,12,000	2,60,15,000
For Corporate Tax on Proposed Dividend	33,76,227	44,21,250
For Gratuity & Leave encashment	23,50,000	12,49,000
	<u>2,65,38,227</u>	<u>3,16,85,250</u>
<b>SCHEDULE - 14</b>		
<b>OTHER OPERATING INCOME</b>		
Dividend Income :	Rs.	Rs.
On Shares & Mutual Fund units held as Stock in Trade (other than trade)	7,14,62,663	10,82,67,192
Interest :		
On Bank Deposits {Gross : Tax Deducted at Source - Rs. 24,83,946/- (Previous Year - Rs. 38,44,366/-)}	2,48,26,631	3,58,44,291
Incentive Income	2,42,605	3,66,398
Income from Depository Services	2,74,887	1,16,445
	<u>9,68,06,786</u>	<u>14,45,94,326</u>

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

<b>SCHEDULE - 15 OTHER INCOME</b>	<b>Year ended 31st March, 2011</b>	<b>Year ended 31st March, 2010</b>
	<b>Rs.</b>	<b>Rs.</b>
Dividend Income : On long term Investments (other than trade)	<b>94,46,030</b>	1,27,04,426
Interest : On Debentures {Gross: Tax Deducted at Source- Rs. 2,02,339/- (Previous Year - Rs. 5,98,500/-)}	<b>20,23,397</b>	59,85,000
On Income Tax Refund	<b>6,43,260</b>	6,79,509
On Others {Gross: Tax Deducted at Source- Rs. Nil (Previous Year - Rs. 11,607/-)}	—	1,16,065
Profit on sale of long term Investments (other than trade)	<b>3,07,32,044</b>	13,56,02,575
Provision/Liability no longer required written back	<b>10,235</b>	20,000
Miscellaneous Income	<b>58,286</b>	3,71,796
	<b><u>4,29,13,252</u></b>	<b><u>15,54,79,371</u></b>
<b>SCHEDULE - 16 ADMINISTRATIVE AND OTHER EXPENSES</b>		
Salaries, Bonus and Exgratia	<b>1,42,78,122</b>	1,29,08,502
Contribution to Provident & other Funds	<b>8,73,877</b>	5,30,586
Staff Welfare	<b>11,61,290</b>	6,40,625
Office Rent	<b>57,53,700</b>	12,78,522
Repairs - Buildings	<b>2,12,542</b>	5,83,993
- Others	<b>19,17,808</b>	22,33,999
Insurance	<b>1,04,08,259</b>	1,03,92,398
Rates and Taxes	<b>2,84,65,535</b>	3,90,85,765
Managerial Remuneration	<b>53,22,374</b>	22,10,497
Director's Sitting Fees	<b>1,32,000</b>	1,16,000
Stock Exchange Transaction Charges	<b>46,54,016</b>	72,32,715
Demat Transaction Charges	—	1,26,437
Electricity Expenses	<b>11,54,555</b>	12,38,354
Membership and Subscription	<b>18,02,737</b>	17,34,467
Legal and Professional	<b>22,91,875</b>	24,42,939
Travelling and Conveyance	<b>33,53,912</b>	29,32,878
Vehicle Running Expenses	<b>15,84,277</b>	15,68,232
Telephone, Internet & Leaseline	<b>25,80,612</b>	22,97,192
Bank Charges	<b>13,30,808</b>	7,18,894
Auditors' Remuneration (Refer Note -20 of Schedule -19)	<b>2,35,250</b>	2,13,000
Advertisement & Business Promotion	<b>18,16,183</b>	12,75,102
Commission	<b>10,20,817</b>	18,20,385
Donations	<b>30,30,500</b>	1,97,000
Loss on Sale of Fixed Assets	<b>3,84,484</b>	1,10,208
Sundry Balance written off (net)	<b>749</b>	5,106
Miscellaneous Expenses	<b>42,19,080</b>	51,69,544
	<b><u>9,79,85,362</u></b>	<b><u>9,90,63,340</u></b>
<b>SCHEDULE - 17 INTEREST PAID</b>		
On Term Loans	<b>1,09,02,027</b>	46,44,341
On Others	<b>2,37,46,529</b>	2,06,31,095
	<b><u>3,46,48,556</u></b>	<b><u>2,52,75,436</u></b>

## RATNABALI CAPITAL MARKETS LIMITED

### 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 and the accrual basis of accounting. These are presented in accordance with Generally Accepted Accounting Principle in India, provisions of the Companies Act, 1956 and Accounting Standards as notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

##### 2. Fixed Assets and Depreciation

a) Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets. 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.

b) Intangible Assets comprise of software, expected to provide future enduring economic benefits are stated at cost less amortisation. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.

Intangible Assets are amortised over their best estimated useful life ranging up to 5 years on straight line method.

##### 3. Investments

Investments are either classified as current or long-term based on Management's intention at the time of purchase. Long-term investments are carried at cost less provision for diminution recorded to recognise any decline, other than temporary, in the carrying value of each investments.

##### 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 Benefit

a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account for 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 & 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.

##### 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 on 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.

### SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

#### SCHEDULE - 18 (Contd.)

##### 8. Taxes on Income

Current Tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

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 measured using the tax rates and tax laws that have been enacted by the balance sheet date. 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.

In situation where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

##### 9. Impairment of Asset

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in previous accounting period is reversed if there has been a change in the estimate of recoverable amount.

##### 10. Provisions, Contingent liabilities and Contingent assets

- a) Provisions are recognised in respect of obligation where, based on 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.

##### 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. Earning Per Share

The Company reports basic and diluted earning per equity share in accordance with Accounting Standard-20, Earning per share notified by the Central Government under the Companies (Accounting Standard) Rules, 2006. Basic earning per equity share has been computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning during the year adjusted for effects of all dilutive potential equity shares, per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

#### SCHEDULE - 19

#### NOTES ON ACCOUNTS

1. Contingent liabilities not provided for in respect of :
  - a) Bank Guarantees given in respect of margin money to NSCCL and BOISL - Rs.16,00,00,000/- (Previous year- 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. 6,75,00,000/- (Previous year - Rs. 1,25,00,000/-) and by shares worth Rs. 2,50,00,000/- pledged with Bank (Previous year - Rs. 2,50,00,000/-).
  - b) Income Tax Demand under dispute - Rs. 64,23,382/- (Previous year - Rs. 24,78,681/-) out of which demand of Rs. 58,00,496/- (Previous year - Rs.18,55,795/- ) has already been paid. Income Tax Refund under dispute - Rs.1,18,796/- ( Previous year - Rs. 1,14,448/-).
  - c) Provident Fund and allied dues under dispute - Rs. 1,14,377/- (Previous year - Rs. Nil).
2. Sales includes Shares / units of Companies / Mutual fund valued at Rs. Nil ( Previous year - Rs.10,95,11,680/-) transferred from Stock in Trade to Investments.
3. Investments includes securities valued at Rs. Nil ( Previous year - Rs. 8,90,81,197/-) deposited with NSCCL towards non-cash margin deposit and Rs. 5,53,94,830/- (Previous year - Rs. 3,65,69,735/-) lodged with Banks against Cash Credit and Margin for Bank Guarantees.
4. Inventories includes shares having a book value of Rs. 5,48,49,785/- (Previous year - Rs. 4,29,39,398/-) lodged with NSCCL as non-cash margin deposit and Rs. 13,80,21,305/- (Previous year - Rs. 5,12,23,945/-) lodged with Banks against Cash Credit and Margin for Bank Guarantees. Out of the amount shown as pledged in Schedule - 3 under Cash Credit from Banks, shares valued at Rs. 32,20,96,394/- have been sold as on 31st March, 2011 delivery for which was made in the next financial year and payment have been subsequently realised.
5. Investment in Electrosteel Steels Limited valued at Rs. 2,00,00,000/- (Previous year - Rs. 2,00,00,000/-) are shares purchased Pre IPO as such they are under Lock - in period till 4th October, 2011 and cannot be sold / transferred before that date.
6. Interest Paid to Others includes Interest Paid on Unsecured Loan - Rs. 1,69,83,754/- , on Bank Overdraft, Cash Credit and others - Rs. 60,02,966/-, on Secured Short Term Loans - Rs. 4,04,168/- and on Client's Margin-Money-Rs. 3,55,641/- .
7. During the period, the Company had invested in Equity Shares of the following Associate Company :

Name of the Associate	Shares Acquired	
	No.	%
Midas Asset Reconstruction Company Pvt. Ltd.	7,50,000	33.33%

8. The unamortised amount of Computer Softwares (Acquired) Rs. 4,32,406/- are to be amortised equally in the next 4 years.

	2010 - 11 Amount (Rs.)	2009 - 10 Amount (Rs.)
9. a) <b>Remuneration paid to Directors</b>		
Salary	48,93,333	21,33,000
Contribution to Provident Fund	4,07,200	90,000
Perquisites	4,81,842	1,30,297
	<u>57,82,375</u>	<u>23,53,297</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.

- b) Calculation of Net Profit for the purpose of calculation of the managerial remuneration has not been made as no commission is paid / payable to the Managing Director, Joint Managing Director and Whole time Director and the remuneration paid is within the limits laid down for the managerial remuneration as per Schedule XIII read with Section 198 of the Companies Act ,1956.
- c) Appointment of Mr. Aditya Goenka , Whole Time Director and payment of remuneration amounting to Rs. 4,40,533/- (including contribution to Provident Fund) is subject to the approval of the members at the ensuing Annual General Meeting.

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

#### SCHEDULE - 19 (Contd.)

#### 10. Disclosure pursuant to Accounting Standard - 15 (Revised) Employee Benefits ("AS-15R")

##### 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 expense for the year is Rs. 8,01,225/- (Previous year - 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.

	Gratuity Unfunded		Leave Salary Unfunded	
	2010-2011 Rs.	2009-2010 Rs.	2010-2011 Rs.	2009-2010 Rs.
(I) <b>Change in Benefit Obligation</b>				
Liability at the Beginning of the year	11,11,000	7,49,000	1,38,000	63,000
Interest Cost	1,22,000	1,40,000	13,000	8,000
Current Service Cost	4,52,000	3,57,000	40,000	39,000
Past Service Cost (Vested Benefit)	—	—	—	—
Benefit Paid	—	—	—	—
Actuarial (gain)/loss on obligations	4,60,000	(1,35,000)	14,000	28,000
<b>Liability at the end of the year</b>	<b>21,45,000</b>	<b>11,11,000</b>	<b>2,05,000</b>	<b>1,38,000</b>
(II) <b>Fair Value of Plan Assets</b>	Not Applicable		Not Applicable	
(III) <b>Actual Return on Plan Assets</b>	Not Applicable		Not Applicable	
(IV) <b>Amount Recognised in the Balance sheet</b>				
Liability at the end of the year	21,45,000	11,11,000	2,05,000	1,38,000
Fair value of Plan Assets at the end of the year	—	—	—	—
Difference (Funded Status)	(21,45,000)	(11,11,000)	(2,05,000)	(1,38,000)
<b>Amount Recognised in the Balance sheet</b>	<b>(21,45,000)</b>	<b>(11,11,000)</b>	<b>(2,05,000)</b>	<b>(1,38,000)</b>
(V) <b>Expenses Recognised in the Income Statement</b>				
Current Service Cost	4,52,000	3,57,000	40,000	39,000
Interest Cost	1,22,000	1,40,000	13,000	8,000
Expected Return on Plan Assets	—	—	—	—
Net Actuarial (gain)/loss to be recognised	4,60,000	(1,35,000)	14,000	28,000
Past Service Cost (Vested Benefit Recognised)	—	—	—	—
<b>Expenses / (write back) Recognised in Profit and Loss Account</b>	<b>10,34,000</b>	<b>3,62,000</b>	<b>67,000</b>	<b>75,000</b>
(VI) <b>Balance Sheet Reconciliation</b>				
Opening Net Liability	(11,11,000)	(7,49,000)	(1,38,000)	(63,000)
(Expenses) / write back as above	(10,34,000)	(3,62,000)	(67,000)	(75,000)
Employers Contribution	—	—	—	—
<b>Amount Recognised in the Balance sheet</b>	<b>(21,45,000)</b>	<b>(11,11,000)</b>	<b>(2,05,000)</b>	<b>(1,38,000)</b>
(VII) <b>Actuarial Assumptions : For the year</b>				
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) <b>Investment details - as at period end</b>	Not Applicable		Not Applicable	



## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

#### SCHEDULE - 19 (Contd.)

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 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.

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

Name of Equity Stock / Index Future	No. of Contracts	No. of units	
		Long	Short
APOLLOTYRE 28Apr11	3		12,000
CIPLA 28Apr11	9	9,000	
DABUR 28Apr11	116		2,32,000
HCLTECH 28Apr11	41	20,500	
INDHOTEL 28Apr11	1		2,000
INFOSYSTCH 28Apr11	11	1,375	
NIFTY 28Apr11	241		12,050
NIFTY 26May11	167	8,350	
ONGC 28Apr11	89		89,000
PANTALOONR 28Apr11	502		2,51,000
PNB 28Apr11	20		5,000
SBIN 28Apr11	16	2,000	
SIEMENS 28Apr11	145		72,500
SIEMENS 26May11	15	7,500	
TATAGLOBAL 28Apr11	1		2,000
TCS 28Apr11	21		5,250
WIPRO 28Apr11	39		19,500

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

Name of the Equity, Index & Currency Options	Total premium received /(paid) carried forward as at the year end - net of provisions made Rs.
CIPLA	24,100
ICICIBANK	12,875
NIFTY	72,44,883
ONGC	21,800
RCOM	30,000
RELIANCE	29,450
RELINFRA	12,125
STER	21,000
USDINR	(2,01,825)

# RATNABALI CAPITAL MARKETS LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

12. Related party Disclosures as per Accounting Standard -18.																
a) Transactions with related parties.																
Name of concern/ Nature of Transaction	Investment in Shares	Redem- ption of Securities	Brokerage & Demat charges received	Salary Paid	Reimburse- ment of expenses received	Reimburse- ment of expenses	Service Charges	Deposit Refund	Deposit Given	Rent Paid	Asset Purchase	Asset Sale	Interest income	Donation Paid	Dividend Paid	Balance outstan- ding as at year end
<b>Key Management Personnel (KMP)</b>																
Mr. Vikash Somani	NIL	NIL	361 (-)	26,61,513 (11,84,210)	NIL	60,000 (-)	NIL	56,25,000 (-)	3,90,000 (-)	7,80,000 (2,25,000)	NIL	NIL	NIL	NIL	34,59,000 (26,28,000)	NIL
Mr. Suresh Kumar Somani	NIL	NIL	4,070 (-)	26,80,329 (11,69,087)	NIL	71,900 (-)	NIL	56,25,000 (-)	3,90,000 (2,40,000)	7,80,000 (2,25,000)	NIL	NIL	NIL	NIL	34,59,000 (26,44,284)	NIL
Mr. Aditya Goenka	NIL	NIL	NIL	4,40,333 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Others	(1,00,000)	NIL	(1,345)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Relatives of KMP</b>																
Mrs. Vinod Somani	NIL	NIL	6,033 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	38,02,500 (30,42,000)	NIL
Mrs. Namita Somani	NIL	NIL	6,828 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	21,48,000 (17,18,400)	NIL
Mrs. Jaiashree Somani	NIL	NIL	45,589 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	21,48,000 (14,09,632)	NIL
Others	NIL	NIL	794 (55,923)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Concerns in which KMP &amp; their relatives are interested</b>																
Amrit Malls Pvt. Ltd.	NIL	2,00,00,000 (-)	32,125 (89,575)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	8,23,562 (18,00,000)	NIL	NIL	NIL
Amrit Somani Memorial Trust	NIL	NIL	331 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	28,00,000 (-)	NIL	NIL
Matukipa Developers Pvt. Ltd.	NIL	NIL	221 (-)	NIL	20,930 (-)	NIL	NIL	75,00,000 (-)	3,60,000 (-)	7,20,000 (1,80,000)	NIL	NIL	NIL	NIL	NIL	NIL
Ratnabali Leasings Pvt. Ltd.	NIL	NIL	221 (-)	NIL	20,680 (-)	NIL	NIL	75,00,000 (-)	3,60,000 (-)	7,20,000 (1,80,000)	NIL	NIL	NIL	NIL	14,96,500 (-)	NIL
Ratnabali Exports Pvt. Ltd.	NIL	NIL	221 (-)	NIL	20,680 (-)	NIL	NIL	75,00,000 (-)	3,60,000 (-)	7,20,000 (1,80,000)	NIL	NIL	NIL	NIL	17,10,000 (13,68,000)	NIL
Ratnabali Commodities Pvt. Ltd.	NIL	NIL	7,62,810 (-)	NIL	2,11,104 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
S & S Hospitality Pvt. Ltd.	NIL	NIL	NIL	NIL	NIL	(66,482)	4,50,000 (-)	1,60,000 (-)	2,25,000 (1,60,000)	NIL	(2,10,000)	NIL	NIL	NIL	NIL	NIL
Somani Bhoodhan Pvt. Ltd.	NIL	3,00,00,000 (-)	24,377 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	7,76,712 (27,00,000)	NIL	NIL	NIL
Sayanarayan Somani (HUF)	NIL	NIL	1,151 (-)	NIL	30,000 (-)	NIL	NIL	37,50,000 (-)	2,55,000 (-)	5,10,000 (1,50,000)	NIL	1,76,250 (-)	NIL	NIL	1,27,000 (-)	NIL
Vikash Somani Securities Pvt. Ltd.	NIL	NIL	10,295 (2,24,112)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	67,196 (2,48,015)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(12,98,800)	NIL
<b>Associate</b>																
Midas Asset Reconstruction Co. Pvt. Ltd.	75,00,000 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Wholly owned Subsidiary</b>																
Ratnabali Investment Pvt. Ltd.	(-)	NIL	331 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>GRAND TOTAL</b>	75,00,000 (2,05,00,000)	5,00,00,000 NIL	9,62,954 (6,18,970)	57,82,375 (23,53,297)	2,11,104 NIL	2,24,190 (66,482)	4,50,000 NIL	3,76,600 NIL	23,40,000 (4,00,000)	42,30,000 (11,40,000)	NIL (210,000)	1,76,250 NIL	16,00,274 (45,00,000)	28,00,000 NIL	1,83,50,000 (1,41,09,116)	NIL

(Figures in brackets indicate those of the Previous Year)

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.

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

#### SCHEDULE - 19 (Contd.)

#### 12. d) Names of related parties and description of relationship

##### i) Key Management Personnel ( KMP )

Mr. Vikash Somani, Mr. Suresh Kumar Somani & Mr. Aditya Goenka

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

Kaveri Merchants Pvt. Ltd., Rockhard Builders Pvt. Ltd., Ratnabali Leasings Pvt. Ltd., Matukripa Developers Pvt. Ltd., Vikash Somani Securities 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., Divyam Nirman Pvt. Ltd., Divyam Realty Pvt. Ltd., Divyam Greenfields Pvt. Ltd., Divyam Agrofarms Pvt. Ltd., Divyam Builders Pvt. Ltd., Satyanarayan Somani Foundation, Amrit Somani Memorial Trust, Vikash Somani (HUF), Satyanarayan Somani (HUF), Suresh Kumar Somani (HUF), Aditya Goenka (HUF), Lambodar Traders and Chamaria Construction Co.

##### 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,  
Mrs. Rajni Goenka - Wife of Whole Time Director.

##### iv) Wholly owned Subsidiary

Ratnabali Investment Pvt. Ltd.

##### v) Associate

Midas Asset Reconstruction Company Pvt. Ltd.

#### 13. Earning Per Share

		<u>2010-11</u>	<u>2009-10</u>
		(Rs.)	(Rs.)
a) Net profit after tax for Equity Shareholders	(A)	9,60,83,771	10,66,18,440
b) Weighted average number of Equity Shares of Rs.10/- each outstanding at the end of the year (No. of shares)	(B)	52,03,000	52,03,000
c) Basic / Diluted Earnings Per Share	(A / B)	18.47	20.49

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

#### 15. Deferred Tax

The major components of Deferred Tax Assets and Liabilities are :

	<u>2010-11</u>	<u>2009-10</u>
	Rs.	Rs.
<b>Deferred Tax Assets</b>		
Expenses allowable on payment basis	8,49,305	5,03,801
Carry forward of Business Loss	82,89,698	9,50,354
Loss in respect of open positions of Futures & Options Contract allowable on square up / expiry.	<u>13,66,540</u>	<u>42,87,644</u>
	<u>1,05,05,543</u>	<u>57,41,799</u>
<b>Deferred Tax Liability</b>		
Depreciation being the difference between carrying amount of Fixed Assets as per Accounts and written down value as per Income Tax Act,1961.	<u>27,98,500</u>	<u>28,80,377</u>
	<u>27,98,500</u>	<u>28,80,377</u>
<b>Deferred Tax Assets (net)</b>	<u>77,07,043</u>	<u>28,61,422</u>

#### 16. Micro, Small and Medium Enterprises

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

17. No Provision for diminution in the value of Investments to the extent of Rs. 78,32,399/- (Previous year - Rs. 15,61,157/-) has been made in these accounts as the same is not considered to be permanent in nature.

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

#### SCHEDULE - 19 (Contd.)

18. 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, 2010	—
Provided during the year	—
Amount used during the year	—
Reversed during the year	—
Balance as at 31st March, 2011	—
Timing of outflow / uncertainties	Outflow on settlement / crystallisation

b) The Contingent Liability mentioned at Sl. No.1(b) is dependent upon the outcome of the appeal.

c) No reimbursement is expected in the case of Contingent Liability shown under Sl.No.1(b) above.

19. Disclosure under Clause 32 of the Listing Agreement :

There are no transactions with Subsidiary Company which are required to be disclosed under Clause 32 of the Listing Agreement with the Bombay Stock Exchange Limited.

20. Auditors' Remuneration :

	<b>Year ended 31st March, 2011</b>	Year ended 31st March, 2010
	<b>Rs.</b>	Rs.
As Auditors	<b>1,73,000</b>	1,57,000
As Advisor - Taxation matter	<b>26,000</b>	9,250
- Management Services	<b>25,000</b>	33,000
For Certification Matters	<b>11,250</b>	13,750
	<b>2,35,250</b>	2,13,000

21. Expenditure in Foreign Currency :

a) Travelling	<b>14,71,383</b>	12,10,528
b) Books & Periodicals	<b>28,588</b>	36,000
c) Membership Subscription	<b>1,28,294</b>	1,49,438
d) Telephone Expenses	<b>13,629</b>	1,754
e) Medical reimbursement	<b>2,45,002</b>	—
f) Other expenses	<b>86,758</b>	36,445

22. **Balance Sheet Abstract & Company's General Business Profile**

a) **Registration Details :**

Registration No.	L65999WB1994PLC063116	State Code	21
Balance Sheet date	31.03.2011		

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 *	1325448	Total Assets *	1325448
<b>SOURCES OF FUNDS</b>			
Paid-up Capital	52030	Reserves & Surplus	778698
Secured Loans	349570	Unsecured Loans	145150

**APPLICATION OF FUNDS**

Net Fixed Assets	24183	Investment	142430
Deferred Tax Assets (net)	7707		
Net Current Assets	1151128		

\*(Excluding Current Liabilities & Provisions of Rs. 97,285 thousands)

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

Turnover	8385065	Total Expenditure	8294620
Profit/Loss Before Tax	90445	Profit/Loss After Tax	96084
Earning Per Share (Rs.)	18.47	Dividend Rate (%)	40

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

Not Applicable being a Stock Broking Company.

23. 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

F.R. No. 302082E

CA. SUNITA KEDIA

Partner

Membership No. 60162

Place : Kolkata

Dated : 30th April, 2011

For GOENKA SURESH & ASSOCIATES

Chartered Accountants

F.R. No. 313139E

CA. S. K. GOENKA

Proprietor

Membership No. 51226

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, 2011

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	Rs.	Rs.	Rs.	Rs.
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>				
A. NET PROFIT BEFORE TAXATION		<b>9,04,44,757</b>		10,42,49,850
Adjustment for:				
Depreciation on Fixed Assets	<b>41,58,533</b>		42,99,792	
Interest Paid on Term Loan & Unsecured Loan	<b>2,82,89,949</b>		2,06,31,095	
Loss on Sale of Fixed Assets	<b>3,84,484</b>		1,10,208	
Profit on sale of long term Investments	<b>(3,07,32,044)</b>		(13,56,02,575)	
Provision for Gratuity & Leave encashment	<b>11,01,000</b>		4,37,000	
Sundry balance written off (net)	<b>749</b>		5,106	
Provision/Liability no longer required written back	<b>(10,235)</b>		(20,000)	
Interest received on debentures	<b>(20,23,397)</b>		(67,80,574)	
Interest on Bank Deposits	<b>(2,48,26,631)</b>		(3,58,44,291)	
Dividend Received on Investments	<b>(94,46,030)</b>	<b>(3,31,03,622)</b>	(12,09,71,618)	(27,37,35,857)
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES		<b>5,73,41,135</b>		(16,94,86,007)
B. CHANGES IN WORKING CAPITAL				
Adjustment for :				
Trade & Other Receivables	<b>(13,02,13,398)</b>		(40,022,390)	
Inventories	<b>(44,11,53,292)</b>		9,92,72,344	
Trade Payables	<b>4,36,81,390</b>	<b>(52,76,85,300)</b>	(1,31,03,386)	4,61,46,568
CASH USED IN OPERATION		<b>(47,03,44,165)</b>		(12,33,39,439)
Direct Taxes (Paid) / Refund (net)		<b>(42,34,672)</b>		(63,57,368)
CASH FLOW BEFORE EXTRA - ORDINARY ITEMS		<b>(47,45,78,837)</b>		(12,96,96,807)
Extra - Ordinary Items		—		—
NET CASH USED IN OPERATING ACTIVITIES		<b>(47,45,78,837)</b>		(12,96,96,807)
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Investments		<b>(1,04,36,63,488)</b>		(1,91,90,56,795)
Sale of Investments		<b>1,20,31,72,553</b>		1,89,06,86,080
Investment in an Associate		<b>(75,00,000)</b>		—
Maturity Proceeds of Fixed Deposits (net)		<b>(93,75,000)</b>		1,64,00,000
Interest received on Debentures & Fixed Deposits		<b>2,68,50,028</b>		4,26,24,865
Purchase of Fixed Assets		<b>(11,01,893)</b>		(1,17,83,431)
Sale Proceeds of Fixed Assets		<b>4,86,247</b>		6,14,700
Dividend Received on Investments		<b>94,46,030</b>		12,09,71,618
NET CASH FLOW FROM INVESTING ACTIVITIES		<b>17,83,14,477</b>		14,04,57,037

## RATNABALI CAPITAL MARKETS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Secured Loans (net)	24,59,53,718	10,36,16,622
Proceeds from Unsecured Loans	10,26,50,000	4,25,00,000
Dividend Paid (including corporate tax on dividend)	(3,03,35,767)	(2,43,49,000)
Interest Paid on Term Loan & Unsecured Loan	(2,82,89,949)	(2,06,31,095)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>28,99,78,002</b>	<b>10,11,36,527</b>
Net Change in Cash & Cash Equivalents	(62,86,358)	11,18,96,757
Cash and Cash Equivalents as on 1st April, 2010	17,52,17,942	6,33,21,185
<b>Cash and Cash Equivalents as on 31st March, 2011</b>	<b>16,89,31,584</b>	<b>17,52,17,942</b>
<b>Cash and Cash Equivalents comprises :</b>		
Cash in Hand	2,78,306	10,80,149
Balance with Scheduled Banks in Current Accounts	66,80,394	43,71,279
Fixed Deposits (maturing within three months)	15,50,00,000	16,95,75,000
Stamps in Hand	3,26,594	1,91,514
Interest Accrued on Fixed Deposits (maturing within three months)	66,46,290	—
	<b>16,89,31,584</b>	<b>17,52,17,942</b>
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. 2.83 lakhs (Previous year - Rs. 2.80 lakhs) and Client Bank Account - Rs. 119.49 lakhs (Previous year - Rs. 34.89 lakhs) and Fixed Deposits Rs. 155.00 lakhs (Previous year - Rs.169.58 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. Balance with Scheduled Banks in current account is net of Bank Overdrawn amount of Rs. 59,29,898/-.		
4. Reconciliation of items of Cash & Cash Equivalents as disclosed in Cash Flow statement with the equivalent items as reported in the Balance Sheet.		
	<b>As at 31st March, 2011</b>	<b>As at 31st March, 2010</b>
Cash and Cash Equivalents as per Cash Flow Statement	16,89,31,584	17,52,17,942
Add: Fixed Deposits classified as Investing Activities	15,56,75,000	14,63,00,000
Bank Overdrawn Balance	59,29,898	-
Less: Interest accrued on Fixed Deposits (maturing within three months)	66,46,290	-
Cash and Bank Balances as reported in the Balance Sheet	<b>32,38,90,192</b>	<b>32,15,17,942</b>
5. Previous year's figures have been regrouped and rearranged wherever necessary to conform with this year's classification.		
6. Consideration of Rs. 75,00,000/- for Investment in Shares of Associate have been fully discharged by means of cash.		
7. Figures in bracket represents cash outflow from respective activities.		
As per our attached report of even date.		
For G. P. AGRAWAL & CO. Chartered Accountants F.R. No. 302082E CA. SUNITA KEDIA Partner Membership No. 60162 Place : Kolkata Dated : 30th April, 2011	For GOENKA SURESH & ASSOCIATES Chartered Accountants F.R. No. 313139E CA. S. K. GOENKA Proprietor Membership No. 51226	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

### 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, its Subsidiary and Associate as at 31<sup>st</sup> March, 2011, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement 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 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. (a) The financial statements for the year ended 31<sup>st</sup> March, 2011 of Ratnabali Investment Private Limited, the Subsidiary Company whose total assets of Rs. 3,15,72,824/- and total revenue of Rs. 16,61,661/- and the related Cash Flows have been fully consolidated, have been audited by M/s G.P. Agrawal & Co., Chartered Accountants, one of the Joint Statutory Auditors 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.  
(b) We have relied on the unaudited financial statements of an Associate namely Midas Asset Reconstruction Company Private Limited wherein the Company's share of profit aggregates Rs. 6,488/-. This unaudited financial statements have been furnished to us by the Management and our report so far as it relates to the amounts included in respect of the abovementioned Associate is based solely on such unaudited financial statements.
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" and Accounting Standard 23, "Accounting for Investment in Associates in Consolidated Financial Statements" notified under the Companies (Accounting Standard) Rules, 2006 on the basis of separate audited financial statements of Ratnabali Capital Markets Limited, its Subsidiary and Associate.
6. Subject to the above and on the basis of the information and explanations given to us and based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, its Subsidiary and Associate 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, its Subsidiary and Associate as at 31<sup>st</sup> March, 2011;
  - (ii) in the case of the Consolidated Profit & Loss Account, of the consolidated result of operation of Ratnabali Capital Markets Limited, its Subsidiary and Associate for the year ended on that date; and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the consolidated Cash Flows of Ratnabali Capital Markets Limited, its Subsidiary and Associate for the year ended on that date.

For G.P. AGRAWAL & CO.

*Chartered Accountants*

F.R. NO. 302082E

CA. SUNITA KEDIA

*Partner*

Membership No. 60162

Kolkata, 30th April, 2011

For GOENKA SURESH & ASSOCIATES

*Chartered Accountants*

F.R. NO. 313139E

CA. S.K.GOENKA

*Proprietor*

Membership No. 51226

## RATNABALI CAPITAL MARKETS LIMITED

### CONSOLIDATED BALANCE SHEET as at 31st March, 2011

	Schedule	Rs.	As at 31st March, 2011 Rs.	Rs.	As at 31st March, 2010 Rs.
<b>I SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	5,20,30,000		5,20,30,000	
Reserves and Surplus	2	<u>77,97,68,387</u>		<u>70,69,16,113</u>	
			<b>83,17,98,387</b>		<b>75,89,46,113</b>
<b>Loan Funds</b>					
Secured Loans	3	35,95,80,315		10,36,16,622	
Unsecured Loans	4	<u>14,51,50,000</u>		<u>4,25,00,000</u>	
			<b>50,47,30,315</b>		<b>14,61,16,622</b>
<b>TOTAL</b>			<b><u>1,33,65,28,702</u></b>		<b><u>90,50,62,735</u></b>
<b>II APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>	5				
Gross Block		4,03,42,078		4,19,34,186	
Less: Depreciation		<u>1,61,06,299</u>		<u>1,37,64,066</u>	
Net Block			<b>2,42,35,779</b>		<b>2,81,70,120</b>
<b>Investments</b>	6		<b>12,19,36,260</b>		<b>24,32,06,793</b>
<b>Deferred Tax Assets (Net)</b> (Refer Note - 15 of Schedule 19)			<b>77,00,866</b>		<b>28,59,939</b>
<b>Current Assets, Loans and Advances</b>					
Inventories	7	66,01,44,326		21,88,65,724	
Sundry Debtors	8	20,91,90,164		2,65,06,326	
Cash and Bank Balances	9	34,45,27,101		34,21,05,207	
Other Current Assets	10	1,19,89,123		2,05,14,891	
Loans and Advances	11	<u>5,40,99,294</u>		<u>7,56,62,392</u>	
		<b>1,27,99,50,008</b>		<b>68,36,54,540</b>	
<b>Less: Current Liabilities and Provisions</b>					
Liabilities	12	7,07,55,984		2,11,43,407	
Provisions	13	<u>2,65,38,227</u>		<u>3,16,85,250</u>	
		<b>9,72,94,211</b>		<b>5,28,28,657</b>	
<b>Net Current Assets</b>			<b>1,18,26,55,797</b>		<b>63,08,25,883</b>
<b>TOTAL</b>			<b><u>1,33,65,28,702</u></b>		<b><u>90,50,62,735</u></b>
Basis of Consolidation and 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> F.R. No. 302082E CA. SUNITA KEDIA <i>Partner</i> Membership No. 60162 Place : Kolkata Dated : 30th April, 2011	For GOENKA SURESH & ASSOCIATES <i>Chartered Accountants</i> F.R. No. 313139E CA. S. K. GOENKA <i>Proprietor</i> Membership No. 51226	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>
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## RATNABALI CAPITAL MARKETS LIMITED

### CONSOLIDATED PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011

	Schedule	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
<b>INCOME</b>			
Sale of Shares, Securities and Mutual Fund Units (Refer Note - 2 of Schedule 19)		8,20,98,09,177	9,69,99,16,100
Income from Share Broking / Dealing		3,57,10,263	4,11,21,823
Other Operating Income	14	9,82,93,336	14,53,76,832
Other Income	15	4,29,13,363	15,54,85,371
Closing Stock of Inventories		66,01,44,326	21,88,65,724
<b>TOTAL</b>		<b>9,04,68,70,465</b>	<b>10,26,07,65,850</b>
<b>EXPENDITURE</b>			
Opening Stock of Inventories		21,88,65,724	31,81,38,068
Purchase of Shares, Securities and Mutual Fund Units		8,59,92,80,562	9,70,89,50,858
Administrative and Other Expenses	16	9,82,14,046	9,95,30,251
Interest	17	3,46,58,420	2,52,75,436
Depreciation		41,65,503	43,00,471
<b>TOTAL</b>		<b>8,95,51,84,255</b>	<b>10,15,61,95,084</b>
Profit Before Taxation		9,16,86,210	10,45,70,766
Less : Provision for Taxation :			
Current Tax		10,34,215	1,45,453
Deferred Tax		(48,40,927)	(28,38,635)
Tax for earlier years / (Written back)		(14,40,608)	4,31,075
Profit after Tax but before Share of Associate		9,69,33,530	10,68,32,873
Add : Share of Profit in Associate		6,488	—
Profit after adjustment of Share of Associate		9,69,40,018	10,68,32,873
Add : Provision for Corporate Dividend Tax no longer required		1,00,483	—
Add : Balance brought forward		51,90,66,769	45,33,31,990
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>61,61,07,270</b>	<b>56,01,64,863</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		2,08,12,000	2,60,15,000
Corporate Tax on Dividend		33,76,227	44,21,250
Transfer to General Reserve		96,08,377	1,06,61,844
Transfer to Reserve Fund		1,69,952	—
Balance carried to Balance Sheet		58,21,40,714	51,90,66,769
		<b>61,61,07,270</b>	<b>56,01,64,863</b>
Basic and Diluted Earnings Per Share of Rs.10/- each. (Refer Note - 13 of Schedule - 19)		18.63	20.53
Basis of Consolidation and 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> F.R. No. 302082E CA. SUNITA KEDIA <i>Partner</i> Membership No. 60162 Place : Kolkata Dated : 30th April, 2011	For GOENKA SURESH & ASSOCIATES <i>Chartered Accountants</i> F.R. No. 313139E CA. S. K. GOENKA <i>Proprietor</i> Membership No. 51226	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 CONSOLIDATED ACCOUNTS

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
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>
<b>Issued, Subscribed and Paid-up</b>		
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 erstwhile Ratnabali Securities Limited, on its amalgamation with the Company, for consideration other than cash.		
<b>SCHEDULE - 2</b>		
<b>RESERVES AND SURPLUS</b>		
	As at 31st March, 2010 Rs.	As at 31st March, 2011 Rs.
	Additions Rs.	Deductions Rs.
Capital Reserve *	21,87,500	—
General Reserve	18,56,61,844	96,08,377
Reserve Fund	—	1,69,952
Profit & Loss Account	51,90,66,769	9,70,40,501
	<u>70,69,16,113</u>	<u>10,68,18,830</u>
	<u>3,39,66,556</u>	<u>3,39,66,556</u>
		<u>77,97,68,387</u>
* represents profit on re-issue of forfeited shares.		
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
Term Loan from a Bank {Secured to the extent of pledge of fixed deposit receipts of Rs. 7,50,00,000/- and interest accrued thereon (Previous Year - Rs. 2,50,00,000/-)} - due for repayment within one year.	<u>15,00,00,000</u>	5,00,00,000
Cash Credit from Banks {Secured by pledge of fixed deposit receipts of Rs. 2,06,00,000/- (Previous year - Rs. 7,03,00,000/-) and by pledge of shares of Rs. 49,05,12,529/- (Previous year - Rs. 6,27,93,680/-)} - (Refer Note 3 & 4 in Schedule -19).	<u>20,90,98,227</u>	5,28,11,065
Car Loan from a Bank {Secured by way of Hypothecation of the vehicle purchased - due for repayment within one year - Rs. 3,33,336/- (Previous year - Rs. 3,33,336/-)}.	<u>4,72,224</u>	8,05,557
Interest Accrued and Due on Secured Loan	<u>9,864</u>	—
	<u>35,95,80,315</u>	<u>10,36,16,622</u>
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
Other Loan from Corporate Bodies	<u>14,51,50,000</u>	4,25,00,000
	<u>14,51,50,000</u>	<u>4,25,00,000</u>

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

<b>SCHEDULE - 5</b>											
<b>FIXED ASSETS</b>											
Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01.04.10	Additions during the year	Deductions during the year	As at 31.03.11	Up to 31.03.10	For the year	Adjustment for deductions during the year	Up to 31.03.11	As at 31.03.11	As at 31.03.10
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>TANGIBLE ASSETS</b>											
1.	Office Premises	21,33,638	—	—	21,33,638	3,38,691	34,778	—	3,73,469	17,60,169	17,94,947
2.	Office Equipments	50,63,170	3,04,491	4,73,495	48,94,166	12,39,812	3,35,156	65,210	15,09,758	33,84,408	38,23,358
3.	Furniture and Fittings	43,35,693	38,450	92,164	42,81,979	10,46,539	2,49,766	58,303	12,38,002	30,43,977	32,89,154
4.	Computers, Servers and other Information Technology Equipments	1,79,26,958	2,18,445	21,28,342	1,60,17,061	83,75,084	21,01,576	16,99,757	87,76,903	72,40,158	95,51,874
5.	Electric Installation	22,78,410	—	—	22,78,410	4,63,143	3,69,332	—	8,32,475	14,45,935	18,15,267
6.	Vehicles	1,01,79,579	—	—	1,01,79,579	23,00,797	9,66,794	—	32,67,591	69,11,988	78,78,782
<b>Total (A)</b>		<b>4,19,17,448</b>	<b>5,61,386</b>	<b>26,94,001</b>	<b>3,97,84,833</b>	<b>1,37,64,066</b>	<b>40,57,402</b>	<b>18,23,270</b>	<b>1,59,98,198</b>	<b>2,37,86,635</b>	<b>2,81,53,382</b>
<b>INTANGIBLE ASSETS</b>											
1.	Goodwill on Consolidation	16,738	—	—	16,738	—	—	—	—	16,738	16,738
2.	Computer Software	—	5,40,507	—	5,40,507	—	1,08,101	—	1,08,101	4,32,406	—
<b>Total (B)</b>		<b>16,738</b>	<b>5,40,507</b>	<b>—</b>	<b>5,57,245</b>	<b>—</b>	<b>1,08,101</b>	<b>—</b>	<b>1,08,101</b>	<b>4,49,144</b>	<b>16,738</b>
<b>Grand Total (A + B)</b>		<b>4,19,34,186</b>	<b>11,01,893</b>	<b>26,94,001</b>	<b>4,03,42,078</b>	<b>1,37,64,066</b>	<b>41,65,503</b>	<b>18,23,270</b>	<b>1,61,06,299</b>	<b>2,42,35,779</b>	<b>2,81,70,120</b>
Previous Year		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	—
<b>SCHEDULE - 6</b>											
<b>INVESTMENTS</b>											
Long Term (Other than Trade)(at cost)		Face Value (Rs.)		Quantity (Nos.)		As at 31st March, 2011 Amount (Rs.)		As at 31st March, 2010 Quantity (Nos.)		As at 31st March, 2010 Amount (Rs.)	
<b>A. In Equity Shares of Companies</b>											
Name of the Company											
<b>Quoted, Fully Paid up</b>											
Dabur India Ltd.		1/-		2,34,000		2,50,30,413		—		—	
Goodyear India Ltd.		10/-		25,000		60,90,607		—		—	
Electrosteel Steels Ltd. (Listed w.e.f. 8th October, 2010)		10/-		20,00,000		2,00,00,000		—		—	
Indian Oil Corporation Ltd.		10/-		—		—		21,600		72,20,120	
MOIL Ltd.		10/-		1,892		7,09,500		—		—	
NHPC Ltd.		10/-		7,43,000		1,71,26,752		5,91,500		1,83,97,999	
Oil & Natural Gas Corporation Ltd.		5/-		40,000		1,32,37,665		—		—	
Punjab & Sind Bank		10/-		9,785		11,74,200		—		—	
Reliance Industries Ltd.		10/-		—		—		92,800		10,00,32,813	
						<b>8,33,69,137</b>				<b>12,56,50,932</b>	
<b>Unquoted, Fully Paid up</b>											
Bombay Stock Exchange Ltd.		1/-		41,054		20,55,858		41,054		20,55,858	
Devkripa Vyapaar Pvt. Ltd.		10/-		5,00,000		50,00,000		5,00,000		50,00,000	
Electrosteel Integrated Ltd. (Name changed w.e.f. 5th May, 2010)		10/-		—		—		20,00,000		2,00,00,000	
Fortuna Services Ltd.		1/-		4,774		4,774		1		—	
Midas Asset Reconstruction Company Pvt. Ltd. (an Associate company w.e.f. 12th October, 2010) {Includes Rs. 2,15,463/- (Previous year - Rs. Nil) Goodwill on acquisition of associate}		10/-		7,50,000		75,06,488		—		—	
Vayana Enterprises Pvt. Ltd.		10/-		7,16,418		2,40,00,003		7,16,418		2,40,00,003	
						<b>3,85,67,123</b>				<b>5,10,55,861</b>	
<b>(A)</b>						<b>12,19,36,260</b>				<b>17,67,06,793</b>	

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 6 (Contd.)		As at 31st March, 2011		As at 31st March, 2010	
	Face Value (Rs.)	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
<b>B. In Debentures of Companies – Unquoted, Fully Paid up</b>					
9% Secured Non-Convertible Redeemable Debentures of					
— Ashwamedh Properties Private Limited	1,000/-	—	—	16,500	1,65,00,000
— Amrit Malls Private Limited*	1,000/-	—	—	20,000	2,00,00,000
— Somani Bhoodhan Private Limited*	1,000/-	—	—	30,000	3,00,00,000
*companies under the same management	(B)		—		6,65,00,000
	(A + B)		<b>12,19,36,260</b>		<b>24,32,06,793</b>
		<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
		Rs.	Rs.	Rs.	Rs.
Aggregate value of Quoted Investments		<b>8,33,69,137</b>	<b>7,77,32,146</b>	12,56,50,932	12,40,89,775
Aggregate value of Unquoted Investments		<b>3,85,67,123</b>	—	11,75,55,861	—
		<b>12,19,36,260</b>	<b>7,77,32,146</b>	<b>24,32,06,793</b>	<b>12,40,89,775</b>
<b>SCHEDULE - 7</b>		<b>Amount</b>		<b>Amount</b>	
<b>INVENTORIES</b>		Rs.		Rs.	
<b>Stock of Shares and Securities</b>					
Equity Shares – Quoted (Other than trade)			<b>66,00,19,016</b>		21,82,05,479
Equity Warrants – Quoted (Other than trade)			—		6,60,245
Units of Mutual Fund - Unquoted (Other than trade)			<b>1,25,310</b>		—
			<b>66,01,44,326</b>		<b>21,88,65,724</b>
Note : Details of Stock are as follows :					
		<b>As at 31st March, 2011</b>		<b>As at 31st March, 2010</b>	
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.)
<b>A : Equity Shares - Quoted, Fully Paid Up Other than trade</b>					
3M India Ltd.	10/-	158	5,01,808	—	—
ABB Ltd.	2/-	—	—	1,217	10,10,110
ACC Ltd.	10/-	—	—	100	95,105
Accel Frontline Ltd.	10/-	5,391	2,21,260	—	—
Adani Enterprises Ltd.	1/-	—	—	800	3,73,771
Adani Power Ltd.	10/-	—	—	5,000	5,79,019
Alfa Laval (India)Ltd.	10/-	385	5,63,672	—	—
Amara Raja Batteries Ltd.	2/-	30,000	48,62,381	—	—
Ambuja Cement Ltd.	2/-	1,705	2,37,421	—	—
Areva T&D India Ltd.	2/-	7,189	17,81,434	—	—
Atlas Copco (India) Ltd.	10/-	15,085	4,01,30,626	—	—
Bajaj Auto Ltd.	10/-	595	7,53,785	—	—
Balaji Distilleries Ltd.	10/-	—	—	10,000	4,55,500
Balrampur Chini Mills Ltd.	1/-	—	—	1,50,000	1,38,37,500
Bank of Baroda	10/-	160	1,35,246	—	—
Bharat Heavy Electricals Ltd.	10/-	500	10,04,413	2,500	59,76,625
Bharti Airtel Ltd.	5/-	—	—	1,000	3,12,550
Blue Dart Express Ltd.	10/-	1,384	13,83,308	—	—
Cambridge Solutions Ltd.	10/-	2,350	78,255	—	—

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 7 (Contd.)					
Name of the Company	Face Value	As at 31st March, 2011		As at 31st March, 2010	
		Quantity	Cost or Market Value whichever is lower	Quantity	Cost or Market Value whichever is lower
	(Rs.)	(Nos.)	(Rs.)	(Nos.)	(Rs.)
Canara Bank Ltd.	10/-	—	—	90	36,918
CCL Products (India) Ltd.	10/-	—	—	11,000	25,14,050
Chennai Petroleum Corporation Ltd.	10/-	1,20,000	2,67,72,000	—	—
Cipla Ltd.	2/-	8,407	25,22,785	—	—
Colgate Palmolive (India) Ltd.	1/-	211	1,71,775	—	—
Crisil Ltd.	10/-	16	98,869	—	—
Crompton Greaves Ltd.	2/-	—	—	5,000	12,84,610
Cummins India Ltd.	2/-	249	1,66,083	—	—
DLF Ltd.	2/-	4,000	10,74,200	—	—
EIH Ltd.	2/-	—	—	19,100	23,05,370
Elantas Beck India Ltd.	10/-	231	1,79,949	—	—
Fag Bearings India Ltd.	10/-	213	1,74,439	—	—
Fairfield Atlas Ltd.	10/-	28,635	15,73,493	—	—
Fame India Ltd.	10/-	—	—	64,893	55,19,150
Financial Technologies (India) Ltd.	2/-	—	—	500	7,84,300
Foseco India Ltd.	10/-	1,057	4,81,199	—	—
Fresenius Kabi Oncology Ltd.	1/-	2,395	2,13,873	—	—
Fortis Healthcare (India) Ltd.	10/-	—	—	2,500	4,40,500
Fulford (India) Ltd.	10/-	15	12,316	—	—
Gillette India Ltd.	10/-	56	93,974	—	—
Glaxosmithkline Consumer Healthcare Ltd.	10/-	48	1,03,728	—	—
Glaxosmithkline Pharmaceuticals Ltd.	10/-	83	1,73,839	—	—
Gmm Pfaunder Ltd.	2/-	4,561	4,33,295	—	—
Globus Spirits Ltd.	10/-	—	—	10,000	13,53,500
Goodyear India Ltd.	10/-	3,158	7,92,250	100	28,485
Grindwell Norton Ltd.	5/-	1,152	2,51,176	—	—
GVK Power & Infrastructure Ltd.	1/-	—	—	50	2,239
HCL Technologies Ltd.	2/-	717	3,38,463	1,435	5,14,304
Henkel India Ltd.	10/-	4,117	1,72,708	—	—
Hero Honda Motors Ltd.	2/-	—	—	140	2,72,216
Honda Siel Power Products Ltd.	10/-	15,000	53,18,222	—	—
Hindustan Construction Co. Ltd.	1/-	—	—	315	42,242
Honeywell Automation India Ltd.	10/-	769	17,27,174	—	—
Housing Development & Infrastructure Ltd.	10/-	—	—	145	41,521
Housing Development Finance Corporation Ltd.	10/-	—	—	250	6,78,652
ICICI Bank Ltd.	10/-	500	5,22,578	2,600	24,76,500
IDBI Bank Ltd.	10/-	—	—	2,500	2,87,500
India Cements Ltd.	10/-	—	—	2,881	3,79,572
The Indian Hotels Co. Ltd.	1/-	2,000	1,68,000	—	—
Indo Bonito Multinational Ltd.	10/-	23,000	1,01,200	—	—
Ineos ABS (India) Ltd.	10/-	4,765	17,76,622	—	—
Infosys Technologies Ltd.	5/-	332	10,34,961	200	5,23,190
IRB Infrastructure Developers Ltd.	10/-	—	—	2,500	6,38,375
Jaiprakash Associates Ltd.	2/-	8,000	7,42,400	2,300	3,43,965

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 7 (Contd.)					
Name of the Company	Face Value	As at 31st March, 2011		As at 31st March, 2010	
		Quantity	Cost or Market Value whichever is lower	Quantity	Cost or Market Value whichever is lower
	(Rs.)	(Nos.)	(Rs.)	(Nos.)	(Rs.)
Jaiprakash Power Ventures Ltd.	10/-	—	—	3,125	2,11,250
Jaypee Infratech Ltd.	10/-	3,821	2,21,809	—	—
Jindal Saw Ltd.	2/-	—	—	10,000	21,24,000
JSW Energy Ltd.	10/-	—	—	2,500	2,79,625
JSW Steel Ltd.	10/-	189	1,69,164	—	—
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
KSB Pumps Ltd.	10/-	425	2,12,075	—	—
Linc Pen & Plastics Ltd.	10/-	—	—	1,000	68,350
Larsen & Toubro Ltd.	2/-	500	8,25,950	—	—
Lumax Industries Ltd.	10/-	292	1,04,259	—	—
Maruti Suzuki India Ltd.	5/-	1,391	17,55,651	—	—
Mcleod Russel India Ltd.	5/-	—	—	1,000	13,21,400
Merck Ltd.	10/-	858	5,07,250	—	—
Moil Ltd.	10/-	1,108	4,37,383	—	—
Mudra Life Style Ltd.	10/-	1,15,000	61,37,455	—	—
Nalwa Sons Investments Ltd.	10/-	—	—	1,250	13,52,187
Neyvelli Lignite Corporation Ltd.	10/-	—	—	4,425	6,41,404
NHPC Ltd.	10/-	16,000	4,04,800	—	—
Nirma Ltd.	5/-	5,87,834	14,85,17,442	—	—
Nitta Gelatin India Ltd.	10/-	5,102	5,00,051	—	—
NTPC Ltd.	10/-	—	—	8,125	16,25,494
Oil & Natural Gas Corporation Ltd.	5/-	4,000	11,65,200	—	—
Oracle Financial Services Software Ltd.	5/-	355	7,05,278	—	—
Orbit Corporation Ltd.	10/-	—	—	1,500	4,13,475
Orchid Chemicals & Pharmaceuticals Ltd.	10/-	—	—	14,700	22,62,330
Panasonic Carbon India Co. Ltd.	10/-	3,209	4,74,932	—	—
Panasonic Energy India Company Ltd.	10/-	371	23,929	—	—
Panasonic Home Appliances India Company Ltd.	10/-	1,294	1,62,720	—	—
Pantaloon Retail (India) Ltd.	2/-	2,51,000	6,26,31,068	—	—
Piramal Healthcare Ltd.	2/-	1,000	4,16,800	—	—
Praj Industries Ltd.	2/-	—	—	4,400	3,74,794
Punjab & Sind Bank	10/-	215	23,521	—	—
PSL Ltd.	10/-	—	—	2,500	3,43,375
Reliance Communication Ltd.	5/-	4,000	4,30,600	—	—
Reliance Industries Ltd.	10/-	1,000	9,15,808	2,500	26,85,625
Reliance Infrastructure Ltd.	10/-	1,000	6,89,950	276	2,75,738
Reliance Media Works Ltd.	5/-	35,000	51,94,895	—	—
Rural Electrification Corporation Ltd.	10/-	515	1,24,775	—	—
Seamec Ltd.	10/-	11,653	11,61,804	—	—
Sharp India Ltd.	10/-	26,126	7,89,005	—	—
Shipping Corporation of India Ltd.	10/-	1,200	1,23,453	—	—
Siemens Ltd.	2/-	2,92,270	25,50,81,122	—	—

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 7 (Contd.)					
Name of the Company	Face Value	As at 31st March, 2011		As at 31st March, 2010	
		Quantity	Cost or Market Value whichever is lower	Quantity	Cost or Market Value whichever is lower
	(Rs.)	(Nos.)	(Rs.)	(Nos.)	(Rs.)
Singer India Ltd.	10/-	100	3,016	—	—
SKF India Ltd.	10/-	304	1,74,800	—	—
SML Isuzu Ltd.	10/-	746	2,44,017	—	—
Sparsh Bpo Services Ltd.	10/-	4,03,860	4,27,33,495	—	—
Spicejet Ltd.	10/-	—	—	5,000	2,91,500
Srei Infrastructure Finance Ltd.	10/-	—	—	20,000	15,27,000
State Bank of India	10/-	400	10,96,871	65	1,34,803
Steel Authority Of India Ltd.	10/-	4,000	6,78,400	—	—
Sterlite Industries (India) Ltd.	1/-	4,000	6,34,716	—	—
Suashish Diamonds Ltd.	10/-	5,164	7,01,013	—	—
Sun Pharma Advanced Research Company Ltd.	1/-	—	—	1,30,000	1,16,04,139
Tamil Nadu Newsprint & Papers Ltd.	10/-	—	—	2,59,709	2,16,74,556
Tata Global Beverages Ltd.	1/-	2,000	1,93,490	—	—
Tata Communication Ltd.	10/-	3,000	6,44,493	—	—
Tata Motors Ltd.	10/-	107	1,20,568	—	—
Tech Mahindra Ltd.	10/-	—	—	3,000	25,59,300
Techno Electric & Engineering Company Ltd.	2/-	—	—	10,000	21,94,983
Television Eighteen India Ltd.	5/-	—	—	36,500	27,47,396
Thomas Cook (India) Ltd.	1/-	1,10,587	57,46,293	—	—
Torrent Power Ltd.	10/-	—	—	7,500	21,66,375
United Breweries (Holdings) Ltd.	10/-	—	—	2,500	6,91,500
United Breweries Ltd.	1/-	—	—	2,500	4,51,915
VA Tech Wabag Ltd.	5/-	4,000	50,35,800	—	—
Videocon Industries Ltd.	10/-	—	—	854	1,94,370
Visa Steel Ltd.	10/-	—	—	2,47,500	1,04,94,000
Wabco -Tvs (India) Ltd.	5/-	459	4,75,203	—	—
Warren Tea Ltd.	10/-	55,945	1,16,23,513	—	—
Wendt (India ) Ltd.	10/-	102	1,05,068	—	—
Welspun Gujarat Stahl Rohren Ltd.	5/-	—	—	2,500	6,60,554
Whirpool of India Ltd.	10/-	3,589	9,53,238	—	—
Wyeth Ltd.	10/-	121	1,01,693	—	—
Yes Bank Ltd.	10/-	—	—	2,500	6,17,875
Zee News Ltd.	1/-	—	—	16,29,250	10,17,97,752
			<u>66,00,19,016</u>		<u>21,82,05,479</u>
<b>B : Equity Warrants - Quoted, Fully Paid up Other than trade</b>					
Fortis Healthcare (India) Ltd.	0.05	—	—	18,960	6,60,245
			—		<u>6,60,245</u>
<b>C : Units of Mutual Fund - Unquoted, Fully Paid up Other than trade</b>					
Reliance Money Manager Fund - Retail Option - Growth Plan	1,000/-	95.031	1,25,310	—	—
			<u>1,25,310</u>		<u>—</u>

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

<b>SCHEDULE - 8</b>	<b>As at</b>	<b>As at</b>
<b>SUNDRY DEBTORS</b>	<b>31st March, 2011</b>	<b>31st March, 2010</b>
(Unsecured)	<b>Rs.</b>	<b>Rs.</b>
Debts outstanding for a period exceeding six months		
- Considered good	2,00,552	—
- Considered doubtful	2,67,675	2,67,675
Other Debts - considered good	<u>20,89,89,612</u>	<u>2,65,06,326</u>
	<b>20,94,57,839</b>	<b>2,67,74,001</b>
Less : Provision for Doubtful Debts	<u>2,67,675</u>	<u>2,67,675</u>
	<b><u>20,91,90,164</u></b>	<b><u>2,65,06,326</u></b>
<b>SCHEDULE - 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash-in-hand (As certified by the management)	3,01,471	11,42,069
Balances with Scheduled Banks :		
In Current Accounts	1,23,41,093	44,16,809
In Fixed Deposit Accounts	33,12,75,000	33,60,75,000
{Includes Rs. 32,82,75,000/- (Previous year - Rs. 31,58,75,000/-) deposited as margin money with Exchanges & its clearing houses, as security for guarantees issued by Banks and pledged with Banks for availing Cash Credit and Term loan}		
In Unpaid Dividend Accounts	2,82,943	2,79,815
Stamps-in-hand (As certified by the management)	<u>3,26,594</u>	<u>1,91,514</u>
	<b><u>34,45,27,101</u></b>	<b><u>34,21,05,207</u></b>
<b>SCHEDULE - 10</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued on Bank Deposits	1,19,75,808	2,05,14,891
Interest accrued on Loan	13,315	—
	<u>1,19,89,123</u>	<u>2,05,14,891</u>
<b>SCHEDULE - 11</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Loans	1,00,00,000	—
Advances recoverable in cash or in kind or for value to be received	40,47,329	39,65,608
Currency Option Premium Account	2,50,615	—
Equity Index Option Premium Account	—	9,03,830
Advance Payment of Taxes {Net of Provision for Taxation- Rs. 12,00,214/- (Previous Year - Rs. 3,50,08,494/-)}	2,27,29,972	1,76,94,339
Deposits	<u>1,70,71,378</u>	<u>5,30,98,615</u>
	<b><u>5,40,99,294</u></b>	<b><u>7,56,62,392</u></b>



## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<b>SCHEDULE - 12</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
Total outstanding dues of micro and small enterprises (Refer Note - 16 of Schedule 19)	—	—
Due to creditors other than micro and small enterprises {includes temporary bank overdraft of Rs. 59,29,898/- (Previous Year-Rs. 51,30,491/-)}	1,58,65,860	1,11,16,347
Equity Index Option Premium Account	72,44,883	—
Equity Stock Option Premium Account	1,43,575	—
Mark-to-Market Margin Equity Derivatives	8,52,319	13,90,689
Mark-to-Market Margin Index Derivatives	52,300	39,037
Mark-to-Market Margin Currency Derivatives	48,790	2,07,713
Deposits from Customers	4,38,21,757	72,74,000
Investor Education & Protection Fund - Unpaid Dividend - not due for transfer	2,82,943	2,79,815
Interest Accrued but not due on Secured Loan	10,17,161	3,50,342
Other Liabilities	14,26,396	4,85,464
	<u>7,07,55,984</u>	<u>2,11,43,407</u>
<b>SCHEDULE - 13</b>		
<b>PROVISIONS</b>		
For Proposed Dividend	2,08,12,000	2,60,15,000
For Corporate Tax on Proposed Dividend	33,76,227	44,21,250
For Gratuity & Leave encashment	23,50,000	12,49,000
	<u>2,65,38,227</u>	<u>3,16,85,250</u>
<b>SCHEDULE - 14</b>		
<b>OTHER OPERATING INCOME</b>		
Dividend Income :	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
On Shares & Mutual Fund units held as Stock in Trade (other than trade)	7,14,62,663	10,82,67,192
Interest :		
On Bank Deposits {Gross : Tax Deducted at Source - Rs. 26,31,123/- (Previous Year - Rs. 39,22,616/-)}	2,62,98,386	3,66,26,797
On Loan {Gross : Tax Deducted at Source - Rs. 1,480/- (Previous Year - Rs. Nil)}	14,795	—
Incentive Income	2,42,605	3,66,398
Income from Depository Services	2,74,887	1,16,445
	<u>9,82,93,336</u>	<u>14,53,76,832</u>

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 15 OTHER INCOME	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
Dividend Income : On long term Investments (other than trade)	94,46,030	1,27,04,426
Interest : On Debentures {Gross: Tax Deducted at Source - Rs. 2,02,339/- (Previous Year - Rs. 5,98,500/-)}	20,23,397	59,85,000
On Income Tax Refund	6,43,371	6,79,509
On Others {Gross: Tax Deducted at Source - Rs. Nil (Previous Year - Rs. 11,607/-)}	—	1,16,065
Profit on sale of long term Investments (other than trade)	3,07,32,044	13,56,02,575
Provision / Liability no longer required written back	10,235	20,000
Miscellaneous Income	58,286	3,77,796
	<u>4,29,13,363</u>	<u>15,54,85,371</u>
<b>SCHEDULE - 16 ADMINISTRATIVE AND OTHER EXPENSES</b>		
Salaries, Bonus and Exgratia	1,42,78,122	1,29,08,502
Contribution to Provident & other Funds	8,73,877	5,30,586
Staff Welfare	11,61,290	6,40,625
Office Rent	57,53,700	12,78,522
Repairs - Buildings	2,12,542	5,83,993
- Others	19,17,808	22,33,999
Insurance	1,04,08,259	1,03,92,398
Rates and Taxes	2,84,79,055	3,92,92,749
Managerial Remuneration	53,22,374	22,10,497
Director's Sitting Fees	1,32,000	1,16,000
Stock Exchange Transaction Charges	46,54,016	72,32,715
Demat Transaction Charges	331	1,26,437
Electricity Expenses	11,54,555	12,38,354
Membership and Subscription	18,02,737	17,34,467
Legal and Professional	24,25,657	25,90,239
Travelling and Conveyance	33,53,912	29,53,968
Vehicle Running Expenses	15,84,277	15,68,232
Telephone, Internet & Leaseline	25,80,612	22,97,192
Bank Charges	13,30,919	7,18,894
Auditors' Remuneration (Refer Note - 19 of Schedule-19)	2,51,795	2,31,751
Advertisement & Business Promotion	18,16,183	12,75,102
Commission	10,20,817	18,20,385
Donations	30,79,500	2,48,000
Loss on Sale of Fixed Assets	3,84,484	1,10,208
Sundry Balance written off (net)	749	5,106
Miscellaneous Expenses	42,34,475	51,79,894
Preliminary expenses written off	—	11,436
	<u>9,82,14,046</u>	<u>9,95,30,251</u>
<b>SCHEDULE - 17 INTEREST PAID</b>		
On Term Loans	1,09,02,027	46,44,341
On Others	2,37,56,393	2,06,31,095
	<u>3,46,58,420</u>	<u>2,52,75,436</u>

# RATNABALI CAPITAL MARKETS LIMITED

## 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. and its Associate namely Midas Asset Reconstruction Company Private Limited. 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, 2011.
- ii) The Financial Statements of the Group have been prepared in accordance with the Accounting Standards as notified by the Central Government 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 and losses have been fully eliminated.
- ii) The Consolidated Financial Statements include the Share of Profit / Loss of the Associate Company which has been accounted as per the "Equity Method"; and accordingly the share of Profit / Loss of the Associate Company have been added to / deducted from the carrying cost of Investments.  
An Associate is an enterprise in which the Company has significant influence and which is neither a Subsidiary nor a Joint Venture of the Company.
- iii) The excess of cost to the Company of its Investments in the Subsidiary and Associate over its share of Equity of the Subsidiary and Associate, at the date on which the investments are made, is recognised as "Goodwill" being an asset in the Consolidated Financial Statements.
- iv) There is no minority interest in the net assets of the Subsidiary as the same is 100% wholly - owned subsidiary on the date of the Balance Sheet.

##### c) Companies considered in the Consolidated Financial Statements

Name of the Company	Country of Incorporation	Percentage of ownership interest as at		Financial Year ends on
		31.03.2011	31.03.2010	
<b>Subsidiary</b>				
Ratnabali Investment Pvt.Ltd.	India	100%	100%	31.03.2011
<b>Associate</b>				
Midas Asset Reconstruction Company Pvt. Ltd.	India	33.33%	-	31.03.2011

##### II. SIGNIFICANT ACCOUNTING POLICIES

##### 1. System of Accounting

The accounts have been prepared and presented under the historical cost convention and the accrual basis of accounting .These are presented in accordance with Generally Accepted Accounting Principle in India, provisions of the Companies Act, 1956 and Accounting Standards as notified by the Central Government under the Companies (Accounting Standards ) Rules, 2006.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

### SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

#### SCHEDULE - 18 (Contd.)

##### 2. Fixed Assets and Depreciation

- a) Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets. 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.
- b) Intangible Assets comprise of software, expected to provide future enduring economic benefits are stated at cost less amortisation. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.

Intangible Assets are amortised over their best estimated useful life ranging up to 5 years on straight line method.

##### 3. Investments

Investments are either classified as current or long-term based on Management's intention at the time of purchase. Long-term investments are carried at cost less provision for diminution recorded to recognise any decline, other than temporary, in the carrying value of each investments.

##### 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 Benefit

- 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 & 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.

##### 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 the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

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

## RATNABALI CAPITAL MARKETS LIMITED

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### SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

#### SCHEDULE - 18 (Contd.)

reversal in one or more subsequent periods measured using the tax rates and tax laws that have been enacted by the balance sheet date. 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.

In situation where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

#### 9. Impairment of Asset

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in previous accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### 10. Provisions, Contingent liabilities and Contingent assets

- a) Provisions are recognised in respect of obligation where, based on 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.

#### 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. Earning Per Share

The Company reports basic and diluted earning per equity share in accordance with Accounting Standard-20, Earning per share notified by the Central Government under the Companies (Accounting Standard) Rules, 2006. Basic earning per equity share has been computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning during the year adjusted for effects of all dilutive potential equity shares, per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

#### 14. 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 plan and income taxes.

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

#### SCHEDULE - 19

#### NOTES ON ACCOUNTS

1. Contingent liabilities not provided for in respect of :
  - a) Bank Guarantees given in respect of margin money to NSCCL and BOISL - Rs. 16,00,00,000/- (Previous year - 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. 6,75,00,000/- (Previous year-Rs. 1,25,00,000/-) and by shares worth Rs. 2,50,00,000/- pledged with Bank (Previous year - Rs. 2,50,00,000/-).
  - b) Income Tax Demand under dispute - Rs. 64,23,382/- (Previous year - Rs. 24,78,681/-) out of which demand of Rs. 58,00,496/- (Previous year - Rs. 18,55,795/- ) has already been paid. Income Tax Refund under dispute - Rs. 1,18,796/- ( Previous year - Rs. 1,14,448/-).
  - c) Provident Fund and allied dues under dispute - Rs. 1,14,377/- (Previous year - Rs. Nil).
2. Sales includes Shares / units of Companies / Mutual fund valued at Rs. Nil (Previous year - Rs.10,95,11,680/-) transferred from Stock in Trade to Investments.
3. Investments includes securities valued at Rs. Nil ( Previous year - Rs. 8,90,81,197/-) deposited with NSCCL towards non-cash margin deposit and Rs. 5,53,94,830/- (Previous year - Rs. 3,65,69,735/-) lodged with Banks against Cash Credit and Margin for Bank Guarantees.
4. Inventories includes shares having a book value of Rs. 5,48,49,785/- (Previous year - Rs. 4,29,39,398/-) lodged with NSCCL as non-cash margin deposit and Rs. 13,80,21,305/- (Previous year - Rs. 5,12,23,945/-) lodged with Banks against Cash Credit and Margin for Bank Guarantees. Out of the amount shown as pledged in Schedule - 3 under Cash Credit from Banks, Shares valued at Rs. 32,20,96,394/- have been sold as on 31st March, 2011 - delivery for which was made in the next financial year and payment have been subsequently realised.
5. Investment in Electrosteel Steels Limited valued at Rs. 2,00,00,000/- (Previous year - Rs. 2,00,00,000/-) are shares purchased Pre IPO as such they are under Lock-in period till 4th October, 2011 and cannot be sold / transferred before that date.
6. Interest Paid to Others includes Interest Paid on Unsecured Loan - Rs. 1,69,83,754/- , on Bank Overdraft, Cash Credit and others - Rs. 60,12,830/- , on Secured Short Term Loans - Rs. 4,04,168/- and on Client's Margin Money - Rs. 3,55,641/-.

7. During the period, the Company had invested in Equity Shares of the following Associate Company:

Name of the Associate	Shares Acquired	
	No.	%
Midas Asset Reconstruction Company Pvt. Ltd.	7,50,000	33.33%

8. The unamortised amount of Computer Softwares (Acquired) Rs. 4,32,406/- are to be amortised equally in the next 4 years.

	2010 - 11 Amount (Rs.)	2009 - 10 Amount (Rs.)
9. a) <b>Remuneration paid to Directors</b>		
Salary	48,93,333	21,33,000
Contribution to Provident Fund	4,07,200	90,000
Perquisites	4,81,842	1,30,297
	57,82,375	23,53,297

**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.

- b) Calculation of Net Profit for the purpose of calculation of the managerial remuneration has not been made as no commission is paid / payable to the Managing Director, Joint Managing Director and Whole time Director and the remuneration paid is within the limits laid down for the managerial remuneration as per Schedule XIII read with Section 198 of the Companies Act ,1956.
- c) Appointment of Mr. Aditya Goenka ,Whole Time Director and payment of remuneration amounting to Rs. 4,40,533/- (including contribution to Provident Fund) is subject to the approval of the members at the ensuing Annual General Meeting.

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

#### SCHEDULE - 19 (Contd.)

#### 10. Disclosure pursuant to Accounting Standard - 15 (Revised) Employee Benefits ("AS-15R")

##### 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 expense for the year is Rs. 8,01,225/- (Previous year - 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.

	Gratuity Unfunded		Leave Salary Unfunded	
	2010-2011 Rs.	2009-2010 Rs.	2010-2011 Rs.	2009-2010 Rs.
<b>(I) Change in Benefit Obligation</b>				
Liability at the Beginning of the year	11,11,000	7,49,000	1,38,000	63,000
Interest Cost	1,22,000	1,40,000	13,000	8,000
Current Service Cost	4,52,000	3,57,000	40,000	39,000
Past Service Cost (Vested Benefit)	—	—	—	—
Benefit Paid	—	—	—	—
Actuarial (gain)/loss on obligations	4,60,000	(1,35,000)	14,000	28,000
<b>Liability at the end of the year</b>	<b>21,45,000</b>	<b>11,11,000</b>	<b>2,05,000</b>	<b>1,38,000</b>
<b>(II) Fair Value of Plan Assets</b>	Not Applicable		Not Applicable	
<b>(III) Actual Return on Plan Assets</b>	Not Applicable		Not Applicable	
<b>(IV) Amount Recognised in the Balance sheet</b>				
Liability at the end of the year	21,45,000	11,11,000	2,05,000	1,38,000
Fair value of Plan Assets at the end of the year	—	—	—	—
Difference (Funded Status)	(21,45,000)	(11,11,000)	(2,05,000)	(1,38,000)
<b>Amount Recognised in the Balance sheet</b>	<b>(21,45,000)</b>	<b>(11,11,000)</b>	<b>(2,05,000)</b>	<b>(1,38,000)</b>
<b>(V) Expenses Recognised in the Income Statement</b>				
Current Service Cost	4,52,000	3,57,000	40,000	39,000
Interest Cost	1,22,000	1,40,000	13,000	8,000
Expected Return on Plan Assets	—	—	—	—
Net Actuarial (gain)/loss to be recognised	4,60,000	(1,35,000)	14,000	28,000
Past Service Cost (Vested Benefit Recognised)	—	—	—	—
<b>Expenses / (write back) Recognised in Profit and Loss Account</b>	<b>10,34,000</b>	<b>3,62,000</b>	<b>67,000</b>	<b>75,000</b>
<b>(VI) Balance Sheet Reconciliation</b>				
Opening Net Liability	(11,11,000)	(7,49,000)	(1,38,000)	(63,000)
(Expenses) / write back as above	(10,34,000)	(3,62,000)	(67,000)	(75,000)
Employers Contribution	—	—	—	—
<b>Amount Recognised in the Balance sheet</b>	<b>(21,45,000)</b>	<b>(11,11,000)</b>	<b>(2,05,000)</b>	<b>(1,38,000)</b>
<b>(VII) Actuarial Assumptions : For the year</b>				
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%
<b>(VIII) Investment details - as at period end</b>	Not Applicable		Not Applicable	

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

#### SCHEDULE - 19 (Contd.)

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 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.

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

Name of Equity Stock / Index Future	No. of Contracts	No. of units	
		Long	Short
APOLLTYRE 28 Apr11	3		12,000
CIPLA 28 Apr11	9	9,000	
DABUR 28 Apr11	116		2,32,000
HCLTECH 28 Apr11	41	20,500	
INDHOTEL 28 Apr11	1		2,000
INFOSYSTCH 28 Apr11	11	1,375	
NIFTY 28 Apr11	241		12,050
NIFTY 26 May11	167	8,350	
ONGC 28 Apr11	89		89,000
PANTALOONR 28 Apr11	502		2,51,000
PNB 28 Apr11	20		5,000
SBIN 28 Apr11	16	2,000	
SIEMENS 28 Apr11	145		72,500
SIEMENS 26 May11	15	7,500	
TATAGLOBAL 28 Apr11	1		2,000
TCS 28 Apr11	21		5,250
WIPRO 28 Apr11	39		19,500

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

Name of the Equity, Index & Currency Options	Total premium received /(paid) carried forward as at the year end - net of provisions made Rs.
CIPLA	24,100
ICICIBANK	12,875
NIFTY	72,44,883
ONGC	21,800
RCOM	30,000
RELIANCE	29,450
RELINFRA	12,125
STER	21,000
USDINR	(2,01,825)



# RATNABALI CAPITAL MARKETS LIMITED

## SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE - 19 (Contd.)																
12. Related party Disclosures as per Accounting Standard - 18.																
a) Transactions with related parties:																
Name of concern/ Nature of Transaction	Investment in Shares	Redem- ption of Securities	Brokerage & Demat charges received	Salary Paid	Reimburse- ment of expenses received	Reimburse- ment of expenses received	Service Charges	Deposit Refund	Deposit Given	Rent Paid	Asset Purchase	Asset Sale	Interest Income	Donation Paid	Dividend Paid	Balance outstan- ding as at year end
<b>Key Management Personnel (KMP)</b>																
Mr. Vikash Somani	NIL	NIL	361 (-)	26,61,513 (11,84,210)	NIL	60,000 (-)	NIL	56,25,000 (-)	3,90,000 (-)	7,80,000 (2,25,000)	NIL	NIL	NIL	NIL	34,59,000 (26,28,000)	NIL
Mr. Suresh Kumar Somani	NIL	NIL	4,070 (-)	26,80,329 (11,69,087)	NIL	71,900 (-)	NIL	56,25,000 (-)	3,90,000 (2,40,000)	7,80,000 (2,25,000)	NIL	NIL	NIL	NIL	34,59,000 (26,44,284)	NIL
Mr. Aditya Goenka	NIL	NIL	NIL	4,40,533 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Others	(1,00,000)	NIL	(1,345)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Relatives of KMP</b>																
Mrs. Vinod Somani	NIL	NIL	6,033 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	38,02,500 (30,42,000)	NIL
Mrs. Namia Somani	NIL	NIL	6,828 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	21,48,000 (17,18,400)	NIL
Mrs. Jaishree Somani	NIL	NIL	45,589 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	21,48,000 (14,09,632)	NIL
Others	NIL	NIL	794 (55,923)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Concerns in which KMP &amp; their relatives are interested</b>																
Amrit Mills Pvt. Ltd.	NIL	2,00,00,000 (-)	32,125 (89,575)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	8,23,562 (18,00,000)	NIL	NIL	NIL
Amrit Somani Memorial Trust	NIL	NIL	331 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	28,00,000 (-)	NIL	NIL
Matukripa Developers Pvt. Ltd.	NIL	NIL	221 (-)	NIL	20,930 (-)	NIL	NIL	75,00,000 (-)	3,60,000 (-)	7,20,000 (1,80,000)	NIL	NIL	NIL	NIL	NIL	NIL
Ratnabali Leasing Pvt. Ltd.	NIL	NIL	221 (-)	NIL	20,680 (-)	NIL	NIL	75,00,000 (-)	3,60,000 (-)	7,20,000 (1,80,000)	NIL	NIL	NIL	NIL	14,96,500 (-)	NIL
Ratnabali Exports Pvt. Ltd.	NIL	NIL	221 (-)	NIL	20,680 (-)	NIL	NIL	75,00,000 (-)	3,60,000 (-)	7,20,000 (1,80,000)	NIL	NIL	NIL	NIL	17,10,000 (13,68,000)	NIL
Ratnabali Commodities Pvt. Ltd.	NIL	NIL	7,62,810 (-)	NIL	2,11,104 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
S & S Hospitality Pvt. Ltd.	NIL	NIL	NIL	NIL	NIL	(66,482)	4,50,000 (-)	1,60,000 (-)	2,25,000 (1,60,000)	NIL	(2,10,000)	NIL	NIL	NIL	NIL	NIL
Somani Bhoodhan Pvt. Ltd.	NIL	3,00,00,000 (-)	24,377 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	7,76,712 (27,00,000)	NIL	NIL	NIL
Satyamrayan Somani (HUF)	NIL	NIL	1,151 (-)	NIL	30,000 (-)	NIL	NIL	37,50,000 (-)	2,55,000 (-)	5,10,000 (1,50,000)	NIL	1,76,250 (-)	NIL	NIL	1,27,000 (-)	NIL
Vikash Somani Securities Pvt. Ltd.	NIL	NIL	10,295 (2,24,112)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	67,196 (2,48,015)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(12,98,800)	NIL
<b>Associate</b>																
Midas-Asset Reconstruction Co. Pvt. Ltd.	75,00,000 (-)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>GRAND TOTAL</b>	75,00,000 (1,00,000)	5,00,00,000 NIL	9,62,623 (6,18,970)	57,82,375 (23,53,297)	2,11,104 NIL	2,24,190 (66,482)	4,50,000 NIL	3,76,60,000 NIL	23,40,000 (4,00,000)	42,30,000 (11,40,000)	NIL (2,10,000)	1,76,250 NIL	16,00,274 (65,00,000)	28,00,000 NIL	1,83,50,000 (1,41,09,116)	NIL

(Figures in brackets indicate those of the Previous Year)

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.

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

#### SCHEDULE - 19 (Contd.)

#### 12. d) Names of related parties and description of relationship

##### i) Key Management Personnel ( KMP )

Mr. Vikash Somani, Mr. Suresh Kumar Somani & Mr. Aditya Goenka

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

Kaveri Merchants Pvt. Ltd., Rockhard Builders Pvt. Ltd., Ratnabali Leasings Pvt. Ltd., Matukripa Developers Pvt. Ltd., Vikash Somani Securities Pvt. Ltd., Windfall Properties Pvt. Ltd., Ratnabali Commodities Pvt. Ltd., Somani Bhoddhan Pvt. Ltd., Ganpati Shares & Securities Pvt. Ltd., Ratnabali Exports Pvt. Ltd., Amrit Malls Pvt. Ltd., S & S Hospitality Pvt. Ltd., Divyam Nirman Pvt. Ltd., Divyam Realty Pvt. Ltd., Divyam Greenfields Pvt. Ltd., Divyam Agrofarm Pvt. Ltd., Divyam Builders Pvt. Ltd., Satyanarayan Somani Foundation, Amrit Somani Memorial Trust, Vikash Somani (HUF), Satyanarayan Somani (HUF), Suresh Kumar Somani (HUF), Aditya Goenka (HUF), Lambodar Traders and Chamaria Construction Co.

##### 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,

Mrs. Rajni Goenka - Wife of Whole Time Director.

##### iv) Associates

Midas Asset Reconstruction Company Pvt. Ltd.

#### 13. Earning Per Share

		2010-11 (Rs.)	2009-10 (Rs.)
a) Net profit after tax for Equity Shareholders	(A)	9,69,40,018	10,68,32,873
b) Weighted average number of Equity Shares of Rs.10/- each outstanding at the end of the year (No. of shares)	(B)	52,03,000	52,03,000
c) Basic / Diluted Earnings Per Share	(A / B)	18.63	20.53

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

#### 15. Deferred Tax

The major components of Deferred Tax Assets and Liabilities are :

	2010-11 Rs.	2009-10 Rs.
<b>Deferred Tax Assets</b>		
Expenses allowable on payment basis	8,49,305	5,03,801
Carry forward of Business Loss	82,89,698	9,50,354
Preliminary Expenses	1,178	2,356
Loss in respect of open positions of Futures & Options Contract allowable on square up / expiry.	13,66,540	42,87,644
	<u>1,05,06,721</u>	<u>57,44,155</u>
<b>Deferred Tax Liability</b>		
Depreciation being the difference between carrying amount of Fixed Assets as per Accounts and written down value as per Income Tax Act,1961.	28,05,855	28,84,216
	<u>28,05,855</u>	<u>28,84,216</u>
<b>Deferred Tax Assets (net)</b>	<u>77,00,866</u>	<u>28,59,939</u>

## RATNABALI CAPITAL MARKETS LIMITED

### SCHEDULE ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

#### SCHEDULE - 19 (Contd.)

##### 16. Micro, Small and Medium Enterprises

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

17. No Provision for diminution in the value of Investments to the extent of Rs. 78,32,399/- (Previous year - Rs. 15,61,157/-) has been made in these accounts as the same is not considered to be permanent in nature.

18. 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, 2010	—
Provided during the year	—
Amount used during the year	—
Reversed during the year	—
Balance as at 31st March, 2011	—
Timing of outflow / uncertainties	Outflow on settlement / crystallisation

b) The Contingent Liability mentioned at Sl. No.1(b) is dependent upon the outcome of the appeal.

c) No reimbursement is expected in the case of Contingent Liability shown under Sl.No.1(b) above.

19. Auditors' Remuneration :

	Year ended 31st March, 2011	Year ended 31st March, 2010
	Rs.	Rs.
As Auditors	1,86,236	1,70,236
As Advisor - Taxation matter	26,000	9,250
- Management Services	25,000	33,000
For Certification Matters	14,559	19,265
	<u>2,51,795</u>	<u>2,31,751</u>

20. Expenditure in Foreign Currency :

a) Travelling	14,71,383	12,10,528
b) Books & Periodicals	28,588	36,000
c) Membership Subscription	1,28,294	1,49,438
d) Telephone Expenses	13,629	1,754
e) Medical reimbursement	2,45,002	—
f) Other expenses	86,758	36,445

21. Other notes in respect of Subsidiary Company.

a) The Subsidiary Company had received the Certificate of Registration from Reserve Bank of India to commence / carry on the business of Non-Banking Financial Institution without accepting public deposits during the financial year 2010-11.

b) Reserve Fund has been created pursuant to the provision of Section 45-1C of the Reserve Bank of India Act, 1934.

22. The Company has not received the audited financial statements of its Associate, as such unaudited figures in respect of share of profit of the Associate has been considered in the Consolidated Accounts.

23. 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  
F.R. No. 302082E  
CA. SUNITA KEDIA  
Partner  
Membership No. 60162  
Place : Kolkata  
Dated : 30th April, 2011

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

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

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

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	Rs.	Rs.	Rs.	Rs.
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>				
A. NET PROFIT BEFORE TAXATION AND SHARE OF ASSOCIATE		9,16,86,210		10,45,70,766
Adjustment for :				
Depreciation on Fixed Assets	41,65,503		43,00,471	
Interest Paid on Term Loan & Unsecured Loan	2,82,89,949		2,06,31,095	
Loss on Sale of Fixed Assets	3,84,484		1,10,208	
Profit on sale of long term Investments	(3,07,32,044)		(13,56,02,575)	
Provision for Gratuity & Leave encashment	11,01,000		4,37,000	
Sundry balance written off (net)	749		5,106	
Preliminary expenses written off	—		11,436	
Provision / Liability no longer required written back	(10,235)		(20,000)	
Interest received on debentures	(20,23,397)		(67,80,574)	
Interest on Bank Deposits	(2,62,98,386)		(3,66,26,797)	
Dividend Received on Investments	(94,46,030)	(3,45,68,407)	(12,09,71,618)	(27,45,06,248)
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES		5,71,17,803		(16,99,35,482)
B. CHANGES IN WORKING CAPITAL				
Adjustment for :				
Trade & Other Receivables	(14,09,02,814)		(4,00,17,573)	
Inventories	(44,12,78,602)		9,92,72,344	
Trade Payables	4,36,81,930	(53,84,99,486)	(1,30,51,527)	4,62,03,244
CASH USED IN OPERATION		(48,13,81,683)		(12,37,32,238)
Direct Taxes (Paid) / Refund (net)		(46,29,240)		(65,35,528)
CASH FLOW BEFORE EXTRA - ORDINARY ITEMS		(48,60,10,923)		(13,02,67,766)
Extra - Ordinary Items		—		—
NET CASH USED IN OPERATING ACTIVITIES		(48,60,10,923)		(13,02,67,766)
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Investments		(1,04,36,63,488)		(1,91,90,56,795)
Sale of Investments		1,20,31,72,553		1,89,06,86,080
Investment in an Associate		(75,00,000)		—
Maturity Proceeds of Fixed Deposits (net)		(97,75,000)		(38,00,000)
Interest received on Debentures & Fixed Deposits		2,83,21,783		4,34,07,371
Purchase of Fixed Assets		(11,01,893)		(1,18,27,111)
Sale Proceeds of Fixed Assets		4,86,247		6,14,700
Dividend Received on Investments		94,46,030		12,09,71,618
NET CASH FLOW FROM INVESTING ACTIVITIES		17,93,86,232		12,09,95,863

## RATNABALI CAPITAL MARKETS LIMITED

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of Equity Share Capital	—	2,04,00,000
Proceeds from Secured Loans (net)	25,59,63,693	10,36,16,622
Proceeds from Unsecured Loans	10,26,50,000	4,25,00,000
Dividend Paid (including corporate tax on dividend)	(3,03,35,767)	(2,43,49,000)
Interest Paid on Term Loan & Unsecured Loan	(2,82,89,949)	(2,06,31,095)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>29,99,87,977</b>	<b>12,15,36,527</b>
Net Change in Cash & Cash Equivalents	(66,36,714)	11,22,64,624
Cash and Cash Equivalents as on 1st April, 2010	17,56,05,207	6,33,40,583
<b>Cash and Cash Equivalents as on 31st March, 2011</b>	<b>16,89,68,493</b>	<b>17,56,05,207</b>
<b>Cash and Cash Equivalents comprises :</b>		
Cash in Hand	3,01,471	11,42,069
Balance with Scheduled Banks in Current Accounts	66,94,138	46,96,624
Fixed Deposits (maturing within three months)	15,50,00,000	16,95,75,000
Stamps in Hand	3,26,594	1,91,514
Interest Accrued on Fixed Deposits (maturing within three months)	66,46,290	—
	<b>16,89,68,493</b>	<b>17,56,05,207</b>
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. 2.83 lakhs (Previous year - Rs. 2.80 lakhs) and Client Bank Account - Rs. 119.49 lakhs (Previous year - Rs. 34.89 lakhs) and Fixed Deposits Rs. 155.00 lakhs (Previous year - Rs.169.58 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. Balance with Scheduled Banks in current account is net of Bank Overdrawn amount of Rs. 59,29,898/-.		
4. Reconciliation of items of Cash & Cash Equivalents as disclosed in Cash Flow statement with the equivalent items as reported in the Balance Sheet.		
	<b>As at 31st March, 2011</b>	<b>As at 31st March, 2010</b>
Cash and Cash Equivalents as per Cash Flow Statement	16,89,68,493	17,56,05,207
Add: Fixed Deposits classified as Investing Activities	17,62,75,000	16,65,00,000
Bank Overdrawn Balance	59,29,898	—
Less: Interest accrued on Fixed Deposits (maturing within three months)	66,46,290	—
Cash and Bank Balances as reported in the Balance Sheet	<b>34,45,27,101</b>	<b>34,21,05,207</b>
5. Previous year's figures have been regrouped and rearranged wherever necessary to conform with this year's classification.		
6. Consideration of Rs. 75,00,000/- for Investment in Shares of Associate have been fully discharged by means of cash.		
7. Figures in bracket represents cash outflow from respective activities.		
As per our attached report of even date.		
For G. P. AGRAWAL & CO. Chartered Accountants F.R. No. 302082E CA. SUNITA KEDIA Partner Membership No. 60162 Place : Kolkata Dated : 30th April, 2011	For GOENKA SURESH & ASSOCIATES Chartered Accountants F.R. No. 313139E CA. S. K. GOENKA Proprietor Membership No. 51226	For and on behalf of the Board VIKASH SOMANI Managing Director SURESH KUMAR SOMANI Jt. Managing Director HANSRAJ JARIA Company Secretary