LOHIA SECURITIES LIMITED

ANNUAL REPORT
2012 - 2013

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hari Kishan Lohia

Mr. Mahesh Kumar Bajaj

Mr. Vineet Goenka

Mr. Sameer Bajaj

Mr. Rajesh Kumar Bajaj-Managing Director

Mr. Sudheer Kumar Jain-Whole-time Director

BANKERS

Allahabad Bank

Axis Bank Ltd.

Federal Bank

HDFC Bank Ltd.

ICICI Bank Ltd.

IDBI Bank

Oriental Bank of Commerce

Punjab National Bank

United Bank of India

Yes Bank

COMPANY SECRETARY

Mr. Narendra Kumar Rai

REGISTERED OFFICE

4 Biplabi Trailokya Maharaj Sarani

(Brabourne Road), 5th floor,

Kolkata 700 001

Phone no. 033-4002 6600/ 6700

Fax: 033-4002 6800

Email: info@lohiasecurities.com

grievance@lohiasecurities.com

Web: www.lohiasecurities.com

AUDITORS

Patni & Co.

Chartered Accountants

1 India Exchange Place

2nd floor, Room no.219

Kolkata 700 001

REGISTRAR & SHARE TRANSFER AGENT

M/s. Niche Technologies Pvt. Ltd.

D-511, Bagree Market

71 B.R.B.B.Road,

Kolkata 700 001

Phone: 033-2235 7270/ 71, 2234 3576

Fax: 033-2215 6823

Email: nichetechpl@nichetechpl.com

Contents:

Lohia Securities Limited

Notice	3-7
Directors' Report	8-12
Management Discussion & Analysis	13-19
Report on Corporate Governance	20-33
Independent Auditors' Report	34-38
Balance Sheet	39
Statement of Profit & Loss	40
Cash Flow Statement	41-42
Notes on Accounts	43-72
Statement u/s. 212	73

Consolidated Financial Statement 74-100

Financial Snapshot & Graph 101-103

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of Lohia Securities Limited will be held at 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001 on Saturday, the 21st day of September, 2013 at 10.30 A.M. for transaction of the following businesses:-

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss 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, 2013.

3. To appoint a Director in place of Mr. Hari Kishan Lohia, who retires by rotation and being eligible, offers himself for reappointment.

4. To appoint a Director in place of Mr. Vineet Goenka, who retires by rotation and being eligible, offers himself for reappointment.

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

   "Resolved that M/s Patni & Co., Chartered Accountants (Registration no. 320304E), be and are hereby re-appointed as the Auditors of the Company to hold such office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company to conduct the audit, on such remuneration as shall be fixed by the Board of Directors of the Company."

Registered Office:
4 Biplabi Trailokya Maharaj Sarani
(Brabourne Road), 5th floor,
Kolkata 700 001
Dated: 30th May, 2013.

By Order of the Board
Lohia Securities Limited

Narendra Kumar Rai
Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
   Proxies, in order to be effective, must be received at the registered office of the company not less than forty-eight hours before the commencement of the meeting i.e. by 10.30 A.M. on 19th September, 2013.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 17th September, 2013 to Saturday, 21st September, 2013 (both days inclusive).

NOTICE *(Contd.)*

3. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Ex changes, on Directors recommended by the Board of Directors for reappointment at this AGM is appearing herewith.

4. Dividend on equity shares, if declared at the meeting, will be made payable on or after 26th September, 2013 in respect of shares held in physical form to those members whose names appear in the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company as at the end of business hours on 16th September, 2013 and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for this purpose

5. Members/ Proxies are requested to bring their Attendance Slip alongwith their copies of the Annual Report and Accounts to the Meeting.

6. Members seeking any information as regards the Accounts are requested to write to the Company at least one week in advance so as to enable the Management to keep the information ready.

7. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account number for identification.

8. Members holding shares in physical form are requested to notify/ send the following to company's Registrar and Share Transfer Agent- **M/s. Niche Technologies Pvt. Ltd., D -511, Bagree Market, 71, B.R.B.B. Road, Kolkata- 700 001**:-

i) Any change in their address/ mandate/ bank details/ e-mail address.
ii) Particulars of their bank account, in case the same have not been furnished earlier, and
iii) Share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.

9. Shareholders holding shares in electronic form may kindly note that their bank account details as furnished by their depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the depositories. Members are requested to notify any change in their bank account details to their Depository Participants immediately and not to send requests for change in their bank account details directly to the Company or to the Registrar and Share Transfer Agent.

NOTICE *(Contd.)*

10. Members are informed that dividends remaining unclaimed/ unpaid over a period of seven years shall be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their dividend warrant(s)/ cheques are requested to make their claims to the Company before the expiry of the statutory period of seven years. Unclaimed Dividend for the financial year ended 31st March, 2006 will be due for transfer to the Investor Education and Protection Fund of the Central Government on 2nd November 2013, pursuant to the provisions of Section 205A of the Companies Act, 1956.

11. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit the prescribed Form 2B for this purpose to the Registrar and Share Transfer Agent of the Company.

12. Securities and Exchange Board of India vide its circulars dated 27th April, 2007 and 25th June, 2007 has made it mandatory with effect from 2nd July, 2007, for every participant in the securities/ capital market to furnish income tax Permanent Account Number (PAN). Accordingly, all the shareholders (including joint holders) holding shares in physical form are requested to submit copy of their PAN Card duly attested by the Notary Public/ Gazetted Officer/ Bank Manager under their official seal stating their full name and address, registration number to our Registrar & Share Transfer Agent, **M/s. Niche Technologies Pvt. Ltd.**

13. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars stating that a Company would have complied with Section 53 of the Companies Act, 1956 if the service of document has been made through electronic mode. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings through their depository participants. Members who hold shares in physical form are requested to intimate their e-mail addresses to the Company's dedicated e-mail ID, i.e. narendra.rai@lohiasecurities.com, in case the members wish to avail the aforesaid facility.

14. The Consolidated Financial Statements of the Company and its subsidiaries prepared in accordance with 'Accounting Standard - 21' prescribed by The Institute of Chartered Accountants of India, form part of the Annual Report and the Accounts. The Balance Sheet, Statement of Profit and Loss, Reports of the Board of Directors and Auditors of the subsidiaries have not been attached with the Balance Sheet of the Company as per the general exemption provided under Section 212(8) of the Companies Act, 1956 by the Ministry of Corporate Affairs, issued vide General Circular No. 2/2011 dated 8th February, 2011.

NOTICE *(Contd.)*

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

RESOLUTION NOS. 3 & 4

Reappointment of Directors:

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

By Order of the Board
for Lohia Securities Limited

Place: Kolkata
Date : 30th May, 2013

Narendra Kr. Rai
Company Secretary

NOTICE *(Contd.)*

Details of the Director seeking re-appointment at the 19th Annual General Meeting

Name of the Director	Mr. Hari Kishan Lohia	Mr. Vineet Goenka
Date of Birth	13th November, 1952	16th March, 1975
Date of Appointment	6th January, 1995	17th May, 2004
Qualification	BCOM	BCOM, ACA
Expertise in specific functional areas	He is a Commerce Graduate from University of Calcutta. He is one of the promoter directors of Lohia Securities Limited. He has more than 31 years experience of Capital Market. He is also a member of Calcutta Stock Exchange.	He is a Chartered accountant and has more than 14 years experience of capital market. He is giving his advises to Board on matters relating to administration, finance, investment and taxation.
List of Companies in which outside Directorship held	Public Companies: Nil Private Companies: (1)Lohia Fiscal Market Private Limited, (2) Luminant Commotrade Private Limited, (3) Lohia Stock Broking Private Limited (4) Trade City Commodities Private Limited, (5) Daadi Stock Broking Private Limited (6) Shiv Lalit Consultancy Private Limited. (7) Trade City Securities Private Limited (8) Trade City Real Estate Private Limited (9) Trade City Barter Private Limited (10) Bagada Vinimay Private Limited, (11) HKL Properties Private Limited (12) Ridhi Sidhi Distributor Private Limited	Public Companies: Nil Private Companies: (1) Ridhi Sidhi Distributor Private Limited
Chairman/ Member of the Committee of the Board of Directors of the Company (Lohia Securities Ltd.)	•Nil	•Member of Audit Committee •Member of Investors Grievance Committee •Member of Remuneration Committee
Chairman/ Member of the Committees of the Directors of other Companies in which he is a Director	Nil	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 19th Annual Report and the audited accounts of your Company for the financial year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

FINANCIALS OF THE COMPANY ON THE STANDALONE BASIS:

The Statement of Profit and Loss of your Company on standalone basis shows a loss after tax of ₹ 71.32 lakhs (Previous Year: Loss of ₹ 133.23 lakhs). The disposable profit is ₹ 1187.85 lakhs (₹1270.75 lakhs) after taking into account the balance of ₹1259.17 lakhs (₹1403.98 lakhs) brought forward from the previous year. The brief financial highlights are as below:

Particulars	Financial Year **2012-13** (₹ in lakh)	Financial Year **2011-12** (₹ in lakh)
Total Income	5243.47	4634.46
Total Expenditure	-5051.20	-4485.21
Operational Profit	**192.27**	**149.25**
Finance Cost	-238.50	-207.60
Cash Operating Profit/ Loss (-)	**-46.23**	**-58.35**
Depreciation/ Amortisation	-64.43	-79.93
Profit / Loss (-) Before Tax	**-110.66**	**-138.28**
Tax Expenses- Current	-	-
Tax Expenses- Deferred Tax	39.34	25.10
Profit After Taxes for Current Year	**-71.32**	**-113.18**
Income Tax for Earlier years	-	-20.05
Net Profit	**-71.32**	**-133.23**
Balance brought forward from last year	**1259.17**	**1403.98**
Profit Available for Appropriation	**1187.85**	**1270.75**
Proposed Dividend on Equity Shares	-9.97	**-9.96**
Tax on Proposed Dividend	-1.69	**-1.62**
Balance to be Carried for Next Year	**1176.19**	**1259.17**

DIVIDEND

In view of the losses incurred by the Company your Directors have recommend a dividend of ₹ 0.20 per equity shares i.e. 2% (Previous year ₹ 0.20, 2%) on par value of ₹ 10/- each for the year ended 31st March, 2013. As, the Company will also pay a dividend tax of 16.995% (Previous year 16.2225%),

DIRECTORS' REPORT *(Contd.)*

the total dividend outgo will be ₹ 11.66 lakhs (Previous year ₹ 11.58 lakhs). The payment of dividend is subject to approval of the shareholders at the ensuing Annual General Meeting.

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

OPERATIONS:

Lohia Securities Limited (Standalone)

The lower turnover and operating margin in an environment of high interest cost has put severe pressure on the Company's profitability.

The standalone revenue for the year was ₹ 5243.47 lakhs as compared to ₹ 4634.46 lakhs for the year ended 31st March, 2012 resulting in annualized increase of 13.14%. Operating Profit (Earnings before interest, depreciation and Corporate tax) for the period ended 31st March, 2013 was **₹ 197.27 lakhs** as against ₹ 149.25 lakhs for the year ended 31st March 2012 with annualized increase of 32.17%.

The Company has Loss before Tax of **₹ 110.66 lakhs** (as compared to last year's ₹ 138.28 lakhs) after meeting interest expenses of **₹ 238.50 lakhs** (last year's ₹ 207.60 lakhs) and depreciation of **₹ 64.42 Lakhs** (last year's ₹ 79.93 lakhs) for the year ended 31st March, 2013. The Net Loss for the year was ₹. **71.32 lakhs** (as compared to last year's net loss of ₹ 133.23 lakhs). In view of the losses during the year, your Board has decided not to transfer anything from Profit & loss account to General Reserve (Previous year -Nil).

Lohia Securities Limited (Consolidated)

The consolidated revenue of the Company for the year was **₹ 5650.20 lakhs** an increase of 18.43% as compared to previous year. There were decline in the Brokerage Income, Income from operation, Receipt of DP division and dividend from shares lying as inventories.

The Net Group Loss incurred after tax was **₹ 117.59 lakhs** as against Loss of ₹280.56 lakhs of last year.

Summary of Consolidated Financial Results of the company & its subsidiaries

Particulars	2012-13 ₹ in lakh	2011-12 ₹ in lakh
Total Income	5650.20	4770.91
Total Expenditure	-5492.87	-4799.83
Operational Profit	**157.33**	**-28.92**
Finance Cost	-263.78	-231.06
Cash Operating Profit	-106.45	-259.98
Depreciation/ Amortisation	-76.71	-94.68
Profit Before Tax	**-183.16**	**-354.66**
Tax Expenses- Current	-0	-0.5
Tax Expenses- Deferred Tax	65.57	94.66
Profit After Taxes for Current Year	**-117.59**	**-260.5**
Income Tax for Earlier years	0	-20.06
Net Profit	**-117.59**	**-280.56**

DIRECTORS' REPORT *(Contd.)*

As on 31st March, 2013, Lohia Securities Limited has four 100% subsidiaries. Details of their business and operations are given below:-

Trade City Securities Private Limited has a Trading Membership of NSE in Capital and F&O Segment and Trading Membership of BSE in Capital and F&O Segment. It reported a net loss of ₹57.49 lakhs compared to previous year's net loss of ₹31.58 lakhs.

Trade City Commodities Private Limited is a member of NCDEX, MCX, National Spot, NCDEX Spot, and ICEX and is engaged in commodity trading and registered with FMC. The Company had a net profit after tax of ₹ 10.13 lacs against last year's Net Loss of ₹ 114.33 lakhs.

Trade City Real Estate Private Limited is engaged in property and real estate business. It is also investing surplus moneys in shares and securities. The Company has earned net profit of ₹ 3.25 lakhs compare to net loss of ₹ 0.55 lakhs of last year.

Trade City Barter Private Limited is a non-banking finance company and is engaged in investment and financing activities. The Company has incurred a net loss of ₹ 2.15 lakhs compared to last year's net loss of ₹ 0.87 lakhs.

COMPLIANCE UNDER SECTION 212 OF THE COMPANIES ACT, 1956

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the Subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of the subsidiary companies.

DIRECTORS RESPONSIBILITY STATEMENT

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

i) in the preparation of the annual accounts, applicable accounting standards have been followed and that there are no material departures from the same.

ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2013 and of the loss of the company for the year ended on that date.

iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the directors have prepared the annual accounts on a going concern basis.

DIRECTORS' REPORT *(Contd.)*

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

DIRECTORS
In accordance with the provisions of the Companies Act, 1956 and Article 90 of the Articles of Association of the Company, Mr. Hari Kishan Lohia and Mr. Vineet Goenka retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Board is of the opinion that their continued association with the Board of Directors of the Company will be beneficial to the Company and hence recommends their re-election.

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

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

AUDITORS' REPORT:
The statutory auditors of the Company submitted their report on the accounts of the Company for the accounting year ended 31st March, 2013, which was self explanatory and needed no comment. As regard to point no. (ix) of the Annexure to the Auditor's Report, the Company is hopeful of a favourable decision of its appeal to (a) Commissioner of Income Tax Kolkata VI against the balance demand of ₹ 5.80 lakhs for the year 2004-05, (b) Income Tax Appellate Tribunal against the demand of ₹9.98 lakhs for the year 2007-08 (c) Commissioner of Income Tax, Kolkata VI against the demand of ₹ 24.85 lakhs for the year 2009-10 and hence no provision have been made in the account

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:
In view of the nature of activities which are being carried on by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively are not applicable to the Company

DIRECTORS' REPORT *(Contd.)*

FOREIGN EXCHANGE EARNINGS AND OUTGO:
Total foreign exchanges used and earned are as below (₹ in lakhs)

Expenditure in Foreign Currency

Particulars	2012-13	2011-12
Software Expenses	-	0.47
Total	-	0.47

Inflow in Foreign Currency

Particulars	2012-13	2011-12
Incentive from Reuters	0. 12	-
Total	**0.12**	**-**

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

ACKNOWLEDGEMENTS
Your Board places on record their sincere appreciation for the cooperation and support received from shareholders, customers, business associates, bankers, SEBI and other regulatory and government authorities.

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

For and on behalf of the Board of Directors

Rajesh Kumar Bajaj
Managing Director

Sudheer Kumar Jain
Whole-time Director

Kolkata, the 30th day of May, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The Indian economy has seen a sustained downturn over the last two years with the result that the GDP growth has declined from 8.4% in FY11 to 5% in FY13.It was the slowest pace of expansion in nearly a decade. This was mainly due to the protracted weakness in industrial activity aggravated by domestic supply bottlenecks (manufacturing sector expanded at 1% in financial year 2013 vis-à-vis 2.7% in financial year 2012) and slowdown in the service sector reflecting weak external demand. Agricultural production was impacted during the year reflecting deficiency and uneven distribution of rainfall. Agricultural sector expanded at 1.9% in Financial Year 2013 vis-à-vis 3.6% in Financial Year 2012. Inflation after progressively rising from 7.5 % in April 2012 to over 8% till September 2012, has now declined to 4.9% in April 2013. It is 41 months low and within RBI comfort zone.

The National Stock Exchange (NSE) Index (S&P CNX Nifty) which was at 5295.55 points in March 2012, moved to **5682.55** points in March 2013, registering an increase of **7.31%**. The Bombay Stock Exchange (BSE) Sensitive Index (Sensex) also registered increase of **8.22**% from 17404.20 points to **18835.77** points during the same period. On 29th day of January 2013, BSE Sensex reached a high of **20203.66** points and NSE S&P CNX Nifty reached **6111.80**. The lowest BSE sensex was 15748.98 and NSE (S&P CNX Nifty) Index 4770.35 on the 4th day of June 2012. Thus, there was a fluctuation of 28.28% between High and Low in BSE Sensex during the year and 28.12% between NSE's High and Low. The NSE trading volume for CM segment during the year was ₹ **2,708,279** crore as compared to previous year ₹ 2,810,893 crore. The F&O segment of NSE has achieved a trading value of ₹ **31,533,004** crore during the year as compared to ₹31,349,732 crore of the year 2011-12. The Currency segment of NSE achieved trading volume of ₹**5,274,465** crore in the year 2012-13 against ₹ 4,674,990 crore in last year. BSE registered total equity turnover during 2012-13 of ₹ **548,631** crore compared to previous year's ₹ 667,022 crore**.** BSE F&O had a turnover of ₹**7,163,577** crore during the year 2012-13 against previous year's ₹ 808,476 crore.

Your Company has a note-worthy presence in the eastern region of the Indian Capital Market with Trading and Clearing Corporate Membership of the National Stock Exchange (Capital Market Segment as well as Derivative Market Segment), Deposit based membership of Bombay Stock Exchange Limited and Membership of the Calcutta Stock Exchange. Your Company is also a Clearing and Trading Member of F&O Segment of BSE, trading cum clearing membership of Currency Derivative of NSE and

MANAGEMENT DISCUSSION AND ANALYSIS REPORT *(Contd.)*

Trading Membership of Currency Derivative of MCX Stock Exchange and United Stock Exchange. Your Board has surrendered the in-active dealership of OTC Exchange of India and Trading Membership of Exchange Traded Currency Derivative of BSE.

The stock broking and depository services have huge growth opportunities due to existing low penetration levels. However, these businesses are facing tremendous competitive pressures and regulatory compliances. As per SEBI, there were 9195 brokers (Cash market), 4713 corporate brokers, 77163 sub-brokers, 2232 Derivative Brokers (Trading and Clearing members) and 823 Depository participants as on 31.12.2012. There were 1738 stock brokers as on 31.12.2012 in respect of Currency Derivative Segment. Stockbrokers and Depository Participants have to comply with various laws. The advances in technologies have also affected these businesses. Your Company is gearing up well to face all such developments by increasing its reach across geographical areas and client segments, improving its infrastructure and technological, financial and human resources.

Opportunities and Threats

The Indian economy is growing at healthy rate leading to more investment and capital requirements. It will ultimately lead to a higher share of the financial service industry in the disposable income. With the change in attitude from wealth safeguard to wealth growth, there will be more opportunity for service providers. The scope of diversification of house hold savings from banks to other channels like mutual funds, equities, bonds and commodities are immense. The implementation of regulatory reforms would win the confidence of public in large and it would help in greater participation of all classes of investors in the capital market.

The increase in the number of large broking houses with their financial muscle power pose a threat to the existence of small and medium broking houses. With the lowering of income from brokerage and fees from DP services and increase of the cost of services, it is posing a great threat for the survival of intermediary business. Retention of skilled manpower especially arbitrageur is also a threat to the Company. Your Company has diversified into other businesses by acquiring/ promoting subsidiary companies. The wholly owned subsidiaries are (a) Trade City Commodities Private Limited-engaged in Commodity Trading, (b) Trade City Real Estate Private Limited-Property Dealing (c) Trade City Securities Private Limited-Share broking with Membership of NSE and BSE-Cash and Derivative Segment - especially in retail business, (d) Trade City Barter Private Limited- an NBFC Company. Your Company has started trading activities on Currency Derivative of MCX Stock Exchange on proprietary basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT *(Contd.)*

The Company is concentrating its activities to a cross section of society across India and has branches in Kolkata, Mumbai, Patna, Giridih, Guwahati and Purulia. It is providing professional, value added, comprehensive and integrated financial and wealth growth solutions across equities, derivatives, currency derivatives segment and depository participant division. This feature helped the Company in generating more business than its competitors.

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

Activity-wise performance

Industry wise the NSE trading volume for CM segment during the year was ₹ 2,708,279 crore as compared to previous year ₹ 2,810,893 crore. The F&O segment of NSE has achieved a trading value of ₹ 31,533,004 crore during the year as compared to ₹ 31,349,732 crore of the year 2011-12. The Currency Derivative segment of NSE has a turnover of ₹ 5,274,465 crore against ₹ 4,674,990 crore of 2011-12**.** BSE registered total equity turnover during 2012-13 of ₹ 548,631 crore compared to previous year's ₹ 667,022 crore**.** In F&O BSE had a turnover of ₹ 7,163,577 crore during the year 2012-13 against previous year's ₹ 808,476 crore.

Your Company has not performed satisfactorily due to recession in the broking industry and stiff competition.

Total Turnovers of the Company are as below: (₹ in Lakhs)

Exchange	Segment	2012-13	2011-12	Change	Increase/ De-
NSE	Capital Market	174,481.10	155,037.78	19,443.32	12.54
	Future & Option	2,332,484.74	2,916,261.90	-583,777.16	-20.02
	Currency Derivative	1,166,970.11	2,005,823.05	-838,852.94	-41.82
BSE	Capital Market	2,247.20	3,544.10	-1296.90	-36.59
	Future & Option	29,645.60	34,680.00	-5034.40	-14.52
MCX-SX	Currency Derivative	76,172.49	40,436.00	35736.49	88.38
USE	Currency Derivative	283.08	55,743.30	55,460.22	-99.49
NSDL &	Services as Deposito-	22.89	22.96	-0.07	-0.30

MANAGEMENT DISCUSSION AND ANALYSIS REPORT *(Contd.)*

From the sale of products like shares, mutual fund and surplus from the equity and currency derivative transaction and after setting of losses from non delivery transaction your Company has earned ₹ 4,849.33 lacs during the year in comparison to ₹ 4,281.92 lacs of last year. (an increase of 13.25%)

During the year, the Broking activities of the Company posted a gross revenue of ₹ 106.59 lacs as compared to ₹ 95.10 lacs for the year ended 31.03.2012 resulting in annualized increase of 12.08%. The Depository managed to bring in revenue of ₹ 22.89 lacs during the year as compared to ₹ 22.96 lacs of last year (a decrease of 0.30%).

Outlook

The financial year 2012-13 started with a note of optimism. However, the inflation, high fiscal deficit, current account deficit, slow pace of reforms, sluggish recovery of US economy and continued Eurozone crisis soon led to the sliding of Indian GDP growth to around 5%. The political uncertainty at the centre is continuing to cast its shadow on the return of growth. However, with inflation falling and RBI cutting rates in March 2013 and May 2013, Indian macro-economic indicators appeared to have bottomed out. At the same time RBI has indicated that scope for further rate cuts is limited as headline inflation is still above its comfort zone. It has pegged the outlook for inflation at 5.5% and GDP growth at 5.7% for financial year 2013-14. Given that financial year 2013-14 is likely to be a second consecutive year of below 6% growth, the operating environment in financial year 2013-14 may not be significantly different from that of financial year 2012-13, as macro headwinds will take some time to end.

In the given situation, the mantra for this year will be improving operating efficiency and reduction of operating cost of the Company.

With the long term Indian growth story intact and given diversified model of the Company, we are confidant of garnering our share when growth reappears. Starting from a single product company in 1995, we now encompass many businesses and have a wide product range. Your Company has an active role in trading in capital as well as derivative market of NSE and BSE. It is also engaged in the Currency Derivative segment of NSE, MCX-SX and USE.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT *(Contd.)*

All our efforts are being made to keep the expenses under check so that resources would be deployed more gainfully. The Company is encouraging its workforce to acquire more and more knowledge about the market and its intermediation works.

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

Risks and Concerns

Your Company recognizes the importance of a comprehensive Risk Management system. The Company believes in a practical, responsible approach to risk. It is our constant effort to ensure that every risk we take has been thoroughly assessed, and that all risks are according to their potential return. Towards this end, we have made significant investments in manpower and technology for risk management during the year under review. This system will help not only to meet and comply with regulatory requirements but also to bring about an improvement in asset quality and profitability. It will eventually increase the shareholders' value. The Market risk and Operational risk need to be identified, assessed, controlled and managed for effective and efficient operation. Your Company has endeavored to bench-mark its Risk Management System on lines of market best practices and emerging regulatory norms.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT *(Contd.)*

A comprehensive risk evaluation methodology and processes for early identification and mitigation of all kinds of risks being in place, except for unforeseen circumstances and marginal exposure to financial risk in retail capital markets division, your Company is quite a risk free business. We have worked to strengthen our enterprise wide risk management process and practices through our risk philosophy, whose core lies in the identification, measurement, monitoring and action.

Internal Control System

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

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

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

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

Discussion on financial performance with respect to operational performance

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT *(Contd.)*

The management's relentless focus was on assets productivity, strengthening of internal efficiency, cost consciousness and improved realization on turnovers. Gross revenue from operations was increased by 13.14% to ₹ 5243.47 lakhs against last year's ₹ 4634.47 lakhs. Thus there was a rise in the business of ₹ 609.00 lakhs, primarily driven by increase of (a) ₹567.42 lakhs in sale of products, (b) ₹ 11.43 lakhs in sale of services, (c) ₹ 37.36 lakhs from other non-operating income and (d) decrease of ₹ 7.21 lakhs from Other Operating Revenue.

However, the total expenses increased by ₹ 581.40 lakhs in comparison to last year. It was because of increase in (a) purchase of stock in trade by ₹655.56 lakhs (b) finance cost by ₹ 30.90 lakhs (c) Stock in trade of ₹ 106.08 lakhs and decrease in (d) Employees benefit expenses of ₹ 29.32 lakhs (e) amortization expenses of ₹. 15.50 lakhs and (f) other expenses of ₹ 166.32 lakhs

Loss before tax was ₹110.67 lakhs (less by ₹ 27.61 lakhs in comparison to last year) while Net Loss at ₹71.33 lakhs (less by ₹ 61.89 lakhs in comparison to last year). Earnings (Loss) per share (EPS) for the year stand at (₹1.43) {Previous Year loss of (₹ 2.67)}. Cash generated from Operations aggregated ₹ 29.44 lakhs compared to ₹ 504.43 lakhs in previous year (short by ₹474.99 lakhs).

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

The relationship between the Management and the Employees at various levels has been quite cordial. To improve efficiency and for a more effective manpower utilisation, the Company has been constantly providing opportunities for learning and competitive remuneration. A challenging work environment has always been encouraged so as to create awareness amongst the employees for evaluation of their performance against the demanding standards. The employees are encouraged to improve their performance. They are provided training on job as well as outside. Periodic group and individual meetings are conducted with employees and their feedback is taken.

The number of persons employed in the Company as on 31st March, 2013 was 83 (previous year: 92).

For and on behalf of the Board of Directors

Rajesh Kumar Bajaj
Managing Director

Sudheer Kumar Jain
Whole-time Director

Kolkata, the 30th day of May, 2013

REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance is pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges and forms a part of the report of the Board of Directors. The company has complied with the applicable requirements of Clause 49 of the Listing Agreement

A. COMPLIANCE WITH MANDATORY REQUIREMENTS

1. THE COMPANY'S GOVERNANCE PHILOSOPHY

Lohia Securities is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders' and other Stakeholders' interest. In line with this philosophy, Lohia Securities Limited endeavors to maintain transparency at all levels through adoption of best Corporate Governance Practices. The basic governance frameworks reflecting the values of the entity are ingrained in the functions.

2. BOARD OF DIRECTORS

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

a) Composition and size of the Board

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

As at 31st March, 2013, the composition of the Board of Directors is in conformity with the prescribed code of Corporate Governance by the Stock Exchanges. As mandated under Clause 49 of the Listing Agreement with the Stock Exchanges, none of the Directors are member of more than ten Board level Committee nor is any of them a Chairman of more than five Board level Committee in which they are members.

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

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

* The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.
* The Company did not have any material pecuniary relationship or transaction with the non-executive directors during the period under review.

b) Board Procedure

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

- Strategy and Business Plans
- Annual Operating and Expenditure Budgets
- Statutory Compliances
- Adoption of Quarterly/ Half Yearly/ Annual Results
- Minutes of Meeting of the Board Committees, and
- Minutes of the Board Meetings of the Subsidiaries.

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

c) Meetings and Attendance

Nine Board meetings were held during the year, as against the minimum requirements of four meetings. The Company has held at least one Board Meeting in every three months and maximum time gap between any such two meetings was not more than four months. During the financial year ended 31st March 2013, Board Meetings were held on 02.04.2012, 30.05.2012, 17.07.2012, 06.08.2012, 22.09.2012, 12.11.2012, 21.01.2013, 13.02.2013, and 06.03.2013.

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

Name of the Directors	No. of Board Meeting		Whether attended the last AGM
	Held	Attended	
Mr.Hari Kishan Lohia	9	9	No
Mr. Mahesh Kumar Bajaj	9	9	No
Mr. Rajesh Kumar Bajaj	9	9	Yes
Mr. Sudheer Kumar Jain	9	9	Yes
Mr. Vineet Goenka	9	6	No
Mr. Sameer Bajaj	9	9	Yes

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

3. COMMITTEES OF THE BOARD

Currently there are three Board Committees-the Audit Committee, Remuneration Committee and Investor Grievance Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Signed minutes of the Board Committee are placed for information of the Board Members

a. Audit Committee

Composition
The Audit Committee comprises of three Non Executive Directors (two of them independent). All of them financially literate and most of them have accounting or related financial management expertise. The Chairman of the Committee is an independent Director.
Mr. Sameer Bajaj, Chairman
Mr. Mahesh Kumar Bajaj
Mr. Vineet Goenka

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

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

Attendance
During the financial year ended on 31st March, 2013 meetings of the Audit Committee were held on 2nd April. 2012, 30th May, 2012, 6th August, 2012, 12th November, 2012 and 13th February, 2013 which were attended by all the above members. The gap between two meetings never exceeded four months.

b. Remuneration Committee

Composition
The Remuneration Committee comprises of three Non–Executive Directors, two of whom are independent. The Chairman of the Remuneration Committee is Mr. Sameer Bajaj. Mr. Mahesh Kumar Bajaj and Mr. Vineet Goenka are the two other members of this Committee.

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

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

Meetings and Attendance
No meeting of the Committee was held during the year

Remuneration of Directors
The Remuneration Committee, comprising only of Non-Executive Directors, determines remuneration of Executive Directors and Senior Executive. The aggregate amount of salary paid for the year ended 31st March, 2013, to Mr. Rajesh Kumar Bajaj, Managing Director of the Company was ₹ 15,00,000/- and Mr. Sudheer Kumar Jain Whole-time Director was ₹ 9,00,000/-.The Non-executive Directors were not paid any sitting fees for attending meeting of the Board and Committee thereof. The Company has not paid any commission to Non-Executive Directors.

c. Shareholders/ Investors Grievance Committee

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

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

Details of grievances of the shareholders as on 31st March, 2013 is as below:

Number of Shareholder Complaints received during the year.	Nil
Number of complaints not solved to the satisfaction of the shareholders till 31st March, 2013	Nil
Number of Complaints pending as at 31st March, 2013	Nil

Meetings and Attendance
During the financial year ended 31st March, 2013, only one meeting of the Shareholders/ Investors Grievance Committee was held on 13.02.2013 for consideration of the future policies of the Company in relation to handling of investor grievances.

4. GENERAL BODY MEETINGS

a) Location and time, where last three AGMs held

Financial Year	Date	Time	Place
2009-10	Saturday, 25th September, 2010	10.30 A.M.	4 Biplabi Trailokya Maharaj Sarani (Braboune Road), 5th floor, Kolkata 700 001
2010-11	Saturday, 17th September, 2011	10.30 A.M.	4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001
2011-12	Saturday, 22nd September, 2012	10.30 A.M.	4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

b) Special Resolutions passed at the last 3 (three) AGM held

Date of AGM	Items
25th September, 2010	a) Main Object Clause in the Memorandum of Association altered to undertake depository participant activities, functions and responsibilities and such other activities, which are incidental and ancillary to the same. b) Appointment of Mr. Mayank Bajaj under Section 314(1B) of the Companies Act, 1956 for holding office or place of profit.
17th September, 2011	Nil
22nd September, 2012	Nil

No Extraordinary General Meetings were held during the last three years.

c) Special Resolution passed last year through Postal Ballot- Details of Voting Pattern-
No Special Resolution was passed through Postal Ballot.
d) Person who conducted the postal ballot exercise: *Not Applicable*
e) Whether any special resolution is proposed to be conducted through postal ballot: *Nil*
f) Procedure for Postal Ballot: *N.A.*

Resume and other information of the Directors proposed to be re-appointed (including those retiring by rotation) at the ensuing Annual General Meeting are given in the Notice relating thereto to the shareholders as required under Clause 49IV(G) of the amended Listing Agreement.

5. DISCLOSURES:

- A Statement in summary form of transactions with related party in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all transactions with the related parties were on arms length basis.
- There are no materially significant related party transactions i.e. transactions material in nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. having potential conflict with the interests of the Company at large.
- While preparation of financial statements for the year under review, no accounting treatment which was different from that prescribed in the Accounting Standards followed.
- For the list of disclosures of related party relationship and transactions as per Accounting Standard AS-18, "Related Party Disclosures", **Note 29** to the Annual Audited Accounts of the Company for the year ended 31st March, 2013 may be referred to.
- In accordance with the requirement of Corporate Governance the Board of Directors of the Company has formulated a Code of Conduct for Directors and Senior Management Personnel of the Company and all concerned thereof has affirmed the compliance. The required declaration to this effect signed by the Managing Director and the Whole-time Director is appended as a separate Annexure to this Report. The Code of Conduct has been hosted on the Company's web site www.lohiasecurities.com .
- No stricture was imposed on the Company by any regulatory authority on any matter related to capital market during the last three years.

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

- The Company has laid procedure to inform the Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.
- In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 as amended in February, 2002, the Board of Directors of the Company has formulated the Code of Conduct for prevention of insider trading in Equity Shares of the Company by its Directors and Employees.
- The Board of Directors of the Company have received a Certificate from the Managing Director and a Whole-time Director of the Company in compliance of Clause 49(V) of the Listing Agreement.
- The Company has not made any public issue/ rights issue and preferential issues during the period under review.

6. MEANS OF COMMUNICATION

Subject	Details
Whether half yearly reports are sent to each of the household of shareholders	No, the financial results are published in the Newspaper, as required under the Listing Agreements
Quarterly Results	Published in the newspaper in terms of Clause 41 of the Listing Agreement
Newspapers wherein results published	The Financial Express- English Kalantar, Newz Bangla- Bengali
Any website, where displayed	www.lohiasecurities.com
E-mail for Investor Complaints	Pursuant to amended Listing Agreement with Stock Exchanges Clause 47(f) has been inserted for exclusive e-mail id for redressal of investor grievances. Accordingly the Company has created an exclusive e-mail id: grievance@lohiasecurities.com
Whether it also displays official news released and presentations made to institutional Investors/ Analysis	No
Whether MD&A is a part of Annual Report	Yes, the same is part of Directors' Report

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

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

7. GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting: Date, time and Venue	:	Saturday, 21st September, 2013, 10.30 A.M. at the Registered Office of the Company at 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001
2.	Financial Year	:	1st April, 2012 to 31st March, 2013
3.	Directors seeking appointment/ reappointment	:	As required under Clause 49(V)(G), particulars of Directors seeking appointment/ reappointment are given in the explanatory statement annexed to the Notice of the Annual General Meeting to be held on 21st September, 2013.
4.	Book Closure Date	:	The Register of Members will be closed from Tuesday, 17th September, 2013 to Saturday 21st September, 2013 (both dates inclusive) as annual closure for the Annual General Meeting and payment of dividend, if declared.
5.	Dividend Payment Date	:	The Board has recommended a dividend of Re. 0.20 per equity share for the year ended 31st March, 2013; if declared at the AGM, this would be payable on or after 26th September, 2013.
6.	Financial Calendar Period (Tentative)		
	Financial reporting for the quarter ending June 30, 2013	:	First fortnight of August 2013
	Financial reporting for the quarter ending September 30, 2013	:	First fortnight of November 2013
	Financial reporting for the quarter ending December 31, 2013	:	First Fortnight of February 2014
	Financial reporting for the year ending March 31, 2014	:	Last week of May 2014
	Annual General Meeting for the year ended March 31, 2014	:	Last fortnight of September, 2014
7.	Registered Office	:	4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001
8.	Listing of Equity Shares on Stock Exchanges	:	• The Calcutta Stock Exchange Limited • BSE Limited (under permitted category)
9.	Listing fees	:	All listing and custodial fees to the stock exchange and depositories have been paid to the respective institutions.

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

10.	Stock code and Stock ID	:	a) The Calcutta Stock Exchange Limited - 22123-LOHIASEC b) BSE-590082-LOHIASEC
11	ISIN		ISIN in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited-INE803B01017.

12. Market Price Data:

Monthly high and low quotes and volume of shares traded on Calcutta Stock Exchange (CSE): There were no trading of the equity shares of Lohia Securities Limited for the period from 01/04/2012 to 31/03/2013 at the Calcutta Stock Exchange. The close price as on 31st March 2013 is ₹ 6.00. The shares of the Company were permitted for trading on BSE platform with effect from 06.05.2008 and the closing price as on 31st March. 2013 was ₹ 84.00

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

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
Jun12	82.85	83.00	79.00	83.00	12,003
Aug 12	83.00	83.00	83.00	83.00	10,500
Dec 12	81.00	81.50	81.00	81.00	22,000
Jan 13	81.50	81.50	81.00	81.00	10,000
Feb 13	84.50	84.50	84.50	84.50	50
Mar 13	85.50	88.00	83.65	84.00	75

13. Performance in comparison to broad-based indices such as BSE sensex, CRISIL index etc. : The Company's share does not form a part of the CSE-40 or CSE-50 index. Similarly it is not form of BSE Sensex.

14. Registrars and Transfer Agents (Share transfer and communication regarding share certificates, dividend and change of address) : M/s. Niche Technologies Pvt. Ltd.
D-511, Bagree Market,
71, B.R.B.B. Road
Kolkata- 700 001

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

15. Share Transfer System : Share transfers are registered and returned within a period of 15 days from the date of receipt, in case documents are complete in all respects. All share transfers are approved by the whole-time Director under the authority delegated to him by the shareholders/ investors Grievance Committee. During the year ended 31st March, 2013, 72 transfers of 7901 shares, in physical form, were transferred and the transfer process was completed within an average time period of not more than 15 days from the date of lodgement unless notices were required to be sent to the Registered Owners in certain identified categories of cases.

16. a) Distribution of Shareholding as at the year ended 31.3.2013:

No. of Shares	**No. of Share-holders**	**% of Total**	**No. of Shares**	**% of Total**
Upto- 500	310	81.1518	15,173	0.3045
501-1,000	3	0.7853	2,149	0.0431
1001-5000	7	1.8325	19,688	0.3951
5001-10,000	8	2.0942	63,731	1.2790
10,001-50,000	26	6.8063	7,01,257	14.0730
50,001-1,00,000	16	4.1885	13,22,763	26.5455
1,00,001- & above	12	3.1414	28,58,239	57.3598
Total	**382**	**100.0000**	**49,83,000**	**100.0000**

b) Categories of Shareholders as at the year ended 31.03.2013

Category	No. of Shareholders	% of Total	No. of Shares	% of Total
Bodies Corporate:				
Promoters	6	1.571	772,069	15.494
Others	33	8.639	1,425,206	28.601
Clearing Member	2	0.523	355	0.007
Total Bodies Corporate	**41**	**10.733**	**2,197,630**	**44.102**
Resident Individuals				
Promoters (Directors & Relatives)	15	3.927	2,383,931	47.841
Others	326	85.340	401,439	8.056
Total Individuals	**341**	**89.267**	**27,85,370**	**55.897**
TOTAL	**382**	**100.000**	**4983000**	**100.000**

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

17. Top Ten Shareholders as on 31st March, 2013

Sr. No.	Name of shareholders	Number of Shares Held	% of total
1	Hari Kishan Lohia	431000	8.65
2	Rajesh Kumar Bajaj	419800	8.42
3	Mahesh Kumar Bajaj	390400	7.83
4	Sudheer Kumar Jain	312000	6.26
5	Shiv Lalit Consultancy Pvt. Ltd.	265000	5.32
6	Sarla Lohia	205100	4.12
7	Trade City Barter Pvt. Ltd.	205000	4.11
8	Sunita Bajaj	140700	2.82
9	Ridhi Sidhi Distributor (P) Ltd.	137000	2.75
10	Hallmark Merchants Pvt. Ltd.	132021	2.65
	Total	**2638021**	**52.94**

18. Dematerialisation of Shares and Liquidity :

Trading in the Company's shares is permitted only in dematerialized form. The Company has established connectivity with both the depositories viz. NSDL and CDSL through the Registrar M/s. Niche Technologies Pvt. Ltd., whereby the investors have the option to de-materialize their shares with either of the depositories. As on 31st March, 2013, about 49,74,670 (99.833% of the Company's) shares were held in dematerialized form.
None of the Company's shares are under lock-in period for any purpose.

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

Shares held in dematerialized and physical mode as on March 31, 2013

Category		Shareholders		Shares	
		Number	Percentage	Number	Percentage
Dematerialised	NSDL	203	53.141	45,75,369	91.820
	CDSL	84	21.990	3,99,301	8.013
	Subtotal	**287**	**75.131**	**49,74,670**	**99.833**
Physical Mode		95	24.869	8,330	0.167
	Grand Total	**382**	**100.00**	**49,83,000**	**100.000**

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

19. Outstanding GDR/ Warrants : None

20. Address for Correspondence:

- For matters related to shares, transfer/ transmission requests:
  M/s. Niche Technologies Pvt. Ltd.
  D-511, Bagree Market,71, B.R.B.B. Road
  Kolkata- 700 001
  Phone no.-033-2235 7270/ 71.

- For queries/ assistance on issues other than shares (including those related to financial statements)
  Mr. Narendra Kumar Rai
  Company Secretary
  Lohia Securities Ltd.
  4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor,
  Kolkata 700 001
  Phone no. 033-4002 6600/6700, Fax-4002 6800.,
  Email:narendra.rai@lohiasecurities.com
  The Company can be visited at its website at http://www.lohiasecurities.com

21. Investor Services:
Number of Complaints from Shareholders during the year ended March 31, 2013

Complaints outstanding as on 1st April, 2012	:	Nil
Complaints received during the year ended 31st March, 2013	:	Nil
Complaints resolved during the year ended 31st March, 2013	:	Nil
Complaints pending as on 31st March, 2013	:	Nil

B. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

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

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

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

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

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

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

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

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

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

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

Rajesh Kumar Bajaj
Managing Director

Sudheer Kumar Jain
Whole-time Director

Kolkata, the 30th day of May, 2013

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION AS PER CLAUSE 49(V) OF THE LISTING AGREEMENT

The Board of Directors,
Lohia Securities Limited
4 Biplabi Trailokya Maharaj Sarani (Brabourne Road)
5th floor, Kolkata 700 001

Certification to the Board pursuant to Clause 49(V) of the Listing Agreement

We, Rajesh Kumar Bajaj, Managing Director and Sudheer Kumar Jain, Whole-time Director, hereby certify that in respect of the Financial Year ended on March 31, 2013

1) We have reviewed the financial statement and the cash flow statements for the year and that to the best of our knowledge and belief:-
   a) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading
   b) These statements together present a true and fair view of the Company's affairs and we are in compliance with existing accounting standards, applicable laws and regulations.

2) There are to the best of our knowledge and belief no transaction entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same.

4) We have indicated to the auditors and the Audit Committee:
   a) Significant changes, if any, in internal control over the financial reporting during the year.
   b) Significant changes, if any, in accounting policies during the year and the same has been disclosed in the notes to the financial statements; and
   c) Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

Rajesh Kumar Bajaj
Managing Director

Sudheer Kumar Jain
Whole-time Director

Kolkata, the 30th May, 2013

REPORT ON CORPORATE GOVERNANCE *(Contd.)*

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Board of Directors
Lohia Securities Limited
4 Biplabi Trailokya Maharaj Sarani (Brabourne Road)
5th floor, Kolkata 700 001

We have examined the compliance of conditions of Corporate Governance by M/s. Lohia Securities Limited, for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

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

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

For **PATNI & Co.**
Chartered Accountants
Firm Regn. No. 320304E

Sashi Sureka
Partner
Membership No. 57918

Place: 1 India Exchange Place, 2nd floor, Kolkata 700 001
Date: the 30th day of May, 2013

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF LOHIA SECURITIES LTD.

Report of the Financial Statements

We have audited the accompanying financial statements of Lohia Securities Ltd. which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standard on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to be best of our information and according to the explanations given to us the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and

INDEPENDENT AUDITOR'S REPORT ***(Contd.)***

(b) in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of Cash Flow Statements, of the Cash Flow of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order , 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with books of account;

   d. In our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

   e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

1, India Exchange Place
Kolkata – 700 001

For PATNI & CO.
CHARTERED ACCOUNTANTS

Dated: The 30th Day of May 2013

S. SUREKA
(Partner)
Membership No. 057918
Firm Regn.No.320304E

INDEPENDENT AUDITOR'S REPORT ***(Contd.)***

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

i) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the company were physically verified by the management during the year. We have been informed that no material discrepancies have been noticed on such physical verification. Substantial parts of fixed assets have not been disposed off during the year, which will affect its status as going concern.

ii) Physical verification of inventories has been conducted by the management during the year at reasonable intervals. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business. The company is maintaining proper records of inventory. As informed to us, no discrepancies were found on physical verification of inventories as compared to book records.

iii) The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register required to be maintained under section 301 of the Companies Act, 1956. Hence question of reporting whether the terms and conditions of such loans are prejudicial to the interest of the company, whether reasonable steps for recovery of over dues of such loans are taken does not arise.

The company has taken unsecured loan from five parties covered in the register required to be maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 19,54,50,000/-. In our opinion, the rate of interest and other terms and conditions of loan taken by the company from companies, firms or other parties listed in the register required to be maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company. The company is regular in the payment of interest. The balance of loan as on 31.03.2013 is ₹ 2,84,00,000/- There is no specific stipulations which regard to repayment of loans.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of fixed assets and for providing services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.

v) As per information and explanations given to us we are of the opinion that the contracts or arrangements that need to be entered into a register required to be maintained in pursuance of section 301 of the Act have been so entered.

In our opinion, each of these contracts or arrangements made in pursuance of contracts or arrangements have made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

INDEPENDENT AUDITOR'S REPORT ***(Contd.)***

vi) According to information and explanations given to us, in our opinion, the company has not accepted public deposits upto 31.03.2013.

vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

viii) The company is not engaged in production, processing, manufacturing or mining activities. Hence, the provisions of section 209(1)(d) do not apply to the company. Hence in our opinion, no comment on maintenance of cost records u/s 209(1)(d) is required.

ix) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty & Cess and any other statutory dues with appropriate authorities applicable to it. According to information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty and excise duty were outstanding as at the last date of the accounting year for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of Dues	Period to which it pertains	Amount	Forum where dispute pending
Income Tax Act, 1961	Income Tax	F.Y. 2004-2005	₹ 5,80,437/-	Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	F.Y. 2007-2008	₹ 9,98,598/-	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	F.Y. 2009-2010	₹ 24,84,920/-	Commissioner of Income Tax

x) The company has no accumulated losses. The company has incurred cash loss of ₹ 46,23,999.43 in the current financial year and has cash loss of ₹ 57,57,969.05 in the immediately preceding financial year.

xi) According to records of the company, the company has not defaulted in repayment of dues to financial institutions or banks or debentures holders.

xii) As informed to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other similar securities.

INDEPENDENT AUDITOR'S REPORT ***(Contd.)***

xiii) The company is not a chit fund, nidhi or mutual benefit fund / society.

xiv) The company has maintained proper records of the transactions and contracts of dealing in shares, securities, debenture and other investments and we have been informed that timely entries have been made therein. As explained to us, all the shares have been laid by the company in its own name except to the extent of exemption granted u/s 49 of the Companies Act, 1956.

xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.

xvi) The term loans obtained by the company have been applied for the purpose for which they were raised.

xvii) According to the information and explanation given to us, we report that no funds raised on short-term basis have been used for long term investment by the company and vice versa.

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 debenture.

xx) The company has not raised any money by public issues during the period covered by our audit report.

xxi) During the checks carried out by us, no fraud on or by the company has been noticed or reported during the year under report.

1, India Exchange Place
Kolkata – 700 001

For PATNI & CO.
CHARTERED ACCOUNTANTS

Dated: The 30th Day of May 2013

S. SUREKA
(Partner)
Membership No. 057918
Firm Regn.No.320304E

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Notes	As at 31.03.2013 Amount in ₹	As at 31.03.2012 Amount in ₹
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUND			
(a) Share Capital	3	49,872,500.00	49,872,500.00
(b) Reserves and Surplus	4	231,990,719.85	240,289,342.28
		281,863,219.85	290,161,842.28
(2) NON CURRENT LIABILITIES			
(a) Long Term Borrowings	5	-	116,640.00
		-	116,640.00
(3) CURRENT LIABILITIES			
(a) Short - Term Borrowings	6	154,993,030.91	173,639,134.03
(b) Trade Payables	7	3,996,166.37	3,534,410.31
(c) Other Current Liabilities	8	38,764,476.82	32,273,550.32
(d) Short - Term Provisions	9	1,165,972.00	1,158,273.00
		198,919,646.10	210,605,367.66
TOTAL		**480,782,865.95**	**500,883,849.94**
II. ASSETS			
(1) NON CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	10	17,067,282.81	20,727,091.81
(ii) Intangible Assets	11	2,132,395.08	2,653,137.48
(b) Non Current Investment	12	113,066,800.00	114,066,800.00
(c) Deferred Tax Assets	13	9,817,544.00	5,883,529.00
(d) Long Term Loan & Advances	14	35,140,649.32	36,094,408.32
		177,224,671.21	179,424,966.61
(2) CURRENT ASSETS			
(a) Inventories	15	16,534,667.56	30,000,404.92
(b) Trade Receivables	16	13,389,553.74	3,207,608.98
(c) Cash and Bank Balances	17	247,228,670.53	263,582,076.55
(d) Short Term Loans & Advances	18	22,252,639.81	18,770,406.71
(e) Other Current Assets	19	4,152,663.10	5,898,386.17
		303,558,194.74	321,458,883.33
TOTAL		**480,782,865.95**	**500,883,849.94**

Corporate Information	1
Significant Accounting Policies	2
Notes to Accounts	3 to 38

As per our attached report of even date
For Patni & Co.
Chartered Accountants
(Firm Registration No. 320304E)

For and on behalf of Board of Director's

SASHI SUREKA
(Partner)
Membership No. 57918
Place : Kolkata
Date : 30th May 2013

Sd/-	Sd/-	Sd/-
Narendra Kumar Rai	**Rejesh Kumar Bajaj**	**Sudheer Kumar Jain**
Company Secretary	Managing Director	Whole-time Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Notes	Amount in ₹ Figures for the year ended 31.03.2013	Amount in ₹ Figures for the year ended 31.03.2012
I REVENUE FROM OPERATION	20	498,463,938.31	441,299,535.76
II. OTHER INCOME	21	25,882,873.92	22,147,117.78
III. TOTAL REVENUE (I+II)		**524,346,812.23**	**463,446,653.54**
IV EXPENSES			
(a) Purchases of Stock In Trade	22	342,358,722.50	276,802,416.46
(b) (Increase)/Decrease in Inventories	23	13,465,737.36	2,857,796.95
(c) Employee Benefit Expenses	24	29,802,357.73	32,733,634.60
(d) Finance Cost	25	23,850,006.04	20,760,123.93
(e) Depreciation & Amortization Expenses		6,442,666.00	7,993,433.00
(f) Other Expenses	26	119,493,988.03	136,126,412.68
TOTAL EXPENSES (a to f)		**535,413,477.66**	**477,273,817.62**
V PROFIT/(LOSS) BEFORE TAX (III-IV)		(11,066,665.43)	(13,827,164.08)
VI TAX EXPENSES			
- Current Tax		-	-
- Earlier Year Tax		-	2,005,499.18
- Deferred Tax		(3,934,015.00)	(2,510,194.00)
VII PROFIT / (LOSS) FOR THE PERIOD		**(7,132,650.43)**	**(13,322,469.26)**
VIII EARNING PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH			
(1) Basic		(1.43)	(2.67)
(2) Diluted		(1.43)	(2.67)
Corporate Information	1		
Significant Accounting Policies	2		
Notes to Accounts	3 to 38		

As per our attached report of even date
For Patni & Co.
Chartered Accountants
(Firm Registration No. 320304E)

SASHI SUREKA
(Partner)
Membership No. 57918
Place : Kolkata
Date : 30th May 2013

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-
Narendra Kumar Rai	**Rejesh Kumar Bajaj**	**Sudheer Kumar Jain**
Company Secretary	Managing Director	Whole-time Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2013

Amount in ₹

		31.03.2013		**31.03.2012**
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extraordinary Items		**(11,066,665.43)**		**(13,827,164.08)**
Adjustment for :				
Depreciation	6,442,666.00		7,993,433.00	
Interest Expenses	22,445,670.04		18,863,721.93	
Miscellaneous Balance Written Off	-		71,591.03	
Interest Received	(24,351,428.85)		(21,711,663.54)	
Provision for Bad & Doubtful Debts	-		75,762.03	
Bad Debts	1,186,516.94		140,065.46	
Dividend Received from Investment	(2,500.00)		(1,750.00)	
(Profit)/Loss on Sales Of Investments	74,938.00		-	
(Profit)/Loss on Sales Of Fixed Assets	-	**5,795,862.13**	1,159.00	**5,432,318.91**
Operating Profit before Working Capital Adjustment		**(5,270,803.30)**		**(8,394,845.17)**
Changes in Current Assets				
(Increase)/Decrease in Inventories	13,465,737.36		2,857,796.95	
(Increase)/Decrease in Debtors	(11,368,461.70)		42,717,745.13	
(Increase)/Decrease in Other Current Assets	1,745,723.07		(2,508,661.46)	
(Increase)/Decrease in Loans & Advances	(3,059,273.10)		12,524,918.07	
(Increase)/Decrease in Prepaid Expenses	530,799.00		148,076.00	
	1,314,524.63		**55,739,874.69**	
Changes in Current Liabilities				
Changes in Trade Payable	461,756.06		(115,072.30)	
Changes in Other Payable	7,822,618.85		1,546,029.12	
Changes in Other Liabilities	(1,384,293.75)		1,667,210.45	
	6,900,081.16		**3,098,167.27**	
Changes in Working Capital		8,214,605.79		58,838,041.96
Cash Generated from Operation		**2,943,802.49**		**50,443,196.79**
Payment of Taxes		-		(2,005,499.18)
Net cash flow from operating activities		**2,943,802.49**		**48,437,697.61**

CASH FLOW STATEMENT *(Contd.)*

B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Tangible Fixed Assets	(1,036,087.00)		(1,238,466.00)	
Purchase of Intangible Fixed Assets	(1,226,027.60)		(631,817.57)	
Sales Proceeds of Investment	925,062.00		-	
Sales Proceeds of Tangible Fixed Assets	-		2,800.00	
Purchase of Shares	-		(10,000,000.00)	
Dividend From Investment	2,500.00		1,750.00	
Interest Received from Bank Deposits	24,084,010.64		20,629,882.92	
Interest Received from Others	267,418.21		1,081,780.62	
(Increase)/decrease in Bank Deposits	13,997,000.00		(88,012,500.00)	
Net cash realised from Financing Activities		**37,013,876.25**		**(78,166,570.03)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(Decrease) in Secured Loan	(9,951,623.12)		36,220,860.76	
Increase/(Decrease) in Unsecured Loan	(8,850,000.00)		16,750,000.00	
Payment of Dividend	(996,600.00)		(4,983,000.00)	
Payment of Dividend Tax	(161,673.00)		(808,368.00)	
Interest Paid	(22,445,670.04)		(18,863,721.93)	
Net cash realised from financing activities		**(42,405,566.16)**		**28,315,770.83**
Net increase/(Decrease) in cash and cash equivalent		**(2,447,887.42)**		**(1,413,101.59)**
OPENING CASH & CASH EQUIVALENT		5,003,866.16		6,416,967.75
CLOSING CASH & CASH EQUIVALENT		**2,555,978.74**		**5,003,866.16**

Notes to the Cash Flow Statement

CLOSING CASH & CASH EQUIVALENT	**31.03.2013**	**31.03.2012**
Cash at Bank	2,251,508.53	4,616,766.30
Cash in Hand	461,662.00	452,810.25
	2,713,170.53	5,069,576.55
Less: Temporary Bank Overdraft	(157,191.79)	(65,710.39)
	2,555,978.74	5,003,866.16

As per our attached report of even date
For Patni & Co.
Chartered Accountants
(Firm Registration No. 320304E)

SASHI SUREKA
(Partner)
Membership No. 57918
Place : Kolkata
Date : 30th May 2013

For and on behalf of Board

Sd/-	Sd/-	Sd/-
Narendra Kumar Rai	**Rejesh Kumar Bajaj**	**Sudheer Kumar Jain**
Company Secretary	Managing Director	Whole-time Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1

Corporate Information

Lohia Securities Limited ("the company") is engaged in the business of share trading and share broking and its related services in India for the last 18 years. The company offers financial services such as broking for equity, derivatives and currency future, custody accounts, financial product distribution etc. The shares of the company are listed in Calcutta Stock Exchange and Bombay stock Exchange (under permitted category)

Note 2

Significant Accounting Policies

(a) Basis of Preparation

The Financial Statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) to comply with the Accounting Standard notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Use of Estimates

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

(c) Fixed Assets & Depreciation

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

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

(iii) Intangible assets have been amortized over the period of four financial years.

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

(d) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions on non cash nature and any deferrals or accrual of past or future cash receipts or payments.

(e) **Cash and Cash Equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amount of cash which are subject to insignificant risk of changes in value.

(f) Inventories

Inventories are valued at lower of cost or market price. The costs of the shares are determined on First in & First out Basis. Inventories of unquoted shares are valued at cost as market value is not available for the same.

(g) Investments

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

(h) Revenue Recognition:

(i) Brokerage income is recognized on the trade date of transaction upon confirmation of transactions by the stock exchanges and clients. Income from depository services and late payment charges are recognized on the basis of agreement entered into with clients and when right to receive the income is established. Commission income from financial products distribution is recognized on the basis of agreement entered with principal and when the right to receive the income is established.

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

(iii) Interest Income is accounted on accrual basis.

(i) Retirement Benefit

(i) Defined Contribution Plan:

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

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

(ii) **Defined Benefit Plan:**

The Company has opted for a Group Gratuity-cum Life Assurance Scheme of the Life Insurance Corporation of India (LIC), and contribution towards gratuity liability as determined by LIC as required under AS-15 (Revised) i.e under Projected Unit Credit method is charged to the Statement of Profit & Loss

As far as company's liabilities towards leave encashment, company has the policy of paying the leave encashment at the end of the financial year.

(j) Derivative Market Trading

1. In respect of Option Contract, premium paid for contract expiring beyond the balance sheet date has been treated as current assets, adjusted for loss, if any

2. In respect of Futures Contract, Mark-to-Market debit balance has been recognized in the Profit & Loss statement and Mark-to-Market credit balance has been treated as current liabilities as per the guidance note issued by ICAI on accounting of Future & Option contract.

(k) Taxation

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

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

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

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

(l) Foreign Currency Transaction

i) Initial Recognition

Transaction in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transactions.

ii**) Conversion**

Foreign currency monetary items are reported using the closing rates.

iii) Exchange Difference

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

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Note 3

SHARE CAPITAL

Particulars	As at 31st March 2013		As at 31st March 2012	
	No of Shares	Amount in ₹	No of Shares	Amount in ₹
a) Authorised Capital				
Equity Share Capital of ₹ 10 each with voting right	7,500,000	75,000,000.00	7,500,000	75,000,000.00
b) Issued, Subscribed and Fully Paid up Capital				
Equity Share Capital of ₹ 10 each with voting right	4,983,000	49,830,000.00	4,983,000	49,830,000.00
c) Par Value per Share		₹10		₹10

d) Reconciliation of Number of Shares and amount outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2013		As at 31st March 2012	
	No of Shares	Amount in ₹	No of Shares	Amount in ₹
Number and amount of the share at the beginning of the year	4,983,000	49,830,000.00	4,983,000	49,830,000.00
Adjustment (If any)	-	-	-	-
Number and amount of the share at the end of the year	4,983,000	49,830,000.00	4,983,000	49,830,000.00

e) Rights Attached to the Shares

Each Share confers the right to one vote. Shareholders have the right to receive the dividend

f) Shares held by the Subsidiary Company

Name of the Company	As at 31st March 2013		As at 31st March 2012	
	No of Shares	% of holding	No of Shares	% of holding
Trade City Barter (P) Ltd	205,000	4.11	205,000	4.11

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

g) Details of the Shareholder holding shares more than 5 %

Name of the Shareholders	As at 31st March 2013		As at 31st March 2012	
	No of Shares	% of holding	No of Shares	% of holding
Hari Kishan Lohia	431,000	8.65	431,000	8.65
Mahesh Kumar Bajaj	390,400	7.83	390,400	7.83
Rajesh Kumar Bajaj	419,800	8.42	419,800	8.42
Sudheer Kumar Jain	312,000	6.26	312,000	6.26
Shiv Lalit Consultancy (P) Ltd	265,000	5.32	265,000	5.32

h) Details of Forfeited Shares

Class of Share	As at 31st March 2013		As at 31st March 2012	
	No of Shares	Amount originally paid up ₹	No of Shares	Amount originally paid up ₹
Equity Share with voting rights	17,000	42,500.00	17,000	42,500.00

	As at 31.03.2013 Amount in ₹	As at 31.03.2012 Amount in ₹
Note 4		
RESERVES AND SURPLUS		
A) Securities Premium Account		
Opening Balance	19,372,500.00	19,372,500.00
Adjustment	-	-
Closing Balance (Sub Total A)	**19,372,500.00**	**19,372,500.00**
B) General Reserves		
Opening Balance	95,000,000.00	95,000,000.00
Adjustment	-	-
Closing Balance (Sub Total B)	**95,000,000.00**	**95,000,000.00**
C) Surplus		
Opening Balance	125,916,842.28	140,397,584.54
Less: Deduction during the year		
Loss for the year as per Profit & Loss Statement	7,132,650.43	13,322,469.26
Proposed Dividend	996,600.00	996,600.00
Provision for Dividend Tax	169,372.00	161,673.00
Closing Balance (Sub Total C)	**117,618,219.85**	**125,916,842.28**
Total (A+B+C)	**231,990,719.85**	**240,289,342.28**
Note 5		
LONG TERM BORROWINGS		
Secured Long Term Borrowings From Bank		
Term Loan		
Vehicle Loan - Secured against hypothecation of Car	-	116,640.00
Total	**-**	**116,640.00**

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Note 6		
Short-term Borrowings		
(A)Secured Short Term Borrowings From Bank		
1) Term Loan		
Loan against pledge of Fixed Deposits -Partly secured against pledge of Fixed Deposits worth ₹49,750,000/- (2011-2012 :- ₹58,500,000/-)	99,500,000.00	117,000,000.00
2) Bank Overdraft		
(i) Bank overdraft against pledge of Shares Book Value of the Shares pledge with HDFC Bank is ₹10,75,681.33/- (2011-2012:- ₹74,84,939.00)	-	1,171,950.28
(ii) Bank overdraft against personal guarantee of directors and office premises of wholly owned subsidiary company and of a company in which one director is interested	25,093,030.91	16,217,183.75
Sub Total (A)	**124,593,030.91**	**134,389,134.03**
(B) Unsecured Loan from Body Corporate		
a) From Related Parties	28,400,000.00	25,750,000.00
b) From Others	2,000,000.00	13,500,000.00
Sub Total (B)	**30,400,000.00**	**39,250,000.00**
Total (A+B)	**154,993,030.91**	**173,639,134.03**
Note 7		
TRADE PAYABLE		
Payable to Exchanges	3,934,788.98	3,449,100.96
Payable to Clients	61,377.39	85,309.35
Total	**3,996,166.37**	**3,534,410.31**
Note 8		
OTHER CURRENT LIABILITIES		
1)Current maturities of Vehicle Loan	116,640.00	155,520.00
2)Interest Accrued and not due		
(i) Payable to Related Party	653,343.63	184,458.41
(ii)Payable to Others	296,613.30	168,421.46
3)Interest Accrued and due on Bank Borrowings	885,793.15	1,055,332.37

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

4)-Book Overdrawn Bank Balances	157,191.79	65,710.39
5)Other Payables		
a)Margin Deposits from Clients		
(i) From Related Party	25,679,500.00	19,047,226.88
(ii)From Others	5,935,000.00	3,490,000.00
b) Statutory Dues Payable	1,838,091.00	1,386,946.00
c) Outstanding Expenses		
(i) Payable to Related Party	15,728.00	89,880.00
(ii) Payable to Others	1,915,725.95	3,974,911.06
d) Mark to Mark Margin for Unexpired Future & Currency Contracts	1,122,665.00	2,548,126.25
e) Option Premium Received for Unexpired Future & Currency Contracts	148,185.00	107,017.50
Total	**38,764,476.82**	**32,273,550.32**

Note 9

SHORT TERM PROVISIONS

Provision for Dividend	996,600.00	996,600.00
Provision for Dividend Tax	169,372.00	161,673.00
Total	**1,165,972.00**	**1,158,273.00**

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Note :-10
Tangible Assets

Amount in ₹

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Addition	Disposal/ Deduction	As at 31.03.2013	As at 01.04.2012	For the Year	Adjustment For	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Office	4,893,081.00	-	-	4,893,081.00	2,712,884.74	109,010.00	-	2,821,894.74	2,071,186.26	2,180,196.26
Furniture & Fixtures	11,893,248.04	-	-	11,893,248.04	7,793,905.97	741,981.00	-	8,535,886.97	3,357,361.07	4,099,342.07
Vehicles	4,916,165.00	1,012,167.00	-	5,928,332.00	3,472,098.56	577,765.00	-	4,049,863.56	1,878,468.44	1,444,066.44
Office Equipment	5,005,169.24	-	-	5,005,169.24	2,651,272.36	327,427.00	-	2,978,699.36	2,026,469.88	2,353,896.88
Computer & Accessories	61,627,301.02	23,920.00	-	61,651,221.02	56,044,529.01	2,234,918.00	-	58,279,447.01	3,371,774.01	5,582,772.01
Air Conditioner	3,864,846.25	-	-	3,864,846.25	2,249,951.84	224,632.00	-	2,474,583.84	1,390,262.41	1,614,894.41
Electrical Installation	4,825,684.94	-	-	4,825,684.94	2,388,481.20	339,015.00	-	2,727,496.20	2,098,188.74	2,437,203.74
Generator	1,773,454.00	-	-	1,773,454.00	758,734.00	141,148.00	-	899,882.00	873,572.00	1,014,720.00
TOTAL	**98,798,949.49**	**1,036,087.00**	**-**	**99,835,036.49**	**78,071,857.68**	**4,695,896.00**	**-**	**82,767,753.68**	**17,067,282.81**	**20,727,091.81**
PREVIOUS YEAR	**97,575,283.49**	**1,238,466.00**	**14,800.00**	**98,798,949.49**	**71,849,634.68**	**6,233,064.00**	**10,841.00**	**78,071,857.68**	**20,727,091.81**	

Note :-11
Intangible Assets

Amount in ₹

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01.04.2012	Addition	Disposal/ Deduction	As at 31.03.2013	As at 01.04.2012	For the Year	Adjustment For Disposal	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Computer Software	6,393,976.48	1,226,027.60	-	7,620,004.08	4,140,839.00	1,571,770.00	-	5,712,609.00	1,907,395.08	2,253,137.48
Membership Fees	700,000.00	-	-	700,000.00	300,000.00	175,000.00	-	475,000.00	225,000.00	400,000.00
TOTAL	**7,093,976.48**	**1,226,027.60**	**-**	**8,320,004.08**	**4,440,839.00**	**1,746,770.00**	**-**	**6,187,609.00**	**2,132,395.08**	**2,653,137.48**
PREVIOUS YEAR	**6,462,158.91**	**631,817.57**	**-**	**7,093,976.48**	**2,680,470.00**	**1,760,369.00**	**-**	**4,440,839.00**	**2,653,137.48**	

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

	As at 31.03.2013 Amount in ₹	As at 31.03.2012 Amount in ₹
Note 12		
Non Current Investments		
Trade Investment		
Investments in Equity Instruments ; Unquoted		
In Wholly Owned Subsidiaries		
Trade City Securities Pvt. Ltd. 30,00,000 (Previous Year :30,00,000)Equity Shares of ₹10/- each fully paid up Extent of Holding :- 100%	30,000,000.00	30,000,000.00
Trade City Real Estate Pvt. Ltd. 14,50,000 (Previous Year :14,50,000)Equity Shares of ₹10/- each fully paid up Extent of Holding :- 100%	50,750,000.00	50,750,000.00
Trade City Commodities Pvt. Ltd. 15,55,000 (Previous Year :15,55,000)Equity Shares of ₹10/- each fully paid up Extent of Holding :- 100%	20,825,000.00	20,825,000.00
Trade City Barter Pvt. Ltd. 4,25,200 (Previous Year : 4,25,200) Equity Shares of ₹ 10/- each fully paid up Extent of Holding :- 100%	9,779,800.00	9,779,800.00
Sub Total (A)	**111,354,800.00**	**111,354,800.00**
In Others		
The Calcutta Stock Exchange Association Ltd. 250 (Previous Year : 250) Equity Shares of ₹ 1/- each fully paid up	500,000.00	500,000.00
Sub Total (B)	**500,000.00**	**500,000.00**
Non Trade Investment		
Investments in Equity Instruments ; Unquoted		
Nimbus Communication Ltd. 5,000 (Previous Year : 5,000) Equity Shares of ₹ 5/- each fully paid up	1,125,000.00	1,125,000.00
Sub Total (C)	**1,125,000.00**	**1,125,000.00**
Total Of Unquoted Investments D = (A+B+C)	**112,979,800.00**	**112,979,800.00**
Investments in Equity Instruments ; Quoted		
Sidheshwari Garments Ltd. 8,700 (Previous Year: 8,700) Equity Shares of ₹10/- each fully paid up	87000.00	87000.00
Sub Total (E)	87000.00	87000.00

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Investments in Mutual Fund ; Quoted		
LIC Nomura India Vision Fund (Growth Option)	-	1,000,000.00
Nil (Previous Year : 1,00,000) Units of ₹ 10/- each fully paid up		
Sub Total (F)	**-**	**1,000,000.00**
Total Of Quoted Investments G = (E + F)	**87,000.00**	**1,087,000.00**
Total (D+G)	**113,066,800.00**	**114,066,800.00**
Market Value of Quoted Investment in Equity Shares	**26,535.00**	**26,535.00**
Market Value of Quoted Investment in Mutual Fund	**-**	**807,050.00**

Note 13

DEFERRED TAX ASSETS		
Liability Item		
Depreciation	201,973.00	861,294.00
Total	**201,973.00**	**861,294.00**
Assets Items		
Carried Forward Loss	4,151,183.00	2,302,381.00
Unabsorbed Depreciation	5,868,334.00	4,442,442.00
Total	**10,019,517.00**	**6,744,823.00**
Total Deferred Tax Assets (Net)	**9,817,544.00**	**5,883,529.00**

Note 14

LONG TERM LOANS AND ADVANCES		
(Unsecured considered good)		
A) Security Deposits for Office on Rent		
(i) Deposits to Related Parties	4,300,000.00	4,300,000.00
(ii) Deposits to Others	3,500,000.00	3,500,000.00
B) Security Deposits With Exchanges	23,000,000.00	24,100,000.00
C) Other Deposits	3,703,588.32	3,680,257.32
D) Other Long Term Advances - Advance to Staff	637,061.00	514,151.00
Total	**35,140,649.32**	**36,094,408.32**

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Note 15

INVENTORIES	Face Value in ₹	2012-2013 Qty.	2012-2013 Amount In ₹	2011-2012 Qty.	2011-2012 Amount In ₹
Shares (Non Traded, Quoted) Fully Paid up					
Name of the Company					
3I InfoTech Limited	10	500	2,775.00	-	-
A2Z Maintainence and Engineering Services Limited	10	1,000	19,150.00	-	-
Aban Offshore Limited	2	-	-	3,000	1,279,546.65
Acropetal Metaliks Limited	10	2,298	13,443.30	2,500	34,250.00
Adhunik Metaliks Limited	10	200	5,840.00	200	9,180.00
Aksh Optifibre Limited	5	10,000	171,500.00	10,000	60,500.00
Alok Industries Limited	10	5,100	41,820.00	-	-
Alps Industries Limited	10	1,500	2,175.00	3,000	6,450.00
Anco Communications Limited	10	1,000	2,150.00	1,000	2,150.00
Ansal Properties & Infrastructure Limited	5	600	13,290.00	1,500	52,800.00
Archies Limited	2	1,000	14,900.00		
Arvind Remedies Limited	1	10,000	230,000.00	100,000	230,000.00
Arvind Limited	10	-	-	44	3,625.60
Arshiya International Limited	2	20,870	396,530.00	-	-
Asahi India Glass Limited	1	-	-	39,657	2,244,586.20
Ashok Alco Chemical Limited	10	500	7,300.00	500	4,540.00
Ashok Leyland Limited	1	5,592	122,185.20	572	15,955.35
Assam Company Limited	1	2,800	14,700.00	300	2,085.00
Bajaj Hindustan Limited	1	500	9,475.00	2,049	63,723.90
Balrampur Chini Mills Limited	1	1,000	17,250.00	-	-
Baroda Rayon Corporation Limited.	10	485	1,430.75	485	1,430.75
Bhagwati Auto Cast Limited	10	-	-	650	18,330.00
Bhanshali Engineering Polymers Limited	1	1,000	14,850.00	1,000	24,450.00
Bharat Heavy Electricals Limited	10	900	159,300.00	-	-
Bharati Airtel Limited	5	50	14,516.00	70	23,074.30
Bhourkla Aluminum Limited	2	8,000	8,960.00	8,000	17,945.00
Birla Power Solution Limited	1	30,000	7,500.00	30,000	15,000.00
Bio Green Industries Limited	10	-	-	51,105	601,505.85
Blue Star Limited	2	-	-	2,000	370,400.00
Bodal Chemicals Limited	10	2,500	14,750.00	2,500	18,550.00
Burnpur Cement limited	10	4,000	23,400.00	-	-
BSEL Infrastructure Realty Limited	10	-	-	2,000	6,300.00
Cals Refinery Limited	1	20,994	2,309.34	670,955	134,191.00
Chambal Fertilizers & Chemicals Limited	10	197	9,810.25	181	13,991.30
Cipla Limited	2	-	-	400	121,755.25
Cochin Minerals & Rutiles Limited	10	2,176	369,811.20	-	-

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

CORE Education & Technologies Limited	2	350	17,972.50	-	-
Dalmia Bharat Enterprises Limited	2	-	-	1,737	200,800.20
Dewan Housing finance Corporation Limited	10	150	24,315.00	-	-
Divine Multimedia (India) Limited	1	250	1,700.00	-	-
DLF Limited	2	325	76,277.50	-	-
Dolat Investments Limited	1	50,000	80,500.00	50,000	131,500.00
Dredging Corporation of India Limited	10	-	-	30	8,202.00
Easun Reyrolle Limited	2	17,000	977,420.55	2,728	162,316.00
East India Hotels Limited	2	3,002	165,560.30	-	-
Electrosteel Castings Limited	1	-	-	2,500	50,625.00
Emami Paper Mills Limited	2	-	-	200	6,190.00
Emco Limited	2	-	-	500	14,725.00
Eros International Media	10	150	25,479.75	-	-
Escorts Limited	10	6,000	296,867.90	-	-
Eveready Industries India Limited	5	400	6,680.00	400	9,000.00
Expo Gas Containers Limited	10	500	4,520.00	500	3,395.00
Fame India Limited	10	155	5,502.50	-	-
Federal - Mogul Goetze India Limited	10	-	-	81	12,158.10
Foundry Fuel Products Limited	10	6,998	44,997.14	19,780	127,185.40
G V Films Limited	10	15,000	6,150.00	15,000	7,800.00
Gabriel India Limited	1	5,356	102,567.40	-	-
GMR Infrastructure Limited	1	9,997	192,437.00	10,680	306,846.25
Gokaldas Exports Limited	5	2,097	77,811.25	-	-
Gold Benchmark Exchange Traded Scheme	100	-	-	50	94,574.10
Goldman Sachs Nifty Exchange Traded Scheme	10	50	94,574.10	800	426,664.00
Goodyear India Limited	10	650	156,650.00	650	157,957.00
Grable Alok Impex Limited	10	-	-	100	2,015.00
Gradiente Infotainment Limited	10	123,082	526,790.96	-	-
GTL Limited	10	1,500	22,275.00	1,794	74,630.40
GTL Infrastructure Limited	10	1,700	4,505.00	1,696	16,790.40
Gulf Oil Corporation	2	568	33,249.40	-	-
	1	7,000	57,400.00	8,000	94,000.00
Himachal Futuristic Communication Lim-					
Himatsingha Seide Limited	5	6,962	203,502.90	1,554	47,203.10
Hindalco Industries Limited	1	1,500	135,632.20	-	-
Hinduja Foundries Limited	10	17,525	704,194.30	4,615	281,515.00
Hindustan Copper Limited	5	100	9,250.00	-	-
Hindustan Motors Limited	5	2,200	19,140.00	2,200	21,340.00
Hindustan National Glass & Industries Ltd.	2	-	-	37,992	5,622,026.50
Hindustan Unliver Limited	1	-	-	305	124,816.00
Hind Rerctifiers Limited	2	950	48,402.50	-	-
Housing Development and Infrastructure	10	100	4,517.70	-	-

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Housing Development Finance Corp. Ltd.	2	-	-	3,700	286,842.50
Hercules Hoists Limited	1	3,389	353,403.90	-	-
ICICI Bank Limited	10	-	-	39	27,899.40
IFCI Limited	10	844	22,028.40	1,057	43,677.60
IG Petrochemicals Limited	10	6,572	156,413.60	6,572	154,770.60
IKF Technologies Limited	1	14,900	15,794.00	14,900	15,794.00
Indage Restaurants & Leisure Limited	3	85,500	692,550.00	85,500	692,550.00
India Cements Limited	10	1,000	83,550.00	-	-
The Indian Seamless Metal Tubes Limited	5	122,699	1,249,465.65	-	-
Indian Tobacco Company Limited	1	52	15,751.60	-	-
Information Technologies India Limited.	5	100	105.00	100	105.00
Infosys Technologies Limited	5	-	-	246	704,875.55
Infrastructure Development Finance Company Limited	10	3,500	501,683.80	2,997	402,566.15
Integra Garments and Textilies Limited	10	1,265	3,795.00	-	-
Intra Décor Limited	1	8,333	1,666.60	8,333	1,666.60
Inox Leisure Limited	10	-	-	700	35,735.00
Jai Mata Glass Limited	1	12,000	4,560.00	12,000	12,480.00
Jaysynth Dyestuff (India) Limited	1	5,000	39,500.00	5,000	39,500.00
Jagatjit Cotton & Textile Mills Limited	2.50	207,710	164,090.90	207,710	305,333.70
Jaykay Enterprises Limited	10	21,485	75,197.50	20,671	103,148.29
JSW Energy Limited	10	-	-	500	30,650.00
Jyothi Laboratories Limited	1	-	-	200	31,600.00
K S Oils Limited	1	500	1,100.00	500	3,375.00
Kaashyap Technologies Limited	1	43,721	8,744.20	43,721	8,744.20
Kernex Microsystems (India) Limited	10	-	-	3,000	175,875.00
Kingfishers Airlines Limited	10	1,600	12,800.00	1,286	21,219.00
Kirloskar Ferrous Industries Limited	5	14,514	313,336.60	-	
Kitply Industries Limited	10	-	-	2,000	5,600.00
Lee and Nee Software (Exports) Limited	10	500	820.00	500	820.00
LIC Houising Finance	2	1	218.40	-	-
Lovable Lingerie	10	50	12,212.50	-	-
Madras Cement Limited	1	-	-	75	7,646.25
Magnum Ventures Limited	10	1,000	3,350.00	1,000	3,900.00
Mahindra Forgings Limited	10	14,544	543,218.40	1,000	64,655.05
Mahindra Lifespace Developers Limited	10	700	238,174.87	700	212,754.15
Max India Limited	2	-	-	2,132	348,366.75
Mavens Biotech Limited	1	675,000	533,250.00	-	-
Microsec Financial Services Limited	10	-	-	100	2,385.00
MOIL Limited	10	-	-	50	12,512.50
Morarjee Textiles Limited	10	1,265	8,855.00	1,265	12,650.00
Mukand Limited	10	29,908	800,039.00	7,740	259,677.00
Nagarjuna Oil Refinery Limited*	1	6,300	19,215.00	9,400	21,991.90
Nextgen Animation Media Limited	10	80	136.00	80	136.00

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

NHPC Limited	10	4,500	89,325.00	2,486	48,974.20
Nocil Limited	10	3,000	42,000.00	3,000	49,500.85
National Thermal Power Corporation Ltd.	10	500	70,975.00	-	-
Omax Auto Limited	10	-	-	11,853	432,634.50
Oracle Financial Services Software Limited	5	25	64,007.50	-	-
Orient Abrasives Limited	1	1,000	9,250.00	1,000	7,300.00
Orient Cement Limited	1	6,110	253,565.00	-	-
Orient Paper & Industries Limited.	1	6,110	38,187.50	7,710	454,504.50
Orient Refactories Limited	1	1,000	10,160.00	1,000	10,160.00
Paramount Communication Limited	2	2,000	2,900.00	2,000	4,800.00
Parsvnath Developers Limited	5	-	-	100,000	4,452,825.12
Peninsula Land Limited	2	-	-	500	16,225.00
Pennar Aluminum Company Limited.	10	3,500	1,260.00	3,500	2,065.00
Petronet LNG Limited.	10	51	6,910.50	30	4,896.50
Porwal Auto Components Limited	10	3,000	12,510.00	3,000	17,610.00
Power Grid Corporation Limited	10	300	31,734.70	282	28,699.80
Praj Engineers Syndicate Limited	10	400	2,940.00	400	2,520.00
Prestige Estates Projects Limited	10	-	-	9,178	919,635.60
Prudential Sugar Corporation Limited.	10	200	274.00	200	274.00
Punj Lloyd Limited	2	23,993	1,077,266.50	-	-
Quadrant Televentures Limited	10	2,000	7,200.00	2,000	6,480.00
Ramsarup Industries Limited	10	3,200	6,560.00	3,200	21,120.00
Rana Sugars Limited	10	20,000	56,000.00	20,000	70,000.00
Reliance Communication Limited	5	-	-	1,290	108,424.50
Reliance Industries Limited	10	243	187,814.70	1,290	968,274.00
Reliance Power Limited	10	98	6,027.00	96	11,246.40
Royal Orchid Hotels Limited	10	-	-	714	33,771.95
Ruchi Soya Industries Limited	2	-	-	50	4,562.50
Sahara One Media and Entertainment Ltd.	10	95	8,127.25	95	8,127.25
Sanraa Media Limited	1	50,000	4,500.00	50,000	4,500.00
Schneider Electric Infrastructure Limited	2	-	-	98	-
Shah Alloy Limited	10	-	-	500	3,525.00
Shanti Gears Limited	1	-	-	42,546	1,629,512.15
Shipping Corporation of India Limited	10	2,150	86,537.50	1,998	123,975.90
Shoppers Stop Limited	5	727	291,708.75	727	282,188.25
Shree Ashtavinayak Cine Vision Limited	1	6,025	7,531.25	9,025	32,038.75
Shree Mahaganga Sugar Limited	1	2,000	440.00	2,000	440.00
Shree Synthetics Limited.	10	20	19.00	20	19.00
Shristi Infrastructure Development Corporation Limited	10	100	9,000.00	200	23,880.00
Sintex Industries Limited	1	1,600	72,645.70	-	-
S Kumars Nationwide Limited	10	13,500	111,375.00	-	-
State Bank of India Limited	10	14	29,018.50	84	176,093.40

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Sterlite Technologies Limited	2	-	-	500	19,700.00
Subex Limited	10	-	-	300	7,575.00
Sun TV Network Limited	5	2,000	781,000.00	-	-
Supertex Industries Limited	1	400	1,060.00	400	1,668.00
Sujan Towers Limited	5	7,000	16,100.00	158,000	1,186,300.16
Surat Textiles Mills Limited	1	10,000	14,400.00	10,000	14,400.00
Suzlon Energy Limited	2	2,999	40,786.40	897	22,649.25
Swil Limited.	10	7,866	9,832.50	7,866	9,832.50
Talwalkars Better Value Fitness Limited	10	91	12,967.50	-	-
T Spiritual World Limited	10	300	177.00	300	330.00
Taneja Aerospace and Aviation Limited	5	2,000	33,800.00	-	-
Tanla Solutions Limited	1	500	1,575.00	500	3,425.00
Tata Global Beverages Limited	1	300	38,005.35	-	-
Tata Motors Limited.	10	200	53,830.00	42	11,560.50
Tata Power Company Limited	1	4	382.10	-	-
Tata Steel Limited	10	650	203,352.50	-	-
Tata Teleservices (Maharastra) Services Ltd.	10	7,000	54,950.00	6,992	102,432.80
Tayo Rolls Limited	10	7,260	319,214.35	474	30,336.00
TeleData Info Marin Limited	2	1,000	350.00	1,000	350.00
Texmaco Infrastructure and Holdings Limited	10	-	-	7,500	193,381.20
Texmaco Rail and Engineering Limited	1	1,300	63,100.00	-	-
Titagarh Wagons Limited	10	-	-	600	209,340.00
Trigyn Technologies Limited	10	2,500	17,375.00	2,500	32,625.00
TV 18 Broadcast Limited	2	900	23,870.00	-	-
Unitech Limited	2	797	18,764.90	2,692	77,395.00
Valiant Communications Limited	10	34,600	501,700.00	34,600	591,660.00
Videocon Industries Limited	10	-	-	242	41,478.80
Vinyl Chemicals (India) Limited	1	1,000	9,050.00	1,000	8,800.00
Voltamp Transformers Limited	10	-	-	40	20,688.00
Welspun Corporation Limited	5	100	5,035.00	-	-
Welspun Global Brands Limited	10	100	-	100	-
Welspun Projects Limited	10	100	1,241.00	100	3,100.00
Welspun Investments & Commercial Limited	10	50	-	50	-
Wire & Wireless (India) Limited	1	-	-	1,000	8,350.00
Zee Learn Limited	1	-	-	552	8,142.00
Sub - Total (A)		**1,948,889**	**16,532,678.76**	**2,062,653**	**29,998,416.12**

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Shares (Non Traded, Non Quoted) Fully Paid up					
Name of the Company					
Bharat Starch Product Limited	10	11	1,988.80	11	1,988.80
Hexa Tradex Limited	2	-	-	8	-
India Bulls Infrastructure and Power Limited	2	-	-	3,687	-
Nagarjuna Fertilizer & Chemicals Limited	1	7,040	-	7,040	-
Sub - Total (B)		**7,051**	**1,988.80**	**10,746**	**1,988.80**
Total (A+B)		**1,955,940**	**16,534,667.56**	**2,073,399**	**30,000,404.92**
Market value of Quoted Shares			**16,975,678.77**		**33,455,471.21**

Out of the above, shares valuing to ₹ 10,75,681.33 has been pledge with HDFC Bank for taking bank over draft facility. (Refer Note No 6 (2) (i))

Note 16

TRADE RECEIVABLES		
For more than Six Months	1,325,323.81	2,321,515.25
Others		
-Amount due by director or by private company in which director is a director or member	42,766.05	53,264.86
-Others	12,941,334.35	2,835,227.34
	14,309,424.21	5,210,007.45
Less: Allowance for Bad & Doubtful Debts	919,870.47	2,002,398.47
Total	**13,389,553.74**	**3,207,608.98**

Note 17

CASH AND BANK BALANCES

Cash & Cash Equivalent		
Balance with Bank	2,251,508.53	4,616,766.30
Cash on Hand	461,662.00	452,810.25
Sub - Total A	**2,713,170.53**	**5,069,576.55**
Other Bank Balances *	244,515,500.00	258,512,500.00
Sub - Total B	**244,515,500.00**	**258,512,500.00**
Total	**247,228,670.53**	**263,582,076.55**

- **Other Bank Balance represent**

a) Bank Deposits valuing to ₹12,74,50,000/-given as margin money to National Securities Clearing Corporation Limited (NSCCL).

b) Bank Deposits valuing to ₹7,50,000 given as security deposits to The Calcutta Stock Exchange Limited (CSE)

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

c) Bank Deposits valuing to ₹8,00,000 given as margin money and security deposits to MCX Stock Exchange Limited

d) Bank Deposits valuing to ₹ 4,97,50,000/-pledge with HDFC Bank for obtaining term loan (refer note no 6(A)(1)

e) Bank Deposits valuing to ₹6,57,65,500/- pledge with bank for obtaining bank guarantee . The said bank guarantee has been given to the NSCCL and ICCL as margin money & to sales tax office as security deposits

e) Bank Deposits valuing to ₹6,57,65,500/- pledge with bank for obtaining bank guarantee . The said bank guarantee has been given to the NSCCL and ICCL as margin money & to sales tax office as security deposits

f) Bank Deposits includes deposits of ₹ 32,50,000/-(2011-12:- ₹86,50,000/-) with maturity of more than 12 months.

Note 18	Current Year Amount in ₹	Previous Year Amount in ₹
SHORT TERM LOANS AND ADVANCES (Unsecured Considered Good)		
Income Tax (Net)	4,846,605.17	9,541,714.05
Prepaid Expenses	2,303,942.00	2,834,741.00
Margin With Exchange & Clearing Member	5,800,000.00	1,600,000.00
Net Option Premium Paid Carried Forward	5,410,224.25	1,040,655.00
Other Advances	3,891,868.39	3,753,296.66
Total	**22,252,639.81**	**18,770,406.71**
Note 19		
Other Current Assets		
Dividend Receivable	-	150.00
Interest Receivable	3,933,353.25	5,566,218.33
Stamp In Hand	215,208.00	309,613.00
Unamortized Expenses	4,101.85	22,404.84
Total	**4,152,663.10**	**5,898,386.17**
Note 20		
REVENUE FROM OPERATIONS		
From Sales of Product		
Sales of Shares	350,325,294.94	274,239,785.45
Sales of Mutual Fund	501,487.22	-
Profit/(Loss) from Equity Derivative Transactions	119,810,320.55	145,746,790.05
Profit/(Loss) from Currency Derivative Transactions	16,603,839.60	9,148,456.20
Profit/(Loss) from Non Delivery Transactions	(2,307,076.66)	(943,204.46)
Sub Total (A)	**484,933,865.65**	**428,191,827.24**

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

From Sale of Services		
Brokerage Income	10,659,852.92	9,509,906.87
Depository Income	2,289,409.52	2,295,995.07
Sub Total (B)	**12,949,262.44**	**11,805,901.94**
Other Operating Revenue		
Demat Charges Recovered	4,715.00	8,025.00
Clearing Charges	-	25,467.63
Late Payment Charges from Clients	47,909.68	-
Incentive on Trading	528,185.54	1,268,313.95
Sub Total (C)	**580,810.22**	**1,301,806.58**
Total (A+B+C)	**498,463,938.31**	**441,299,535.76**

Note 21
OTHER INCOME

Interest Income	24,351,428.85	21,711,663.54
Dividend from Non Current Investments	2,500.00	1,750.00
Dividend from Shares lying at Inventories	217,915.92	289,858.60
Other Non Operating Income	1,311,029.15	143,845.64
Total	**25,882,873.92**	**22,147,117.78**

*Interest Income includes ₹`23,75,836.27 (2011-2012:- ₹ 16,80,794.01)received on account of Fixed Deposits made from the Margin Money received from trading member & clients .The Fixed Deposits were made on the instruction of trading member (on behalf of its client) & clients . As the said margin money was received from trading member and clients the amount of interest received on the fixed deposits (Margin Money) has been reimbursed to the trading member and clients. Such reimbursement is shown under the head interest expenses in Note No 25.

Note 22
PURCHASE OF STOCK IN TRADE

Purchases of Shares	341,858,722.50	276,802,416.46
Purchases of Mutual Fund	500,000.00	-
Total	**342,358,722.50**	**276,802,416.46**

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Note 23
(Increase)/Decrease in Stock in Trade

Opening Stock	30,000,404.92	32,858,201.87
Less: Closing Stock	16,534,667.56	30,000,404.92
Total	**13,465,737.36**	**2,857,796.95**

Note 24
Employee Benefit Expenses

Salary & Bonus *	27,099,840.00	29,503,536.00
Contribution to Provident and Other Funds **	769,458.00	1,365,883.00
Staff Welfare Expenses	1,933,059.73	1,864,215.60
Total	**29,802,357.73**	**32,733,634.60**

*Salary & Bonus include ₹24,00,000/- for the year 2012-13 (2011-2012 :- ₹ 21,75,000/-) payment to Director's towards managerial remuneration under section 198 of the Companies Act, 1956.
** Refer Note No 32

Note25
FINANCE COST

Interest Cost *	22,445,670.04	18,863,721.93
Other Borrowings Cost	1,404,336.00	1,896,402.00
	23,850,006.04	**20,760,123.93**

* Refer Note No 21

Note 26
OTHER EXPENSES

SEBI & Exchanges Transaction Charges	18,994,153.92	20,508,218.89
SEBI & Exchanges Other Charges	1,242,610.41	1,977,237.81
Securities Transaction Tax	25,916,840.41	32,395,959.24
Professional Charges	45,593,899.00	48,656,968.00
Communication & Connectivity Expenses	6,002,906.57	6,768,637.15
Computer & Software Expenses	1,774,303.67	3,116,399.79
Electricity Charges	3,595,282.02	4,228,275.85
Fees & Subscription	748,555.15	1,014,094.67
Printing & Stationery	587,535.00	1,350,552.75

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Legal & Professional Fees		1,284,312.05		1,369,920.04
Rent		3,970,045.02		3,781,765.10
Broker Note Stamp Expenses		1,065,089.00		719,832.00
Car Expenses		341,440.28		249,752.49
Depository Charges		21,283.79		58,045.54
Donation		27,800.00		148,600.00
General Expenses		806,385.26		1,103,479.30
Insurance Charges		110,804.13		158,761.87
Net Loss on Sale of Non Current Investment		74,938.00		-
Net Loss on Sale of Fixed Assets		-		1,159.00
Postage & Courier Expenses		112,521.25		186,900.62
Bad Debts		1,186,516.94		140,065.46
Provisions for Bad & Doubtful Debts		-		75,762.03
Rates & Taxes		752,796.14		702,436.16
Auditor Remuneration				
-Statutory Audit Fees	60,000.00		60,000.00	
-Tax Audit Fees	15,000.00		15,000.00	
-Certification Charges	36,500.00		67,500.00	
-Others	-	111,500.00	521,000.00	663,500.00
Office Maintenance Charges		1,347,175.31		1,287,570.88
Maintenance Charges for Computers & Equipments		1,366,432.01		1,783,482.43
Others Maintenance Charges		1,274,741.60		1,520,944.72
Sub-Brokerage		113,717.00		220,828.64
Sales Promotions		448,095.00		496,888.93
Travelling & Conveyance Expenses		622,309.10		1,440,373.32
Total		**119,493,988.03**		**136,126,412.68**

Note 27

Contingent Liabilities

a) Bank Guarantee :

The company has taken Bank Guarantee of ₹907.50 lacs from HDFC Bank Ltd against pledge of bank deposits of ₹453.75 lacs and of ₹340 lacs from Federal Bank against pledge of Bank Deposits of ₹170 lacs The above mentioned bank guarantees have been given as margin money in favour of National Securities Clearing Corporation Limited (NSCCL). The company has taken bank guarantee of ₹67.50 lacs from HDFC Bank against pledge of Bank Deposits of ₹33.75 lacs which has been given in favour of Indian Clearing Corporation Limited, towards margin money and trade guarantee fund for trading in Bombay Stock Exchange (BSE).The company has taken bank guarantee of ₹15,500/- against pledge of fixed deposits of ₹15,500/- for security deposit to the sales tax office.

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

b)Income Tax :

a)The company has disputed income tax demand outstanding of `₹5,80,437/- for the Financial Year 2004-05. The company has been legally advised that the demand is likely to be deleted or substantially reduced and accordingly no provision has been made.

b)The income tax department has filed an appeal with ITAT Kolkata against the order of CIT(A)-VI for the Financial Year 2007-2008. The maximum amount of liability involved in the appeal is `₹9,98,598/-. The liability being contingent in nature, thus not provided in the Financial Statements.

c) The company has disputed income tax demand outstanding of ₹24,84,920/- for the Financial Year 2009 -2010. The company has been legally advised that the demand is likely to be deleted or substantially reduced and accordingly no provision has been made.

Note 28

Segment Reporting

The company's operation predominantly comprises of only one segment "Activity relating to

Note 29

Related Party Disclosure

a) Name of the Related Parties

Sl.No.	Nature of Relationship		Name of the Related Parties
1)	Wholly Owned Subsidiaries	:	1)Trade City Securities (P) Ltd 2)Trade City Commodities (P) Ltd 3)Trade City Real Estate (P) Ltd 4)Trade City Barter (P) Ltd
2)	Key Management Personnel (KMP)	:	1)Shri Rajesh Kumar Bajaj 2)Shri Sudheer Kumar Jain
3)	Relatives of KMP	:	1)Smt. Sunita Bajaj 2)Smt Neena Jain
4)	Enterprises over which KMP exercise significant influence	:	1)Daadi Stock Broking (P) Ltd 2)Ridhi Sidhi Distributor (P) Ltd 3)Shiv Lalit Consultancy (P) Ltd 4)Snehdeep Commerce (P) Ltd 5)Narayani Commodities (P) Ltd 6)Rajesh Bajaj (HUF) 7)Sudheer Kumar Jain (HUF)

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

b) Transactions with Related Parties

Amount in ₹

Sl. No	Description of the Nature of Transactions	Wholly Owned Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP exercises significant influence
1	Brokerage Earned	18,585.92 (6,368.60)	3,995.00 -	2,823.00 -	17,468.00 (71,550.00)
2	Depository Charges Received (inclusive Service tax)	476,641.46 (685,465.49)	2,527.35 (2,200.45)	1,665.14 (2,770.59)	12,658.60 (14,521.00)
3	Remuneration Paid	- -	2,400,000.00 (2,175,000.00)	- -	- -
4	Rent Paid	360,000.00 (360,000.00)	- -	- -	600,000.00 (600,000.00)
5	Margin Deposits taken for Trading	2,000,000.00 (100,000.00)	- -	- -	2,190,000.00 (4,000,000.00)
6	Margin Deposits taken for Trading Refunded	2,000,000.00 (100,000.00)	- -	- -	2,190,000.00 (4,000,000.00)
7	Margin Deposit received from Trading Member	79,412,873.12 (62,685,400.00)	- -	- -	- -
8	Margin Deposit refunded to Trading Member	77,280,600.00 (65,238,173.12)	- -	- -	- -
9	Interest Received on Bank Deposits reimbursed to Trading Member	1,849,175.99 (1,493,658.55)	- -	- -	- -
10	Loan Taken	72,770,000.00 (349,833,000.00)	- -	- -	327,815,000.00 (257,585,000.00)
11	Loan Repaid	77,120,000.00 (337,633,000.00)	- -	- -	320,815,000.00 (244,035,000.00)
12	Interest Paid	704,742.00 (1,464,125.00)	- -	- -	1,681,242.00 (1,392,503.00)

*** Previous Years figures are given in bracket**

c) Amount Outstanding **Amount in ₹**

Sl. No	Particulars	Current Year	Previous Year
1	Due from Wholly Owned Subsidiaries	33,504.88	50,409.34
2	Due from KMP	3,703.63	2,019.44
3	Due from Relatives of KMP	1,138.30	447.85
4	Due from Enterprises over which KMP exercises significant influence	2,372.60	1,966.43
5	Provision (if any)	Nil	Nil

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Note 30

Quantitative details of the items traded during the Financial Year 2012-2013

Particulars	2012-2013		2011-2012	
	Quantity	Amount in ₹	Quantity	Amount in ₹
Opening Stock				
Shares	2,073,399	30,000,404.92	2,079,428	32,858,201.87
Mutual Fund	-	-	-	-
Total	**2,073,399**	**30,000,404.92**	**2,079,428**	**32,858,201.87**
Purchases during the year				
Shares	6,933,370	341,858,722.50	4,331,909	276,802,416.46
Mutual Fund	18,897	500,000.00	-	-
Total	**6,952,267**	**342,358,722.50**	**4,331,909**	**276,802,416.46**
Sales during the year				
Shares	7,050,829	350,325,294.94	4,337,938	274,239,785.45
Mutual Fund	18,897	501,487.22	-	-
Total	**7,069,726**	**350,826,782.16**	**4,337,938**	**274,239,785.45**
Closing Stock				
Shares	1,955,940	16,534,667.56	2,073,399	30,000,404.92
Mutual Fund	-	-	-	-
Total	-	**16,534,667.56**	-	**30,000,404.92**

Note No 31

EMPLOYEE BENEFIT

A. Defined Contribution Plan

Amount in ₹

Sl.No	Particulars	2012-2013	2011-2012
1	Contribution to Provident Fund	104,360.00	101,148.00
2	Contribution to Employee State Insurance	108,923.00	152,772.00

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

I **Net Employee Expenses/(benefit)**

Amount in ₹

Sl.No	Particulars	2012-2013	2011-2012
1	Current Service Cost	691,733.00	649,239.00
2	Interest cost on benefit obligation	315,751.00	252,118.00
3	Expected Return on plan assets	(435,376.00)	(320,462.00)
4	Net Actuarial (gain)/Loss recognised in the year	(41,895.00)	531,068.00
5	Total employee expenses recognised in Profit & Loss Statement	530,213.00	1,111,963.00

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

II **Actual Return on Plan Assets**

Amount in ₹

Sl.No	Particulars	2012-2013	2011-2012
1	Actual Return on Plan Assets	435,376.00	320,462.00

III **Benefit Assets/(Liability)**

Amount in ₹

Sl.No	Particulars	2012-2013	2011-2012
1	Defined Benefit Obligation	4,734,063.00	3,946,887.00
2	Fair Value of Plan Assets	5,215,568.00	3,483,607.00
3	Benefit Assets/(Liability)	481,505.00	(463,280.00)

IV **Movement in benefit/Liability**

Amount in ₹

Sl.No	Particulars	2012-2013	2011-2012
1	Opening defined Benefit Obligation	3,946,887.00	3,151,471.00
2	Interest Cost	315,751.00	252,118.00
3	Current Service Cost	691,733.00	649,239.00
4	Benefits Paid	(178,413.00)	(637,009.00)
5	Actuarial (gains)/Loss on obligation	(41,895.00)	531,068.00
6	Closing Benefit Obligation	4,734,063.00	3,946,887.00

V **Movement in fair value of plan assets**

Amount in ₹

Sl.No	Particulars	2012-2013	2011-2012
1	Opening fair value of Plan Assets	3,483,607.00	2,819,590.00
2	Return on Plan Assets (Actual)	435,376.00	320,462.00
3	Contribution by Employer	1,474,998.00	980,564.00
4	Benefits Paid	(178,513.00)	(637,009.00)
5	Closing Fair Value of Plan Assets	5,215,468.00	3,483,607.00

VI **The Principal actuarial assumptions are as follow**

Sl.No	Particulars	2012-2013	2011-2012
1	Discount Rate	8%	8%
2	Salary Escalation	7.75%	7%
3	Withdrawal Rate	1%-3% depending on age	1%-3% depending on age
4	Expected Rate of Return on Plan Asset	9.15%	9.15%

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

Sl.No	Particulars	2012-2013	2011-2012
1	Investments with Insurer	100%	100%

Note The company expects to contribute ₹2.41 lacs to Gratuity Fund in Financial Year 2013-2014

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Note No 32

A. Disclosure of Net Open Position of Index & Equity Future

		Net Open Position	
NAME OF INDEX FUTURE	**No of Contracts**	**Long**	**Short**
FUTIDX BANKNIFTY 25Apr13	1	25	-
FUTIDX NIFTY 25Apr13	1	50	-
Total		**75**	**-**

		Net Open Position	
NAME OF STOCK FUTURE	**No of Contracts**	**Long**	**Short**
FUTIDX DJIA 18Apr13	1	-	25
FUTSTK ADANIENT 25Apr13	4	-	2,000
FUTSTK ADANIPORTS 25Apr13	1	-	2,000
FUTSTK ADANIPOWER 25Apr13	2	8,000	-
FUTSTK ALBK 25Apr13	1	2,000	-
FUTSTK AXISBANK 25Apr13	3	-	750
FUTSTK BANKINDIA 25Apr13	1	-	1,000
FUTSTK BHARTIARTL 25Apr13	10	-	10,000
FUTSTK BHEL 25Apr13	22	22,000	-
FUTSTK BPCL 25Apr13	1	-	1,000
FUTSTK CAIRN 25Apr13	1	1,000	-
FUTSTK CHAMBLFERT 25Apr13	1	-	4,000
FUTSTK CIPLA 25Apr13	1	1,000	-
FUTSTK COALINDIA 25Apr13	1	1,000	-
FUTSTK DABUR 25Apr13	2	-	4,000
FUTSTK DIVISLAB 25Apr13	1	250	-
FUTSTK DLF 25Apr13	18	18,000	-
FUTSTK DLF 30May13	4	-	4,000
FUTSTK DRREDDY 25Apr13	1	125	-
FUTSTK GAIL 25Apr13	1	-	1,000
FUTSTK GMRINFRA 25Apr13	19	190,000	-
FUTSTK HDIL 25Apr13	21	84,000	-
FUTSTK HDIL 30May13	2	-	8,000
FUTSTK HEROMOTOCO 25Apr13	1	-	125
FUTSTK HEXAWARE 25Apr13	4	8,000	-
FUTSTK HINDALCO 25Apr13	1	2,000	-
FUTSTK HINDPETRO 25Apr13	2	2,000	-
FUTSTK HINDUNILVR 25Apr13	1	500	-
FUTSTK IBREALEST 25Apr13	2	-	8,000
FUTSTK ICICIBANK 25Apr13	7	-	1,750
FUTSTK IDBI 25Apr13	1	4,000	-
FUTSTK IDFC 25Apr13	3	6,000	-
FUTSTK INDHOTEL 25Apr13	1	4,000	-
FUTSTK INDIACEM 25Apr13	1	-	4,000
FUTSTK ITC 25Apr13	7	-	7,000
FUTSTK IVRCLINFRA 25Apr13	2	16,000	-

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

		Net Open Position	
NAME OF STOCK FUTURE	**No of Contracts**	**Long**	**Short**
FUTSTK JPASSOCIAT 25Apr13	13	52,000	-
FUTSTK JPPOWER 25Apr13	1	8,000	-
FUTSTK KOTAKBANK 25Apr13	2	-	1,000
FUTSTK KTKBANK 25Apr13	2	-	8,000
FUTSTK LICHSGFIN 25Apr13	1	1,000	-
FUTSTK MCDOWELL-N 25Apr13	4	1,000	-
FUTSTK NTPC 25Apr13	7	14,000	-
FUTSTK ONGC 25Apr13	1	-	1,000
FUTSTK PANTALOONR 25Apr13	7	14,000	-
FUTSTK POWERGRID 25Apr13	8	16,000	-
FUTSTK PUNJLLOYD 25Apr13	4	-	32,000
FUTSTK RAYMOND 25Apr13	1	-	1,000
FUTSTK RCOM 25Apr13	14	-	56,000
FUTSTK RELCAPITAL 25Apr13	7	7,000	-
FUTSTK RELIANCE 25Apr13	27	6,750	-
FUTSTK RELINFRA 25Apr13	24	12,000	-
FUTSTK RENUKA 25Apr13	5	40,000	-
FUTSTK SAIL 25Apr13	1	4,000	-
FUTSTK SBIN 25Apr13	4	500	-
FUTSTK SINTEX 25Apr13	5	20,000	-
FUTSTK STER 25Apr13	2	-	8,000
FUTSTK SUNTV 25Apr13	2	-	2,000
FUTSTK TATAGLOBAL 25Apr13	2	4,000	-
FUTSTK TATAMOTORS 25Apr13	4	4,000	-
FUTSTK TATAMTRDVR 25Apr13	1	2,000	-
FUTSTK TATASTEEL 25Apr13	2	2,000	-
FUTSTK TITAN 25Apr13	2	-	2,000
FUTSTK ULTRACEMCO 25Apr13	1	-	125
FUTSTK UNITECH 25Apr13	1	10,000	-
FUTSTK WIPRO 25Apr13	2	-	2,000
IF BSX 25Apr 13	43	-	645
IF BSX 30May 13	1	15	-
Total		**588,140**	**172,420**

B. Disclosure of Net Open Position of Currency Future

		Net Open Position	
NAME OF INDEX FUTURE	**No of Contracts**	**Long**	**Short**
FUTCUR USDINR 26Apr13	355	-	355,000
FUTCUR USDINR 26Jun13	99		99,000
Total		**-**	**454,000**

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

C. Disclosure of Net Option Premium Paid for Index & Equity Options
Option Contract in respect of which premium is paid

Name of Stock Option	Premium Carried Forward net of loss (₹)
ADANIENT	4,500.00
ALBK	29,600.00
AMBUJAM	1,700.00
ASHOKLEY	3,600.00
CRIAN	59,550.00
CHAMBERFERT	200.00
DABUR	43,900.00
DLF	739,650.00
GMRINFRA	127,500.00
GSPL	6,200.00
HDFC	11,400.00
HDIL	284,800.00
HEROMOTOCO	143.75
HINDPETRO	16,650.00
IBREALEST	60,000.00
IDFC	1,200.00
INFY	16,256.25
ITC	213,250.00
JSWSTEEL	5,500.00
JPASSOCIAT	216,400.00
LICHSGFIN	142,200.00
MCDOWELL-N	164,375.00
NHPC	14,400.00
NMDC	4,400.00
NTPC	37,500.00
OPTOCIRCUI	15,900.00
PANTALOONR	301,200.00
PUNJLLOYD	193,200.00
POWERGRID	6,700.00
RCOM	234,800.00
RELIANCE	6,825.00
RENUKA	14,000.00
RPOWER	5,600.00
SAIL	5,000.00
SINTEX	5,000.00
STER	2,800.00
TATAGLOBAL	3,100.00
TATAMOTORS	124,150.00
TCS	4,162.50
Total Premium Paid (A)	**3,127,312.50**

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Option Contract in respect of which premium is received

Name of Index Option	Premium Carried Forward inclusive of loss (₹)
NIFTY	96,522.50
Total (i)	**96,522.50**
Name of Stock Option	
AXISBANK	300.00
LT	175.00
ONGC	4,500.00
RELCAPITAL	2,100.00
RELINFRA	3,875.00
SBIN	45,831.25
UNITECH	1,500.00
BHARTIARTL	51,200.00
BHEL	18,600.00
COAL INDIA	44,700.00
HINDALCO	9,100.00
HINDUNILVR	4,575.00
IVRLINFRA	6,000.00
ICICIBANK	23,762.50
IOC	13,000.00
KTKBANK	13,800.00
PFC	200.00
TATASTEEL	642,700.00
Total (ii)	**885,918.75**
Total Premium Received (B) = (i+ii)	**982,441.25**
Net Premium Paid	**2,144,871.25**

D. Disclosure of Net Option Premium Received for Currency Options

Name of Index Option	Premium Carried Forward inclusive of loss (₹)
USDINR	148,185.00
Total	**148,185.00**

Note 33
Expenditure in Foreign Currency

Amount in ₹

Particulars	**Current Year**	**Previous Year**
Software Expenses	-	47,107.95
Total	**-**	**47,107.95**

NOTES ON FINANCIAL STATEMENTS *(Contd.)*

Note 34

Inflow in Foreign Currency

Amount in ₹

Particulars	Current Year	Previous Year
Incentive from Reuters	12,194.24	-
Total	**12,194.24**	**-**

Note 35

Outstanding Contracts
Outstanding Contracts of the clients for the settlement period for which settlement has not taken place has not been considered for the purpose of financial statement made upto 31st March 2013. However brokerage and other charges receivables on such contracts have been accounted

Note 36

The company has availed the exemption with regard to the non inclusion of annual report of the subsidiaries in terms of general circular no 2/2011 issued by MCA on 8th February 2011. However the annual accounts of the subsidiaries shall be kept for inspection for any shareholders in the head office of the company. The company shall furnish a hard copy of the annual report of subsidiaries to any shareholder on demand

Note 37

Information pursuant to section 212 of the Companies Act, 1956 is annexed as Annexure - 1 hereto

Note 38
Previous year figures have been regrouped/rearranged wherever required.

As per our attached report of even date
For Patni & Co.
Chartered Accountants
(Firm Registration No. 320304E)

For and on behalf of Board

SASHI SUREKA
(Partner)
Membership No. 57918
Place : Kolkata
Date : 30th May 2013

Sd/-
Narendra Kumar Rai
Company Secretary

Sd/-
Rejesh Kumar Bajaj
Managing Director

Sd/-
Sudheer Kumar Jain
Whole-time Director

STATEMENT PURSURANT TO SECTION 212 OF THE COMPANIES ACT 1956 RELATING TO SUBSIDIARIES COMPANIES

Annexure - I

PARTICULARS	NAME OF THE SUBSIDIARIES			
	Trade City Securities	**Trade City Real Estate**	**Trade City Commodities**	**Trade City Barter**
1. The Financial Year of the Subsidiary Company ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013
2. (a) The No of Equity Shares held by Lohia Securities Limited and its nominees in the Subsidiary as at March 31, 2013	30,00,000 equity shares of ₹10 each fully paid up	14,50,000 equity shares of ₹10 each fully paid up	15,55,000 equity shares of ₹10 each fully paid up	4,25,200 equity shares of ₹10 each fully paid up
(b) Extent of interest of Lohia Securities Limited in the Capital of the Subsidiary.	100%	100%	100%	100%
3. Net aggregate amount of the Profits/Loss of the Subsidiary so far it concerns the members of Lohia Securities Limited as it not dealt with the Company's Accounts:				
(a) Profit/(Loss) for the year ended March 31, 2013 of the Subsidiaries	₹(57,49,313/-)	₹3,24,976/-	₹10,12,946/-	₹(2,15,443/-)
(b) Profit/(Loss) for the previous Financial Year of the subsidiaries, since it became a Subsidiary of Lohia Securities Limited	₹(72,94,236/-)	₹(7,67,596/-)	₹(1,30,39,506/-)	₹(9,74,967/-)
4. Net aggregate amount of the Profits/Loss of the Subsidiary so far as deal with or provision is made for those losses in Lohia Securities Limited's Accounts				
(a) Profit/Loss for the year ended March 31, 2013 of the Subsidiaries	Nil	Nil	Nil	Nil
(b) Profit/Loss for the previous Financial Year of the subsidiaries, since it became a Subsidiary of Lohia Securities Limited	Nil	Nil	Nil	Nil

Place : Kolkata
Date : 30th May 2013

For and on behalf of Board of Directors

Sd/-
Narendra Kumar Rai
Company Secretary

Sd/-
Rejesh Kumar Bajaj
Managing Director

Sd/-
Sudheer Kumar Jain
Whole-time Director

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lohia Securities Limited

We have audited the accompanying consolidated financial statements of Lohia Securities Limited and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

Opinion

In our opinion and to the best of our information and according to the explanation give to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013

b) in the case of the consolidated Profit & Loss Account, of the Loss for the year ended on that date; and

c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

1, India Exchange Place
Kolkata – 700 001

For PATNI & CO.
CHARTERED ACCOUNTANTS

Dated: The 30th Day of May 2013

S. SUREKA
(Partner)
Membership No. 057918
Firm Regn.No.320304E

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	As at 31.03.2013 Amount in ₹	As at 31.03.2012 Amount in ₹
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUND			
(a) Share Capital	2	47,822,500.00	47,822,500.00
(b) Reserves and Surplus	3	209,097,172.42	222,022,629.83
		256,919,672.42	269,845,129.83
(2) NON CURRENT LIABILITIES			
(a) Long Term Borrowings	4	-	116,640.00
(b) Long Term Provisions	5	874,125.00	791,134.00
		874,125.00	907,774.00
(3) CURRENT LIABILITIES			
(a) Short -term borrowings	6	167,396,209.15	206,439,134.03
(b) Trade Payables	7	4,263,396.37	1,905,886.48
(c) Other Current Liabilities	8	58,072,733.26	36,935,777.67
(d) Short - term provisions	9	1,209,437.82	1,164,023.00
		230,941,776.60	246,444,821.18
TOTAL		**488,735,574.02**	**517,197,725.01**
II. ASSETS			
(1) NON CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	10	28,666,688.06	33,264,730.06
(ii) Intangible Assets	11	2,650,258.44	3,380,494.04
(b) Non Current Investment	12	51,388,944.00	6,457,199.00
(c) Deferred Tax Assets	13	22,015,176.00	15,458,563.00
(d) Long-Term loans and advances	14	57,069,612.32	80,897,622.32
		161,790,678.82	139,458,608.42
(2) CURRENT ASSESTS			
(a) Current Investments	15	-	6,653,831.89
(b) Inventories	16	19,763,956.30	33,566,965.77
(c) Trade Receivables	17	15,636,467.74	6,634,968.21
(d) Cash & Cash Equivalent	18	259,150,906.69	286,513,182.07
(e) Short Term Loans & Advances	19	28,078,310.36	38,195,848.50
(f) Other Current Assets	20	4,315,254.11	6,174,320.15
		326,944,895.20	377,739,116.59
TOTAL		**488,735,574.02**	**517,197,725.01**
Significant Accounting Policies	1	-	-
Notes to Accounts	2 to 33		

As per our attached report of even date
For Patni & Co.
Chartered Accountants
(Firm Registration No. 320304E)

SASHI SUREKA
(Partner)
Membership No. 57918
Place : Kolkata
Date : 30th May 2013

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-
Narendra Kumar Rai	**Rejesh Kumar Bajaj**	**Sudheer Kumar Jain**
Company Secretary	Managing Director	Whole-time Director

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Amount in ₹

	Particulars	Note No	Figures for the year ended 31.03.2013	Figures for the year ended 31.03.2012
I	REVENUE FROM OPERATION	21	532,554,428.32	453,228,027.35
II.	OTHER INCOME	22	32,465,803.85	23,862,736.63
III.	**TOTAL REVENUE (I+II)**		**565,020,232.17**	**477,090,763.98**
IV	**EXPENSES**			
(a)	Purchases of Stock In Trade	23	367,121,321.97	289,149,021.16
(b)	(Increase)/Decrease in Inventories	24	13,803,009.47	986,849.72
(c)	Employee Benefit Expenses	25	39,309,105.73	42,787,359.60
(d)	Finance Cost	26	26,377,684.56	23,106,097.46
(e)	Depreciation & Amortization Expenses		7,670,726.00	9,468,233.00
(f)	Other Expenses	27	129,054,482.85	147,059,017.59
	Total Expenses (a to f)		**583,336,330.58**	**512,556,578.53**
V	**PROFIT BEFORE TAX (III-IV)**		(18,316,098.41)	(35,465,814.55)
VI	**TAX EXPENSES**			
	-Current Tax		-	50,488.00
	-Income Tax for Earlier Year		-	2,005,962.95
	-Deferred Tax		(6,556,613.00)	(9,466,345.00)
VII	**PROFIT / (LOSS) FOR THE PERIOD**		**(11,759,485.41)**	**(28,055,920.50)**
VIII	**EARNING PER EQUITY SHARE OF**			
	(1) Basic		(2.46)	(5.87)
	(2) Diluted		(2.46)	(5.87)
	Significant Accounting Policies	1		
	Notes to Accounts	2 to 33		

As per our attached report of even date
For Patni & Co.
Chartered Accountants
(Firm Registration No. 320304E)

SASHI SUREKA
(Partner)
Membership No. 57918
Place : Kolkata
Date : 30th May 2013

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-
Narendra Kumar Rai	**Rejesh Kumar Bajaj**	**Sudheer Kumar Jain**
Company Secretary	Managing Director	Whole-time Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	31.03.2013		31.03.2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extraordinary Items		(18,316,098.41)		(35,465,814.55)
Adjustment for :				
Depreciation	7,670,726.00		9,468,233.00	
Interest Expenses	26,963,993.20		20,955,544.46	
Miscellaneous Balance Written Off	-		71,591.03	
Interest Received	(28,232,970.09)		(23,143,709.17)	
Provision for Bad & Doubtful Debts	100,025.86		75,762.03	
Provision for Gratuity	85,385.00		187,210.00	
Contingent Provision for Standard Assets	(5,750.00)		4,500.00	
Provision for Loss on Valuation of Inventories	43,465.82		-	
Bad Debts	1,186,516.94		140,065.46	
Dividend Received from Investment	(105,750.00)		(206,750.00)	
Preliminary Expenses written Off	-		52,968.00	
(Profit)/Loss On Sales Of Investments	(4,977,618.80)		(35,173.71)	
(Profit)/Loss On Sales Of Fixed Assets	-	2,728,023.93	1,159.00	7,571,400.10
Operating Profit before Working Capital Adjustment		(15,588,074.48)		(27,894,414.45)
Changes in Current Assets				
(Increase)/Decrease in Inventories	13,803,009.47		986,849.72	
(Increase)/Decrease in Debtors	(10,084,877.69)		46,532,031.08	
(Increase)/Decrease in Other Current Assets	1,389,403.81		(1,710,429.20)	
(Increase)/Decrease in Loans & Advances	5,642,408.02		14,821,908.99	
(Increase)/Decrease in Prepaid Expenses	509,295.00		219,393.00	
	11,259,238.61		60,849,753.59	
Changes in Current Liabilities				
Changes in Trade Payable	1,291,607.23		(599,357.94)	
Changes in Other Payable	9,250,191.81		961,751.23	
Changes in Short Term Loan Taken	(3,300,000.00)		(1,750,000.00)	
Change in Provision for Gratuity	(2,394.00)		-	
Changes in Advance Received	-		(29,597.18)	
Changes in Other Liabilities	3,778,250.75		(15,756,726.37)	
	11,017,655.79		(17,173,930.26)	
Changes in Working Capital		22,276,894.40		43,675,823.33
Cash Generated from Operation		6,688,819.92		15,781,408.88
Payment of Taxes		-		(2,055,987.18)
Net cash flow from operating activities		6,688,819.92		13,725,421.70

CONSOLIDATED CASH FLOW STATEMENT *(Contd.)*

	31.03.2013		31.03.2012	
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Tangible Fixed Assets	(1,103,747.00)		(1,252,466.00)	
Purchase of Intangible Fixed Assets	(1,238,701.40)		(710,567.57)	
Sales Proceeds of Tangible Fixed Assets	-		2,800.00	
Sales Proceeds of Investment	14,414,941.72		-	
Purchase of Shares	(5,233,491.03)		(6,653,831.89)	
Purchase of Mutual Fund	-		(25,000,000.00)	
Sales Of Mutual Fund	-		25,035,173.71	
Dividend From Investment	105,750.00		206,750.00	
(Increase)/Decrease in Refund of Loan Given	1,700,000.00		-	
Advance Payment for Property	(6,485,000.00)		-	
Refund of Advance payment for Property	2,485,412.00		-	
Interest Received from Bank Deposits	25,401,834.91		21,994,117.60	
Interest Received from Others	2,831,135.18		1,149,591.57	
(Increase)/decrease in Bank Deposits	19,997,000.00		(83,012,500.00)	
Net cash realised from Investing Activities		52,875,134.38		(68,240,932.58)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(Decrease) in Secured Loan	(9,598,444.88)		36,220,860.76	
Increase/(Decrease) in Unsecured Loan	(29,300,000.00)		26,700,000.00	
Payment of Dividend	(996,600.00)		(4,983,000.00)	
Payment of Dividend Tax	(161,673.00)		(808,368.00)	
Interest Paid	(26,963,993.20)		(20,955,544.46)	
Net cash realised from Financing Activities		**(67,020,711.08)**		36,173,948.30
Net increase/(Decrease) in cash and cash equivalent		(7,456,756.78)		(18,341,562.58)
OPENING CASH & CASH EQUIVALENT		14,247,471.68		32,589,034.26
CLOSING CASH & CASH EQUIVALENT		**6,790,714.90**		**14,247,471.68**
CLOSING CASH AND CASH EQUIVALENT				
Cash At Bank		6,127,649.69		13,443,301.82
Cash on Hand		820,257.00		869,880.25
		6,947,906.69		14,313,182.07
Less: Bank Overdraft		(157,191.79)		(65,710.39)
		6,790,714.90		**14,247,471.68**

As per our attached report of even date
For Patni & Co.
Chartered Accountants
(Firm Registration No. 320304E)

SASHI SUREKA
(Partner)
Membership No. 57918
Place : Kolkata
Date : 30th May 2013

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-
Narendra Kumar Rai	**Rejesh Kumar Bajaj**	**Sudheer Kumar Jain**
Company Secretary	Managing Director	Whole-time Director

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Note 1

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

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

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

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

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

(b) Fixed Assets & Depreciation

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

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

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

(c) Inventory

Inventories are valued at lower of cost or market price. The costs of the shares are determined on First in & First out Basis. One of the subsidiaries has compared the Cost Price of Inventory with Market Price of Inventory on cumulative basis for all item of inventory.

(d) Investments

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

(ii) Investment property is carried at cost.

(iii) Current Investments are carried individually, at the lower of cost and fair value.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

(e) Revenue Recognition

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

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

(f) Retirement Benefit

(i) Defined Contribution Plan:

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

(ii) Defined Benefit Plan:

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

(g) Derivative Market Trading

(i) In respect of Option Contract, premium paid for contract expiring beyond the balance sheet date has been treated as current assets, adjusted for loss, if any

(ii) In respect of Open Futures Contract, Mark-to-Market debit balance has been recognized in the Profit & Loss Statement and Mark-to-Market credit balance has been treated as current liabili ties as per the guidance note issued by ICAI on accounting of Future & Option contract

(h) Taxation

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

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

Note 2

SHARE CAPITAL

Particulars	As at 31st March 2013		As at 31st March 2012	
	No of Shares	Amount in ₹	No of Shares	Amount in ₹
a) Authorised Capital				
Equity Share Capital of ₹ 10 each with voting right	7,500,000	75,000,000.00	7,500,000	75,000,000.00
b) Issued, Subscribed and Fully Paid up Capital				
Equity Share Capital of ₹ 10 each with voting right	4,778,000	47,780,000.00	4,778,000	47,780,000.00
c) Par Value per Share		₹10		₹10

d) Reconciliation of Number of Shares and amount outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2013		As at 31st March 2012	
	No of Shares	Amount in ₹	No of Shares	Amount in ₹
Number and amount of the share at the beginning of the year	4,778,000	47,780,000.00	4,778,000	47,780,000.00
Adjustment (If any)	-	-	-	-
Number and amount of the share at the end of the year	4,778,000	47,780,000.00	4,778,000	47,780,000.00

e) Rights Attached to the Shares

Each Share confers the right to one vote. Shareholders have the right to receive the dividend

f) Details of the Shareholder holding shares more than 5 %

Name of the Shareholders	As at 31st March 2013		As at 31st March 2012	
	No of Shares	% of holding	No of Shares	% of holding
Hari Kishan Lohia	431,000	9.02	431,000	9.02
Mahesh Kumar Bajaj	390,400	8.17	390,400	8.17
Rajesh Kumar Bajaj	419,800	8.79	419,800	8.79
Sudheer Kumar Jain	312,000	6.53	312,000	6.53
Shiv Lalit Consultancy (P) Ltd	265,000	5.55	265,000	5.55

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

g) Details of Forfeited Shares

Class of Share	As at 31st March 2013		As at 31st March 2012	
	No of Shares	Amount originally paid up ₹	No of Shares	Amount originally paid up ₹
Equity Share with voting rights		42,500.00		42,500.00

	As at 31.03.2013 Amount in ₹	As at 31.03.2012 Amount in ₹
Note 3		
RESERVE AND SURPLUS		
A) Securities Premium Account		
Opening Balance	18,551,631.45	18,551,631.45
Adjustment	-	-
Closing Balance (Sub Total A)	**18,551,631.45**	**18,551,631.45**
B) General Reserves		
Opening Balance	91,086,128.88	91,086,128.88
Adjustment	-	-
Closing Balance (Sub Total B)	**91,086,128.88**	**91,086,128.88**
C) Surplus		
Opening Balance	101,376,297.89	130,590,491.39
Less: Deduction during the year		
Loss for the year as per statement of Profit & Loss	11,759,485.41	28,055,920.50
Proposed Dividend	996,600.00	996,600.00
Provision for Dividend Tax	169,372.00	161,673.00
Closing Balance (Sub Total C)	**88,450,840.48**	**101,376,297.89**
D) Capital Reserves on Consolidation		
Opening Balance	10,726,615.61	10,726,615.61
Adjustment	-	-
Closing Balance (Sub Total D)	**10,726,615.61**	**10,726,615.61**
E) Statutory Fund		
Opening Balance	281,956.00	281,956.00
Adjustment	-	-
Closing Balance (Sub Total E)	**281,956.00**	**281,956.00**
Total (A+B+C+D+E)	**209,097,172.42**	**222,022,629.83**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

Note 4	As at 31.03.2013 Amount in ₹	As at 31.03.2013 Amount in ₹
LONG TERM BORROWINGS		
Secured Long Term Borrowings From Bank		
Term Loan		
Vehicle Loan -Secured against hypothecation of Car	-	116,640.00
Total	**-**	**116,640.00**
Note 5		
LONG TERM PROVISIONS		
Provision for Gratuity	874,125.00	791,134.00
	874,125.00	**791,134.00**
Note 6		
SHORT TERM BORROWINGS		
(A)Secured Short Term Borrowings From Bank		
1) Term Loan		
Loan against pledge of Fixed Deposits -Partly secured against pledge of Fixed Deposits worth ₹10,75,681.00/-. (2011-2012 :- ₹6,10,00,000/-)	99,500,000.00	122,000,000.00
2) Bank Overdraft		
(i) Bank overdraft against pledge of Shares Book Value of the Shares pledge with HDFC Bank is ₹4,57,300/- (2011-12:- ₹74,84,939)	-	1,171,950.28
(ii) Bank over draft against personal guarantee of directors and office premises of wholly owned in subsidiary company and of a company which one director is interested	25,093,030.91	16,217,183.75
(iii) Bank over draft against pledge of Fixed Deposits - Value of Fixed Deposit pledge is ₹20,00,000/-	353,178.24	-
Sub Total (A)	**124,946,209.15**	**139,389,134.03**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

(B) Unsecured Loan from Body Corporate	**As at 31.03.2013 Amount in ₹**	**As at 31.03.2013 Amount in ₹**
1) From Related Parties	26,900,000.00	35,150,000.00
2) From Others	15,550,000.00	31,900,000.00
Sub Total (B)	**42,450,000.00**	**67,050,000.00**
Total (A+B)	**167,396,209.15**	**206,439,134.03**
Note 7		
Trade Payable		
Payable to Exchanges	4,202,018.98	1,723,553.06
Payable to Clients	61,377.39	182,333.42
Total	**4,263,396.37**	**1,905,886.48**
Note 8		
OTHER CURRENT LIABILITIES		
Payable for Capital Goods	16,020,585.00	-
Current maturities of Vehicle Loan	116,640.00	155,520.00
Interest Accrued and not due	978,944.84	352,880.87
Interest Accrued and due	1,156,247.00	-
Interest Accrued and due on Bank Borrowings	885,793.15	1,099,921.41
-Book Overdrawn Balance of Bank	157,191.79	65,710.39
Margin Deposits from Clients	31,448,500.00	23,667,000.00
Statutory Dues Payable	2,502,736.56	2,009,815.00
Expenses Payable	3,192,822.92	6,865,778.75
Mark to Mark Margin for Unexpired Future & Currency Contracts	1,465,087.00	2,612,133.75
Option Premium Received for Unexpired Currency Contracts	148,185.00	107,017.50
Total	**58,072,733.26**	**36,935,777.67**
Note 9		
Short Term Provision		
Provision for Standard Assets	-	5,750.00
Provision for Loss on Valuation of Inventories	43,465.82	-
Provision for Dividend	996,600.00	996,600.00
Provision for Dividend Tax	169,372.00	161,673.00
Total	**1,209,437.82**	**1,164,023.00**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

Note 10

TANGIBLE ASSETS

Amount in ₹

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Addition	Disposal/ Deduction	As at 31.03.2013	As at 01.04.2012	For the Year	Adjustment For Disposal	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Office	9,437,415.00	-	-	9,437,415.00	3,220,403.74	310,851.00	-	3,531,254.74	5,906,160.26	6,217,011.26
Leasehold Office	9,506,519.25	67,660.00	-	9,574,179.25	2,882,992.00	331,176.00	-	3,214,168.00	6,360,011.25	6,623,527.25
Furniture & Fixtures	11,956,472.04	-	-	11,956,472.04	7,834,744.97	746,033.00	-	8,580,777.97	3,375,694.07	4,121,727.07
Vehicles	5,672,488.00	1,012,167.00	-	6,684,655.00	3,850,176.56	675,693.00	-	4,525,869.56	2,158,785.44	1,822,311.44
Office Equipment	5,488,282.24	-	-	5,488,282.24	2,756,106.36	380,046.00	-	3,136,152.36	2,352,129.88	2,732,175.88
Computer & Accessories	65,222,401.02	23,920.00	-	65,246,321.02	59,005,322.01	2,488,641.00	-	61,493,963.01	3,752,358.01	6,217,079.01
Air Conditioner	4,005,646.25	-	-	4,005,646.25	2,313,719.84	235,347.00	-	2,549,066.84	1,456,579.41	1,691,926.41
Electrical Installation	4,885,684.94	-	-	4,885,684.94	2,402,877.20	345,359.00	-	2,748,236.20	2,137,448.74	2,482,807.74
Generator	2,214,454.00	-	-	2,214,454.00	903,155.00	182,402.00	-	1,085,557.00	1,128,897.00	1,311,299.00
VSAT Equipments	133,982.00	-	-	133,982.00	89,117.00	6,241.00	-	95,358.00	38,624.00	44,865.00
TOTAL	**118,523,344.74**	**1,103,747.00**	**-**	**119,627,091.74**	**85,258,614.68**	**5,701,789.00**	**-**	**90,960,403.68**	**28,666,688.06**	**33,264,730.06**
PREVIOUS YEAR	**117,285,678.74**	**1,252,466.00**	**14,800.00**	**118,523,344.74**	**77,779,606.68**	**7,489,849.00**	**10,841.00**	**85,258,614.68**	**33,264,730.06**	**-**

Note :-11

INTANGIBLE ASSETS

Amount in ₹

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01.04.2012	Addition	Disposal/ Deduction	As at 31.03.2013	As at 01.04.2012	For the Year	Adjustment For Disposal	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Computer Software	7,424,806.04	1,238,701.40	-	8,663,507.44	4,944,312.00	1,668,937.00	-	6,613,249.00	2,050,258.44	2,480,494.04
Membership Fees *	1,450,000.00	-	-	1,450,000.00	550,000.00	300,000.00	-	850,000.00	600,000.00	900,000.00
TOTAL	**8,874,806.04**	**1,238,701.40**	**-**	**10,113,507.44**	**5,494,312.00**	**1,968,937.00**	**-**	**7,463,249.00**	**2,650,258.44**	**3,380,494.04**
PREVIOUS YEAR	**8,164,238.47**	**710,567.57**	**-**	**8,874,806.04**	**3,515,928.00**	**1,978,384.00**	**-**	**5,494,312.00**	**3,380,494.04**	**-**

* Membership Fees include ₹2,50,000/- paid to Indian Commodity Exchange Limited. As the membership has not been activated the fees paid therefore has not been amortised during the year

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

	As at 31.03.2013 Amount in ₹	As at 31.03.2012 Amount in ₹
Note 12		
NON CURRENT INVESTMENTS		
Investment Property ,Non Trade Investments		
Land	745,199.00	745,199.00
Investment in Office	42,481,745.00	-
Sub - Total (A)	**43,226,944.00**	**745,199.00**
Investments in Equity Instruments ; Trade Investments Unquoted		
In Others		
The Calcutta Stock Exchange Association Ltd.		
250 (Previous Year : 250) Equity Shares of ₹ 1/- each fully paid up	500,000.00	500,000.00
Sub Total (B)	**500,000.00**	**500,000.00**
Investments in Equity Instruments ; Non Trade Investments Unquoted		
Nimbus Communication Ltd.	1,125,000.00	1,125,000.00
5,000 (Previous Year : 5,000) Equity Shares of ₹ 5/- each fully paid up		
Daadi Stock Broking Pvt. Ltd.	6,450,000.00	3,000,000.00
3,00,000 (Previous Year : 3,00,000) Equity Share of ₹ 10 each fully paid up)		
Sub Total (C)	**7,575,000.00**	**4,125,000.00**
Total Of Unquoted Investments D = (B+C)	**8,075,000.00**	**4,625,000.00**
Investments in Equity Instruments ; Non Traded Quoted		
Sidheshwari Garments Ltd.	87,000.00	87,000.00
8,700 (Previous Year: 8,700) Equity Shares of ₹ 10/- each fully paid up		
Sub Total (E)	**87,000.00**	**87,000.00**
Investments in Mutual Fund ; Non Traded Quoted		
LIC Nomura India Vision Fund (Growth Option)	-	1,000,000.00
Nil (Previous Year : 1,00,000) Units of ₹ 10/- each fully paid up		
Sub Total (F)	**-**	**1,000,000.00**
Total Of Quoted Investments G = (E +F)	**87,000.00**	**1,087,000.00**
Total (A+D+G)	**51,388,944.00**	**6,457,199.00**
Market Value of Quoted Investment in Equity Shares	**26,535.00**	**26,535.00**
Market Value of Quoted Investment in Mutual Fund	**-**	**807,050.00**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

Note 13	**As at 31.03.2013**	**As at 31.03.2013**
DEFERRED TAX ASSETS		
Liability Item		
Depreciation	489,796.00	1,126,290.00
Total	**489,796.00**	**1,126,290.00**
Assets Items		
Carry Forward Loss	15,055,372.00	10,750,947.00
Unabsorbed Depreciation	7,449,600.00	5,833,906.00
	22,504,972.00	**16,584,853.00**
Total Deferred Tax Assets (Net)	**22,015,176.00**	**15,458,563.00**
Note 14		
Long Term Loans & Advances		
(Unsecured Considered Good)		
1) Capital Advances	3,885,000.00	26,985,412.00
2) Deposit to Related Parties	4,575,000.00	4,575,000.00
3) Deposits to Others		
a)Security Deposits With Exchanges	39,375,000.00	40,475,000.00
b)Security Deposits For Office on Rent	3,500,000.00	3,500,000.00
c)Other Deposits	5,082,551.32	4,731,059.32
4) Other Long Term Advances - Advance to Staff	652,061.00	631,151.00
Total	**57,069,612.32**	**80,897,622.32**
Note No 15		
CURRENT INVESTMENTS		
Non Trade		
Investment in Equity Shares - Quoted		
Hindustan National Glass & Industries Limited Nil Equity Shares (Previous Year : 41,500) of ₹2 each fully paid up	-	6,653,831.89
	-	**6,653,831.89**
Market Value of the Quoted Equity Instrument	**-**	**8,030,250.00**
Note 17		
TRADE RECEIVABLES		
Trade Receivables, Unsecured		
For more than Six Months	1,839,753.87	2,677,705.50
Others	14,988,476.90	6,087,497.22
Amount due by director or by private company in which director is director or member	9,234.20	53,264.86
	16,837,464.97	8,818,467.58
Less: Allowance for Bad & Doubtful Debts	1,200,997.23	2,183,499.37
Total	**15,636,467.74**	**6,634,968.21**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

Note 16

Inventories	Face Value in ₹	2012-2013 Qty.	2012-2013 Amount In ₹	2011-2012 Qty.	2011-2012 Amount In ₹
Shares (Non Traded, Quoted) Fully Paid up					
Name of the Company					
3I InfoTech Limited	10	500	2,775.00	-	-
A2Z Maintainence and Engineering Serv. Ltd.	10	1,000	19,150.00	-	-
Aban Offshore Limited	2	-	-	3,000	1,279,546.65
Aanjaneya Life Care Limited	10	-	-	250	136,362.50
Acropetal Metaliks Limited	10	2,298	13,443.30	2,500	34,250.00
Adhunik Metaliks Limited	10	200	5,840.00	200	9,180.00
Aksh Optifibre Limited	5	10,000	171,500.00	10,000	60,500.00
Alok Industries Limited	10	5,100	41,820.00	-	-
Alps Industries Limited	10	1,500	2,175.00	3,000	6,450.00
Anco Communications Limited.	10	1,000	2,150.00	1,000	2,150.00
Andhra Bank Limited	10	-	-	200	23,830.00
Ansal Properties & Infrastructure Limited	5	600	13,290.00	1,500	52,800.00
Arvind Remedies Limited	10	10,000	230,000.00	100,000	230,000.00
Arvind Limited	10	-	-	44	3,625.60
Archies Limited	2	1,000	14,900.00	-	-
Arshiya International Limited	2	20,870	396,530.00	-	-
Asahi India Glass Limited	1	-	-	39,657	2,244,586.20
Ashok Alco Chemical Limited	10	500	7,300.00	500	4,540.00
Ashok Leyland Limited	1	5,592	122,185.20	572	15,955.35
Assam Company Limited	1	2,800	14,700.00	300	2,085.00
Avon Organics Limited	10	2,750	49,500.00	-	-
Bajaj Hindustan Limited	1	500	9,475.00	2,049	63,723.90
Balrampur Chini Mills Limited	1	1,000	17,250.00	-	-
Baroda Rayon Corporation Limited.	10	485	1,430.75	485	1,430.75
Bhagwati Auto Cast Limited	10	-	-	650	18,330.00
Bhanshali Engineering Polymers Limited	1	1,000	14,850.00	1,000	24,450.00
Bharat Heavy Electricals Limited	2	1,200	231,995.00	100	25,715.00
Bharati Airtel Limited	5	50	14,516.00	70	23,074.30
Bhourkla Aluminum Limited	2	8,000	8,960.00	8,000	17,945.00
Birla Power Solution Limited	1	30,000	7,500.00	30,000	15,000.00
Bio Green Industries Limited	10	-	-	51,105	601,505.85
Blue Star Limited	2	-	-	2,000	370,400.00
Bodal Chemicals Limited	10	2,500	14,750.00	2,500	18,550.00
Burnpur Cement limited	10	4,000	23,400.00	-	-
BSEL Infrastructure Realty Limited	10	-	-	2,000	6,300.00

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

	Face Value in ₹	2012-2013		2011-2012	
		Qty.	Amount In ₹	Qty.	Amount In ₹
Cals Refinery Limited	1	420,994	82,309.34	670,955	134,191.00
CESC Limited	10	-	-	100	27,170.00
Chambal Fertilizers & Chemicals Limited	10	197	9,810.25	181	13,991.30
Cipla Limited	2	-	-	400	121,755.25
Cochin Minerals & Rutiles Limited	10	2,176	369,811.20	-	-
CORE Education & Technologies Limited	2	350	17,972.50	-	-
C Mahindra Exports Limited	10	900	73,700.60	-	-
Crompton Greaves Limited	2	250	28,750.00	-	-
Dalmia Bharat Enterprises Limited	2	-	-	1,737	200,800.20
Dalmia Bharat Sugar and Industries Limited	2	-	-	4,060	56,028.00
Dewan Housing finance Corporation Ltd.	10	150	24,315.00	-	-
DLF Limited	2	325	76,277.50	-	-
Divine Multimedia (India) Limited	1	250	1,700.00	-	-
Dolat Investments Limited	1	50,000	80,500.00	50,000	131,500.00
Dredging Corporation of India Limited	10	-	-	30	8,202.00
Easun Reyrolle Limited	2	17,000	977,420.55	2,728	162,316.00
East India Hotels Limited	2	3,002	165,560.30	-	-
Electrosteel Castings Limited	1	-	-	2,500	50,625.00
Emami Paper Mills Limited	2	-	-	200	6,190.00
Emco Limited	2	-	-	500	14,725.00
Eros International Media	10	150	25,479.75	-	-
Escorts Limited	10	6,000	296,867.90	-	-
Eveready Industries India Limited	5	400	6,680.00	400	9,000.00
Expo Gas Containers Limited	10	500	4,520.00	500	3,395.00
Fame India Limited	10	155	5,502.50	-	-
Federal - Mogul Goetze India Limited	10	-	-	81	12,158.10
First Winner Industries Limited	10	-	-	61,871	863,100.45
Financial Technologies (India) Limited	2	50	52,395.00	200	136,850.00
Foundry Fuel Products Limited	10	36,361	367,402.88	78,510	504,819.30
Gabriel India Limited	1	5,356	102,567.40	-	-
G V Films Limited	10	15,000	6,150.00	15,000	7,800.00
GMR Infrastructure Limited	1	9,997	192,437.00	10,680	306,846.25
Gokaldas Exports Limited	5	2,097	77,811.25	-	-
Gold Benchmark Exchange Traded Scheme	100	-	-	50	94,574.10
Goldman Sachs Nifty Exchange Traded Scheme	10	50	94,574.10	800	426,664.00
Goodyear India Limited	10	650	156,650.00	650	157,957.00
Grable Alok Impex Limited	10	-	-	100	2,015.00
Greenply Industries Limited	5	3,400	594,218.00	3,400	594,218.00
Gujarat Flurochemicals Limited	1	100	41,995.00	100	49,793.75
Gradiente Infotainment Limited	10	123,082	526,790.96	-	-
Gulf Oil Corporation	2	568	33,249.40	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

	Face Value in ₹	2012-2013		2011-2012	
		Qty.	Amount In ₹	Qty.	Amount In ₹
GTL Limited	10	1,500	22,275.00	1,794	74,630.40
GTL Infrastructure Limited	10	1,700	4,505.00	1,696	16,790.40
Himachal Futuristic Communication Ltd.	1	7,000	57,400.00	8,000	94,000.00
Himatsingha Seide Limited	5	6,962	203,502.90	1,554	47,203.10
Hindalco Industries Limited	1	1,500	135,632.20	-	-
Hinduja Foundries Limited	10	17,525	704,194.30	4,615	281,515.00
Hindustan Copper Limited	5	100	9,250.00	-	-
Hindustan Motors Limited	5	2,200	19,140.00	2,200	21,340.00
Hind Rerctifiers Limited	2	950	48,402.50	-	-
Housing Development and Infrastructure Ltd.	10	100	4,517.70	-	-
Hindustan National Glass & Industries Ltd.	2	-	-	37,992	5,622,026.50
Hindustan Unliver Limited	1	-	-	305	124,816.00
Housing Development Finance Corp. Ltd.	2	-	-	3,700	286,842.50
Hercules Hoists Limited	1	3,389	353,403.90	-	-
Hexa Tradex Limited	2	8	215.20	-	-
ICICI Bank Limited	10	150	128,518.50	189	156,417.90
IDBI Bank Limited	10	-	-	100	10,470.00
IFCI Limited	10	1,544	48,563.40	1,057	43,677.60
IG Petrochemicals Limited	10	6,572	156,413.60	6,572	154,770.60
IKF Technologies Limited	1	14,900	15,794.00	14,900	15,794.00
Indian Tobacco Company Limited	1	52	15,751.60	-	-
Indage Restaurants & Leisure Limited	3	85,500	692,550.00	85,500	692,550.00
India Bulls Infrastructure and Power Limited	2	3,687	23,781.15	-	-
India Cements Limited	10	1,000	83,550.00	-	-
Information Technologies India Limited.	5	100	05.00	100	105.00
Infosys Technologies Limited	5	-	-	246	704,875.55
Infrastructure Development Finance Co. Ltd.	10	3,500	501,683.80	2,997	402,566.15
Integra Garments and Textilies Limited	10	1,265	3,795.00	-	-
Intra Décor Limited	1	8,333	1,666.60	8,333	1,666.60
Inox Leisure Limited	10	-	-	700	35,735.00
Jai Mata Glass Limited	1	12,000	4,560.00	12,000	12,480.00
Jain Prakash Associates Limited	2	5,250	733,290.00	5,250	428,925.00
Jain Irrigation System Limited	2	2,000	151,100.00	-	-
Jagatjit Cotton & Textile Mills Limited	2.50	207,710	164,090.90	207,710	305,333.70
Jaykay Enterprises Limited	10	21,485	75,197.50	20,671	103,148.29
Jaysynth Dyestuff (India) Limited	1	5,000	39,500.00	5,000	39,500.00
JSW Energy Limited	10	-	-	500	30,650.00
Jyothi Laboratories Limited	1	-	-	200	31,600.00
K S Oils Limited	1	500	1,100.00	500	3,375.00
Kaashyap Technologies Limited	1	43,721	8,744.20	43,721	8,744.20
Kernex Microsystems (India) Limited	10	-	-	3,000	175,875.00

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

	Face Value in ₹	2012-2013		2011-2012	
		Qty.	Amount In ₹	Qty.	Amount In ₹
Kingfishers Airlines Limited	10	1,600	12,800.00	1,286	21,219.00
Kirloskar Ferrous Industries Limited	5	14,514	313,336.60	-	-
Kitply Industries Limited	10	-		2,000	5,600.00
Lee and Nee Software (Exports) Limited	10	500	820.00	500	820.00
LIC Houising Finance	2	1	218.40	-	-
Lovable Lingerie	10	50	12,212.50	-	-
Madras Cement Limited	1	-	-	75	7,646.25
Magnum Ventures Limited	10	1,000	3,350.00	1,000	3,900.00
Mahindra Forgings Limited	10	14,544	543,218.40	1,000	64,655.05
Mahindra Lifespace Developers Limited	10	700	238,174.87	700	212,754.15
Max India Limited	2	-	-	2,132	348,366.75
Mavens Biotech Limited	1	675,000	533,250.00	-	-
Microsec Financial Services Limited	10	-	-	100	2,385.00
MOIL Limited	10	-	-	50	12,512.50
Morarjee Textiles Limited	10	1,265	8,855.00	1,265	12,650.00
Mukand Limited	10	29,908	800,039.00	7,740	259,677.00
Nagarjuna Oil Refinery Limited	1	6,300	19,215.00	9,400	21,991.90
Nextgen Animation Media Limited	10	80	136.00	80	136.00
Nissan Copper Limited	10	1,000	16,200.00	-	-
NHPC Limited	10	4,500	89,325.00	2,486	48,974.20
Nocil Limited	10	3,000	42,000.00	3,000	49,500.85
National Thermal Power Corporation Ltd.	10	500	70,975.00	-	-
Omax Auto Limited	10	-	-	11,853	432,634.50
Om Metals Infraprojects Limited	1	1,000	21,000.00	-	-
Oracle Financial Services Software Limited	5	25	64,007.50	-	-
Orchid Chemicals and Pharmaceuticals Ltd.	10	1,500	164,149.75	100	17,725.00
Orient Abrasives Limited	1	1,000	9,250.00	1,000	7,300.00
Orient Cement Limited	1	6,110	253,565.00	-	-
Orient Paper & Industries Limited.	1	6,110	38,187.50	7,710	454,504.50
Orient Refectories Limited	1	1,000	10,160.00	1,000	10,160.00
Paramount Communication Limited	2	2,000	2,900.00	,000	4,800.00
Parsvnath Developers Limited	5	-	-	100,000	4,452,825.12
P C Jewellers Limited	10	750	118,900.00	-	-
Peninsula Land Limited	2	-	-	500	16,225.00
Pennar Aluminum Company Limited.	10	3,500	1,260.00	3,500	2,065.00
Petronet LNG Limited.	10	51	6,910.50	30	4,896.50
PG Electroplast Limited	10	-	-	431	87,040.45
Porwal Auto Components Limited	10	3,000	12,510.00	3,000	17,610.00
Power Grid Corporation Limited	10	300	31,734.70	282	28,699.80
Praj Engineers Syndicate Limited	10	400	2,940.00	400	2,520.00
Prestige Estates Projects Limited	10	-	-	9,178	919,635.60
Prudential Sugar Corporation Limited.	10	200	274.00	200	274.00
Punj Lloyd Limited	2	23,993	1,077,266.50	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

	Face Value in ₹	2012-2013		2011-2012	
		Qty.	Amount In ₹	Qty.	Amount In ₹
Quadrant Televentures Limited	10	2,000	7,200.00	2,000	6,480.00
Ramsarup Industries Limited	10	3,200	6,560.00	3,200	1,120.00
Rana Sugars Limited	10	20,000	56,000.00	20,000	70,000.00
Reliance Communication Limited	5	243	187,814.70	1,290	108,424.50
Reliance Industries Limited	10	-	-	1,290	968,274.00
Reliance Power Limited	10	98	6,027.00	96	11,246.40
Royal Orchid Hotels Limited	10	-	-	714	33,771.95
Ruchi Soya Industries Limited	2	-	-	50	4,562.50
Sahara One Media and Entertainment Ltd.	10	95	8,127.25	95	8,127.25
Sanraa Media Limited	1	50,000	4,500.00	50,000	4,500.00
Sasken Communication Technologies Ltd.	10	-	-	200	22,910.00
Schneider Electric Infrastructure Limited	2	98	9,123.80	98	-
Shah Alloy Limited	10	-	-	500	3,525.00
Shanti Gears Limited	1	-	-	42,546	1,629,512.15
Shipping Corporation of India Limited	10	2,150	86,537.50	1,998	123,975.90
Shoppers Stop Limited	5	727	291,708.75	727	282,188.25
Shree Ashtavinayak Cine Vision Limited	1	6,025	7,531.25	9,025	32,038.75
Shree Mahaganga Sugar Limited	1	2,000	440.00	2,000	440.00
Shree Synthetics Limited.	10	20	19.00	20	19.00
Shristi Infrastructure Development Corp. Ltd.	10	100	9,000.00	200	23,880.00
Sintex Industries Limited	1	1,600	72,645.70	-	-
S Kumars Nationwide Limited	10	13,500	111,375.00	-	-
Solar Industries Limited	10	16	6,790.82	16	6,801.44
Southern Petrochemicals Industries Corp Ltd.	10	1,000	18,200.00	-	-
Sterling Tools Limited	2	-	-	48	4,747.68
State Bank of India Limited	10	14	29,018.50	184	385,728.40
Sterlite Technologies Limited	2	-	-	500	19,700.00
Subex Limited	10	100	1,415.00	500	12,625.00
Sun TV Network Limited	5	2,000	781,000.00	300	91,245.00
Supertex Industries Limited	1	400	1,060.00	400	1,668.00
Sujan Towers Limited	5	7,000	16,100.00	158,000	1,186,300.16
Surat Textiles Mills Limited	1	10,000	14,400.00	10,000	14,400.00
Suzlon Energy Limited	2	2,999	40,786.40	897	22,649.25
Swil Limited.	10	7,866	9,832.50	7,866	9,832.50
T Spiritual World Limited	10	300	177.00	300	330.00
Talwalkars Better Value Fitness Limited	10	91	12,967.50	-	-
Taneja Aerospace and Aviation Limited	5	2,000	33,800.00	-	-
Tanla Solutions Limited	1	500	1,575.00	500	3,425.00
Tantia Constructions Limited	10	1,000	31,924.00	-	-
Tata Global Beverages Limited	1	300	38,005.35	-	-
Tata Motors Limited.	10	200	53,830.00	42	11,560.50
Tata Power Company Limited	1	4	382.10	-	-
Tata Steel Limited	10	650	203,352.50	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

	Face Value in ₹	2012-2013		2011-2012	
		Qty.	Amount In ₹	Qty.	Amount In ₹
Tata Teleservices (Maharashtra) Serv. Ltd.	10	7,000	54,950.00	6,992	102,432.80
Tayo Rolls Limited	10	7,260	319,214.35	474	30,336.00
TeleData Info Marin Limited	2	1,000	350.00	1,000	350.00
Texmaco Infrastructure and Holdings Ltd.	10	-	-	7,500	193,381.20
The Tinplate Company of India Limited	10	-	-	300	12,825.00
The South Indian Bank Limited	1	6,000	158,900.00	-	-
The Indian Seamless Metal Tubes Limited	5	122,699	1,249,465.65	-	-
Texmaco Rail and Engineering Limited	1	1,300	63,100.00	-	-
Titagarh Wagons Limited	10	-	-	600	209,340.00
Trigyn Technologies Limited	10	2,500	17,375.00	2,500	32,625.00
TV 18 Broadcast Limited	2	900	23,870.00	-	-
Unitech Limited	2	797	18,764.90	2,692	77,395.00
United Breweries (Holdings) Limited	10	700	78,840.00	-	-
Valiant Communications Limited	10	34,600	501,700.00	34,600	591,660.00
Videocon Industries Limited	10	-	-	242	41,478.80
Vinyl Chemicals (India) Limited	1	1,000	9,050.00	1,000	8,800.00
VIP Industries Limited	2	-	-	200	19,970.00
Voltamp Transformers Limited	10	-	-	40	20,688.00
Welspun Corporation Limited	5	100	5,035.00	-	-
Welspun Global Brands Limited	10	100	-	100	-
Welspun Projects Limited	10	100	1,241.00	100	3,100.00
Welspun Investments & Commercial Ltd.	10	50	-	50	-
Wire & Wireless (India) Limited	1	-	-	1,000	8,350.00
Zee Learn Limited	1	-	-	552	8,142.00
Sub - Total (A)		**2,410,961**	**19,537,221.32**	**2,199,059**	**33,334,980.79**
Shares (Non Traded, Non Quoted) Fully Paid up					
Name of the Company					
Bharat Starch Product Limited	10	11	1,988.80	11	1,988.80
Hexa Tradex Limited	2	-	-	8	-
India Bulls Infrastructure and Power Ltd.	2	-	-	3,687	-
Nagarjuna Fertilizer & Chemicals Ltd.	1	7,040	-	7,040	-
Sub - Total (B)		7051	1,988.80	**10,746**	**1,988.80**
Commodities					
E-Silver		-	-	100 gms	5,250.00
Gold Mini		100gms	224,746.18	100 gms	224,746.18
Sub - Total (C)			**224,746.18**		**229,996.18**
Total (A+B+C)		**2,418,012**	**19,763,956.30**	**2,209,805**	**33,566,965.77**
Market value of Quoted Shares			**19,936,755.51**		**36,909,068.31**
Market value Commodities			293,820.00		286,487.00

Out of the above, shares valuing to ₹ 10,75,681.33 has been pledge with HDFC Bank for taking bank over draft facilitity.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

	As at 31.03.2013 Amount in ₹	As at 31.03.2013 Amount in ₹
Note 18		
CASH AND BANK BALANCES		
Cash & Cash Equivalent		
Cash At Bank	6,127,649.69	13,443,301.82
Cash on Hand	820,257.00	869,880.25
Sub - Total (A)	**6,947,906.69**	**14,313,182.07**
Other Bank Balances * Refer note 31	252,203,000.00	272,200,000.00
Sub - Total (B)	**252,203,000.00**	**272,200,000.00**
Total (A+B)	**259,150,906.69**	**286,513,182.07**
Note 19		
SHORT TERM LOANS AND ADVANCES		
Unsecured loan (Considered Good)	-	1,000,000.00
Income Tax (Net)	6,118,894.71	10,377,785.40
Prepaid Expenses	2,580,096.00	3,089,391.00
Margin With Exchange & Clearing Member	9,100,000.00	1,600,000.00
Security Deposits	220,810.00	2,500.00
Net Option Premium Paid for unexpired Options Contracts	5,410,224.25	1,040,655.00
Other Advances	4,648,285.40	21,085,517.10
Total	**28,078,310.36**	**38,195,848.50**
Note 20		
Other Current Assets		
Dividend Receivable	-	150.00
Interest Receivable	4,047,784.26	5,788,392.31
Unamortized Expenses	4,101.85	22,404.84
Stamp In Hand	263,368.00	363,373.00
Total	4,315,254.11	**6,174,320.15**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

	Current Year Amount in ₹	Previous Year Amount in ₹
Note 21		
REVENUE FROM OPERATION		
From Sales of Product		
Sales of Shares	375,340,247.00	283,756,986.67
Sales of Mutual Fund	501,487.22	-
Sales of Commodities	6,084.33	287,511.80
Profit/(Loss) from Equity Derivative Transactions	112,972,323.05	145,963,277.45
Profit/(Loss) from Currency Derivative Transactions	16,603,839.60	9,148,374.80
Profit/(Loss) from Commodities Derivative Transactions	6,775,428.38	(13,843,431.89)
Profit/(Loss)from Non Delivery Transactions	(2,587,817.76)	(1,169,063.70)
Sub Total (A)	**509,611,591.82**	**424,143,655.13**
From Sale of Services		
Brokerage Income	19,207,154.82	25,933,639.81
Depository Income	1,863,159.09	1,666,446.26
Sub Total (B)	**21,070,313.91**	**27,600,086.07**
Other Operating Revenue		
Demat Charges Recovered	48,650.00	61,577.92
Charges Recovered from Clients	595,687.05	128,926.65
Clearing Charges	-	25,467.63
Premium on Cancellation of Property	700,000.00	-
Incentive on Trading	528,185.54	1,268,313.95
Sub Total (C)	**1,872,522.59**	**1,484,286.15**
Total (A+B+C)	**532,554,428.32**	**453,228,027.35**
Note 22		
OTHER INCOME		
Interest Income	25,754,110.45	23,143,709.17
Dividend from Non Current Investments	105,750.00	206,750.00
Dividend from Shares lying as inventories	233,938.53	332,342.60
Net Gain on Sale of Non Current Investment	3,450,000.00	-
Net Gain on Sale of Current Investments	1,605,225.72	35,173.71
Other Non Operation Income	1,316,779.15	144,761.15
Total	**32,465,803.85**	**23,862,736.63**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

	Current Year Amount in ₹	Previous Year Amount in ₹
Note 23		
PURCHASE OF STOCK IN TRADE		
Purchases of Shares	366,621,321.97	288,666,231.58
Purchases of Mutual Fund	500,000.00	-
Purchases of Commodities	-	482,789.58
Total	**367,121,321.97**	**289,149,021.16**
Note 24		
(INCREASE)/DECREASE IN STOCK IN TRADE		
Opening Stock	33,566,965.77	34,553,815.49
Less: Closing Stock	19,763,956.30	33,566,965.77
Total	**13,803,009.47**	**986,849.72**
Note 25		
EMPLOYEE BENEFIT EXPENSES		
Salary & Bonus	36,210,546.00	38,792,194.00
Contribution to Provident and Other Funds	932,438.00	1,646,263.00
Staff Welfare Expenses	2,166,121.73	2,348,902.60
Total	**39,309,105.73**	**42,787,359.60**
Note 26		
FINANCE COST		
Interest Cost	24,780,960.56	20,955,544.46
Other Borrowings Cost	1,596,724.00	2,150,553.00
	26,377,684.56	**23,106,097.46**
Note 27		
OTHER EXPENSES		
SEBI & Exchanges Transaction Charges	20,808,430.09	23,363,368.78
SEBI & Exchanges Other Charges	1,517,545.97	2,303,816.16
Securities Transaction Tax	26,234,870.41	32,519,829.24
Professional Charges	47,644,899.00	50,609,968.00
Communication & Connectivity Expenses	7,235,524.55	8,385,821.69
Computer & Software Expenses	2,280,497.50	3,732,757.05

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

		Current Year Amount in ₹		Previous Year Amount in ₹
Electricity Charges		5,019,709.35		5,301,691.39
Fees & Subscription		894,494.66		1,129,553.20
Printing & Stationery		659,744.00		1,485,058.75
Legal & Professional Fees		1,366,412.05		1,492,465.04
Rent		4,103,486.02		3,914,185.10
Broker Note Stamp Expenses		1,372,280.20		1,284,674.26
Car Expenses		482,375.78		374,055.03
Depository Charges		58,866.33		95,726.27
Delivery & Warehouse Charges		904.68		4,535.71
Donation		27,800.00		148,600.00
General Expenses		980,105.50		1,196,522.07
Insurance Charges		132,198.13		189,037.87
Net Loss on Sale of Fixed Assets		-		1,159.00
Loss of Cash		-		200,000.00
Loss on Valuation of Inventories		43,465.82		-
Loss on Sale of Non Current Investments		74,938.00		-
Postage & Courier Expenses		131,477.25		229,604.62
Bad Debts		1,186,516.94		140,065.46
Provisions for Bad & Doubtful Debts		100,025.86		139,493.96
Preliminary Expenses Written Off		-		52,968.00
Contingent Provision for Standard Assets		-		4,500.00
Rates & Taxes		792,052.14		746,842.16
Auditor Remuneration				
-Statutory Audit Fees	104,101.00		95,483.00	
-Tax Audit Fees	28,371.00		26,371.00	
-Certification Charges	39,500.00		73,500.00	
-Others	-	171,972.00	521,000.00	716,354.00
Office Maintenance Charges		1,479,769.31		1,428,362.88
Maintenance Charges for Computers & Equipments		1,366,432.01		1,783,482.43
Others Maintenance Charges		1,622,834.20		1,841,160.58
Sub-Brokerage		113,717.00		220,828.64
Sales Promotions		448,095.00		496,888.93
Travelling & Conveyance Expenses		703,043.10		1,525,641.32
Total		**129,054,482.85**		**147,059,017.59**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

Note 28

DETAILS OF SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Sl.No.	Name of the Subsidiaries	Country of Incorporation	Share of ownership
1	Trade City Securities (P) Ltd.	India	100%
2	Trade City Commodities (P) Ltd.	India	100%
3	Trade City Real Estate (P) Ltd.	India	100%
4	Trade City Barter (P) Ltd.	India	100%

Note 29

Details as required under general circular no. 2/2011 dated 8th February 2011 for each subsidiaries are as follow:

Amount in ₹

Sl.No	Particulars	Trade City Securities (P) Ltd	Trade City Commodities (P) Ltd	Trade City Real Estate (P) Ltd.	Trade City Barter (P) Ltd.
1	**Share Capital**	30,000,000.00	15,550,000.00	14,500,000.00	4,252,000.00
2	**Reserves**	(13,043,548.95)	(2,185,468.74)	35,409,666.31	4,728,603.95
3	**Total Assets**	61,172,620.65	20,530,358.64	67,346,728.28	10,490,680.99
4	**Total Liabilities**	61,172,620.65	20,530,358.64	67,346,728.28	10,490,680.99
5	**Non Current Investments**				
	-In Land	-	-	745,199.00	-
	-In Office Space			42,481,745.00	
	-In Equity Instruments	-	-	4,950,000.00	4,300,000.00
6	**Current Investments**				
	-In Equity Instruments	-	-	-	-
7	**Turnover**	8,613,340.94	7,551,403.00	1,060,000.00	21,918,983.52
8	**Profit before Tax**	(8,239,232.08)	1,499,509.54	324,975.50	(834,685.94)
9	**Provisions for Taxation**				
	-Current Tax	-	-	-	-
	-Earlier Year Tax	-	-	-	-
	-Deferred Tax (Income)/Expenses	(2,489,919.00)	486,564.00	-	(619,243.00)
10	**Profit After Tax**	(5,749,313.08)	1,012,945.54	324,975.50	(215,442.94)
11	**Proposed Dividend**	Nil	Nil	Nil	Nil

NOTES ON CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

Note 30

Contingent Liabilities

Sl.No	Particulars	Amount in ₹
1	Bank Guarantee	142,390,500.00
2	Corporate Guarantee	50,000,000.00
3	Capital Commitment	325,000.00
4	Interest	3,104,122.00
5	Income Tax	4,063,955.00

Note 31

Other Bank Balances

Other bank Balances represents:

a) Bank Deposits valuing to ₹12,99,50,000 given as margin money to National Securities Clearing Corporation Limited (NSCCL)

b) Bank Deposits valuing to ₹21,87,500 given as margin money to Indian Clearing Corporation Limited (ICCL)

c) Bank Deposits valuing to ₹7,50,000 given as security deposits to The Calcutta Stock Exchange Limited (CSE)

d) Bank Deposits valuing to ₹8,00,000 given as margin money and security deposits to MCX Stock Exchange Limited

e) Bank Deposits valuing to ₹2,50,000 given as margin money and security deposits to National Spot Exchange.

f) Bank Deposits valuing to ₹5,17,50,000 pledge with HDFC Bank for obtaining term loan.

g) Bank Deposits valuing to ₹6,65,15,500 pledge with bank for obtaining bank guarantee . The said bank guarantee has been given to NSCCL, ICCL, NCDEX & MCX as margin money.

h) Bank Deposits includes deposits of ₹32,50,000 (2010-11:- ₹86,50,000) with maturity of more than 12 months.

Note 32

As M/s. Trade City Barter (P) Ltd have 2,05,000 equity shares of Lohia Securities Limited, henceforth share capital of the company to the extent held by Trade City Barter (P) Ltd has been reduced during consolidation.

Note 33

Previous Year figure has been regrouped or reclassified wherever considered necessary.

As per our attached report of even date
For Patni & Co.
Chartered Accountants
(Firm Registration No. 320304E)

SASHI SUREKA
(Partner)
Membership No. 57918
Place : Kolkata
Date : 30th May 2013

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-
Narendra Kumar Rai	**Rejesh Kumar Bajaj**	**Sudheer Kumar Jain**
Company Secretary	Managing Director	Whole-time Director

Financial Snapshot

Lohia Securities Limited

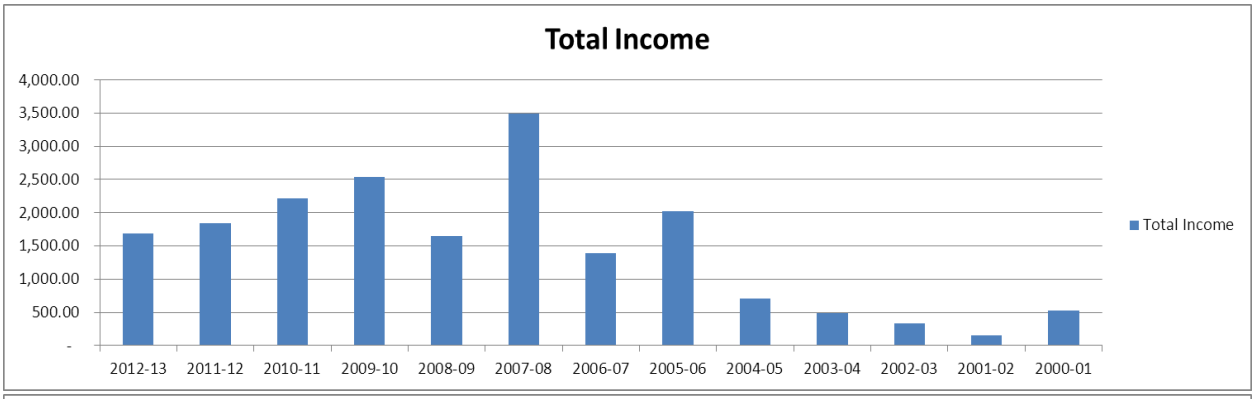
Financial Years

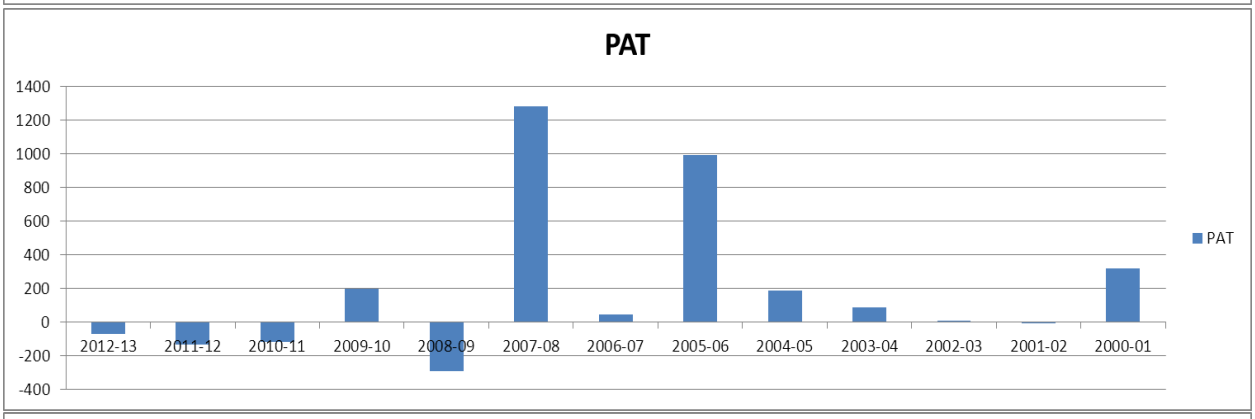
Standalone

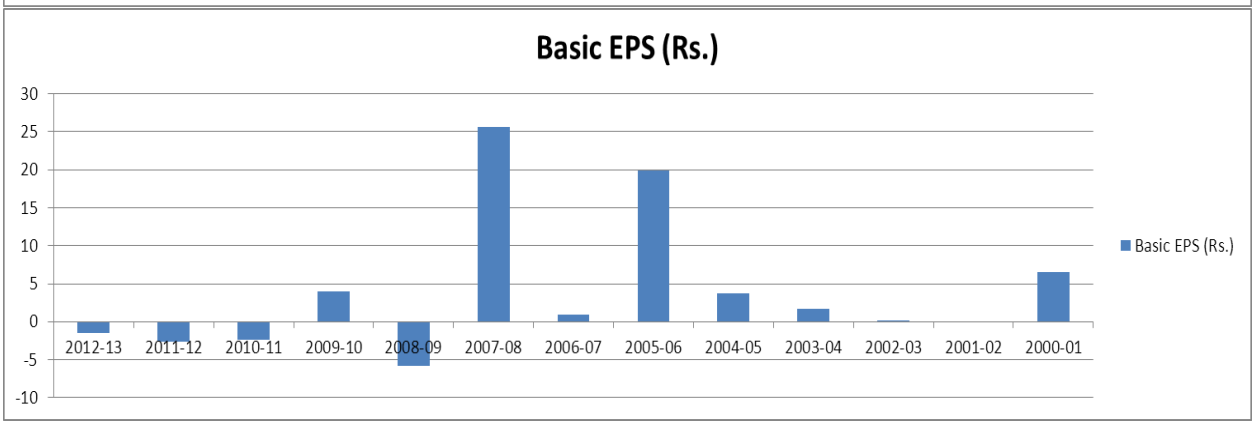
(₹ in lacs)

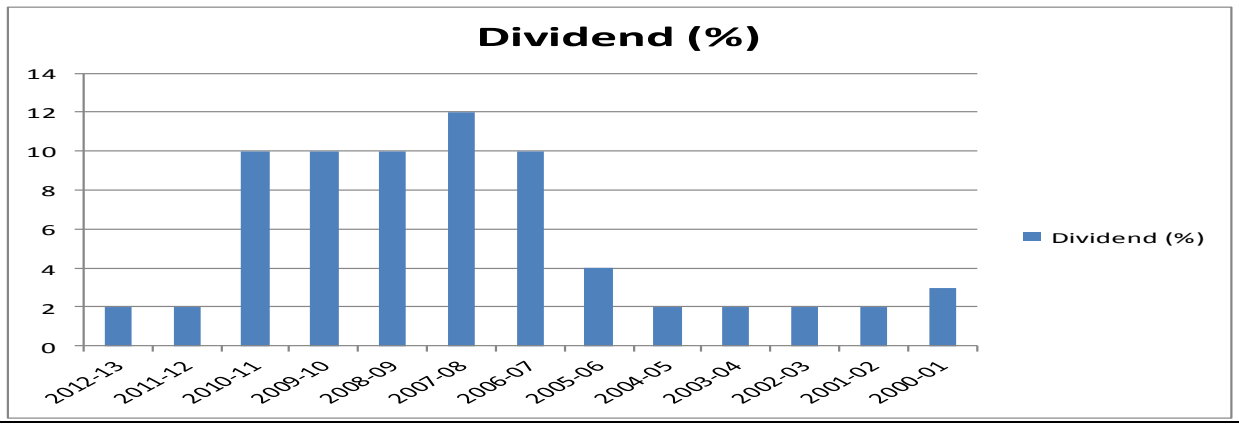
Financial Years	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Total Income	**1,685.22**	**1,837.86**	**2,221.01**	**2,534.32**	**1,652.39**	**3,491.66**	**1,387.24**	**2,025.86**	**705.45**	**485.06**	**338.21**	**150.50**	**525.75**
Employee Cost	298.02	327.34	333.79	300.94	391.72	241.35	124.00	55.31	20.65	17.68	14.66	14.57	12.11
Administation & other Exp.	1,194.94	1,361.26	1,817.01	1,680.80	1,408.84	846.63	487.08	442.82	319.84	282.92	259.56	102.10	133.06
EBITDA	**192.26**	**149.26**	**70.21**	**552.58**	**(148.17)**	**2,403.68**	**776.16**	**1,527.73**	**364.97**	**184.46**	**63.99**	**33.83**	**380.57**
Interest	238.50	207.60	117.06	91.31	133.38	109.34	72.86	60.84	40.97	24.67	15.29	10.30	29.04
Depreciation	64.43	79.93	92.43	110.73	140.95	137.03	49.65	45.40	38.06	33.69	36.34	33.40	24.09
PBT	**(110.67)**	**(138.27)**	**(139.28)**	**350.54**	**(422.50)**	**2,157.30**	**653.65**	**1,421.49**	**285.95**	**126.10**	**12.36**	**(9.87)**	**327.44**
Tax	(39.34)	(5.05)	(22.72)	152.98	(131.79)	872.85	607.32	428.49	97.22	39.52	2.66	(3.35)	8.64
PAT	**(71.33)**	**(133.22)**	**(116.55)**	**197.56**	**(290.71)**	**1,284.45**	**46.33**	**993.00**	**188.72**	**86.58**	**9.70**	**(6.52)**	**318.80**
Equity Share Capital	498.73	498.73	498.73	498.73	498.73	498.10	497.96	497.78	497.78	497.78	497.72	497.72	488.77
Reserves & Surplus	2,319.91	2,402.89	2,547.70	2,722.17	2,582.71	2,931.06	1,716.44	1,728.43	758.24	580.94	506.22	507.79	522.26
NetWorth	**2,818.63**	**2,901.62**	**3,045.86**	**3,220.61**	**3,080.36**	**3,427.37**	**2,214.14**	**2,226.11**	**1,255.64**	**1,076.86**	**1,000.15**	**999.40**	**1002.60**
Basic EPS (Rs.)	(1.43)	(2.67)	(2.34)	3.96	(5.83)	25.69	0.93	19.86	3.77	1.74	0.19	(0.13)	6.52
NPM(%)	(4.23)	(7.25)	(5.25)	7.80	(17.59)	36.79	3.34	49.02	26.75	17.85	2.87	(4.33)	60.64
RONW (%)	(2.53)	(4.59)	(3.83)	6.13	(9.44)	37.48	2.09	44.61	15.03	8.04	0.97	(0.65)	31.80
Dividend (%)	2	2	10	10	10	12	10	4	2	2	2	2	3

Financial Snapshot

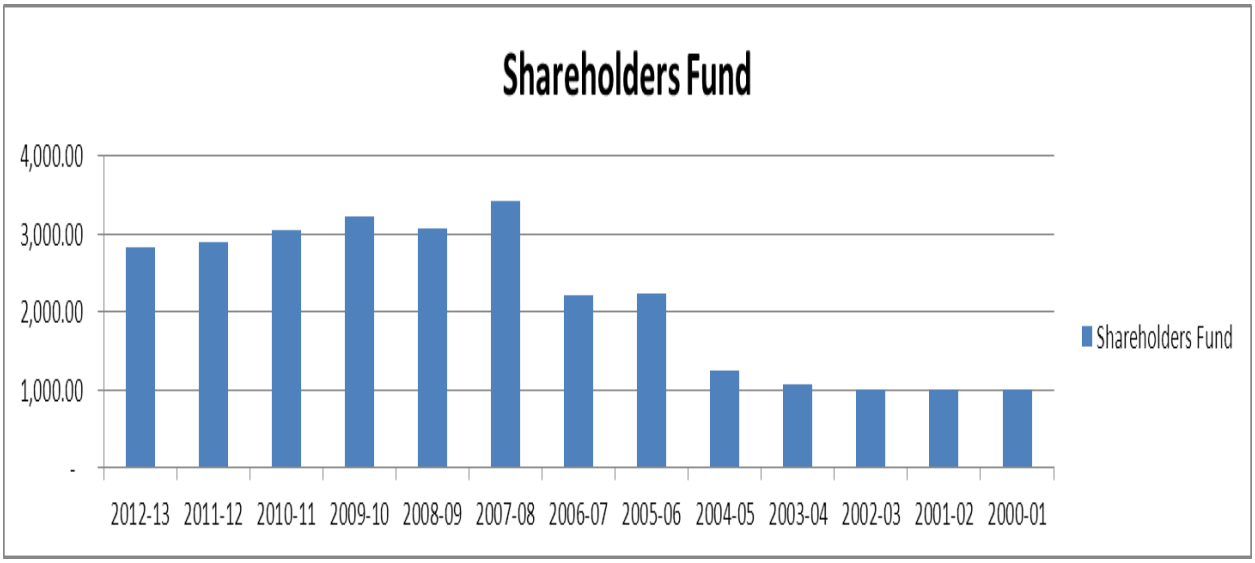


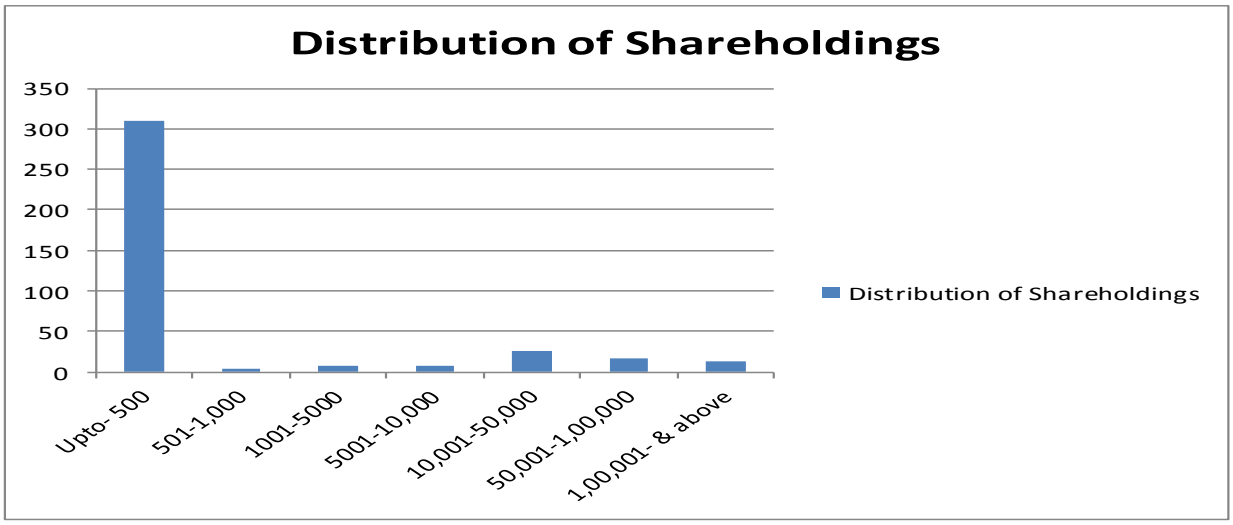


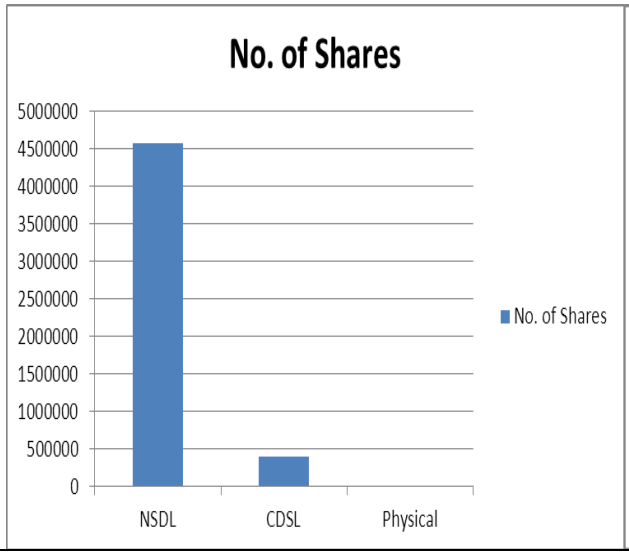


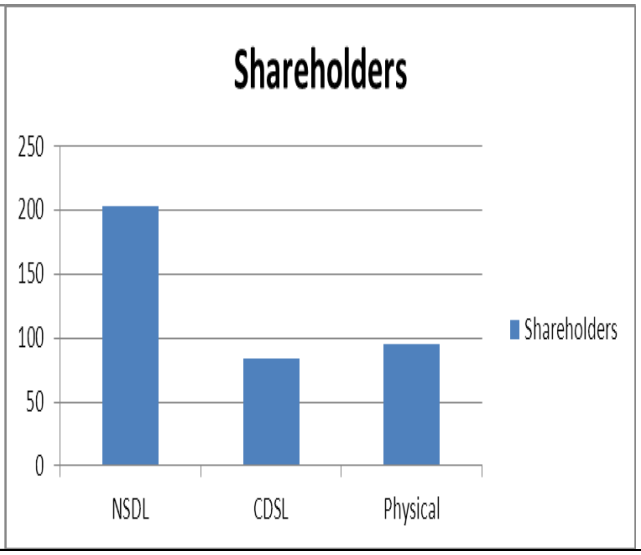


Financial Snapshot









LOHIA SECURITIES LIMITED

Regd. Office: 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001

Serial No. **ATTENDANCE SLIP**

NAME & ADDRESS OF SHAREHOLDER	DP & CLIENT ID*/ REGISTERED FOLIO

I/ we hereby record my/ our presence at the 19th Annual General Meeting of the Company on Saturday, the 21st day of September, 2013 at 10.30 A.M. at 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001.

Signature of the Shareholder/ Proxy Present: _____

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

Notes:

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

LOHIA SECURITIES LIMITED

Regd. Office: 4 Biplabi Trailokya Maharaj Sarani (Brabourne Road), 5th floor, Kolkata 700 001

Serial No. **PROXY FORM**

DP & Client ID/ Registered Folio no:_____

I/ we _____

_____in the district of _____being a member / members of

Lohia Securities Limited hereby appoint _____of _____in the district of

_____failing him _____ _____in the district of _____

failing him _____ _____n the district of _____as my/ our proxy to vote for me/ us on my/ our behalf at the 19th Annual General Meeting of the Company to be held on Saturday, the 21st September, 2013, at 10.30 A.M. and at any adjournment thereof.

Signature(s) _____

Affix Re 1/- Revenue Stamp	For office Use only Proxy no.: No. of shares:

Notes:

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

If Undelivered, Please Return to :-
LOHIA SECURITIES LIMITED
4, Brabourne Road, 5th Floor,
Kolkata - 700001
Tel.: +91 33 4002 6600

Printed By :
www.colorsgroup.org
+91 983 000 5273