

## GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

### 19<sup>TH</sup> ANNUAL REPORT 2012-13

Board of Directors	Registered Office
A.P.Kurian : Chairman	34/659-P, Civil Line Road, Padivattom Kochi – 682024, Kerala, India
C.J.George : Managing Director	
R.Bupathy	
Tom Jose	
Mahesh Vyas	
Olivier Daniel Andre Le Grand	
Jean Christophe Gougeon	
Punnoose George	
Rakesh Jhunjunwala	
Management Team	Registrar & Share Transfer Agents
C.J.George : Managing Director	S.K.D.C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A – 1, Sathy Road, Ganapathy, Coimbatore – 641 006
Binoy V Samuel : Chief Financial Officer	
Satish Menon : Executive Director	
Sharad Sharma : Executive Director	
A.Balakrishnan : Managing Director, Geojit Technologies Pvt. Ltd.	
Jaya Jacob Alexander : Chief of Human Resources	
Company Secretary	Listed at
Liju K Johnson	National Stock Exchange of India Limited BSE Limited



## CONTENTS

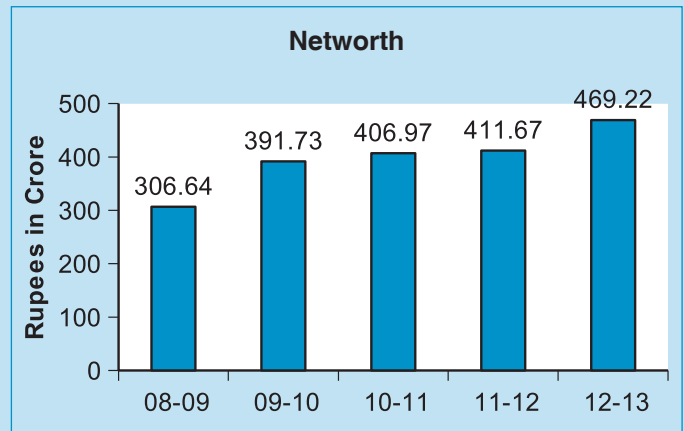
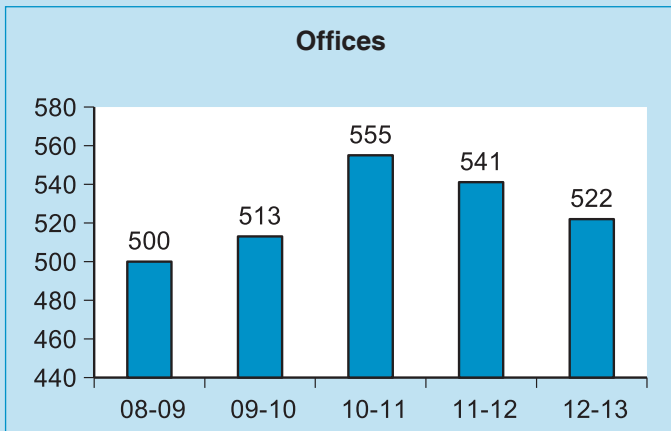
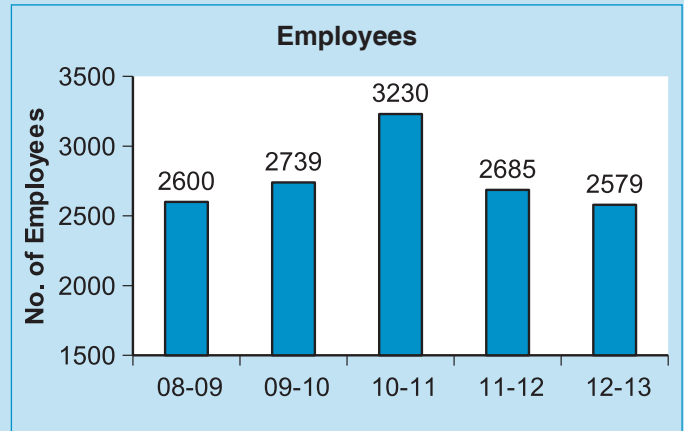
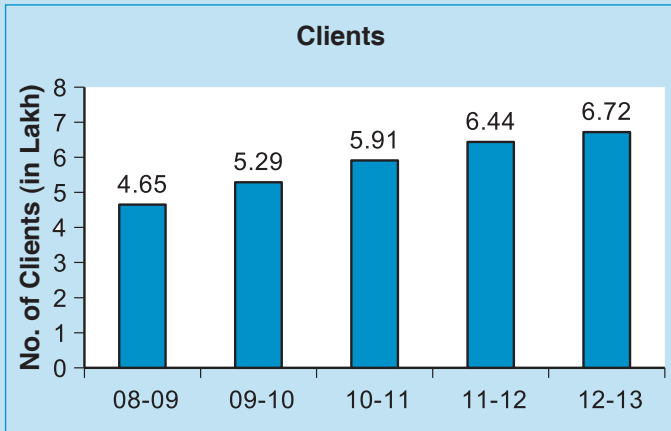
	Page
<b>From the Chairman's Desk</b>	
Notice	6
Directors' Report	9
Corporate Governance Report	15
Management Discussion and Analysis	22
<b>Standalone Financial Statements</b>	
Auditors' Report	25
Balance Sheet	28
Profit and Loss Account	29
Cash Flow Statement	30
Notes Forming Part of Financial Statements	32
<b>Consolidated Financial Statements</b>	
Auditors' Report	59
Consolidated Balance Sheet	60
Consolidated Profit and Loss Account.	61
Consolidated Cash Flow Statement	62
Notes Forming Part of Consolidated Financial Statements	65

## FIVE YEARS REVIEW

## CONSOLIDATED FINANCIAL SUMMARY

Particulars	₹ in Lakhs				
	2012-13	2011-12	2010-11	2009-10	2008-09
Income from Operations	23,834	22,659	25,729	28,011	17,497
Other Income	2,385	3,055	2,400	2,400	1,700
<b>Total Income</b>	<b>26,219</b>	<b>25,714</b>	<b>28,129</b>	<b>30,411</b>	<b>19,197</b>
Total Expenditure	19,521	20,955	23,104	22,731	18,042
Profit Before Tax	6,698	4,759	5,025	7,680	1,155
Tax	2,248	2,427	1,880	2,842	1,048
<b>Profit After Tax</b>	<b>4,450</b>	<b>2,332</b>	<b>3,145</b>	<b>4,838</b>	<b>107</b>
Add: Extraordinary & Exceptional Item	4,278	-	-	-	4,001
Add: Share of Profit in Associates	(53)	-	-	-	-
Less: Pre-acquisition Profit on increase in stake in subsidiary	-	-	-	-	24
Less: Minority Interest	495	387	243	220	82
<b>Net Profit After Tax</b>	<b>8,180</b>	<b>1,945</b>	<b>2,902</b>	<b>4,618</b>	<b>4,002</b>
Equity	2,284	2,284	2,284	2,253	2,234
Reserves	44,638	38,883	38,413	36,920	30,664
<b>Net Worth</b>	<b>46,922</b>	<b>41,167</b>	<b>40,697</b>	<b>39,173</b>	<b>32,898</b>
Face Value (in ₹ )	1	1	1	1	1
Book Value (in ₹ )	20.54	18.02	17.82	17.39	14.73
EPS (in ₹ )	3.58	0.85	1.28	2.06	-
Dividend (%)	100%	75%	75%	75%	50%
Return on Networth (%)	17 %	5 %	7 %	12 %	12 %

## FIVE YEARS REVIEW



## FROM THE CHAIRMAN'S DESK



I have great pleasure in warmly welcoming you to this 19th Annual General Meeting and thank you for being with us today.

The year that passed was in many ways a satisfying, though challenging one, with the company performing reasonably well and poised to achieve much more in the months and years to come. In

many ways this mixed picture is a reflection of the uncertain state of the global and Indian economy.

The International economy is certainly in a much better shape than the last year. Despite the continuing debt woes of Cyprus and rest of the European Union, there is however, a consensus in many quarters that the worst is over and most significant economies are on the road to recovery.

The Indian Economy witnessed a slowdown in its growth and the estimate is that during fiscal 2012-13 the growth will only be around five percent or so. Added to this slow down the other disturbing features such as burgeoning current account deficit, continuing weakness of the Rupee, high inflation, policy ambiguity and implementation slackness which together contributed to the sub-par performance of the economy. The stock Market presented a somewhat confusing scenario. On the one hand, the FII Inflow peaked at ₹ 1.4 Lakh Crores much higher than ₹ 47,935 Crores in the previous year. The Market index as measured by CNX Nifty recorded a year on year growth of just 7 percent, with the index touching the trough of 4770 on 4th June 2012 and the peak of 6112 on January 29, 2013. On the other hand, the year witnessed a gloomy picture of a fall in the volume in the retail cash market. While in the NSE, the retail volume in the cash market declined by 6 percent, in the BSE, the fall was steeper at 24 percent. The equity Schemes of Mutual Funds reported a net out flow of nearly ₹ 13000 Crores and there was a substantial decline in the equity folios. This situation has adversely affected the broking business. It is in this background that we need to look at the fiscal 2012-2013 performance.

You will be happy to know that despite the fall in the volume of trade and the overall sluggishness of the market, your Company was able to maintain its turnover at marginally higher at ₹ 262.61 Crores as against ₹ 257.14 Crores, i.e. a modest growth of just 2 percent over the year. But, what is most encouraging is the fact that due to the cost cutting efforts and prudent management of resources and also due to the receipt of ₹ 42.78 Crores from the disinvestment from Institutional Broking Company, the profit after tax went up to ₹ 81.80 Crores, a record increase of 320 percent over the last year's profit of ₹ 19.45 Crores. Even without taking

into account the income from disinvestment, the Company made a net profit of ₹ 39.02 Crores, which is double of the previous year.

I am sure you are happy to have received the interim dividend of ₹ 0.75 per share which was paid out in March of this Year. On top of this the Board has recommended for your approval a further final dividend of ₹ 0.25 per equity share taking the total to ₹ 1/- per share.

Keeping with its tradition of being an industry pioneer, we became the first Indian Brokerage Company to launch the QFI services in June 2012. Similarly we have reaffirmed our commitment to the ordinary Investors by aggressively promoting the Rajiv Gandhi Equity Scheme for the new investors. Two new joint ventures – QBG Geojit Securities, Oman, and BBK Geojit Securities Kuwait have become operational.

We continue to improve our business model, break new grounds, and adopt new technologies. We leverage our technological capabilities through Geojit Technologies (GTPL), our subsidiary company to further empower our clients and offer them hassle free access to the markets. In the last year we focused on extending our mobile and online trading platform accessible on a wider variety of devices including Windows 8, Blackberry, Android and Apple's iOS. We have added more features to the existing applications to empower our customers with new experience of trading. This will enable the newer generation of investors to trade or invest in financial instruments through cyber mediums and further spur our growing client base to adopt mobile and online trading too. In May, 2013, we launched "FLIP Social", a Facebook application for the investment community for real trading and virtual investing. It is also a knowledge sharing and learning platform for new generations. This is the first of such application in India. As a part of "global sourcing program" of BNP Paribas, GTPL has developed mobile applications for Banking and Trading for BNP Paribas Personal Investors in Europe.

Before I conclude let me share with you a happy development. Last year in September 2012 our Corporate office moved into our own new Green Building in Kochi. This Green Building is one of its kind uniquely designed that consumes 25 percent less energy and it is a testament to our commitment to the environment and to the society.

Our performance and our achievements are all due to the unstinted support of our shareholders, our valued clients and the dedicated work of our employees. On behalf of the Board and on my own I convey our appreciation and thanks to all of them. Looking ahead I am confident, that your company will successfully overcome the emerging challenges of the coming year and continue with vigour its mission of being the best in the business.

With Warm greetings and all good wishes.

**A.P.Kurian**

## NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the members of Geojit BNP Paribas Financial Services Limited will be held on Friday, the 12th day of July 2013 at 4.00 p.m at The Renai Cochin, Palarivattom, Kochi, Kerala 682025 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March 2013 and Profit and Loss Account for the year ended 31st March 2013 together with the Directors' Report and Auditors' Report thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the financial year 2012-13.
3. To appoint a Director in place of Mr.Punnoose George, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr.Rakesh Jhunjhunwala, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, 1st Floor, Wilmont Park Business Centre, Warriam Road, Kochi – 682016, (ICAI Registration No.008072S) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board."

The present Auditors M/s.Deloitte Haskins & Sells, Chartered Accountants, 1st Floor, Wilmont Park Business Centre, Warriam Road, Kochi – 682016, (ICAI Registration No.008072S) retire and have expressed their willingness to continue in office. Certificate has been obtained from them that re-appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

By Order of the Board of Directors

Sd/-

**Liju K Johnson**

Company Secretary

Place: Kochi

Date : 22.05.2013



**NOTES:**

1. As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to send all communication to the members through electronic mode. We believe that the above initiative will go a long way in conserving paper which is a natural resource and also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to members.

Members are requested to support this Green Initiative by updating their email addresses with their respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding. We hope that members will join this cause and make the world a cleaner, greener and healthier place to live in.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HRS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members of the Company will remain closed from 9th July 2013 to 12th July 2013 (both days inclusive) under Section 154 of the Companies Act, 1956 for the purpose of payment of final dividend.
4. The Board has recommended a final dividend of 25% (25 paise per equity share of ₹ 1 each) at its Meeting held on 22nd May 2013. The dividend, if approved by the members at the said Annual General Meeting will be paid on or before 10th August 2013 :
  - (i) to those members whose names appear on the Company's Register of Members as on 12th July 2013, after giving effect to all valid share transfers in physical form lodged with the Registrar and Share Transfer Agent of the Company on or before 9th July 2013.
  - (ii) In respect of shares held in electronic form, to those 'deemed members' whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours of 8th July 2013.

**The Company will use the bank account details furnished by the Depositories for distributing the dividends to the Members holding shares in the electronic form through Electronic Clearing Services (ECS) facility.**

5. Members are requested to intimate change in their bank account details, address, etc to the Registrar & Share Transfer Agents M/s.S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor ,1391/A-1, Sathy Road,

Ganapathy, Coimbatore- 641006 (Email: info@skdc-consultants.com), in respect of shares held in physical form and to their respective Depository Participants, if the shares are held in electronic form.

6. Members holding shares in physical form are requested to dematerialise their shares. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the RTA. Members holding shares in physical form are also requested to quote their PAN details on the share transfer deed submitted for transfer of their shares.
7. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board Resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting.
8. Members are requested to bring their copy of Annual Report and Attendance Slip duly completed when attending the Meeting.
9. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
10. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year 2004-05 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. All members who have either not received or have not yet encashed their dividend warrants for the financial year 2005-06 are requested to write to the Company's Registrar and Share Transfer Agents at the address mentioned above, for obtaining duplicate dividend warrant without any delay.
11. The Certificate from Auditors of the Company as stipulated under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 for Employees Stock Option Plan 2007 for Key Employees and Employees Stock Option Plan 2010 (ESOP 2010) will be available for inspection at the Annual General Meeting.
12. Brief resume of Directors proposed to be appointed/re-appointed are enclosed to this Notice as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

By Order of the Board of Directors

Sd/-

**Liju K Johnson**

Company Secretary

Place: Kochi  
Date : 22.05.2013



**GEOJIT  
BNP PARIBAS**

## The details of the Directors seeking re-appointment at the Annual General Meeting as required under clause 49 of the Listing Agreement.

Name of the Director	Punnoose George	Rakesh Jhunjunwala
Date of Birth	26.05.1959	05.07.1960
Nationality	Indian	Indian
Date of appointment	29.04.1995	28.03.2005
Qualifications	Bsc., Engg, L.L.M	B.Com, A.C.A
Shareholding in Geojit BNP Paribas Financial Services Ltd.	91,20,000	1,80,00,000
Expertise in specific functional area	<p>Mr. Punnoose George, is an industrialist of repute with interest in manufacturing industries, plantations and educational institutions. He is the Executive Director of Kottukulam Group, Kottayam. He was a member of Cochin Stock Exchange Limited.</p> <p>Mr. Punnose George, a graduate in Engineering and an LLM holder, is on the Board of Geojit since April 1995.</p>	<p>Mr. Rakesh Jhunjunwala, a qualified Chartered Accountant is a well known investor in the Indian Capital Market. He has extensive experience and expertise in analysing and identifying potential investment opportunities in the Indian Equity Market. He has also been an advisor to institutional investors and the well known speaker in Capital Market related topics. He is a Director of number of publically listed as well as unlisted companies.</p>
Chairman / Director of other Indian Companies	<ul style="list-style-type: none"> <li>(a) Kottukulam Engineers Pvt. Ltd.</li> <li>(b) Unity Realtors Pvt. Ltd.</li> <li>(c) Geojit Technologies Pvt. Ltd.</li> <li>(d) Yulfono Estate Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>(a) Aptech Ltd.</li> <li>(b) Delta Corp. Ltd.</li> <li>(c) Inventurus Knowledge Solutions Pvt. Ltd.</li> <li>(d) Metro Shoes Ltd.</li> <li>(e) Nagarjuna Construction Company Ltd.</li> <li>(f) Prime Focus Limited</li> <li>(g) Hungama Digital Media Entertainment Pvt Ltd. (Formely known as Virtual Marketing (India) Pvt Ltd.)</li> </ul>
Chairman / Member of Committees of the Boards of other Indian Companies of which he is a Director	Nil	Nil



## DIRECTORS' REPORT

Dear Members,

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

### FINANCIAL HIGHLIGHTS & REVIEW OF PERFORMANCE

(₹ in crore)

Particulars	Standalone			Consolidated		
	2012-13	2011-12	Change	2012-13	2011-12	Change
Total Revenue	232.80	235.51	(1%)	262.20	257.14	2%
Total Expenditure	177.13	185.26	(4%)	195.21	209.55	(7%)
Profit before tax	55.67	50.25	11%	66.98	47.59	41%
Exceptional Item	-	-	-	42.78	-	-
Provision for tax	13.70	10.52	30%	22.48	24.27	(7%)
Share of Minority Interest	-	-	-	4.95	3.87	28%
Share in Profit/(Loss) of Associates	-	-	-	(0.53)	-	-
Profit after tax	41.97	39.73	6%	81.80	19.45	321%
Final Dividend	5.71	17.13	-	-	-	-
Interim Dividend	17.13	-	-	-	-	-
Transfer to general reserve	5.00	5.00	-	6.70	5.42	-

A detailed analysis of the performance is given in the Management Discussion and Analysis Report appended hereto.

#### TRANSFER TO RESERVES

During the financial year 2012-13, your Company has transferred ₹ 5.00 crore to the General Reserve Account.

#### DIVIDEND

Your Directors are pleased to recommend a final dividend of 25 paise per equity share of ₹ 1/- each. Along with the 75 paise interim dividend paid during March 2013 the total dividend works out to be 100% for the financial year 2012-13.

#### DIRECTORS

Kerala State Industrial Development Corporation Limited (KSIDC) appointed Mr. Tom Jose as its Nominee Director on the Board of the Company replacing Mr. Alkeshkumar Sharma w.e.f 12th January 2013. The Board of Directors place on record its sincere appreciation and gratitude for the valuable contribution and guidance received from Mr. Alkeshkumar Sharma during his tenure as a member of the Board.

In accordance with Article 80 of the Articles of Association of the Company, Mr. Punnoose George and Mr. Rakesh Jhunjhunwala, Non-Executive Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Brief details of Directors proposed to be re-appointed are given in the Notice of Annual General Meeting.

#### CONSOLIDATED RESULTS

The Consolidated Financial Results represent those of Geojit BNP Paribas Financial Services Limited, its subsidiaries i.e.,

Geojit Investment Services Limited (100% held), Geojit Financial Management Services Private Limited (100% held), Geojit Credits Private Limited (65.03% held), Qurum Business Group Geojit Securities LLC, Oman (51% held), its step down subsidiaries i.e., Geojit Technologies Private Limited (65% held), Geojit Financial Distribution Private Limited (100%), and its Joint Ventures i.e., Barjeel Geojit Securities L.L.C., Dubai (30% held), Aloula Geojit Brokerage Company, Saudi Arabia (28% held) and BBK Geojit Securities KSC, Kuwait (30% held) prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India.

#### SUBSIDIARIES AND JOINT VENTURES

Ministry of Corporate Affairs has granted exemption under Section 212(8) of the Companies Act, 1956 exempting the Company from attaching copies of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of Subsidiaries as specified under Section 212(1) of the Companies Act, 1956, subject to publication of certain summarized financial information of the subsidiaries in the Annual Report. Accordingly these documents are not attached to the Balance Sheet and summarised financial information of the subsidiaries is included in this Annual Report. Full Annual Report including financial information of the subsidiaries is published on the website of the Company and will be available upon request by any member interested in obtaining the same. All those documents related to subsidiaries are kept in the head office of the Company for inspection by any interested shareholder.

The Company made two new investments in Middle East Asia namely Qurum Business Group Geojit Securities LLC located in

Oman, a subsidiary Company with QBG and National Securities Co in which Geojit BNP Paribas holds 51% stake and BBK Geojit Securities KSC located in Kuwait, a Joint Venture with Bank of Bahrain and JZA in which Geojit BNP Paribas holds 30% stake.

During the period under review, the Company entered in to an agreement to sell its entire stake in BNP Paribas Securities India Pvt. Ltd (BNPPSI) held through its wholly owned subsidiary for an amount of ₹ 41.24 crores. About 84% of the stake was sold during the year for a consideration of ₹ 34.3 crore. The balance holding was sold in April 2013 for ₹ 6.94 crore. On account of the said sale of stake, the Company hasn't considered the financials of BNPPSI for consolidated from April 01, 2012. Therefore the

consolidated financials are not comparable with previous year to that extent.

Considering the insignificant activity of Geojit Investment Services Limited, the Board of Directors of the Company proposed a scheme of Amalgamation of Geojit Investment Services Limited with Geojit BNP Paribas Financial Services Limited in the year 2009 pursuant to Section 394 of the Companies Act, 1956. Since Geojit Investment Services Limited was engaged in commodities futures brokerage as a member of relevant exchanges, Forward Markets Commission's clearance is awaited for the proposed amalgamation. Such clearance is awaited.

(₹ in lakhs)

Particulars	Financial Highlights		
	Total Income	Profit Before Tax	Profit After Tax
Geojit Investment Services Limited	172.77	121.04	88.11
Geojit Financial Management Services Private Limited	154.91	1276.39	1033.39
Geojit Credits Private Limited	1942.72	769.98	508.09
Qurum Business Group Geojit Securities LLC	40.62	(69.39)	(69.39)
Geojit Technologies Private Limited	2209.29	1341.23	1002.45
Geojit Financial Distribution Private Limited	24.01	23.28	21.97
<b>Joint Ventures &amp; Associates</b>			
Barjeel Geojit Securities L.L.C. (30% shares held)	524.21	94.42	94.42
Aloula Geojit Brokerage Company (28% shares held)	412.12	(40.53)	(40.53)
BBK Geojit Securities KSC (30% shares held)	0.60	(52.93)	(52.93)

#### INTERNAL CONTROL SYSTEM

The Company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

The Company has a dedicated Internal Audit team which is commensurate with the size, nature & complexity of operations of the Company. Internal Audit reports functionally to the Audit Committee of Board which reviews and approves risk based annual internal audit plan. Audit Committee periodically reviews the performance of internal audit function.

The Company has a rigorous business planning system to set targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action, if required.

The Company's audit committee reviews adherence to internal control systems, internal audit reports and legal compliances. This committee reviews all quarterly and yearly results of the Company and recommends the same to Board for its approval.

#### TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, the dividend declared and paid by the Company and which have remain unpaid or unclaimed for a period of seven years from the date of declaration have been transferred by the

Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to Section 205C of the said Act. The details of the unpaid/unclaimed dividend that will be transferred to IEPF A/c in subsequent years are given in the corporate governance section of the Annual Report.

#### MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis is given separately and forms part of this Annual Report.

#### INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures are in force.

#### FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public under Section 58(A) of the Companies Act, 1956 and as such, no amount of principal or interest is outstanding as of the balance sheet date.

#### HUMAN RESOURCES

As a service Company, the Company's operations are heavily dependent on qualified and competent personnel. As on 31st March 2013, the Company had a total head count of 2579. Your Company takes significant effort in training all employees at various levels.



**EMPLOYEE STOCK OPTION PLAN**

Details of the equity shares issued under ESOP, as also the disclosures in compliance with clause 12 of the SEBI (Employees Stock Options Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure I to this Report.

The Company had obtained the approval of members for issuing 1,12,00,000 (one crore twelve lakh only) stock options under Employee Stock Option Plan 2010 (ESOP 2010) in the Annual General Meeting held on 2010.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has always believed and practiced being responsible to all its stakeholders and the public at large. Financial literacy programs particularly for the youngsters has been a special initiative of the Company introduced in 2006, which has so far reached out to about 500,000 students in 3,000 or so colleges through approximately 10,000 seminars. This initiative to get young people interested in savings and investments and to take informed investment decisions got extensive support from the National Stock Exchange and from the Ministry of Corporate Affairs.

Primary education for underprivileged children has been another area of focus since 2006. We have been supporting 450 students of four villages in their educational requirements and in their overall personality development, with the help of a specialized NGO. They are not only provided education material but are also given regular tuitions and personality development camps which has benefitted not only these children but also in the upliftment of their families. The employees of the Company are also sensitive to the needs of the society and volunteers and participates in the CSR activities of the Company such as blood donation, planting of trees, service in the general hospital and very recently participation in the One Billion rising program for gender justice.

The newly built corporate office of the Company at Kochi is built to Green standards and is awaiting Leed's Gold certification. By adhering to the green norms, the Company is saving on water and power consumption. The Company is maintaining not only its own premises beautifully but also its immediate vicinity by maintaining a garden in the medians in front of our building.

**PARTICULARS OF EMPLOYEES**

Particulars of employees covered by the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given as Annexure II to this Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having :

- i. followed in preparation of the Annual Accounts, the applicable standards with proper explanation relating to material departures, where applicable;
- ii. 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 your Company at the end of the financial year and the profit of your Company for that period;

- iii. 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 your Company and for preventing and detecting fraud and other irregularities; and
- iv. prepared the Annual Accounts on a going concern basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has nothing to report in respect of information on conservation of energy and technology absorption as required under Section 217(1) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 since the Company is not engaged in manufacturing or processing business. The details regarding foreign exchange earnings and outgo are given as Annexure III to this Report.

**CORPORATE GOVERNANCE**

Your Company has complied with the Corporate Governance norms as stipulated under the provisions of the Listing Agreement entered into with the Stock Exchanges. A detailed Report on Corporate Governance is given as Annexure IV to this Report. A certificate of Statutory Auditor confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

**AUDITORS**

M/s. Deloitte Haskins & Sells, Chartered Accountants, 1st Floor, Wilmont Park Business Centre, Warriam Road, Kochi – 682016, (ICAI Registration No.008072S) were appointed as Statutory Auditors of your Company to conduct the audit of accounts for the year ended 31st March 2013. Their term of appointment expires at the conclusion of the forthcoming Annual General Meeting. Your Directors have proposed them for reappointment at the forthcoming AGM.

**ACKNOWLEDGEMENTS**

Your Directors wish to acknowledge the valuable guidance and assistance received from Securities and Exchange Board of India, Stock Exchanges & other Regulatory Authorities, BNP Paribas, KSIDC, our clients and business partners. We look forward to receiving their continued support and encouragement. The Board of Directors wishes to extend their thanks and appreciation and express their gratitude for the continuing commitment and dedication of employees at all levels. The Directors are thankful to the esteemed shareholders for their support and the confidence reposed in the Company.

For and on behalf of the Board of Directors

Sd/-

Place : Kochi

Date : 22.05.2013

**A.P. Kurian**

Chairman



**GEOJIT  
BNP PARIBAS**

## ANNEXURES TO THE DIRECTORS' REPORT 2013

## Annexure I

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of Employee Stock Option Plans.

Sl. No.	Particulars	ESOP 2005 (Re-issue - I) (Granted during 2007-08)	ESOP 2007 for Key Employees (Granted during 2007-08)	ESOP 2010 – Tranche I (Granted during 2010-11)	ESOP 2010 – Tranche II (Granted during 2012-13)
1	Options granted	950,500 options representing equal number of shares	2,500,000 options representing equal number of shares	2,786,795 options representing equal number of shares	2,799,885 options representing equal number of shares
2	The pricing formula.	AS per Note 1	AS per Note 2	At closing market price of the shares quoted in the Stock Exchanges where highest volume was recorded on the previous date of the Compensation Committee in which options were granted.(i.e. ₹ 22.20 per option)	At closing market price of the shares quoted in the Stock Exchanges where highest volume was recorded on the previous date of the Compensation Committee in which options were granted (i.e. ₹ 20.55 per option)
3	Options vested up to 31.03.2013	440,228*	1,098,523*	2,301,710*	Nil
4	Options exercised up to 31.03.2013	75,320	Nil	Nil	Nil
5	The total number of shares arising as a result of exercise of option.	75,320	Nil	Nil	Nil
6	Options lapsed (as at 31 March 2013)	364,908	302,960	485,085	255,680
7	Variation of terms of options.	The Compensation Committee re-priced the stock options on 11.04.2009 with the approval of Members. Now the options have a Market Price of ₹ 25.50, as determined as per SEBI Guidelines, while options were originally granted at a discount on the Market Price of ₹ 66.55 per share.	The Compensation Committee re-priced the stock options on 11.04.2009 with the approval of Members. Now the options have a Market Price of ₹ 25.50, as per SEBI Guidelines, while options were originally granted at a discount on the Market Price of ₹ 66.55 per share.	NA	NA
8	Money realised by exercise of options.	₹ 2.37 lakhs	NA	NA	NA
9	Total number of options in force as at 31.03.2013	Nil	2,197,040	2,301,710	2,544,205
10	Employee wise details of options granted to :-	As per Note 3	As per Note 3	As per Note 3	As per Note 3
	(i) senior managerial personnel including Directors.				
	(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil	As per Note 3	Nil	Nil
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil	Nil	Nil



Sl. No.	Particulars	ESOP 2005 (Re-issue – I) (Granted during 2007-08)	ESOP 2007 for Key Employees (Granted during 2007-08)	ESOP 2010 – Tranche I (Granted during 2010-11)	ESOP 2010 – Tranche II (Granted during 2012-13)
11	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 – Earnings per share.	NA		₹ 1.84	
12	(i) Method of calculation of employee compensation cost.	The Company has calculated the employee compensation cost using the 'intrinsic value' method		NA	NA
	(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options.	NA	₹ 120.29 lakhs	₹ 81.77 lakhs	₹ 38.15 lakhs
	(iii) The impact of this difference on profits and on EPS of the Company.	NA	(In ₹ unless stated otherwise) Profit After Tax as reported - 4,196.44 lakhs Add: Intrinsic Value Compensation Cost - 14.40 lakhs Less: Fair Value Compensation Cost – 254.61 lakhs (Black Scholes Model) Adjusted Profit After Tax - 3956.23 lakhs Earnings per share (Basic): As reported - 1.84 As adjusted - 1.73 Earnings per share (Diluted): As reported - 1.84 As adjusted - 1.73		
13	(i) weighted average exercise price of options (As on 31.03.2013)	NA	₹ 25.50	₹ 22.20	₹ 20.55
	(ii) weighted average fair values of options (As on 31.03.2013)	NA	₹ 61.67	₹ 6.94	₹ 4.71
14	Fair value of options based on Black Scholes methodology – Assumptions used :	NA	7.00%	8.00%	8.00%
	(i) risk –free interest rate				
	(ii) expected life of options	NA	4 to 7 years	2 years	2 years
	(iii) expected volatility	NA	170%	52%	39%
	(iv) expected dividends (dividend yield)	NA	0.60%	2.30%	4.04%
	(v) Closing market price of share on the date of option grant.	NA	₹ 66.55 (re-priced ₹ 25.50)	₹ 22.20	₹ 20.55

\* Represents vested portion of total options in force as on 31.03.2013

**Note 1 : Pricing formula for ESOP 2005 (Reissue – I)**

The discount on market price of ₹ 66.55 offered at the time of grant of options in December 2007 are as follows.

Managerial cadre	Discount offered on the Market Price
Asst.Managers & Managers	- ₹ 1.25
Sr.Managers to AGM	- ₹ 1.00
GM and Above	- ₹ 0.75
Directors	- ₹ 0.50

Subsequently, on 11.04.2009 the Compensation Committee re-priced the outstanding stock options as on 31.03.2009 at the Market Price of ₹ 25.50 determined as per SEBI Guidelines.

**Note 2 : Pricing formula for ESOP 2007 for Key Employees**

10% discount was offered on the Market Price of ₹ 66.55 at the time of grant of options in December 2007. Subsequently, on 11.04.2009 the Compensation Committee re-priced the outstanding stock options as on 31.03.2009 at the Market Price of ₹ 25.50 determined as per SEBI Guidelines.

**Note 3 : Options granted to Directors & Senior Managerial Personnel :**

Name	Designation	No. of options granted under ESOP 2005 (Re-issue I)	No. of options granted under ESOP 2007 for Key Employees	No. of options granted under ESOP 2010 (Tranche I)	No. of options granted under ESOP 2010 (Tranche II)
Mr. Satish Menon	Executive Director	Nil	5,08,982*	11,920	6,900
Mr. A. Balakrishnan	Managing Director, Geojit Technologies (P) Ltd.	Nil	5,59,603*	13,360	8,050
Mr. Binoy Varghese Samuel	Chief Financial Officer	Nil	3,97,810*	7,200	6,325
Ms. Jaya Jacob Alexander	Chief Human Resources	Nil	2,55,645*	4,320	4,600
Mr. Krishnan Ramachandran	Chief Executive Officer – Barjeel Geojit Securities	Nil	2,00,000*	2,160	2,300

\* In all these cases the stock options granted exceeded 5% of the total stock options granted during the year 2007-08.

**Annexure II****STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AND FORMING PART OF THE DIRECTORS REPORT FOR THE PERIOD ENDED THE 31ST MARCH, 2013.**

Name and Qualification	Age in years	Designation	Remuneration received	Experience in No. of years	Date of Employment	Last Employment
Mr. C.J. George, M.Com, CFP	54	Managing Director	₹ 13,067,613	28	24.11.1994	Proprietor, Geojit & Co.

**Annexure III****STATEMENT OF FOREIGN EXCHANGE EARNING AND OUTGO**

Particulars	2012-13	2011-12
Foreign Exchange earnings	₹ 34,689,320	₹ 10,726,391
Foreign Exchange outgo	₹ 2,755,195	₹ 3,533,021

## CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The basic philosophy of Corporate Governance at 'Geojit BNP Paribas' is to achieve business excellence and to create and enhance the value for its Stakeholders, Customers, Employees and Business Associates and thereby to make a significant contribution to the Economy. The Company endeavors to achieve the highest levels of transparency, accountability, integrity and responsibility by following the best practices in Corporate Governance.

### 2. BOARD OF DIRECTORS

The Board of Directors comprises One Executive and Eight Non-Executive Directors of which four are Independent. Except for the Managing Director and the Nominee Director, all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

During the year ended 31st March 2013, six Board Meetings were held on 12th April 2012, 29th May 2012, 12th July 2012, 15th October 2012, 12th January 2013 and 15th March 2013.

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of other directorships and memberships of committees are given below:

Name of Director	Category	Number of shares held in the Company as on 31.03.2013	Attendance at		Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31.03.2013		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
Mr. A.P.Kurian	C, NE & I	3,76,900	6	Yes	3	2	Nil
Mr. C.J.George	MD & P	4,17,73,399	6	Yes	6	2	2
Mr. R.Bupathy	NE & I	18,000	6 <sup>#</sup>	Yes	3	Nil	1
Mr. Alkeshkumar Sharma**	N, NE & I	Nil	Nil	No	14	2	Nil
Mr. Tom Jose**	N, NE & I	Nil	1	No	9	Nil	Nil
Mr. Mahesh Vyas	NE & I	Nil	3 <sup>@</sup>	No	Nil	Nil	Nil
Mr. Olivier Le Grand	NE	Nil	4 <sup>%</sup>	No	4	2	Nil
Mr. Jean Christophe Gougeon	NE	Nil	6 <sup>\$</sup>	Yes	1	Nil	Nil
Mr. Punnoose George	NE	91,20,000	6	Yes	1	Nil	Nil
Mr. Rakesh Jhunjunwala	NE	1,80,00,000	Nil	No	5	Nil	Nil

C: Chairman; NE: Non-Executive; I: Independent; MD: Managing Director; N: Nominee; P: Promoter

\*\* Mr. Alkeshkumar Sharma resigned from the Board of Directors w.e.f 06.11.2012 and Mr. Tom Jose was appointed as a Nominee Director w.e.f 12.01.2013.

# Out of six board meetings, one board meeting was attended through video-conference.

@ Out of three board meetings, one board meeting was attended through video-conference and one board meeting through tele-conference.

% Out of four board meetings, two board meetings were attended through video-conference and one board meeting was attended through tele-conference.

\$ Out of six board meetings, two board meetings were attended through video-conference.

Other directorships do not include Alternate Directorships, Directorships of Private Limited Companies which are neither a Subsidiary nor a Holding Company of a Public Company, Companies under Section 25 of the Companies Act, 1956 and of Companies incorporated outside India.

Chairmanship / Membership of Board Committees include Chairmanship / Membership of Audit Committee and Shareholders' / Investors' Grievance Committee only as clarified by SEBI. The Membership / Chairmanship of Board Committees of Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for the purpose.



### REAPPOINTMENT OF DIRECTORS

The Directors Mr.Punnoose George and Mr.Rakesh Jhunjhunwala shall retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment. The brief resume and information relating to these Directors as required under Clause 49 of Listing Agreement with the Stock Exchanges is furnished as part of the Notice convening the Annual General Meeting.

### 3. AUDIT COMMITTEE

The Company's Audit Committee consisted of four Non-Executive Independent Directors and two Non-Executive Directors during the year. The qualification of the members of the Committee, its composition and terms of reference are as per the requirements of Clause 49 of the Listing Agreement. The Chairman of the Audit Committee, Mr.R.Bupathy has expert knowledge of finance and accounting.

During the year ended 31st March 2013, the Committee met six times on 11th April 2012, 28th May 2012, 11th July 2012, 15th October 2012, 11th January 2013 and 15th March 2013.

The Audit Committee Meetings are attended by invitation by the Managing Director, Chief Financial Officer, Executive Directors, Head (Internal Audit) and Representative of the Statutory Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

Name of Members of Audit Committee	Designation	No. of meetings attended
Mr. R.Bupathy	Chairman, Non – Executive Independent Director	6 <sup>§</sup>
Mr. A.P.Kurian	Member, Non – Executive Independent Director	6
Mr. Mahesh Vyas	Member, Non – Executive Independent Director	Nil
Mr. Alkeshkumar Sharma**	Member, Non- Executive Independent Director	Nil
Mt. Tom Jose**	Member, Non- Executive Independent Director	Nil
Mr. Olivier Le Grand	Member, Non- Executive Director	4 <sup>#</sup>
Mr. Jean Christophe Gougeon	Member, Non- Executive Director	6 <sup>@</sup>

\*\* The Audit Committee was reconstituted w.e.f 12th January 2013 by including Mr. Tom Jose in place of Mr. Alkeshkumar Sharma as a member of the Committee.

& Out of six audit committee meetings, one audit committee meeting was attended through video conference.

# Out of four audit committee meetings, three audit committee meetings were attended through video conference

@ Out of six audit committee meetings, two audit committee meetings were attended through video conference.

### 4. COMPENSATION COMMITTEE

The Company constituted a Compensation Committee, which approves the remuneration payable to the Managing Director and reviews and monitors the implementation of the Employee Stock Option Plans approved by the Board from time to time.

During the year, the Committee met two times on 11th July 2012 and 12th January 2013.

Name of Members of Compensation Committee	Designation	No. of meetings attended
Mr. R.Bupathy	Chairman, Non – Executive Independent Director	2
Mr. Mahesh Vyas	Member, Non – Executive Independent Director	1
Mr. Olivier Le Grand	Member, Non- Executive Director	2 <sup>#</sup>
Mr. Jean Christophe Gougeon	Member, Non – Executive Director	2
Mr. C J George	Member, Managing Director	2

# Out of two compensation committee meetings, one meeting was attended through video- conference.

### Remuneration to Managing Director

The remuneration structure of the Managing Director comprises of salary, commission, perquisites and allowances, contribution to Provident Fund and Gratuity. The service contract is for a period of 5 years w.e.f. 24.11.2009.

The details of remuneration paid / payable to the Managing Director for the year 2012-13 is given below –

a) Salaries	-	₹ 5,545,248
b) Perquisites	-	₹ 355,365
c) Commission	-	₹ 7,167,000
d) Stock option	-	Nil

### 5. REMUNERATION TO NON-EXECUTIVE DIRECTORS

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees which were paid at the



rate of ₹ 20,000/- for each meeting of the Board and ₹ 15,000/- for each meeting of the Audit Committee and ₹ 7,500/- for other Board Committees attended by them. The total amount of sitting fees paid during the year was ₹ 982,500/- as follows –

Name of Director	Details of Sitting Fee paid			
	For Board Meeting	For Audit Committee Meeting	For Employee Compensation Committee Meeting	For Shareholders and Investors Grievance Committee Meeting
Mr. A.P.Kurian	1,20,000	90,000	NA	NA
Mr. Mahesh Vyas	40,000	Nil	7,500	NA
Mr. Rakesh Jhunjhunwala	Nil	NA	NA	NA
Mr.R.Bupathy	1,20,000	90,000	15,000	Nil
Mr. Punnoose George	1,20,000	NA	NA	Nil
Mr. Alkeshkumar Sharma	Nil	Nil	NA	NA
Mr. Tom Jose	20,000	Nil	NA	NA
Mr. Olivier Le Grand	60,000	60,000	15,000	Nil
Mr. Jean Christophe Gougeon	1,20,000	90,000	15,000	NA
<b>Total</b>	<b>6,00,000</b>	<b>3,30,000</b>	<b>52,500</b>	<b>Nil</b>

^ The total amount of sitting fee excludes the sitting fee paid for attending the Information Security Steering Committee Meeting.

## 6. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Investors Grievance Committee reviews and redresses shareholder grievances / complaints. The Committee oversees the performance of the Registrars and Share Transfer Agents and recommends measures for overall improvement of the quality of investor services. The members of the Committee are Mr.R.Bupathy, Non – Executive Independent Director, Chairman of the Committee, Mr. C J George, Managing Director, Mr.Punnoose George, Non – Executive Director and Mr. Olivier Le Grand, Non- Executive Director. The Company Secretary of the Company acts as the Secretary to the Committee and as the Compliance Officer.

Given below is the position of investor queries / complaints and other correspondences received and attended to during 2012-13 :

Nature of complaint / queries	No. of complaints
For non-receipt of dividend, shares lodged for transfer, issue of duplicate share certificates.	Nil
Queries / Complaints redressed	Nil
Pending queries / complaints as on 31.03.2013	Nil
Other letters received from shareholders and replied	52

Every letter received from the investors is replied generally within two weeks of receipt unless the issues involved require investigation or looking into very old records to be retrieved from godowns or information is to be obtained from banks or others.

99.40% of shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation / transfer during 2012-13 is given below –

	Transfers		Demats	
	No. of requests	No. of shares	No. of requests	No. of shares
Lodged	Nil	Nil	6	71000
Processed	Nil	Nil	6	71000
Objections	Nil	Nil	Nil	Nil
Pending as on 31.03.2013	Nil	Nil	Nil	Nil

## 7. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2011-12	Hotel International, Veekshanam Road, Kochi - 35	12.07.2012	4.00 p.m	Nil
2010-11	Hotel International, Veekshanam Road, Kochi - 35	12.07.2011	4.00 p.m.	Nil
2009-10	Hotel International, Veekshanam Road, Kochi - 35	12.07.2010	4.00 p.m	3

No Extra- Ordinary General Meeting was held during the year 2012-13.

## 8. DISCLOSURES

Related party disclosures are provided in Note 35 to the Notes forming part of the accounts in accordance with the provisions of Accounting Standard 18 – “Related Party Disclosures” issued by the Institute of Chartered Accountants of India.

In the opinion of the Board, the transactions entered into by the Company with the related parties were not in conflict with the interest of the Company.

No penalties or strictures were imposed by Stock Exchanges or SEBI or any other statutory authority on the Company in any matter related to capital markets during the last three years.

Your Company has complied and adopted Whistle Blower Policy as stipulated under non-mandatory requirements of the Listing Agreement. The Company confirms that it has not denied any personnel access to the Audit Committee of the Company in respect of matters involving alleged misconduct and that it has provided protection to “Whistle Blowers” from unfair termination and other unfair or prejudicial employment practices. Other non-mandatory requirements are not complied with for the time being.

## Code of Conduct:

The Company has posted the Code of Conduct for Directors and Senior Management approved by the Board on its website.

## CEO / CFO Certification:

Mr. C.J. George, Managing Director and Mr. Binoy Varghese Samuel, Chief Financial Officer has given CEO/ CFO Certificate to the Board. The Board at its meeting held on 22.05.2013 noted that the said CEO/CFO certificate was as per the format given under Clause 49(v) of Listing Agreement.

## 9. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results are published in ‘BusinessLine’ and ‘Mangalam’. The results are also posted on the web site of the Company viz. [www.geojitbnpparibas.com](http://www.geojitbnpparibas.com). The Company’s web site also displays all official news releases as well as the presentation made to the institutional investors / analysts, if any. Management Discussion and Analysis forms part of the Annual Report.

## 10. GENERAL SHAREHOLDERS’ INFORMATION

Annual General Meeting

Date and time : 12th July 2013 – 4.00 p.m.

Venue : The Renai Cochin,  
Palarivattom, Kochi, Kerala 682025

## Financial Calendar 2013-14

The Company follows April – March as the Financial Year. The results of every quarter are declared normally within two weeks from the end of the quarter.

## Code of Insider Trading

The Company has adopted and implemented a Code of Conduct pursuant to SEBI (Prohibition of Insider Trading Regulations) 1992. The Code lays down the guidelines, which include procedures to be followed and disclosures to be made by the Insiders while dealing in shares of the Company.

Dates of book closure : 9th July 2013 to 12th July 2013  
(Both days inclusive)

Dividend payment date : Within 30 days from the date of Annual General Meeting

Listing on Stock Exchanges : BSE Limited & National Stock Exchange of India Limited

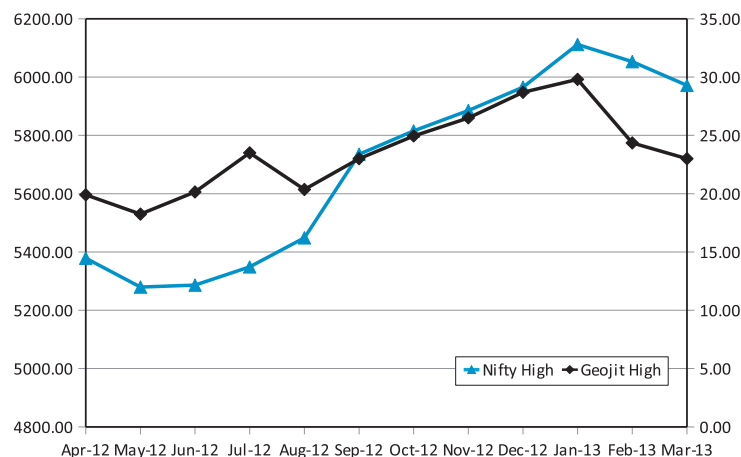
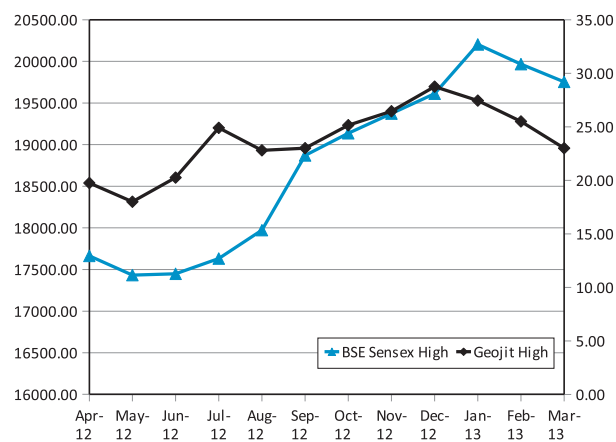
Stock Code : GEOJITBNPP (NSE) &  
532285 (BSE)



Demat ISIN Number : INE007B01023 (NSDL & CDSL)

Market Price data : Market price of the equity shares of the Company during 2012-13 is given in the table below:

	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2012	19.90	17.25	19.75	17.45
May 2012	18.25	14.30	18.00	15.35
June 2012	20.15	16.30	20.25	16.05
July 2012	23.50	19.40	24.90	19.55
August 2012	20.35	17.50	22.80	17.35
September 2012	23.00	17.55	23.00	14.60
October 2012	24.95	21.45	25.15	19.20
November 2012	26.50	21.20	26.45	21.45
December 2012	28.70	24.30	28.75	24.50
January 2013	29.80	23.15	27.45	23.25
February 2013	24.35	21.20	25.50	21.30
March 2013	23.00	18.65	23.00	18.75



Distribution of the shareholding on the basis of categories of shareholders as on 31st March 2013 is as under:

Category Code	Category of shareholder	No. of shareholders	Total no. of shares	Percentage to total shares
(A)	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	<b>Indian</b>			
(a)	Individuals	2	46,811,399	20.50
(b)	Bodies Corporate	1	20,000,000	8.76
	<b>Sub-Total (A)(1)</b>	3	66,811,399	29.26
(2)	<b>Foreign</b>			
(a)	Bodies Corporate	1	76,688,959	33.58
	<b>Sub-Total (A)(2)</b>	1	76,688,959	33.58
	<b>Total shareholding of Promoter and Promoter Group (A) =(A)(1)+(A)(2)</b>	4	143,500,358	62.84

<b>(B)</b>	<b>Public Shareholding</b>			
<b>(1)</b>	<b>Institutions</b>			
(a)	Mutual Funds/UTI	2	20,357	0.01
(b)	Financial Institutions/ Banks	1	2,450	0.00
(c)	Foreign Institutional Investors	3	5,144,898	2.25
	<b>Sub-Total (B)(1)</b>	6	5,167,705	2.26
<b>(2)</b>	<b>Non-Institutions</b>			
(a)	Bodies Corporate	459	4,368,567	1.91
(b)	Individuals			
	i. Individual shareholders holding nominal share capital upto ₹ 1 Lakh.	43,068	29,253,870	12.81
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh.	17	8,166,675	3.58
(c)	Qualified Foreign Investor	1	325,000	0.14
(c)	Trust	1	400	0.00
(d)	Directors & their relatives	6	29,514,900	12.92
(e)	Non resident Indians	990	7,097,815	3.11
(f)	Clearing members	124	260,105	0.11
(g)	Hindu undivided families	520	704,709	0.31
	<b>Sub-Total (B)(2)</b>	45,186	79,692,041	34.90
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	45,192	84,859,746	37.16
	<b>TOTAL (A) +(B)</b>	<b>45,196</b>	<b>228,360,104</b>	<b>100.00</b>

Distribution of shareholding as on 31st March 2013, pursuant to clause 35 of the Listing Agreement as under:

Shareholding of nominal value of ₹	No. of Shareholders	% of Shareholders	Amount of Share Capital in ₹	% of Shareholding
Upto 5,000	44089	97.55	18,896,826	8.28
5,001 – 10,000	561	1.24	4,188,836	1.83
10,001 – 20,000	289	0.64	4,181,912	1.83
20,001 – 30,000	98	0.22	2,520,349	1.10
30,001 – 40,000	53	0.12	1,951,432	0.85
40,001 – 50,000	22	0.05	1,030,989	0.45
50,001 – 100,000	43	0.10	2,928,822	1.28
100,001 and above	41	0.09	192,660,938	84.37
<b>Total</b>	<b>45196</b>	<b>100.00</b>	<b>228,360,104</b>	<b>100.00</b>

Registrar and Transfer Agents : S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road Ganapathy, Coimbatore - 641 006

Share Transfer System : Application for transfer of shares held in physical form is received at the office of the Registrars and Share Transfer Agents of the Company. The share certificates in physical format are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Shares held in dematerialised form are electronically traded and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository, the beneficiary holdings so as to enable them to update their records. Physical shares received for dematerialisation are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect.

Dematerialisation of shares and liquidity : 99.40% of the Company's paid-up equity share capital has been dematerialised upto 31st March, 2013. Trading in equity shares of the Company is permitted only in dematerialised form.

Outstanding ADRs / GDRs / Warrants and Convertible instruments, conversion date

And likely impact on equity. : Not applicable.

Investor Correspondence : For any assistance regarding dematerialisation of shares, share transfers, transmission, change of address, non-receipt of dividend or any other query relating to shares or for any general correspondence, contact:

- 1) S.K.D.C. Consultants Limited  
Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road,  
Ganapathy, Coimbatore: 641 006  
Phone: 0422-6549995, 2539835-836,  
Fax: 0422- 2539837  
Email: info@skdc-consultants.com
- 2) Company Secretary, Geojit BNP Paribas Financial Services Limited,  
34/659-P, Civil Line Road, Padiyattom, Kochi - 682024  
Phone: 0484 - 2901000, Fax: 0484 - 2979695  
Email: [companysecretary@geojit.com](mailto:companysecretary@geojit.com)

## DECLARATION ON CODE OF CONDUCT

As required by Clause 49 (ID) 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.

Place: Kochi  
Date: 22.05.2013

**C.J George**  
Managing Director

## CERTIFICATE

### TO THE MEMBERS OF GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

We have examined the compliance of conditions of Corporate Governance by **GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED** ("the Company") for the year ended on 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

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

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No.008072S)

**M. Ramachandran**  
Partner  
(Membership No. 16399)

Kochi, 22nd May 2013



**GEOJIT  
BNP PARIBAS**

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Economy Overview

The FY 2012-13 was, on the whole, a mixed year for the Indian economy. All the statistics and other key indicators of economic health, point to this dual truth – that the Indian economy in the short term to medium term is suffering from adverse conditions, while on the other hand, its economic fundamentals continues to remain robust and unaffected. This paradox is due to a confluence of different factors acting together. While the domestic market on whole remains healthy and demand remains firm, there are increasing supply side constraints that distort the normal functioning of the economy. Policy paralysis by the Central Government, uncomfortably high inflation, worries about the burgeoning current account deficit etc, have created significant headwinds for the economy reducing economic growth in the last year to a mere 5%. There are however, more recently, signs that a recovery may be in the offing. Inflation has eased to 6% (March 2013), very close to the RBI's tolerance threshold. This allows scope for more monetary easing. There are also signs that the Central Government has belatedly recognized the need to restart the growth engines. It may not then be unrealistic to expect some new piecemeal reform process to begin soon. In many quarters there is even a nascent consensus that the growth deceleration may have bottomed out and a deeper recovery process will begin soon.

### Industry overview

The equity markets performed comparably better this year than the broader economy. The huge pools of liquidity generated abroad by Quantitative Easing (QE) and the lack of attractive investment options in those countries, has meant that India become the unintended beneficiary of these developments. FII's inflows have surged to a record high of ₹ 1.4 Lakh Crores in this year and there are no indications of a waning appetite among foreign investors for Indian equities. As this class of Investors continue to outweigh domestic Investors, their continuous demand has led to increased valuations, propelling markets to hit all time highs. Meanwhile, to further strengthen the markets, the Central Government continues to implement measures to attract more domestic investors to the capital markets, in particular the Rajiv Gandhi Equity Saving Scheme (RGESS) which is expected to be a game changer for the Industry.

### Review of Operations

#### a) Brokerage Services

Broking services continue to be the core component of our offerings and earn us the bulk of our revenue. We however continue to go beyond traditional broking to provide innovative and novel methods for delivering our services like offering new platforms for trading like Flip Social (for facebook), making Flip-Me ( Mobile Edition) etc. This also illustrates a gradual shift from over dependence on branch

broking to a more balanced approach of leveraging new technological solutions to deliver better, more cost-effective client service. This is also evident in our ongoing policy of rationalization of our office network by reducing them from 541 offices in 2012 to 522 offices in 2013. Meanwhile, the number of clients has gone up by 28,800, i.e from 6,44,000 to 6,72,800 in the last year. Similarly, Assets Under Custody (AUC) has gone from ₹ 10,500 crore to ₹ 12,000 crore in the same period, an increase of ₹ 1,500 crore.

The average equity volume per day decreased marginally by 1% i.e from ₹ 380 Crores in 2011-12 to ₹ 375 crore in 2012-13. In the Derivative segment, however, the comparable increase was 19%. Internet broking brought in revenues of ₹ 33 crore while for mobile broking the figure was ₹ 4.20 crore. During the year brokerage income from retail business increased by 2% i.e, from ₹ 128.23 Crores to ₹ 131.20 Crores and brokerage income from Institutional business decreased by 20% as compared to previous year. On the whole total brokerage witnessed a dip of 3% i.e, from ₹ 170.48 Crores in 2011-12 to ₹ 165.22 Crores in 2012-13. The Company's institutional brokerage came through its JV, BNP Paribas Securities India (P) Limited. The divestment of JV stake and consequent change in their status as sub broker of the Company will significantly reduce the institutional brokerage in the coming years. However it may not impact our profitability considerably as significant part of institutional brokerage is paid to the said JV as sub brokerage commission. Our focus on retail broking business will continue.

#### b) Depository Services

The growth in our client base has resulted in the number of depository accounts increasing by 4 % during the year, bringing the total number of depository clients to 4.15 lakhs. The income from this activity showed a marginal decline of 2%.

#### c) Distribution of Financial Products

Our endeavor continues to move steadily from being a traditional broker to becoming a full fledged financial services Intermediary. We continue to offer our clients a widening bouquet of products and services, ranging from Mutual Funds and Bonds to Life and General Insurance and Portfolio Management Services. We make every attempt to ensure that these offerings are tailored to specific client segments that we attempt to cater to whilst at the same time ensuring that they are economical and satisfy their changing needs. The diversification of our products and services has not only brought in significant revenue, but also enables us to attract and retain a wider pool of clients. A wider client base, distributed among various asset classes, gives ample



scope for cross selling that helps us in further increasing the penetration of these products and services to a larger audience.

Currently, the total income from distribution increased by 16%, from ₹ 6.12 crores to ₹ 7.11 crores.

**d) Portfolio Management Services.**

The increase of minimum investment amount from ₹ 5 lakhs to ₹ 25 lakhs has impacted fresh flows with lesser new clients joining during the year. The economic uncertainty and growing risk aversion coupled with underperformance of the mid and small cap segment had negative impact on the portfolio. Going forward, once the market sentiments improve, increased flows are expected. Meanwhile, renewed efforts will be made to focus on HNIs and Non Resident Indians for fresh AUM.

**e) Financing**

Geojit Credits, which is our NBFC subsidiary, continues to expand financing for capital market and commodity market operations. The company attained the status of a "Systemically Important NBFC" during the year as its total asset size grew beyond ₹ 100 crores. Entry into financing agricultural commodities and funding for commodities traded in electronic spot exchanges contributed to enhanced credit deployment. Total revenue during the year was ₹ 19.43 crores as against ₹ 6.2 crores of the previous years. Net profit earned this year was ₹ 5.08 crore as against ₹ 3.3 crore for the last year, an increase of 55 %.

**g) Software Services and products**

Geojit Technologies (GTPL), the IT subsidiary of Geojit BNP Paribas engages in developing software applications and providing support services for associate as well as other companies in and outside India, in finance and shipping domains. As a part of continuous effort to keep quality in focus, GTPL has opted for reappraisal and has been reappraised as SEI CMMI Level 3 Company in November 2012.

The major projects to its credentials during the year were Martenitsa- an integrated customer portal for BNP Paribas Personal Finance Bulgaria involving global stakeholders and Bank Smart –a mobile payment authorization solution for BNP Paribas CIB (Corporate Investment and Banking). GTPL also released the stock trading application FLIP Mobile Edition in all three platforms- Android, iPhone and Windows 8 during this year of review.

In the financial year 2012-13, GTPL has crossed an export turnover is 2 Million USD. GTPL's gross revenue increased by 36% to ₹ 22.09 Crores and achieved a net profit ₹ 10.02 Crores, an increase of 18%, as compared to the previous year.

**Joint Ventures**

**i) Barjeel Geojit Securities, Dubai**

Barjeel Geojit Securities, our Joint Venture for the UAE continued to expand its operations in two more Emirates and attracting greater NRI clientele. The JV, in which Geojit BNP Paribas owns 30%, recorded consolidated revenues of ₹ 17.47 Crore. The Mutual Funds Assets under Management by Barjeel Geojit now stands at ₹ 932 Crore.

**ii) Al-Oula Geojit Capital Company, Saudi Arabia**

Aloula Geojit Capital, in which Geojit BNP Paribas owns a 28% stake, provides comprehensive Financial Advisory and Investment Solutions to its clients. The Joint Venture now has three offices in Riyadh, Dammam and Jeddah and is focused on providing top of the line products and services to its growing clientele. It recorded consolidated revenues of ₹ 14.72 crore as against ₹ 9.6 crore for the previous year.

**iii) QBG Geojit Securities**

The company has incorporated a subsidiary in Oman partnering with Qurum Business Group and the National Securities Company SAOG viz, QBG Geojit Securities. It will service both Indian expatriates in Oman as well as Omanese citizens.

**iv) BBK Geojit Securities KSC**

During the Financial year the Company has partnered with the Bank of Bahrain and Kuwait to form an associate entity in Kuwait called BBK Geojit Securities. Currently, BBK Geojit Securities service NRI clients who want to Invest in the Indian Markets.

**Outlook 2012-13**

The forecast for the coming year is one of an improving economic climate. The global economy has shown meaningful improvement in the last year, with the US economy gaining significant traction in the last many months and the Euro Zone financial crisis showing signs of stabilizing. The economic woes of the last year might finally compel the central government to implement measures aimed to boost growth in the coming months. The recent reforms with regard to FDI in retail and airline sector seem to point the way in this regard. Similarly, circumstances also seem to have prompted the Central Government to get its fiscal house in order and manage the current account deficit better. With regard to inflation, the RBI has already declared that if inflation falls below 5%, i.e below its tolerance threshold, then it may be comfortable with more monetary easing.

**Opportunities and Threats**

The company sees many opportunities for further growth, consolidation and expansion for the coming year. The robust

performance of the stock markets is expected to continue, providing significant growth in volumes and revenues. An uptick in GDP growth, further structural reforms to the markets to add greater depth, strong corporate numbers and sound macro economic policies should give further momentum to the markets. We see great potential in cross selling as well as in further tapping the NRI Investor market. The launch of the Corporate Debt trading segment on the NSE expects to provide new opportunities for growth.

### Risks and Concerns

The company appreciates the varied forms of risk inherent in our Industry and we continue to scrutinize and tweak our risk management systems to make it the best in the Industry. Continuing diversification of our product portfolio for example will also help us, in some part, offset any sudden decline in broking revenues owing to market volatility.

The company also understands the risk of accidental oversight leading to unintentional regulatory compliance. To insure against this, we maintain vigilant compliance mechanism and take every possible step to ensure strict regulatory adherence.

### Internal Control Systems

The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the Management. The Company has in place an effective Internal Audit department which plans and execute variety of audits with own staff as well as external professionals. Post audit reviews are also carried out to ensure follow up. The Audit Committee of the Board reviews the scope and observations of the internal audit on a regular basis.

### Human Resources

Geojit BNP Paribas has a very young workforce of 2,579 at the end of the year. The company looks at its employees to be the biggest assets and depends heavily on the qualified and competent workforce for its performance. Geojit has been successful in improving the quality of work life through continuous and focused employee engagement activities. Employee Recognition through incentive backed performance measures, significant effort in training the employees across management levels, initiatives focused on developing leadership qualities, fair and transparent performance appraisal and promotion policy have all helped in keeping the employees motivated to deliver their best results.

The company has been paying special attention to improve the skill set of the employees through various training programs. All employees are encouraged and incentivized to get themselves certified in relevant industry standard certifications such as CFP, NCFM, BSEC & AMFI. Majority of the employees have obtained such certifications.

### Cautionary Note

Statements in this Report, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. These statements are subject to certain risks and uncertainties. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results may be different from those expressed or implied since the Company's operations are affected by many external and internal factors, which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.





## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a 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 Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the 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 financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows 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 in terms of Section 227(4A) 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 008072S)

**(M. Ramachandran)**  
(Partner)  
(Membership No. 16399)

Kochi, 22nd May, 2013



**GEOJIT  
BNP PARIBAS**

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report even date)

- (i) Having regard to the nature of the Company's business/ activities/results during the year, clauses (ii), (vi), (viii), (x), (xiii), (xv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- (a) The Company has granted loans aggregating ₹ 719,400,000/- to one party during the year. At the year-end, the outstanding balance of such loans granted aggregated to ₹ 19,300,000/- (one party) and the maximum amount involved during the year was ₹ 500,000,000/- (one party).
- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
- (c) The receipts of principal amounts and interest have been regular/as per stipulations.
- (d) There are no overdue principal or interest amounts of over ₹ 1 lakh remaining outstanding as at the year-end.
- The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion, and according to the information and explanations given to us, having regard to the explanation that the Company's service income depends on large volume of transactions executed daily on behalf of several clients, where there is a probability that certain transactions may be disputed by clients resulting in consequential costs to the Company, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management and the Internal Audit Department of the Company have been commensurate with the size of the Company and the nature of its business.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹)
Income Tax Act, 1961	Income Tax	High Court of Kerala	2002-03	266,757
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2004-05	1,424,185
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2005-06	3,682,781
Income Tax Act, 1961	Income Tax plus Penalty	Commissioner of Income Tax (Appeals)	2007-08	133,137,039
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2008-09	44,953,490
Finance Act, 1994	Service Tax plus Penalty	Service Tax Appellate Tribunal	01.07.03 to 30.06.04	448,298
Finance Act, 1994	Service Tax plus Interest	Commissioner of Central Excise, Customs & Service Tax	2008-09 to 2011-12	3,632,939
Employees State Insurance Act, 1948	Employees State Insurance Contribution	Employees Insurance Court	2005-06	603,612

- (viii) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks from which working capital facilities have been availed.
- (ix) In our opinion, the Company has maintained adequate documents and records where it has granted loans and advances on the basis of security by way of pledge of shares and other securities.
- (x) Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, and other investments, and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (xi) In our opinion, and according to the information and explanations given to us, and on an overall examination of

the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long- term investment.

- (xii) To the best of our knowledge, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Registration No.008072S)

**M. Ramachandran**

Partner  
(Membership No. 16399)

Kochi, 22nd May, 2013

**BALANCE SHEET AS AT 31 MARCH, 2013**

Particulars	Note No.	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	228,360,104	228,360,104
(b) Reserves and Surplus	4	3,725,938,688	3,555,631,254
		<b>3,954,298,792</b>	<b>3,783,991,358</b>
<b>2. Non-Current Liabilities</b>			
(a) Long-Term Liabilities	5	21,874,791	18,346,042
(b) Long-Term Provisions	6	4,110,682	3,386,301
		<b>25,985,473</b>	<b>21,732,343</b>
<b>3. Current Liabilities</b>			
(a) Trade Payables	7	160,504,893	146,563,694
(b) Other Current Liabilities	8	1,084,881,126	1,075,301,528
(c) Short-Term Provisions	9	68,189,638	203,305,214
		<b>1,313,575,657</b>	<b>1,425,170,436</b>
<b>TOTAL</b>		<b>5,293,859,922</b>	<b>5,230,894,137</b>
<b>B. ASSETS</b>			
<b>1. Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10A	483,063,673	242,612,720
(ii) Intangible Assets	10B	57,666,482	54,615,389
(iii) Capital Work-In-Progress		26,040,708	152,787,214
(iv) Intangible Asset under Development		-	16,661,472
		566,770,863	466,676,795
(b) Non-Current Investments	11	802,053,399	756,673,674
(c) Deferred Tax Assets (Net)	12	54,449,000	31,177,000
(d) Long-Term Loans and Advances	13	532,407,242	664,292,680
(e) Other Non-Current Assets	14	2,503,093	11,330,535
		<b>1,958,183,597</b>	<b>1,930,150,684</b>
<b>2. Current Assets</b>			
(a) Current Investments	15	608,794,508	328,971,630
(b) Trade Receivables	16	656,805,579	728,456,405
(c) Cash and Cash Equivalents	17	1,513,901,049	1,476,348,355
(d) Short-Term Loans and Advances	18	147,263,920	278,062,867
(e) Other Current Assets	19	408,911,269	488,904,196
		<b>3,335,676,325</b>	<b>3,300,743,453</b>
<b>TOTAL</b>		<b>5,293,859,922</b>	<b>5,230,894,137</b>

**Corporate Information and Significant Accounting Policies**

1 & 2

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M. Ramachandran**  
Partner

Place: Kochi  
Date: 22nd May, 2013

**For and on behalf of the Board of Directors**

**A. P. Kurian**  
Chairman

Place: Kochi  
Date: 22nd May, 2013

**C. J. George**  
Managing Director

**Liju K. Johnson**  
Company Secretary



**GEOJIT**  
**BNP PARIBAS**

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

Particulars	Note No.	Year Ended 31 March, 2013 ₹	Year Ended 31 March, 2012 ₹
1. Revenue from Operations	20	1,978,380,998	2,010,059,224
2. Other Income	21	349,554,221	344,996,853
<b>3. Total Revenues (1+2)</b>		<b>2,327,935,219</b>	<b>2,355,056,077</b>
<b>4. Expenses:</b>			
(a) Operating Expenses	22	725,196,680	810,819,949
(b) Employee Benefit Expenses	23	494,457,378	509,044,518
(c) Finance Costs	24	7,882,110	10,318,756
(d) Depreciation and Amortisation Expenses	10	112,904,352	115,239,623
(e) Other Expenses	25	430,822,383	407,194,278
<b>Total Expenses</b>		<b>1,771,262,903</b>	<b>1,852,617,124</b>
<b>5. Profit Before Tax (3-4)</b>		<b>556,672,316</b>	<b>502,438,953</b>
<b>6. Tax Expense:</b>			
(a) Current Tax Expense for Current Year		160,300,000	119,300,000
(b) Current Tax Expense Relating to Prior Years		-	(4,100,000)
(c) Net Current Tax Expense		<b>160,300,000</b>	115,200,000
(d) Deferred Tax (Credit)		(23,272,000)	(9,980,000)
Total Tax Expense		<b>137,028,000</b>	105,220,000
<b>7. Profit for the Year (5-6)</b>		<b>419,644,316</b>	<b>397,218,953</b>
<b>8. Earnings Per Equity Share (of ₹ 1/- each)</b>	36		
(a) Basic		1.84	1.74
(b) Diluted		1.84	1.74

**Corporate Information and Significant Accounting Policies** 1 & 2

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M. Ramachandran**  
Partner

Place: Kochi  
Date: 22nd May, 2013

**For and on behalf of the Board of Directors**

**A. P. Kurian**  
Chairman

Place: Kochi  
Date: 22nd May, 2013

**C. J. George**  
Managing Director

**Liju K. Johnson**  
Company Secretary



**GEOJIT**  
**BNP PARIBAS**

## CASH FLOW STATEMENT

Particulars	Year Ended 31 March, 2013 ₹	Year Ended 31 March, 2012 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax</b>	<b>556,672,316</b>	<b>502,438,953</b>
Adjustments for:		
Depreciation and amortisation	112,904,352	115,239,623
(Profit) / loss on sale / write off of assets	4,261,111	1,177,731
Expense on employee stock option scheme	1,440,247	155,545
Finance costs	7,882,110	10,318,756
Interest income	(127,433,518)	(97,744,417)
Dividend income	(145,481,343)	(173,742,203)
Net (gain) / loss on sale/ restatement of investments	195,425	-
Bad debts written off	58,278	621,879
Provision for doubtful trade and other receivables, loans and advances	44,495,378	1,272,830
	<b>(101,677,960)</b>	<b>(142,700,256)</b>
Operating profit / (loss) before working capital changes	454,994,356	359,738,697
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	26,398,857	71,787,753
Short-term loans and advances	25,797,259	43,891,847
Long-term loans and advances	146,543,776	123,652,525
Other current assets	81,139,832	(345,960,338)
	<b>279,879,724</b>	<b>(106,628,213)</b>
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	13,941,199	6,378,431
Other current liabilities	(42,263,524)	(437,206,969)
Long-term liabilities	3,528,749	(242,480)
Short-term provisions	185,920	(5,146,579)
Long-term provisions	724,381	1,950,480
	<b>(23,883,275)</b>	<b>(434,267,117)</b>
Cash generated from operations	710,990,805	(181,156,633)
Net income tax (paid) / refunds	(205,126,971)	(128,033,106)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>505,863,834</b>	<b>(309,189,739)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(177,421,178)	(136,152,417)
Proceeds from sale of fixed assets	4,189,787	2,701,315
Current investments not considered as Cash and cash equivalents		
- Purchased	(3,400,513,109)	(2,760,200,583)
- Proceeds from sale	3,120,494,807	2,876,544,065
Loans given		
- Subsidiary	(719,400,000)	(200,000,000)
Loans realised		
- Subsidiary	825,100,000	75,000,000
Advance for investment in subsidiary	-	(26,550,000)
Investment in a subsidiary company	(18,829,725)	-
(Increase)/Decrease in fixed deposit with banks	(2,639,282)	(70,967,615)
Interest received on fixed deposits	90,759,284	98,988,894
Interest received from subsidiary company on loans given	35,354,770	2,040,863
(Increase)/Decrease in unpaid dividend bank accounts	(8,394,009)	(642,625)



## CASH FLOW STATEMENT

Particulars	Year Ended 31 March, 2013 ₹	Year Ended 31 March, 2012 ₹
Dividend from non-trade, long term investments	126,338,073	136,266,073
Dividend from non-trade, current Investments	19,143,270	37,476,130
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(105,817,312)</b>	<b>34,504,100</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	1,680,000,000	3,205,000,000
Repayment of short-term borrowings	(1,680,000,000)	(3,205,000,000)
Proceeds from issue of shares under ESOP incld. Share Premium	-	(10,318,756)
Finance cost paid	(7,882,110)	(170,633,490)
Dividends paid	(334,151,647)	(7,228,158)
Tax on dividend paid	(40,493,363)	-
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(382,527,120)</b>	<b>(188,180,404)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>17,519,402</b>	<b>(462,866,043)</b>
Cash and cash equivalents at the beginning of the year	1,038,381,250	1,501,247,293
Cash and cash equivalents at the end of the year	<b>1,055,900,652</b>	<b>1,038,381,250</b>
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 17)	1,513,901,049	1,476,348,355
Less: Unclaim dividend accounts not considered as 'Cash and Cash Equivalents' as defined in AS 3 Cash Flow Statements (Refer Note 17)	(13,042,323)	(4,648,314)
Less: Lien Marked Deposits with Banks not considered as 'Cash and Cash Equivalents', as defined in AS 3 Cash Flow Statements (Refer Note 17)	(444,958,074)	(433,318,791)
Cash and cash equivalents at the end of the Year *	<b>1,055,900,652</b>	<b>1,038,381,250</b>
* Comprises:		
<b>(a) Cash on hand</b>	858,360	670,535
<b>(b) Balances with banks</b>		
(i) Current Accounts:		
- Clients	548,427,452	561,675,011
- Others	27,033,525	38,415,341
(ii) Deposit Accounts	479,581,315	437,620,363
	<b>1,055,900,652</b>	<b>1,038,381,250</b>

### Corporate Information & Significant Accounting Policies - Notes 1 & 2

See Accompanying Notes Forming Part of the Financial Statements.

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M. Ramachandran**  
Partner

Place: Kochi  
Date: 22nd May, 2013

**For and on behalf of the Board of Directors**

**A. P. Kurian**  
Chairman

Place: Kochi  
Date: 22nd May, 2013

**C. J. George**  
Managing Director

**Liju K. Johnson**  
Company Secretary



**GEOJIT**  
**BNP PARIBAS**

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Corporate Information

Geojit BNP Paribas Financial Services Ltd. ('the Company') had its origin in the year 1987 as partnership firm of Mr. C.J George and his associate. In the year 1994, the firm was converted into a Company with the objective of providing technically superior trading platform for the investor community in Kerala. Over the years, the Company has spread its operations across the country through branch and franchisee network. In 2007, BNP Paribas SA became a major shareholder in the Company and the present name was adopted in April 2009. The Company offers complete spectrum of financial services including online broking for equities, derivatives and currency futures, custody accounts, financial products distribution, portfolio management services, margin funding, etc. It has operations outside the country through subsidiary, associate and joint ventures in Oman, Kuwait, UAE and Saudi Arabia. The shares of the Company are listed in National Stock Exchange and Bombay Stock Exchange.

### 2. Significant Accounting Policies

#### 2.1. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards notified under the Companies (Accounting Standards) 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.

#### 2.2. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### 2.3. 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 (with an

original maturity of three months or less from the date of acquisition) highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 2.4. 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 of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### 2.5. Depreciation and amortisation

Fixed assets, other than improvements to leasehold premises, capitalised upto 31st March 2007 are depreciated under the straight line method at the rates specified in Schedule XIV of the Companies Act, 1956. Fixed assets, other than improvements to leasehold premises, acquired on or after 1st April 2007 are depreciated under the straight line method over the useful life estimated by the management, which are lower than the useful life considered in Schedule XIV, as follows:

Class of Assets	Useful Life
Buildings	40 years
Plant and Machinery	15 years
Furniture & Fixtures including interiors in own building	10 years
Furniture & Fixtures in leasehold premises	5 years
Electrical equipments, Office equipments, V-sat equipments and Data centre equipments	5 years
Vehicles	5 years
Computers (other than data centre equipments)	3 years

Improvements to leasehold premises are depreciated over a period of 5 years irrespective of the lease period, on the assumption that lease agreements will be renewed and the premises will be occupied for a minimum period of five years. If the premises are vacated before the expiry of 5 year period, the un-amortised leasehold improvement costs are fully written off in the year of vacation.

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation.

Computer software, an intangible asset, capitalised upto 31st March 2007 are amortised over a period of





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6 years and those capitalised on or after 1st April 2007 are amortised over a period of 5 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

### 2.6. Revenue recognition

Brokerage income is recognized on the trade date of transaction, upon confirmation of the transactions by stock exchanges and clients. Income from depository services, penal charges and portfolio management services are recognised on the basis of agreements entered into with clients and when the right to receive the income is established. Commission income from financial products distribution is recognised on the basis of agreement entered with principals and when the right to receive the income is established. Interest income from margin funding business is recognised on loans given to clients on time proportion basis.

### 2.7. Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive the income is established. Cost Recovery for shared services are recognised based on agreement entered into with parties.

### 2.8. Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes cost of purchase and other incidental expenses incurred up to the date the asset is ready for its intended use. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value, and are disclosed separately in the Balance Sheet.

### Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

### 2.9. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### 2.10. Foreign currency transactions and translations

#### Initial recognition

Transactions 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 transaction.

#### Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items outstanding at the Balance Sheet date are restated at the year-end rates.

#### Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

### 2.11. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2.12. Employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

#### Defined contribution plan

The Company's contributions to provident fund and employee state insurance are considered as defined contribution plans and are charged as expense as they fall due based on the amount of contributions required to be made.

#### Defined benefit plan

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are

recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

### 2.13. Employee share based payments

The Company has formulated Employee Stock Option Plans (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines and the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOP over the exercise price is amortised on a straight-line basis over the vesting period under the 'Intrinsic Value Method'.

### 2.14. Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

### 2.15. Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

### 2.16. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 2.17. Taxes on income

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised

for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity is recognised in equity and not in the Statement of Profit and Loss.

### 2.18. Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### 2.19. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

### 2.20. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 3 : Share Capital

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised:</b>				
Equity shares of ₹ 1/- each	250,000,000	250,000,000	250,000,000	250,000,000
	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>
<b>(b) Issued, Subscribed and Fully Paid-up:</b>				
Equity shares of ₹ 1/- each	228,360,104	228,360,104	228,360,104	228,360,104
	<b>228,360,104</b>	<b>228,360,104</b>	<b>228,360,104</b>	<b>228,360,104</b>

#### Notes:

#### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Changes During the Year	Closing Balance
<b>Equity shares of ₹ 1/- each:</b>			
<b>Year ended 31 March, 2013</b>			
- Number of shares	228,360,104	-	228,360,104
- Amount (₹)	228,360,104	-	228,360,104
<b>Year ended 31 March, 2012</b>			
- Number of shares	228,360,104	-	228,360,104
- Amount (₹)	228,360,104	-	228,360,104

#### (ii) Rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹1 per share. The holder of each equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

During the year, the amount of per share interim dividend paid to equity shareholders was ₹ 0.75 (31 March 2012: ₹ Nil) and final per share dividend recommended for distribution to equity shareholders is ₹ 0.25 (31 March 2012: ₹ 0.75).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (iii) Details of shareholders holding more than 5% of the equity share capital:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares of ₹ 1/- each:</b>				
- BNP Paribas SA	76,688,959	33.58%	76,688,959	33.58%
- C. J. George	41,773,399	18.29%	41,162,000	18.03%
- Kerala State Industrial Development Corporation	20,000,000	8.76%	20,000,000	8.76%
- Rakesh Jhunjunwala	18,000,000	7.88%	18,000,000	7.88%

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as at the balance sheet date.

- (iv) As at 31 March, 2013, 7,042,955 equity shares (As at 31 March, 2012: 5,065,358 equity shares) of ₹ 1 each are reserved towards outstanding employee stock options granted / available for grant (Refer Note 38).

### Note 4 : Reserve & Surplus

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>(a) Capital Reserve</b>		
Opening Balance	33,345,030	33,345,030
Add/(Less) : Change during the year	-	-
Closing balance	<b>33,345,030</b>	<b>33,345,030</b>
<b>(b) Securities Premium</b>		
Opening Balance	1,865,711,441	1,865,711,441
Add : Transferred from Share Options Outstanding Account	79,166	-
Closing balance	<b>1,865,790,607</b>	<b>1,865,711,441</b>
<b>(c) Share Options Outstanding Account</b>		
Opening Balance	13,742,743	17,179,744
Add: Amounts recorded on grants/modifications/cancellations during the year	-	(3,437,001)
Less: Written back to General Reserve during the year	(368,047)	-
Transferred to Securities Premium Account	(79,166)	-
	13,295,530	13,742,743
Less: Deferred Stock Compensation Expense	(1,105,102)	(2,545,349)
Closing balance	<b>12,190,428</b>	<b>11,197,394</b>
<b>(d) General Reserve</b>		
Opening Balance	325,836,872	275,836,872
Add: Transferred from surplus in Statement of Profit and Loss	50,000,000	50,000,000
Add: Transferred from Share Options Outstanding Account	368,047	-
Closing balance	<b>376,204,919</b>	<b>325,836,872</b>
<b>(e) Surplus in Statement of Profit and Loss</b>		
Opening Balance	1,319,540,517	1,150,825,837
Add: Profit for the year	419,644,316	397,218,953
Corporate Dividend Tax Credit	15,081,834	20,556,130
Less: Transferred to General Reserve	(50,000,000)	(50,000,000)
Interim Dividend Paid to Equity Shareholders @ ₹ 0.75 per share (Previous Year: ₹ Nil)	(171,275,578)	-
Final Dividend proposed to be distributed to Equity Shareholders @ ₹ 0.25 per share (Previous Year: ₹ 0.75 per share)	(57,090,026)	(171,270,078)
Tax on Dividend	(37,487,631)	(27,784,288)
Dividend on Equity Shares allotted under ESOPs/Rounding off adjustments for Previous Year	(5,728)	(6,037)
Closing balance	<b>1,438,407,704</b>	<b>1,319,540,517</b>
	<b>3,725,938,688</b>	<b>3,555,631,254</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 5: Long-Term Liabilities

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Payable to Gratuity Fund	6,185,633	3,841,153
(b) Security Deposits		
(i) Deposit from Business Associates	11,689,158	14,504,889
(ii) Rent Deposits	4,000,000	-
	<b>21,874,791</b>	<b>18,346,042</b>

### Note 6: Long-Term Provisions

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Provision for Employee Benefits		
(i) Provision for Compensated Absences	4,110,682	3,386,301
	<b>4,110,682</b>	<b>3,386,301</b>

### Note 7: Trade Payables

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Trade Payables	160,504,893	146,563,694
	<b>160,504,893</b>	<b>146,563,694</b>

### Note 8: Other Current Liabilities

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Unpaid Dividends (Unpresented dividend warrants)	13,042,323	4,648,314
(b) Client Balances	1,004,572,423	1,044,975,946
(c) Security Deposit taken from Business Associates	1,246,976	230,000
(d) Other Payables		
(i) Statutory Remittances	13,261,009	17,903,664
(ii) Payable on Purchase of Fixed Assets	47,718,524	4,269,411
(iii) Stock Exchange Balances	1,463,557	290,006
(iv) Employee Welfare Fund	2,558,263	2,408,011
(v) Employee Recoveries	438,191	517,331
(vi) Other Payables	579,860	58,845
	<b>1,084,881,126</b>	<b>1,075,301,528</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 9: Short-Term Provisions

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>(a) Provision for Employee Benefits</b>		
(i) Provision for Compensated Absences	1,345,402	1,204,842
	1,345,402	1,204,842
<b>(b) Other Provisions</b>		
(i) Provision for Income Tax [Net of Advance Tax: ₹ Nil (Previous Year ₹ 117,103,008/-)]	-	3,039,606
(ii) Provision for Wealth Tax	51,760	6,400
(iii) Provision for Proposed Final Equity Dividend	57,090,026	171,270,078
(iv) Provision for Tax on Proposed Final Dividend	9,702,450	27,784,288
	66,844,236	202,100,372
	<b>68,189,638</b>	<b>203,305,214</b>



Note 10: Fixed Assets

Particulars	Gross Block			Accumulated Depreciation & Impairment				Net Block	
	Balance as at 1 April, 2012	Additions	Disposals	Balance as at 1 April, 2012	Depreciation/ Amortisation expense for the Year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2012	
	₹	₹	₹	₹	₹	₹	₹	₹	
<b>A. Tangible Assets</b>									
(a) Land - Freehold	73,799,836	-	-	-	-	-	-	73,799,836	
(b) Buildings - Own Use (Refer Note Below)	348,850	157,458,202	-	45,708	1,645,885	-	1,691,593	156,115,459	
(c) Furniture and Fixtures - Owned	64,766,197	41,919,560	2,812,824	40,022	5,686	-	45,708	303,142	
(d) Leasehold Improvements - Owned	60,334,174	5,941,950	1,509,927	47,762,011	11,038,051	1,924,424	56,875,638	46,997,295	
(e) Computers & Accessories - Owned	138,869,195	4,081,079	16,977,951	38,248,873	10,622,392	1,109,254	47,762,011	17,004,186	
(f) Office Equipments - Owned	140,072,492	5,556,760	6,760,057	105,948,202	18,087,877	15,532,624	108,503,455	17,468,868	
(g) Electrical and VSAT Equipments - Owned	284,057,546	12,017,887	28,268,518	89,966,919	20,783,918	4,802,635	105,948,202	32,920,993	
(h) Vehicles - Owned	261,623,712	25,288,489	2,854,655	217,129,221	37,835,126	27,943,351	227,020,996	40,785,919	
(i) Plant & Machinery - Owned	102,956,086	24,089,859	11,546,217	172,269,045	47,281,634	2,421,458	217,129,221	66,928,325	
	98,561,102	6,137,165	1,742,181	57,994,393	16,396,458	6,296,715	68,094,136	47,405,592	
	22,533,984	3,607,206	794,991	43,836,384	15,021,884	863,875	57,994,393	44,961,693	
	23,130,292	41,133	637,461	19,481,987	966,293	417,131	20,031,149	5,315,030	
	8,766,837	6,439,823	3,448,834	18,853,131	1,084,274	455,418	19,481,987	3,051,977	
	8,766,837	-	-	5,124,269	1,820,149	3,367,603	3,576,815	8,181,011	
	-	89,401,506	-	3,379,097	1,745,172	-	5,124,269	3,642,568	
	-	-	-	-	2,406,843	-	2,406,843	86,994,663	
<b>Total</b>	<b>696,098,511</b>	<b>339,015,122</b>	<b>63,849,335</b>	<b>453,485,791</b>	<b>90,196,682</b>	<b>55,481,848</b>	<b>488,200,625</b>	<b>483,063,673</b>	
Previous Year	666,637,295	42,965,497	13,504,281	366,593,471	96,544,960	9,652,640	453,485,791	242,612,720	
<b>B. Intangible Assets</b>									
(a) Computer Software	131,844,344	25,842,174	87,919	77,228,955	22,707,670	4,508	99,932,117	57,666,482	
	109,090,859	22,857,032	103,547	58,610,434	18,694,663	76,142	77,228,955	54,615,389	
<b>Total</b>	<b>131,844,344</b>	<b>25,842,174</b>	<b>87,919</b>	<b>77,228,955</b>	<b>22,707,670</b>	<b>4,508</b>	<b>99,932,117</b>	<b>57,666,482</b>	
Previous Year	109,090,859	22,857,032	103,547	58,610,434	18,694,663	76,142	77,228,955	54,615,389	
<b>Grand Total</b>	<b>827,942,855</b>	<b>364,857,296</b>	<b>63,937,254</b>	<b>530,714,746</b>	<b>112,904,352</b>	<b>55,486,356</b>	<b>588,132,742</b>	<b>540,730,155</b>	
Previous Year	775,728,154	65,822,529	13,607,828	425,203,905	115,239,623	9,728,782	530,714,746	297,228,109	

Note:

- a) Part of the new Corporate Office building is given on cancellable lease to M/s Geojit Technologies (P) Ltd. & Geojit Credits (P) Ltd. cost of which cannot be determined separately.
- b) Previous year's figures are shown in Italics.





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 11: Non-Current Investments

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>Investments (At cost)</b>		
<b>A. Trade</b>		
(a) Investments in Equity Instruments - Unquoted:		
(i) <u>Of Wholly Owned Subsidiaries</u>		
4,000,000 (Previous Year: 4,000,000) Equity Shares of ₹10/- each, fully paid-up, in Geojit Investment Services Limited (Includes 2,400,000 bonus shares of ₹10/- each, fully paid-up)	16,000,000	16,000,000
27,700,000 (Previous Year: 27,700,000) Equity Shares of ₹10/- each, fully paid-up, in Geojit Financial Management Services Private Limited	276,971,000	276,971,000
(ii) <u>Of Other Subsidiaries</u>		
67,197,420 (Previous Year: 67,197,420) Equity Shares of ₹2/- each, fully paid-up, in Geojit Credits Private Limited	142,368,780	142,368,780
127,500 (Previous Year: Nil) Equity Shares of Omani Riyal 1/- each, fully paid-up, in Qurum Business Group Geojit Securities LLC, Oman	18,829,725	-
(iii) <u>Of Joint Ventures</u>		
1,500 (Previous Year: 1,500) Equity Shares of Arab Emirates Dirham (AED) 1,000/- each in Barjeel Geojit Securities LLC, United Arab Emirates	19,138,560	19,138,560
11,200,000 (Previous Year: 11,200,000) Equity Shares of Saudi Riyals (SR) 10/- each (SR 2.50 Paid-up) in Aloula Geojit Brokerage Company, Saudi Arabia	301,990,457	301,990,457
(iv) <u>Of Associate</u>		
1,500,000 (Previous Year: Nil) Equity Shares of Kuwaiti Dinar 0.10 each, fully paid-up, in BBK Geojit Securities KSC, Kuwait	26,550,000	-
	<b>801,848,522</b>	<b>756,468,797</b>
<b>B. Other Investments</b>		
(a) Investments in Equity Instruments - Unquoted:		
400 (Previous Year: 400) 'C' class shares of ₹ 500/- each, fully paid-up, in Muvattupuzha Co-Operative Super Speciality Hospital Limited	200,000	200,000
11,401 (Previous Year: 11,401) Equity Shares of ₹ 1/- each, fully paid-up, in Bombay Stock Exchange Ltd.	877	877
100 (Previous Year: 100) Equity Shares of ₹ 10/- each, fully paid-up, in Cochin Stock Exchange Ltd.	1,000	1,000
	<b>201,877</b>	<b>201,877</b>
(b) Investments in Government Securities - Quoted:		
10.71% Govt of India Securities - 2016	3,000	3,000
	<b>3,000</b>	<b>3,000</b>
	<b>802,053,399</b>	<b>756,673,674</b>
Aggregate cost of listed but not quoted investments	3,000	3,000
Aggregate amount of unquoted investments	802,050,399	756,670,674

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 12: Deferred Tax Assets (Net)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	-	-
Tax effect of items constituting deferred tax liability (A)	-	-
<b>Tax effect of items constituting deferred tax asset</b>		
On difference between book balance and tax balance of fixed assets	20,190,000	10,356,000
Provision for doubtful debts / advances	31,626,000	19,167,000
Provision for gratuity, compensated absences and other employee benefits	2,633,000	1,654,000
Tax effect of items constituting deferred tax asset (B)	54,449,000	31,177,000
<b>Deferred Tax Assets (Net) (B-A)</b>	<b>54,449,000</b>	<b>31,177,000</b>

### Note 13: Long-Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>(a) Capital Advances</b>	823,472	1,402,499
<b>(b) Security Deposits</b>		
(i) Deposits & Margins given to Stock Exchanges / Depositories / Clearing Corporation	413,655,455	551,055,458
(ii) Others	47,414,836	54,766,142
	461,070,291	605,821,600
<b>(c) Advance to Employees</b>	79,465	95,000
<b>(d) Prepaid Expenses</b>	282,163	704,481
<b>(e) Balances With Government Authorities</b>		
(i) Service Tax credit receivable	-	1,354,614
<b>(f) Advance Income Tax [Net of Provisions ₹695,155,649/- (Previous Year: ₹534,681,755/-)]</b>	70,151,851	28,364,486
<b>(g) Advance for Investments</b>	-	26,550,000
	<b>532,407,242</b>	<b>664,292,680</b>

### Note 14: Other Non-Current Assets

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>(a) Fixed Deposits with Banks - In Earmarked Accounts</b>	2,230,672	11,230,673
<b>(b) Accruals</b>		
(i) Interest accrued on fixed deposits with banks	272,421	99,862
	<b>2,503,093</b>	<b>11,330,535</b>

Notes:

- (i) Fixed deposits in earmarked accounts with banks represents security margin for guarantees issued by banks in favour of Stock Exchanges.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 15: Current Investments

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>(a) Investments in Mutual Funds (At lower of cost and Net Asset Value) - Unquoted</b>		
(i) Nil (Previous Year : 22,975) Units of SBI Ultra Short Term Fund	-	22,988,214
(ii) 10,561,017 (Previous Year: Nil) Units of IDFC Money Manager Investment Plan B	106,337,828	-
(iii) 50,116,665 (Previous Year: Nil) Units of BNP Paribas Money Plus Fund	502,456,680	-
(iv) Nil (Previous Year: 30,589,165) Units of BNP Paribas Overnight Fund	-	305,983,416
	<b>608,794,508</b>	<b>328,971,630</b>
Aggregate Amount of Unquoted Investments	608,794,508	328,971,630

### Note 16: Trade Receivables

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>(a) Trade Receivables outstanding for a period exceeding Six Months from the date they were Due for Payment</b>		
- Secured, Considered Good	76,836,573	65,270,817
- Unsecured, Considered Good	-	44,503,970
- Doubtful	88,532,708	54,190,616
	165,369,281	163,965,403
- Less: Provision for Doubtful Trade Receivables	88,532,708	54,190,616
	76,836,573	109,774,787
<b>(b) Other Trade Receivables</b>		
- Secured, Considered Good	21,630,835	18,042,633
- Unsecured, Considered Good	558,338,171	600,638,985
- Doubtful	2,300,424	1,972,020
	582,269,430	620,653,638
- Less: Provision for Doubtful Trade Receivables	2,300,424	1,972,020
	579,969,006	618,681,618
	<b>656,805,579</b>	<b>728,456,405</b>

### Note: Trade receivables include debts due from:

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	609	28,086,948
	<b>609</b>	<b>28,086,948</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 17: Cash and Cash Equivalents

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>(a) Cash on Hand</b>	858,360	670,535
<b>(b) Balances with Banks</b>		
(i) Current Accounts:		
- Clients	548,427,452	561,675,011
- Others	27,033,525	38,415,341
(ii) Deposit Accounts (Refer Note (i) Below)	479,581,315	437,620,363
(iii) Earmarked Accounts:		
- Deposit Accounts (Refer Note (ii) & (iii) Below)	444,958,074	433,318,791
- Unpaid Dividend Accounts	13,042,323	4,648,314
	<b>1,513,901,049</b>	<b>1,476,348,355</b>
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per (AS 3 Cash Flow Statements) is)	1,055,900,652	1,038,381,250

#### Notes:

- Balance with Banks in Deposit Accounts include ₹ 443,103,758/- (As at 31 March, 2012: ₹ 432,620,363/-) for which fixed deposit receipts are kept in the safe custody of two banks for availing temporary overdrafts. The balance outstanding in the temporary overdraft facility as at the balance sheet date is ₹ Nil (Previous Year: ₹ Nil).
- Balances with Banks Deposits Accounts include ₹ 11,601,024/- (As at 31 March, 2012: ₹ 2,447,699/-) which have an original maturity of more than 12 months.
- Balance with Banks in Deposit Accounts include ₹ 444,958,074/- (As at 31 March, 2012: ₹ 433,318,791/-) maintained as security margin for guarantees issued by banks in favour of Stock Exchanges.

### Note 18: Short-Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>(a) Loans and Advances to Related Parties (Refer Note 35)</b>		
(i) Aloula Geojit Brokerage Company	477,049	1,522,762
(ii) Geojit Comtrade Ltd.	3,840,715	2,170,434
(iii) Geojit Credits Private Limited	19,300,000	125,000,000
(iv) BBK Geojit Securities KSC	10,112	-
	<b>23,627,876</b>	<b>128,693,196</b>
<b>(b) Loans and Advances to Clients</b>		
(i) Margin Funding Loans - Secured	59,768,066	97,980,148
<b>(c) Security Deposits</b>		
(i) Deposits with Stock Exchanges	200,000	199,997
(ii) Other Deposits:		
- Considered Good	31,995,864	23,019,084
- Considered Doubtful	553,975	1,252,287
	<b>32,549,839</b>	<b>24,271,371</b>
- Less: Provision for Doubtful Deposits	553,975	1,252,287
	<b>31,995,864</b>	<b>23,019,084</b>
	<b>32,195,864</b>	<b>23,219,081</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>(d) Loans and Advances to Employees</b>		
- Considered Good	1,225,961	1,375,490
- Considered Doubtful	148,704	148,704
	1,374,665	1,524,194
- Less: Provision for Doubtful Advances	148,704	148,704
	1,225,961	1,375,490
<b>(e) Prepaid Expenses</b>	15,634,497	20,319,656
<b>(f) Balances with Government Authorities</b>		
(i) Service Tax credit receivable	9,332,691	4,551,271
<b>(g) Other Advances</b>		
- Considered Good	5,478,965	1,924,025
- Considered Doubtful	1,510,681	1,510,681
	6,989,646	3,434,706
- Less: Provision for Doubtful Advances	1,510,681	1,510,681
	5,478,965	1,924,025
	<b>147,263,920</b>	<b>278,062,867</b>

## Note 19: Other Current Assets

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>(a) Accruals</b>		
(i) Interest accrued on fixed deposits with banks	42,377,095	41,230,190
<b>(b) Receivable from Stock Exchanges</b>	366,534,174	447,674,006
	<b>408,911,269</b>	<b>488,904,196</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 20: Revenue from Operations

Particulars	Year Ended 31 March, 2013	Year Ended 31 March, 2012
	₹	₹
<b>(a) Stock Broking Services</b>		
(i) Brokerage	1,652,981,141	1,706,421,281
(ii) Depository	122,300,297	124,436,821
(iii) Financial Product Distribution	55,490,616	44,093,324
(iv) Portfolio Management Services	22,203,106	24,925,208
(v) Interest Income from Margin Funding	16,929,260	27,391,314
	<b>1,869,904,420</b>	<b>1,927,267,948</b>
<b>(b) Other Operating Revenues</b>		
(i) Overdue Fees collected from Clients	100,056,931	72,399,218
(ii) Miscellaneous Income	8,419,647	10,392,058
	<b>108,476,578</b>	<b>82,791,276</b>
	<b>1,978,380,998</b>	<b>2,010,059,224</b>

### Note 21: Other Income

Particulars	Year Ended 31 March, 2013	Year Ended 31 March, 2012
	₹	₹
<b>(a) Interest Income</b>		
(i) From Banks on Fixed Deposits	92,078,748	95,703,554
(ii) From a Subsidiary Company on Loans Given	35,354,770	2,040,863
(iii) On Income Tax Refunds	-	713,925
<b>(b) Dividend Income</b>		
(i) From Current Investments		
- Mutual Funds	19,143,270	37,476,130
(ii) From Non-Current Investments		
- Subsidiaries	92,974,355	126,719,742
- Joint Ventures	33,294,991	9,500,727
- Others	68,727	45,604
<b>(c) Net gain on sale of</b>		
(i) Current Investments	19,151	-
<b>(d) Other Non-Operating Income</b>		
(i) Cost Recovery For Shared Services	56,073,506	32,303,881
(ii) Royalty	13,311,606	16,632,710
(iii) Infrastructure Usage Fees	344,435	19,764,279
(iv) Rental Income	2,752,057	1,159,225
(v) Bad Debt Recovered	1,047,451	-
(vi) Miscellaneous Income	3,091,154	2,936,213
	<b>349,554,221</b>	<b>344,996,853</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 22: Operating Expenses

Particulars	Year Ended 31 March, 2013	Year Ended 31 March, 2012
	₹	₹
Commission to Business Associates (Equity)	524,483,443	602,722,541
Marketing Fees	69,180,281	63,975,000
Marketing Incentive	14,093,968	10,954,164
Commission to Business Associates (Distribution)	3,565,079	2,576,125
Connectivity Charges	65,369,688	76,202,886
Depository Charges	20,260,899	18,329,251
Research Expenses	12,567,904	14,255,613
Postage Charges - Contract Note	5,276,669	8,060,390
Loss on Sale of Stock-in-Error	3,557,716	6,580,937
Transaction Charges	769,281	3,076,299
Insurance (NSE, BSE, NSDL)	73,817	623,061
Registration & Renewal Charges	2,233,866	807,376
Miscellaneous Expenses	3,764,069	2,656,306
	<b>725,196,680</b>	<b>810,819,949</b>

### Note 23: Employee Benefit Expenses

Particulars	Year Ended 31 March, 2013	Year Ended 31 March, 2012
	₹	₹
Salaries and Wages	450,174,000	462,031,462
Contribution to Provident and Other Funds	12,224,526	12,622,025
Expense on Employee Stock Option Plans	1,440,247	155,545
Staff Welfare Expenses	30,618,605	34,235,486
	<b>494,457,378</b>	<b>509,044,518</b>

### Note 24: Finance Costs

Particulars	Year Ended 31 March, 2013	Year Ended 31 March, 2012
	₹	₹
(i) Interest Expense on:		
- Temporary Overdrafts availed from Banks	2,43,545	2,91,293
- Delayed / Deferred payment of Income Tax	1,73,894	8,42,614
(ii) Other Borrowing Costs:		
- Bank Guarantee Charges	74,64,671	91,84,849
	<b>78,82,110</b>	<b>1,03,18,756</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 25: Other Expenses

Particulars	Year Ended 31 March, 2013	Year Ended 31 March, 2012
	₹	₹
Rent	128,204,122	135,252,658
Advertisement	28,908,760	34,484,444
Telephone	27,268,935	35,108,683
Postage	13,154,137	18,225,563
Power and Fuel	45,196,853	37,830,649
Software Charges	18,021,481	17,805,168
Repairs & Maintenance:		
- Leasehold Building	3,343,915	3,253,935
- Others	34,729,655	33,480,281
Printing & Stationery	11,886,356	14,885,256
Travelling & Conveyance	17,832,835	17,598,473
Legal & Professional	5,156,429	8,139,839
Payments to Auditors (Refer Note below)	5,113,513	4,715,899
Office Expenses	10,126,417	9,450,984
Provision For Doubtful Trade Receivables & Advances (Net)	44,495,378	1,272,830
Bad Debts Written Off	58,278	621,879
Business Promotion	10,188,990	7,939,484
Rates & Taxes	9,312,484	16,127,197
Loss on Fixed Assets Sold / Written Off	4,261,111	1,177,731
Loss on Restatement of Current Investments (Mutual Fund Investments)	214,576	-
Donations and Contributions	926,172	1,141,970
Insurance	764,878	644,696
Miscellaneous Expenses	11,657,108	8,036,659
	<b>430,822,383</b>	<b>407,194,278</b>

Note:

Includes Payments to Statutory Auditors towards (net of service tax input credit, where applicable):

Particulars	Year Ended 31 March, 2013	Year Ended 31 March, 2012
	₹	₹
Statutory Audit Fees	1,200,000	1,200,000
Limited Review Fees	480,000	480,000
Taxation Matters	125,000	125,000
Certifications	57,500	45,000
Out-of-Pocket Expenses	61,220	43,110
	<b>1,923,720</b>	<b>1,893,110</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 26: Contingent Liabilities and Commitments (to the extent not provided for)

#### (i) Contingent Liabilities:

Particulars	Year Ended 31 March, 2013 ₹	Year Ended 31 March, 2012 ₹
(a) Claims against the company not acknowledged as debts : - Legal suits filed against the Company / Matters under Arbitration	105,231,631	37,247,848
(b) Demand under ESI Act, 1948, pending in appeal	603,612	603,612
(c) Income Tax demands, pending in appeal	238,934,251	238,024,801
(d) Service Tax demands (Show Cause Notices for which the company has filed replies)	3,632,939	-
(e) Service Tax demands, pending in appeal	448,298	448,298

#### (ii) Commitments:

Particulars	Year Ended 31 March, 2013 ₹	Year Ended 31 March, 2012 ₹
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for: - Tangible assets	183,502	155,285,930
- Intangible assets	785,059	774,133

### Note 27: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	Year Ended 31 March, 2013 ₹	Year Ended 31 March, 2012 ₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### Note 28: Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Particulars	Relationship	Amount Outstanding as at 31 March, 2013 ₹	Maximum balance Outstanding During the year ₹
Geojit Credits Private Ltd.	Subsidiary	19,300,000	500,000,000
		(125,000,000)	(125,000,000)

Note: Figures in bracket relate to the previous year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 29: Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for Preferential Issues of SEBI (Disclosure and Investor Protection) Guidelines, 2000:**

Particulars	2012-13	2011-12
	₹	₹
Amount pending utilisation as on 1st April 2012 (1st April 2011)	-	54,809,225
Less: Utilisation during the year:		
- For Business Expansion	-	54,809,225
- For Investment in Subsidiaries	-	-
Balance pending utilization as on 31st March 2013 (31st March 2012)	-	-

**Note 30: Expenditure in Foreign Currency**

Particulars	2012-13	2011-12
	₹	₹
Foreign Travel	61,726	32,625
Software Charges	-	152,446
Annual Maintenance Charges	709,789	638,643
Website Charges	1,983,680	2,709,307
<b>Total</b>	<b>2,755,195</b>	<b>3,533,021</b>

Note: The above disclosure excludes expenses incurred in Indian Rupees and remitted in foreign currency.

**Note 31: Earnings in Foreign Exchange**

Particulars	2012-13	2011-12
	₹	₹
Dividend from a Joint Venture	33,294,991	9,500,727
Advisory Fees	1,394,329	1,225,664

32. The Company has deposited the dividends payable to non-resident shareholders into their Rupee account with various banks in India and hence the disclosure of amounts remitted in foreign currency during the year to non-resident shareholders on account of dividend is not applicable.

### 33. Employee Benefit Plans

#### (i) Defined Contribution Plans– Provident Fund and Employee State Insurance Scheme:

The Company makes Provident Fund and Employee State Insurance contributions, which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised ₹ 2,971,712/- (Year ended 31 March, 2012: ₹ 3,291,471/-) towards Provident Fund contributions and ₹ 7,703,101/- (Year ended 31 March, 2012: ₹ 9,044,038/-) towards Employee State Insurance contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### (ii) Defined Benefit Plan – Gratuity:

The Company provides gratuity benefit to its employees, which is funded with Life Insurance Corporation of India.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The following table sets out the funded status of the defined benefit scheme and the amounts recognised in the financial statements:

Particulars	2012-13	2011-12
	₹	₹
<b>Components Of Employer Expense:</b>		
Current Service Cost	2,371,445	2,706,353
Interest Cost	1,418,117	1,235,598
Expected Return On Plan Assets	(1,186,364)	(1,173,832)
Past Service Cost	-	-
Actuarial Losses/(Gains)	(258,502)	(1,093,422)
<b>Total Expense Recognised in the Statement of Profit and Loss</b>	<b>2,344,696</b>	<b>1,674,697</b>
<b>Actual Contribution and Benefit Payments for the Year:</b>		
Actual Benefit Payments	1,199,410	931,457
Actual Contributions	216	324,723
<b>Net Asset / (Liability) Recognised in the Balance Sheet:</b>		
Present Value of Defined Benefit Obligation (DBO)	18,201,608	15,985,249
Fair Value of Plan Assets	(12,015,975)	(12,144,096)
Funded Status [Surplus / (Deficit)]	(6,185,633)	(3,841,153)
Unrecognised Past Service Costs	-	-
<b>Net Asset / (Liability) Recognised In The Balance Sheet</b>	<b>(6,185,633)</b>	<b>(3,841,153)</b>
<b>Change In Defined Benefit Obligations (DBO) During the Year</b>		
Present Value of DBO at the beginning of the Year	15,985,249	14,192,255
Current Service Cost	2,371,445	2,706,353
Interest Cost	1,418,117	1,235,598
Actuarial (Gains) / Losses	(373,793)	(1,217,500)
Past Service Cost	-	-
Benefits Paid	(1,199,410)	(931,457)
<b>Present Value of DBO at the end of the Year</b>	<b>18,201,608</b>	<b>15,985,249</b>
<b>Change In Fair Value of Plan Assets During the Year</b>		
Plan Assets at the beginning of the Year	12,144,096	11,701,076
Expected Return on Plan Assets	1,186,364	1,173,832
Actual Company Contributions	216	324,723
Actuarial Gain / (Loss)	(115,291)	(124,078)
Benefits Paid	(1,199,410)	(931,457)
<b>Plan Assets at the end of the Year</b>	<b>12,015,975</b>	<b>12,144,096</b>
Actual Return on Plan Assets	1,071,073	1,049,754
<b>Composition of Plan Assets is as follows #:</b>		
Government Securities	5,054,545	5,108,439
Debentures and Bonds	5,149,047	5,203,950
Fixed Deposits	1,003,854	1,014,557
Others	808,529	817,150
# - As intimated by Life Insurance Corporation of India		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	2012-13	2011-12
	₹	₹
<b>Actuarial Assumptions:</b>		
Discount Rate	7.85%	8.65%
Expected Return on Plan Assets	7.50%	9.00%
Salary Escalation	5.00%	5.00%
Attrition rate range over different age brackets	1% to 25%	1% to 25%
Mortality Table	LIC 2006-08	LIC 1994-96
Performance Percentage Considered	NA	NA
Estimate of amount of Contribution in the immediate Next Year	NA	NA

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

### Experience adjustments

Gratuity	For the Year				
	2012-13 ₹	2011-12 ₹	2010-11 ₹	2009-10 ₹	2008-09 ₹
Present Value of DBO	18,201,608	15,985,249	14,192,255	11,852,687	10,688,396
Fair Value of Plan Assets	12,015,975	12,144,096	11,701,076	11,341,347	7,714,870
Funded Status [Surplus / (Deficit)]	(6,185,633)	(3,841,153)	(2,491,179)	(511,340)	(2,973,526)
Exp Adj On Plan Liabilities	(871,399)	(1,630,070)	(435,622)	(1,130,978)	30,113
Exp Adj On Plan Assets	(115,291)	(124,078)	37,346	(49,169)	135,108

### Actuarial assumptions for long-term compensated absences

Particulars	2012-13	2011-12
	₹	₹
Discount Rate	7.85%	8.65%
Salary Escalation	5.00%	5.00%
Attrition rate range over different age brackets	1% to 25%	1% to 25%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

34. The Company's operations predominantly relate to one segment, viz., broking and financial services, which constitutes more than 75% of the total revenues / results / assets of all segments combined. Other activities which are not related to the main business of broking and financial services do not individually constitute 10% or more of the total revenues or results or assets of the Company. Therefore, separate business segment information is not disclosed. Besides, the Company's operations are located only in India and hence, separate secondary geographical segment information is not disclosed.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 35. Related Party Disclosures

Nature of Relationship	Name of Related Party	Nature of Transaction	Amount ₹ 2012-13	Receivable / (Payable) on 31.03.2013 ₹	Amount ₹ 2011-12	Receivable / (Payable) on 31.03.2012 ₹
Subsidiary	Geojit Investment Services Ltd.	Expenses Recovered	47,681	-	297,375	-
		Dividend Received	-	-	120,000,000	-
Subsidiary	Geojit Credits (P) Ltd.	Loan Given	719,400,000	19,300,000	200,000,000	125,000,000
		Loan Repaid	825,100,000	-	75,000,000	-
		Expenses Reimbursed	16,173	-	140,665	-
		Expenses Recovered	23,748	-	10,595	-
		Cost recovery for shared services	683,250	-	891,346	-
		Interest Received	35,354,770	-	2,040,863	-
		Dividend Received	16,799,355	-	6,719,742	-
		Dividend Received	16,799,355	-	6,719,742	-
Subsidiary	Geojit Technologies (P) Ltd.	Software Service Availed	12,642,261	(2,600,000)	11,100,000	-
		SMS services	2,364,769	-	690,312	-
		AMC Paid	2,919,086	-	4,106,166	-
		Software Purchased	2,772,732	-	2,281,648	-
		Cost recovery for shared services	1,794,717	-	1,224,000	-
		Rent Deposit Accepted	2,600,000	-	-	-
		Expense Recovered	2,288,405	-	505,173	-
		Expenses Reimbursed	1,959,247	-	1,510,823	-
Subsidiary	Geojit Financial Management Services (P) Ltd.	Dividend Received	76,175,000	-	-	-
Subsidiary	Geojit Financial Distribution (P) Ltd.	No Transactions	-	-	-	-
Subsidiary	QBG Geojit Financial Services LLC	Marketing Fee	3,503,381	(3,144,245)	-	-
		Expenses Recovered	319,631	-	-	-
Joint Venture	Barjeel Geojit Securities L.L.C	Marketing Fee	65,677,091	(86,228,200)	63,975,000	(46,163,025)
		Expenses Reimbursed	1,064,786	-	1,065,585	-
		Expenses Recovered	761,571	-	1,676,637	-
		Dividend Received	33,294,991	-	9,500,727	-
Joint Venture	Al-oula Geojit Brokerage Company	Expenses Recovered	290,868	477,049	474,811	1,522,762
		Expenses Reimbursed	14,248	-	-	-
Associate	BBK Geojit Securities KSC	Expenses Recovered	9,000	10,112	-	-
Entity having substantial interest in the Company	BNP Paribas S.A	Bank Charges	15,922	18,001,056	17,596	20,792,762
		Dividend Paid	115,033,439	-	57,516,719	-
Subsidiary of the entity having substantial interest in the Company (Previous Year: Joint Venture)	BNP Paribas Securities India Pvt. Ltd	Commission	333,693,983	(10,755,561)	399,878,774	(16,356,948)
		Expenses Recovered	363,451	-	867,559	-
		Cost recovery for shared services	23,391,117	-	7,160,648	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Nature of Relationship	Name of Related Party	Nature of Transaction	Amount ₹ 2012-13	Receivable / (Payable) on 31.03.2013 ₹	Amount ₹ 2011-12	Receivable / (Payable) on 31.03.2012 ₹
Subsidiary of the entity having substantial interest in the Company	BNP Paribas Arbitrage SNC	Brokerage Income	33,425,172	3,287,880	36,463,825	4,360,342
Subsidiary of the entity having substantial interest in the Company	BNP Paribas Investment Partners Belgium	Brokerage Income	2,355,513	-	-	-
Subsidiary of the entity having substantial interest in the Company	BNP Paribas Investment Services India Pvt Ltd.	Business Associate Commission	8,719,353	(486,853)	14,478,501	(1,880,710)
Subsidiary of the entity having substantial interest in the Company	BNP Paribas Asset Management India Pvt Ltd.	Rent Received	73,500	-	-	-
		Dividend Income	11,902,802	-	8,383,416	-
Subsidiary of the entity having substantial interest in the Company	Arval India Private Limited	Vehicle Rental Expense	351,240	-	525,564	-
Key Management Person - Managing Director	Mr. C. J. George	Salary and Benefits	13,067,612	(1,723,000)	11,036,159	(73,918)
		Brokerage Income	1,564	-	-	-
		Dividend Paid	62,216,549	-	30,455,070	-
Relative of Key Management Person - Son of Mr. C.J. George	Mr. Jones George	Salary and Benefits	50,000	-	-	-
		Dividend Paid	75,000	-	-	-
Relative of Key Management Person - Wife of Mr. C. J. George	Mr. Jyothis Abraham George	Dividend Paid	75,000	-	-	-
		Ms. Shiny George	Dividend Paid	7,557,000	-	3,750,000
Entity over which relative of key management person has control	Geojit Comtrade Limited	Expenses Reimbursed	2,435,387	2,440,715	794,603	2,170,434
		Deposits Accepted	-	-	100,000	-
		Expenses Recovered	6,463,936	-	2,634,375	-
		Cost recovery for shared services	28,910,371	-	22,630,473	-
		Royalty	13,311,606	-	16,604,704	-
		Referral Fees	18,841,353	-	10,604,518	-
		Rent Deposit Accepted	1,400,000	-	-	-
		Rent Deposit Refunded	228,000	-	-	-
		Rent Received	1,189,034	-	1,159,225	-
		Sale of fixed assets	-	-	1,942,824	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 36: Earnings Per Equity Share

Particulars	2012-13	2011-12
	₹	₹
<b>Basic:</b>		
Net profit for the year attributable to equity shareholders - ₹	419,644,316	397,218,953
Weighted average number of equity shares	228,360,104	228,360,104
Par value per equity share - ₹	1.00	1.00
Basic Earnings per equity share - ₹	1.84	1.74
<b>Diluted:</b>		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available to Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Stock Options for the respective periods.		
Net profit for the year attributable to equity shareholders - ₹	419,644,316	397,218,953
Weighted average number of equity shares for Basic EPS	228,360,104	228,360,104
Add: Effect of ESOPs which are dilutive	151,980	-
Weighted average number of equity shares for diluted EPS	228,512,084	228,360,104
Par value per equity share - ₹	1.00	1.00
Diluted Earnings per equity share - ₹	1.84	1.74

### 37: Interest In Joint Ventures

The company has interest in following Joint Control Entities

Name of Entities and Country of Incorporation	% of Shareholding	
	2012-13	2011-12
	₹	₹
Barjeel Geojit Securities LLC, United Arab Emirates (Barjeel)	30%	30%
BNP Paribas Securities India Private Limited, India (BNPPSI)	*	50%
Aloula Geojit Brokerage Company, Saudi Arabia (Aloula)	28%	28%

Particulars	Barjeel		BNPPSI		Aloula	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	₹	₹	₹	₹	₹	₹
Assets	95,380,464	118,251,714	*	381,331,950	264,297,190	250,536,153
Liabilities	23,094,320	27,284,331	*	466,010,609	7,682,124	6,456,639
Income	52,420,627	56,400,966	*	250,646,495	41,212,432	26,941,674
Expenditure	42,978,403	41,448,765	*	314,669,021	45,265,443	44,927,130
Contingent liabilities	-	587,124	*	13,723,000	-	-
Capital commitments	-	-	*	-	-	-

\* - Ceased to be a joint venture w.e.f 1st April 2012

### 38. A) Employee Stock Option Plans:

(a) Employee Stock Option Plan – 2005 (ESOP-2005 (Reissue-1)):

During 2007-08, the Company had issued options for 950,500 equity shares of ₹ 1/- each to eligible permanent employees and an independent non-executive director, who is not a promoter of the Company and its Subsidiaries. The issue of options was approved by the Shareholders through postal ballot on 5th December 2007 and by the Compensation Committee of Directors on 12th October 2007. The options vested over a period of 4 years from the date of grant, viz., 10th December 2007, in the proportion specified in the scheme. The exercise period commenced from the date of vesting and expired on 9th December 2012. The exercise price was computed by giving discounts, based on the grade of the employees as well as fixed amounts, to the market price on the date prior to grant date. The Company had re-priced the options on 11th April 2009 from ₹65.36 to ₹25.50 per option with the approval of the Compensation Committee and Shareholders.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) Employees Stock Option Plan 2007 for Key Employees (ESOP 2007):

The Company introduced Employees Stock Option Plan 2007 for Key Employees during the year 2007-08, under which options for 2,500,000 equity shares of ₹1/- each were granted to eligible senior management employees of the Company. The scheme was approved by the Shareholders through postal ballot on 5th December 2007 and by the Compensation Committee of Directors on 12th October 2007. The options vest over a period of 7 years from the date of grant, viz., 10th December 2007, in the proportion specified in the scheme. The exercise period commence from the date of vesting and expires not later than 8 years from the date of grant, viz., 09th December 2015. The exercise price is at 10% discount to the market price on the date prior to grant date. The Company had re-priced the options on 11th April 2009 from ₹59.90 to ₹25.50 per option with the approval of the Compensation Committee and Shareholders.

(c) Employees Stock Option Plan 2010 – Tranche I:

During 2010-11, the Company introduced Employees Stock Option Plan 2010 (Tranche I) under which options for 2,786,795 equity shares of ₹1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on 12th July 2010 and by the Compensation Committee of Directors on 12th April 2010. The options vested on 28th March 2013, being the 2nd Anniversary from the date of grant, viz., 29th March 2011. The exercise period commences from the date of vesting and will expire not later than 4 years from the date of vesting, viz., 28th March 2017. The exercise price of the options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options.

(d) Employees Stock Option Plan 2010 – Tranche II:

During the year, the Company introduced Employees Stock Option Plan 2010 (Tranche II) under which options for 2,799,885 equity shares of ₹1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on 12th July 2010 and by the Compensation Committee of Directors on 12th April 2010. The options will vest on the 2nd Anniversary from the date of grant, viz., 11th July 2012. The exercise period commences from the date of vesting and will expire not later than 4 years from the date of vesting, viz., 10th July 2018. The exercise price of the options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options.

**B) Accounting of employee share based compensation cost:**

The Company has adopted intrinsic value method for accounting employee share based compensation cost. Under the intrinsic value method, the difference between market price of the share on the date prior to grant date or as near thereto and the exercise price is considered as intrinsic value of options and expensed on straight-line basis over the vesting period as employee share based compensation cost. The details of costs accounted under the Employee Stock Option Plans are as follows:

Particulars	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)
Cumulative intrinsic value of the options granted net of expected forfeiture	Nil (₹ 447,213/-)	₹ 13,295,530/- (₹ 13,295,530/-)	Not Applicable (Not Applicable)	Not Applicable (Not Applicable)
Expected forfeiture rate per annum	Nil (20%)	4% (4%)	(Not Applicable) (Not Applicable)	(Not Applicable) (Not Applicable)
Amount expensed during the year under intrinsic value method	Nil (₹ -72,067/-)	₹1,440,247/- (₹227,612/-)	Not Applicable (Not Applicable)	Not Applicable (Not Applicable)
Additional charge under Fair Value method of accounting cost	Nil (₹ -3,298,070/-)	₹12,028,822/- (₹1,863,443/-)	₹8,176,941/- (₹7,726,868/-)	₹3,815,169/- (Not Applicable)

Note: Previous year figures are given in brackets.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### C) Further disclosures with regard to Employee Stock Option Plans are as follows:

Particulars	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)
Date of Grant	10.12.2007	10.12.2007	29.03.2011	11.07.2012
Number of Options Granted	950,500	2,500,000	2,786,795	2,799,885
Vesting Conditions	Continuation in the services of the Company and such other conditions as may be formulated by the Compensation Committee from time to time.			
Method of Settlement	In Cash	In Cash	In Cash	In Cash
Weighted average Exercise Price (₹)	25.50	25.50	22.20	20.55
No. of options outstanding as at 01.04.2012	364,908 (400,111)	2,197,040 (2,500,000)	2,503,410 (2,786,795)	- (-)
Add: No. of options granted during the year	- (-)	- (-)	- (-)	2,799,885 (-)
Less: No. of options forfeited on resignation / lapsed due to non-exercise during the year	364,908 (35,203)	- (302,960)	201,700 (283,385)	255,680 (-)
Less: No. of options exercised during the year	- (-)	- (-)	- (-)	- (-)
No. of options outstanding as at 31.3.2013	Nil (364,908)	2,197,040 (2,197,040)	2,301,710 (2,503,410)	2,544,205 (-)
No. of options exercisable at year end	- (364,908)	1,098,523 (549,260)	2,301,710 (-)	- (Not Applicable)
No. of options available for grant at year end	- (-)	- (-)	- (-)	- (-)

Note: Previous year figures are given in brackets

### D) Details of Fair Value Method of accounting for employee compensation cost using Black-Scholes Options Pricing Model are as follows:

Particulars	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)
Weighted average fair value per option (₹)	56.60	61.67	6.94	4.71
Market price relevant for grant (₹)	25.50	25.50	22.20	20.55
Expected Annual Volatility of Shares	170%	170%	52%	39%
Expected Dividend Yield	0.60%	0.60%	2.30%	4.04%
Risk Free Interest Rate	7%	7%	8%	8%
Expected Life (In Years)	2-4	4-7	2	2

Annualised volatility is computed using the high and low market price of the Company's share over the one year period prior to the date of grant. It is assumed that employees would exercise the options immediately on vesting. The historical volatility of the Company's share price is higher than the volatility considered above. However, the Company expects the volatility of its share price to reduce as it matures.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- E) The impact on Basic and Diluted Earnings Per Share for the year, had the Company followed Fair Value Method of accounting for ESOP compensation cost is as follows:

Particulars	Year Ended 31 March, 2013	Year Ended 31 March, 2012
	₹	₹
Profit for the Year (As reported)	419,644,316	397,218,953
Add: Expense on Employee Stock Option Plans under Intrinsic Value Method	1,440,247	155,545
Less: Expense on Employee Stock Option Plans under Fair Value Method	25,461,179	6,447,787
Profit for the Year (Proforma)	395,623,384	390,926,711
Basic earnings per share (As reported)	1.84	1.74
Basic earnings per share (Proforma)	1.73	1.71
Diluted earnings per share (As reported)	1.84	1.74
Diluted earnings per share (Proforma)	1.73	1.71

39. The Company has contracted fund based and non-fund based (viz. bank guarantee) working capital facilities of ₹ 30 crores (Previous Year: ₹ 30 crores) and ₹ 167 crores (Previous Year: ₹ 167 crores) respectively from banks, which are secured by a lien on fixed deposits and hypothecation of trade receivables of the Company, both present and future, and counter guarantee of the Company. The balance outstanding in the fund based and non-fund based working capital facilities at the balance sheet date are ₹ Nil (Previous Year: ₹ Nil) and ₹ 71.37 crores (Previous Year: ₹ 121.38 crores) respectively.

40. The details of assets under the Portfolio Management Scheme are as follows:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Number of clients	1,138	1,457
<b>Value of assets under management – ₹</b>	<b>967,344,511</b>	<b>1,179,022,669</b>
Represented by:		
(a) Bank balance – ₹	96,160,772	30,318,960
(b) Value of portfolio holdings – ₹	871,183,739	1,148,703,709
<b>Total - ₹</b>	<b>967,344,511</b>	<b>1,179,022,669</b>
<b>Net asset value of portfolio under management – ₹</b>	<b>921,777,080</b>	<b>1,151,243,334</b>

41. The Company may allot shares between the balance sheet date and record date for the declaration of dividend pursuant to the exercise of any employee stock options. These shares will be eligible for full dividend for the year ended 31 March, 2013, if approved at the ensuing Annual General Meeting. Dividend relating to these shares has not been recorded in the current year and will be considered in the appropriation for the next year. However, current year appropriation includes dividend paid on options exercised upto the record date for dividend declaration during the current year.
42. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

The Company's 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 Group in accordance with the 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.

#### Auditors' 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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.

#### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, and based on the consideration

of the reports of the other auditors on the financial statements of the subsidiaries and a jointly controlled entity referred to below in the Other Matter paragraph, the aforesaid 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 Group as at 31st March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### Other Matters

1. We did not audit the financial statements of five subsidiaries and one jointly controlled entity, whose financial statements reflect total assets (net) of ₹ 3,552,730,200/- as at 31st March, 2013, total revenues of ₹ 622,799,457/- and net cash outflows of ₹ 129,526,916/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and the jointly controlled entity is based solely on the reports of the other auditors.
2. The consolidated financial statements include unaudited financial statements / information of the following entities:
  - (a) One subsidiary, whose financial information reflect total assets (net) of ₹ 28,391,534/- as at 31st March, 2013, total revenues of ₹ 4,082,673/- and net cash inflows of ₹ 3,985,684/- for the period ended on that date.
  - (b) One jointly controlled entity, whose financial statements reflect Group's share in the total assets (net) of ₹ 267,780,375/- as at 31st March, 2013, and Group's share in the total revenues of ₹ 41,212,432/- and net cash outflows of ₹ 42,072,796/- for the year ended on that date.
  - (c) Group's share of net loss of ₹ 5,293,422/- for the period ended 31st March, 2013 in respect of one associate.

Based on the information and explanations provided by Management, it is expected that there should be no material impact on the consolidated financial statements consequent to any possible adjustments to the unaudited financial statements/ information in respect of the aforesaid entities, since the size of these entities in the context of the Group is not significant.

Our opinion is not qualified in respect of these matters.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm Registration No. 008072S)

**(M. Ramachandran)**  
(Partner)  
(Membership No. 16399)

Kochi, 22nd May, 2013



**GEOJIT  
BNP PARIBAS**

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2013**

Particulars	Note No.	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	228,360,104	228,360,104
(b) Reserves and Surplus	4	4,463,785,920	3,888,318,901
		<b>4,692,146,024</b>	<b>4,116,679,005</b>
<b>2. Minority Interests</b>			
		<b>448,317,113</b>	<b>391,504,124</b>
<b>3. Capital Reserve on Consolidation</b>			
		<b>690,539</b>	<b>482,094</b>
<b>4. Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	-	250,000,000
(b) Deferred Tax Liabilities (Net)	14	-	489,282
(c) Long-Term Liabilities	6	20,289,251	22,081,470
(d) Long-Term Provisions	7	12,153,458	14,719,712
		<b>32,442,709</b>	<b>287,290,464</b>
<b>5 Current Liabilities</b>			
(a) Short-Term Borrowings	8	764,833,306	158,272,027
(b) Trade Payables	9	177,001,903	204,396,912
(c) Other Current Liabilities	10	1,089,833,733	1,094,243,563
(d) Short-Term Provisions	11	82,630,036	214,270,775
		<b>2,114,298,978</b>	<b>1,671,183,277</b>
<b>TOTAL</b>		<b>7,287,895,363</b>	<b>6,467,138,964</b>
<b>B. ASSETS</b>			
<b>1. Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	12A	494,896,900	264,672,537
(ii) Intangible Assets	12B	81,274,537	65,258,940
(iii) Capital Work-In-Progress - Tangible Assets		26,040,708	152,787,214
(iv) Capital Work-In-Progress - Intangible Assets		-	16,661,472
		<b>602,212,145</b>	<b>499,380,163</b>
(b) Goodwill on Consolidation		-	650,900
(c) Non-Current Investments	13	21,536,455	279,877
(d) Deferred Tax Assets (Net)	14	57,163,000	33,147,108



**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2013**

Particulars	Note No.	As at	As at
		31 March, 2013	31 March, 2012
		₹	₹
(e) Long-Term Loans and Advances	15	629,600,793	775,271,413
(f) Other Non-Current Assets	16	2,641,811	11,330,535
		<b>1,313,154,204</b>	<b>1,320,059,996</b>
<b>2. Current Assets</b>			
(a) Current Investments	17	1,049,115,611	1,117,381,887
(b) Trade Receivables	18	752,944,801	791,857,399
(c) Cash and Cash Equivalents	19	1,760,229,551	2,099,847,046
(d) Short-Term Loans and Advances	20	2,001,744,188	644,273,209
(e) Other Current Assets	21	410,707,008	493,719,427
		<b>5,974,741,159</b>	<b>5,147,078,968</b>
<b>TOTAL</b>		<b>7,287,895,363</b>	<b>6,467,138,964</b>

**Corporate Information and Significant Accounting Policies** 1 & 2

See accompanying notes forming part of the consolidated financial statements.

In terms of our report attached.

**For Deloitte Haskins & Sells**

Chartered Accountants

**M. Ramachandran**

Partner

Place: Kochi

Date: 22nd May, 2013

**For and on behalf of the Board of Directors**

**A. P. Kurian**

Chairman

Place: Kochi

Date: 22nd May, 2013

**C. J. George**

Managing  
Director

**Liju K. Johnson**

Company  
Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013**

Particulars	Note No.	For the Year Ended	For the Year Ended
		31 March, 2013	31 March, 2012
		₹	₹
1. Revenue from Operations	22	2,383,410,498	2,265,901,162
2. Other Income	23	238,514,188	305,505,882
<b>3. Total Revenue (1+2)</b>		<b>2,621,924,686</b>	<b>2,571,407,044</b>
4. Expenses:			
(a) Operating Expenses	24	705,983,790	611,012,798
(b) Employee Benefit Expenses	25	604,631,074	763,399,047
(c) Finance Costs	26	32,797,451	39,738,937
(d) Depreciation and Amortisation Expenses	12	127,763,551	141,634,972
(e) Other Expenses	27	480,918,780	539,669,391
<b>Total Expenses</b>		<b>1,952,094,646</b>	<b>2,095,455,145</b>
<b>5. Profit Before Exceptional Item and Tax (3-4)</b>		<b>669,830,040</b>	<b>475,951,899</b>
6. Exceptional Item (Refer Note 37)		427,758,327	-
<b>7. Profit Before Tax (5+6)</b>		<b>1,097,588,367</b>	<b>475,951,899</b>
8. Tax Expense:			
(a) Current Tax Expense for Current Year		249,280,000	160,817,236
(b) Current Tax Expense for Prior Years		45,016	92,338,325
(c) Net Current Tax Expense		249,325,016	253,155,561
(d) Deferred Tax (Credit)		(24,505,174)	(10,417,441)
Total Tax Expense		<b>224,819,842</b>	<b>242,738,120</b>
<b>9. Profit After Tax (7-8)</b>		<b>872,768,525</b>	<b>233,213,779</b>
10. Less: Share of Loss in Associate		5,293,422	-
11. Less: Minority Interests		49,452,276	38,739,666
<b>12. Profit for the Year (9-10-11)</b>		<b>818,022,827</b>	<b>194,474,113</b>
13. Earnings Per Equity Share (of ₹ 1/- each):	31		
(a) Basic		3.58	0.85
(b) Diluted		3.58	0.85
<b>Corporate Information and Significant Accounting Policies</b>	1 & 2		
<b>See accompanying notes forming part of the consolidated financial statements.</b>			

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M. Ramachandran**  
Partner

Place: Kochi  
Date: 22nd May, 2013

**For and on behalf of the Board of Directors**

**A. P. Kurian**  
Chairman

Place: Kochi  
Date: 22nd May, 2013

**C. J. George**  
Managing Director

**Liju K. Johnson**  
Company Secretary



**GEOJIT**  
**BNP PARIBAS**

## CONSOLIDATED CASH FLOW STATEMENT

Particulars	Year Ended	Year Ended
	31 March, 2013	31 March, 2012
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before Exceptional Item and Tax</b>	<b>669,830,040</b>	<b>475,951,899</b>
<b>Adjustments for:</b>		
Depreciation and Amortisation	127,763,551	141,634,972
(Profit) / Loss on Sale / Write Off of Assets	5,783,435	1,177,731
Expense on Employee Stock Option Scheme	1,440,247	155,545
Finance Costs	32,797,451	39,738,937
Interest Income	(94,037,275)	(122,815,151)
Dividend Income	(59,456,037)	(75,913,191)
Net (Gain) / Loss on Sale of Investments	(73,340)	(15,725,805)
Bad debts written off	443,942	1,515,222
Provision for Doubtful Trade and Other Receivables, Loans and Advances	44,510,060	1,464,422
Provision for Warranty	-	302,088
Loss on Restatement of Mutual Fund Investments	283,442	-
Provision for Standard Assets	3,558,619	-
	63,014,095	(28,465,230)
Operating Profit / (Loss) before Working Capital Changes	732,844,135	447,486,669
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Trade Receivables	(29,846,043)	35,646,715
Short-term Loans and Advances	(1,395,458,597)	341,265,505
Long-term Loans and Advances	146,431,532	107,328,795
Other Current Assets	80,527,835	(246,014,116)
	(1,198,345,273)	238,226,899
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	9,261,343	(4,296,033)
Other Current Liabilities	(41,289,687)	(443,538,595)
Long-term Liabilities	792,867	2,564,858
Short-term Provisions	171,824	(5,992,801)
Long-term Provisions	1,659,680	(1,017,534)
	(29,403,973)	(452,280,105)
Cash Generated from Operations	(494,905,111)	233,433,463
Net Income Tax (Paid) / Refunds	(329,580,343)	(301,316,759)
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>(824,485,454)</b>	<b>(67,883,296)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed Assets, including Capital Advances	(204,356,152)	(147,590,849)
Proceeds from Sale of Fixed Assets	5,456,856	2,715,669
Current Investments not considered as Cash and Cash Equivalents:		
- Purchased	(6,090,873,168)	(5,743,298,913)
- Proceeds from Sale	6,158,929,343	5,440,146,205
Advance for Investment	-	(26,550,000)
Proceeds from disposal of stake in a Joint Venture	343,079,664	-
(Increase)/Decrease in Fixed Deposit with Banks not considered as Cash and Cash Equivalents	(2,778,000)	(70,967,615)
(Increase)/decrease in unpaid dividend bank accounts	(8,394,009)	(642,625)

## CONSOLIDATED CASH FLOW STATEMENT

Particulars	Year Ended	Year Ended
	31 March, 2013	31 March, 2012
	₹	₹
Interest Received on Fixed Deposits	96,349,300	133,352,829
Dividend Income Received	59,456,037	75,913,191
<b>Net Cash Flow from / (used in) Investing Activities (B)</b>	<b>356,869,871</b>	<b>(336,922,108)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from / (Repayment of) Long Term Borrowings (Net)	-	250,000,000
Proceeds from / (Repayment of) Short Term Borrowings (Net)	758,502,995	(221,075,580)
Finance Costs Paid	(32,797,451)	(39,738,937)
Dividends Paid	(334,157,375)	(170,633,490)
Tax on Dividend Paid	(56,156,532)	(27,785,219)
Proceeds from Issue of Shares to Minority Shareholders in the new Subsidiary	17,272,628	-
Dividend Paid to Minority Interests of Subsidiary Company including Dividend Tax	(9,911,913)	(4,199,268)
<b>Net Cash Flow from / (used in) Financing Activities (C)</b>	<b>342,752,352</b>	<b>(213,432,494)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(124,863,231)</b>	<b>(618,237,898)</b>
Add: Cash and Cash Equivalents at the Beginning of the Year	1,661,879,941	2,238,701,653
Less: Elimination of Company's share in Cash & Cash Equivalents of a Joint Venture on disposal	(255,400,705)	-
Add / (Less): Foreign Currency Translation Adjustments	20,613,149	41,416,186
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>1,302,229,154</b>	<b>1,661,879,941</b>
Cash and Cash Equivalents as per Balance Sheet (Refer Note 19)	1,760,229,551	2,099,847,046
Less: Unclaimed dividend accounts not considered as 'Cash and Cash Equivalents', as defined in AS 3 Cash Flow Statements (Refer Note 19)	(13,042,323)	(4,648,314)
Less: Earmarked Deposits with Banks not considered as 'Cash and Cash Equivalents', as defined in AS 3 Cash Flow Statements (Refer Note 19)	(444,958,074)	(433,318,791)
Cash and Cash Equivalents at the End of the Year *	<b>1,302,229,154</b>	<b>1,661,879,941</b>
* Comprises:		
(a) Cash on hand	951,385	771,545
(b) Balances with Banks		
(i) Current Accounts:		
- Clients	548,427,452	561,675,011
- Others	59,915,703	58,569,705
(ii) Deposit Accounts	480,731,315	516,700,293
(c) Share in Joint Ventures	212,203,299	524,163,387
	<b>1,302,229,154</b>	<b>1,661,879,941</b>

**Corporate Information and Significant Accounting Policies - Refer Notes 1 & 2**  
See accompanying notes forming part of the consolidated financial statements.

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M. Ramachandran**  
Partner

Place: Kochi  
Date: 22nd May, 2013

**For and on behalf of the Board of Directors**

**A. P. Kurian**  
Chairman

Place: Kochi  
Date: 22nd May, 2013

**C. J. George**  
Managing Director

**Liju K. Johnson**  
Company Secretary



**GEOJIT**  
**BNP PARIBAS**



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate Information

Geojit BNP Paribas Financial Services Ltd. ('the Company') had its origin in the year 1987 as partnership firm of Mr. C.J George and his associate. In the year 1994, the firm was converted into a Company with the objective of providing technically superior trading platform for the investor community in Kerala. Over the years, the Company has spread its operations across the country through branch and franchisee network. In 2007, BNP Paribas SA became a major shareholder in the Company and the present name was adopted in April 2009. The Company offers complete spectrum of financial services including online broking for equities, derivatives and currency futures, custody accounts, financial products distribution, portfolio management services, margin funding, etc. It has operations outside the country through subsidiary, associate and joint ventures in Oman, Kuwait, UAE and Saudi Arabia. The shares of the Company are listed in National Stock Exchange and Bombay Stock Exchange.

### 2. Significant Accounting Policies

#### 2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### 2.2 The consolidated financial statements relate to Geojit BNP Paribas Financial Services Ltd. (the 'Company'), its subsidiary companies, jointly controlled entities and the Group's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies, jointly controlled entities and associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2013.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on

a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

- (iii) The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of each of the associate companies ( the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- (iv) Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity. Jointly controlled entities that are considered subsidiaries under AS 21 Consolidated Financial Statements are consolidated similar to the manner of consolidating subsidiaries (Refer (ii) above) and the share of interest of the other venturers in such entities is included as part of minority interest.
- (v) The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' in the consolidated financial statements.
- (vi) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

- (vii) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements

as Goodwill or Capital reserve as the case may be.

- (viii) Goodwill arising on consolidation is not amortised, but tested for impairment.
- (ix) Following subsidiary companies, associate and jointly controlled entities have been considered in the preparation of the consolidated financial statements:

Name of the Entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				31 March, 2013	31 March, 2012
Geojit Investment Services Limited	Subsidiary	India	Geojit BNP Paribas Financial Services Limited	100%	100%
Geojit Technologies Private Limited	Subsidiary	India	Geojit Investment Services Limited	65%	65%
Geojit Credits Private Limited	Subsidiary	India	Geojit BNP Paribas Financial Services Limited	65.03%	65.03%
Geojit Financial Management Services Private Limited	Subsidiary	India	Geojit BNP Paribas Financial Services Limited	100%	100%
Geojit Financial Distribution Private Limited	Subsidiary	India	Geojit Investment Services Limited	100%	100%
QBG Geojit Securities LLC	Subsidiary	Oman	Geojit BNP Paribas Financial Services Limited	51%	Not Applicable
Barjeel Geojit Securities LLC	Jointly Controlled Entity	United Arab Emirates	Geojit BNP Paribas Financial Services Limited	30%	30%
Aloula Geojit Brokerage Company	Jointly Controlled Entity	Saudi Arabia	Geojit BNP Paribas Financial Services Limited	28%	28%
BNP Paribas Securities India Private Limited	Jointly Controlled Entity	India	Geojit Financial Management Services Private Limited	Not Applicable	50%
BBK Geojit Securities KSC	Associate	Kuwait	Geojit BNP Paribas Financial Services Limited	30%	Not Applicable

### 2.3. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.4. 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 (with an original maturity of three months or less from the date of acquisition) highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.5. 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 of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 2.6. Depreciation and amortisation

Fixed assets, other than improvements to leasehold premises, capitalised upto 31st March 2007 are depreciated under the straight line method at the rates specified in Schedule XIV of the Companies Act, 1956. Fixed assets, other than improvements to leasehold premises, acquired on or after 1st April 2007 are depreciated under the straight line method over the useful life estimated by the management, which are lower than the useful life considered in Schedule XIV, as follows:

Class of Assets	Useful Life
Buildings	40 years
Plant and Machinery	15 years
Furniture & Fixtures including interiors in own building	10 years
Furniture & Fixtures in leasehold premises	5 years
Electrical equipments, Office equipments, V-sat equipments and Data centre equipments	5 years
Vehicles	5 years
Computers (other than data centre equipments)	3 years

Improvements to leasehold premises are depreciated over a period of 5 years irrespective of the lease period, on the assumption that lease agreements will be renewed and the premises will be occupied for a minimum period of five years. If the premises are vacated before the expiry of 5 years, the un-amortised leasehold improvement costs are fully written off in the year of vacation.

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation.

Computer software, an intangible asset, capitalised upto 31st March 2007 are amortised over a period of 6 years and those capitalised on or after 1st April 2007 are amortised over a period of 5 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

### 2.7. Revenue recognition

Brokerage income is recognized on the trade date of transaction, upon confirmation of the transactions by stock exchanges and clients. Income from depository services, penal charges and portfolio management services are recognised on the basis of agreements entered into with clients and when the right to receive the income is established. Commission income from financial products distribution is recognised on the basis of agreement entered with principals and when the right to receive the income is established. Interest income from margin funding business is recognised on loans given to clients on time proportion basis. Software development revenue is recognised on completion of different stages of software development. Commission income from insurance business is recognised at agreed rate on intimation from the principal regarding completion of policy formalities.

### 2.8. Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive the income is established. Cost recovery for shared services is recognised based on agreement entered into with parties.

### 2.9. Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes cost of purchase and other incidental expenses incurred up to the date the asset is ready for its intended use. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired in full or part exchange

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value, and are disclosed separately in the Balance Sheet.

### Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

### **2.10. Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### **2.11. Foreign currency transactions and translations**

#### Initial recognition

Transactions 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 transaction.

#### Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items outstanding at the Balance Sheet date are restated at the year-end rates.

### Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

The exchange differences on translation of balances relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

### **2.12. Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### **2.13 Employee benefits**

Employee benefits include provident fund, gratuity fund and compensated absences.

#### Defined contribution plan

The Company's contributions to provident fund and employee state insurance are considered as defined contribution plans and are charged as expense as they fall due based on the amount of contributions required to be made.

#### Defined benefit plan

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

### **2.14 Employee share based payments**

The Company has formulated Employee Stock Option Plans (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines and the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOP over the exercise price is amortised on a straight-line basis over the vesting period under the 'Intrinsic Value Method'.

### **2.15 Segment reporting**

The Company identifies primary segments

based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

### **2.16 Leases**

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

### **2.17 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 2.18. Taxes on income

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences

of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

### 2.19 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### 2.20 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

### 2.21 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 3: Share Capital

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised:</b>				
Equity shares of ₹ 1/- each	250,000,000	250,000,000	250,000,000	250,000,000
	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>
<b>(b) Issued, Subscribed and Fully Paid-up:</b>				
Equity shares of ₹ 1/- each	228,360,104	228,360,104	228,360,104	228,360,104
	<b>228,360,104</b>	<b>228,360,104</b>	<b>228,360,104</b>	<b>228,360,104</b>

#### Notes:

#### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Changes during the Year	Closing Balance
<b>Equity shares of ₹ 1/- each:</b>			
<b>Year ended 31 March, 2013</b>			
- Number of shares	228,360,104	-	228,360,104
- Amount (₹)	228,360,104	-	228,360,104
<b>Year ended 31 March, 2012</b>			
- Number of shares	228,360,104	-	228,360,104
- Amount (₹)	228,360,104	-	228,360,104

#### (ii) Rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹1 per share. The holder of each equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

During the year, the amount of per share interim dividend paid to equity shareholders was ₹0.75 (31 March 2012: ₹ Nil) and final per share dividend recommended for distribution to equity shareholders is ₹ 0.25 (31 March 2012: ₹0.75).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (iii) Details of shareholders holding more than 5% of equity share capital:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares of ₹ 1/- each:</b>				
- BNP Paribas SA	76,688,959	33.58%	76,688,959	33.58%
- C. J. George	41,773,399	18.29%	41,162,000	18.03%
- Kerala State Industrial Development Corporation	20,000,000	8.76%	20,000,000	8.76%
- Rakesh Jhunjhunwala	18,000,000	7.88%	18,000,000	7.88%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as at the balance sheet date.

(iv) As at 31 March, 2013, 7,042,955 equity shares (As at 31 March, 2012: 5,065,358 equity shares) of ₹ 1 each are reserved towards outstanding employee stock options granted / available for grant (Refer Note 33).





## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 4: Reserves and Surplus

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>(a) Capital Reserve</b>		
Opening Balance	33,345,030	33,345,030
Add/(Less) : Change during the year	-	-
Closing Balance	<b>33,345,030</b>	<b>33,345,030</b>
<b>(b) Securities Premium</b>		
Opening Balance	2,253,086,442	2,253,086,442
Add : Transferred from Share Options Outstanding Account	79,166	-
Closing Balance	<b>2,253,165,608</b>	<b>2,253,086,442</b>
<b>(c) Statutory Reserve</b>		
<b>In Subsidiary</b>		
Opening Balance	16,850,173	12,600,712
Add/(Less) : Change during the year	6,608,526	4,249,461
Closing Balance	23,458,699	16,850,173
<b>In Joint Venture</b>		
Opening Balance	10,410,000	9,075,000
Add : Restatement of Opening Balance on account of exchange rate variation	691,874	1,335,000
Closing Balance	11,101,874	10,410,000
	<b>34,560,573</b>	<b>27,260,173</b>
<b>(d) Share Options Outstanding Account</b>		
Opening Balance	13,742,743	17,179,744
Add : Amounts recorded on grants/modifications/cancellations during the year	-	(3,437,001)
Less : Written back to General Reserve during the year	(368,047)	-
Transferred to Securities Premium Account	(79,166)	-
	13,295,530	13,742,743
Less: Deferred Stock Compensation Expense	(1,105,102)	(2,545,349)
Closing Balance	<b>12,190,428</b>	<b>11,197,394</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 4: Reserves and Surplus Contd....

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>(e) General Reserve</b>		
Opening Balance	335,724,920	285,724,920
Add: Transferred from surplus in Consolidated Statement of Profit and Loss	60,400,000	50,000,000
Transferred from Share Options Outstanding Account	368,047	-
Closing Balance	<b>396,492,967</b>	<b>335,724,920</b>
<b>(f) Foreign Currency Translation Reserve</b>		
Opening Balance	78,028,175	31,223,371
Add : Effect of foreign exchange rate variation during the year	26,166,722	46,804,804
Closing Balance	<b>104,194,897</b>	<b>78,028,175</b>
<b>(g) Surplus in Consolidated Statement of Profit and Loss</b>		
Opening Balance	1,149,676,767	1,216,217,675
Add: Profit for the year	818,022,827	194,474,113
Corporate Dividend Tax Credit	15,081,834	20,556,130
Less: Transferred to General Reserve / Statutory Reserve	(67,008,526)	(54,249,461)
Interim Dividend Paid to Equity Shareholders @ ₹ 0.75 per share (Previous Year: ₹ Nil)	(171,275,578)	-
Final Dividend proposed to be distributed to Equity Shareholders @ ₹ 0.25 per share (Previous Year: ₹ 0.75 per share)	(57,090,026)	(171,270,078)
Tax on Dividend	(51,480,285)	(48,341,349)
Dividend on Equity Shares allotted under ESOPs/Rounding off adjustments for Previous Year	(5,728)	(6,037)
Restatement of opening balance on account of exchange rate variation	(6,084,868)	(7,704,226)
Closing Balance	<b>1,629,836,417</b>	<b>1,149,676,767</b>
<b>Total</b>	<b>4,463,785,920</b>	<b>3,888,318,901</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 5: Long-Term Borrowings

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Share in Joint Venture	-	250,000,000
	-	<b>250,000,000</b>

### Note 6: Long-Term Liabilities

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Payable to Gratuity Fund	7,200,093	4,991,495
(b) Security Deposits	13,089,158	14,504,889
(c) Share in Joint Ventures	-	2,585,086
	<b>20,289,251</b>	<b>22,081,470</b>

### Note 7: Long-Term Provisions

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Provision for Compensated Absences	4,653,666	3,838,726
(b) Share in Joint Ventures	7,499,792	10,880,986
	<b>12,153,458</b>	<b>14,719,712</b>

### Note 8: Short-Term Borrowings

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>(a) Loans Repayable on Demand</b>		
(i) From Banks (Secured)	764,833,306	6,330,311
<b>(b) Share in Joint Ventures</b>	-	151,941,716
	<b>764,833,306</b>	<b>158,272,027</b>

### Note 9: Trade Payables

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Trade Payables	153,858,825	141,901,847
(b) Share in Joint Ventures	23,143,078	62,495,065
	<b>177,001,903</b>	<b>204,396,912</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 10: Other Current Liabilities

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Unpaid Dividends (Unpresented dividend warrants)	13,042,323	4,648,314
(b) Payable to Clients	1,004,572,423	1,044,975,946
(c) Security Deposit taken from Business Associates	1,246,976	230,000
(d) Other Payables		
(i) Statutory Remittances	14,937,269	18,570,269
(ii) Payable on Purchase of Fixed Assets	47,718,524	4,335,681
(iii) Stock Exchange Balances	1,463,557	290,006
(iv) Employee Welfare Fund	2,558,263	2,408,011
(v) Employee Recoveries	438,191	576,176
(vi) Other Payables	3,856,207	3,312,165
(e) Share in Joint Ventures	-	14,896,995
	<b>1,089,833,733</b>	<b>1,094,243,563</b>

### Note 11: Short-Term Provisions

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Provision for Compensated Absences	1,547,318	1,398,260
(b) Other Provisions		
(i) Provision for Income Tax [Net of Advance Tax: ₹ 76,516,554/- (Previous Year: ₹ 136,571,200/-)]	9,063,446	4,806,650
(ii) Provision for Wealth Tax	51,760	6,400
(iii) Provision for Proposed Final Equity Dividend	57,090,026	171,270,078
(iv) Provision for Tax on Proposed Final Dividend	9,702,450	29,460,531
(v) Provision for Warranty	479,486	502,088
(vi) Provision for Non-Performing Assets	16,313	1,631
(vii) Contingent Provision against Standard Assets	4,679,237	1,120,618
	81,082,718	207,167,996
(c) Share in Joint Ventures	-	5,704,519
	<b>82,630,036</b>	<b>214,270,775</b>



Note 12: Fixed Assets

Particulars	Gross Block			Accumulated Depreciation & Impairment			Net Block		
	Balance as at 1 April, 2012	Additions	Disposals	Balance as at 1 April, 2012	Depreciation / Amortisation expense for the Year	Eliminated on disposal of assets	Effect of foreign currency exchange difference	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>A. Tangible Assets</b>									
(a) Land - Freehold	73,799,836	-	-	73,799,836	-	-	-	73,799,836	73,799,836
	73,799,836	-	-	73,799,836	-	-	-	73,799,836	73,799,836
(b) Buildings - Own Use	348,850	157,458,202	-	157,807,052	1,645,885	-	-	1,691,593	156,115,459
	348,850	-	-	348,850	5,686	-	-	45,708	303,142
(c) Furniture and Fixtures - Owned	70,772,038	42,346,249	5,571,146	107,547,141	12,048,960	3,586,521	-	58,922,965	48,624,176
	63,787,475	8,501,830	1,517,267	70,772,038	11,397,608	1,115,860	-	50,460,526	20,311,512
(d) Leasehold Improvements - Owned	138,878,495	4,081,079	16,987,251	125,972,323	18,090,771	15,541,924	-	108,503,454	17,468,869
	140,081,792	5,556,760	6,760,057	138,878,495	20,785,783	4,802,635	-	105,954,607	32,923,888
(e) Computers & Accessories - Owned	308,500,126	13,055,399	30,367,868	291,187,657	40,183,697	30,042,701	-	247,675,946	43,511,711
	283,953,146	27,564,361	3,017,381	308,500,126	50,625,509	2,572,736	-	237,534,950	70,965,176
(f) Office Equipments - Owned	106,947,869	24,337,173	11,766,217	119,518,825	16,864,141	6,368,748	-	69,927,819	49,591,006
	101,154,993	7,555,808	1,762,932	106,947,869	15,508,088	882,454	-	59,432,426	47,515,443
(g) Electrical and VSAT Equipments - Owned	26,713,086	3,607,206	2,129,408	28,190,884	1,036,428	902,495	-	22,844,050	5,346,834
	27,297,223	53,324	637,461	26,713,086	1,205,742	455,418	-	22,710,117	4,002,969
(h) Vehicles - Owned	9,688,837	7,990,790	4,370,834	13,308,793	2,076,218	3,731,856	-	3,788,426	9,520,367
	9,688,837	-	-	9,688,837	1,930,077	-	-	5,444,064	4,244,773
(i) Plant & Machinery - Owned	-	89,401,506	-	89,401,506	2,406,843	-	-	2,406,843	86,994,663
(j) Share in Joint Ventures	75,397,438	723,259	43,249,867	35,028,534	4,048,288	39,297,481	1,562,108	31,104,555	3,923,979
	67,608,587	3,908,612	-	75,397,438	15,671,052	-	2,619,979	64,791,640	10,605,798
<b>Total</b>	<b>811,046,575</b>	<b>343,000,863</b>	<b>114,442,591</b>	<b>1,041,762,551</b>	<b>98,401,231</b>	<b>99,471,726</b>	<b>1,562,108</b>	<b>546,885,651</b>	<b>494,896,900</b>
<i>Previous Year</i>	<i>767,720,739</i>	<i>53,140,695</i>	<i>13,695,098</i>	<i>811,046,575</i>	<i>117,129,545</i>	<i>9,829,103</i>	<i>2,619,979</i>	<i>546,374,038</i>	<i>264,672,537</i>
<b>B. Intangible Assets</b>									
(a) Computer Software	133,620,043	25,842,174	87,919	159,374,298	23,222,410	4,508	-	101,547,377	57,826,921
	110,772,920	22,950,670	103,547	133,620,043	19,308,154	76,142	-	78,329,475	55,290,568
(b) Licence Fees	-	22,795,047	-	22,795,047	2,279,505	-	-	2,279,505	20,515,542
(c) Share in Joint Ventures	26,701,627	87,916	8,574,286	19,439,992	3,860,405	4,886,160	800,418	16,507,918	2,932,074
	23,319,265	1,167,966	-	26,701,627	5,197,273	-	1,024,155	16,733,255	9,968,372
<b>Total</b>	<b>160,321,670</b>	<b>48,725,137</b>	<b>8,662,205</b>	<b>201,609,337</b>	<b>29,362,320</b>	<b>4,890,668</b>	<b>800,418</b>	<b>120,334,800</b>	<b>81,274,537</b>
<i>Previous Year</i>	<i>134,092,185</i>	<i>24,118,636</i>	<i>103,547</i>	<i>160,321,670</i>	<i>24,505,427</i>	<i>76,142</i>	<i>1,024,155</i>	<i>95,062,730</i>	<i>65,258,940</i>
<b>Grand Total</b>	<b>971,368,245</b>	<b>391,726,000</b>	<b>123,104,796</b>	<b>1,243,371,888</b>	<b>127,763,551</b>	<b>104,362,394</b>	<b>2,362,526</b>	<b>667,200,451</b>	<b>576,171,437</b>
<i>Previous Year</i>	<i>901,812,924</i>	<i>77,259,331</i>	<i>13,798,645</i>	<i>971,368,245</i>	<i>141,634,972</i>	<i>9,905,245</i>	<i>3,644,134</i>	<i>641,436,768</i>	<i>329,931,477</i>

Note: Previous year figures are shown in italics



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 13: Non-Current Investments

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>Investments (At cost unless stated otherwise)</b>		
<b>A. Trade</b>		
(a) Investments in Equity Instruments - Unquoted:		
Of Associate (Under equity method) (Refer Note below)		
1,500,000 (Previous Year: Nil) Equity Shares of Kuwaiti Dinar 0.10 each, fully paid-up, in BBK Geojit Securities KSC, Kuwait	21,256,578	-
	21,256,578	-
<b>B. Other Investments</b>		
(a) Investments in Equity Instruments - Unquoted:		
400 (Previous Year: 400) 'C' class shares of ₹ 500/- each, fully paid-up, in Muvattupuzha Co-Operative Super Speciality Hospital Limited	200,000	200,000
11,401 (Previous Year: 11,401) Equity Shares of ₹ 1/- each, fully paid-up, in Bombay Stock Exchange Ltd.	877	877
100 (Previous Year: 100) Equity Shares of ₹ 10/- each, fully paid-up, in Cochin Stock Exchange Ltd.	1,000	1,000
5 (Previous Year: 5) Equity Shares of ₹ 10000/- each, fully paid-up, in First Commodity Exchange of India Ltd.	75,000	75,000
	276,877	276,877
(b) Investments in Government Securities - Quoted:		
10.71% Govt of India Securities - 2016	3,000	3,000
	3,000	3,000
	<b>21,536,455</b>	<b>279,877</b>
Aggregate cost of listed but not quoted investments	3,000	3,000
Aggregate amount of unquoted investments	21,533,455	276,877

### Note: Investment in Associate:

Name of Associate	Country of Incorporation	Ownership Interest (%)	Original Cost (₹)	Carrying Amount (₹)
BBK Geojit Securities KSC	Kuwait	30	26,550,000	21,256,578

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 14: Deferred Tax

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>Deferred Tax Liabilities (Net)</b>		
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	-	489,282
<b>Deferred Tax Liabilities (Net)</b>	<b>-</b>	<b>489,282</b>
<b>Deferred Tax Assets (Net)</b>		
<b>Tax effect of items constituting deferred tax asset</b>		
On difference between book balance and tax balance of fixed assets	54,725,000	10,403,000
Provision for doubtful debts / advances	1,556,000	20,656,000
Provision for gratuity, compensated absences and other employee benefits	882,000	2,088,108
<b>Deferred Tax Assets (Net)</b>	<b>57,163,000</b>	<b>33,147,108</b>

### Note 15: Long-Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>(a) Capital Advances</b>	823,472	1,402,499
<b>(b) Security Deposits</b>		
(i) Deposits & Margins given to Stock Exchanges / Depositories / Clearing Corporation	413,655,455	551,055,458
(ii) Others:		
- Considered Good	49,486,324	56,629,976
- Considered Doubtful	192,217	-
	463,333,996	607,685,434
- Less: Provision for Doubtful Deposits	192,217	-
	463,141,779	607,685,434
<b>(c) Advance to Employees</b>	79,465	95,000
<b>(d) Prepaid Expenses</b>	285,546	719,854
<b>(e) Balances With Government Authorities</b>	86,300	1,354,614
<b>(f) Advance Income Tax</b>	147,932,502	63,420,379
[Net of Provisions: ₹ 985,553,807/- (Previous Year: ₹ 684,545,160/-)]		
<b>(g) Advance for Investments</b>	-	26,550,000
<b>(h) Share in Joint Ventures</b>	17,251,729	74,043,633
	<b>629,600,793</b>	<b>775,271,413</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 16: Other Non-Current Assets

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Fixed Deposit with Banks - In Earmarked Accounts	2,369,390	11,230,673
(b) Accruals		
(i) Interest accrued on fixed deposits with banks	272,421	99,862
	<b>2,641,811</b>	<b>11,330,535</b>

### Note 17: Current Investments

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(At lower of cost and fair value)		
(a) Investment in Mutual Funds - Unquoted	1,012,867,608	1,093,142,317
(b) Investments in Equity Instruments - Unquoted		
4,413,580 (Previous year: 27,499,999) Equity Shares of ₹10 each, fully paid-up, in BNP Paribas Securities India Private Ltd. (Ceased to be a joint venture w.e.f. 1st April 2012)	1	-
(c) Share in Joint Ventures	36,248,002	24,239,570
	<b>1,049,115,611</b>	<b>1,117,381,887</b>
Aggregate amount of Unquoted Investments	1,049,115,611	1,117,381,887

### Note 18: Trade Receivables

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Trade Receivables outstanding for a period exceeding Six Months from the date they were Due for Payment		
- Secured, Considered Good	76,836,573	65,270,817
- Unsecured, Considered Good	3,395,476	48,482,816
- Doubtful	92,901,303	58,733,459
	173,133,352	172,487,092
- Less: Provision for Doubtful Trade Receivables	92,901,303	58,733,459
	80,232,049	113,753,633
(b) Other Trade Receivables		
- Secured, Considered Good	40,549,685	21,660,655
- Unsecured, Considered Good	588,753,855	622,015,694
- Doubtful	2,300,424	1,972,020
	631,603,964	645,648,369
- Less: Provision for Doubtful Trade Receivables	2,300,424	1,972,020
	629,303,540	643,676,349
(c) Share in Joint Ventures	43,409,212	34,427,417
	<b>752,944,801</b>	<b>791,857,399</b>





## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 19: Cash and Cash Equivalents

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>(a) Cash on Hand</b>	951,385	771,545
<b>(b) Balances with Banks</b>		
(i) Current Accounts:		
- Clients	548,427,452	561,675,011
- Others	59,915,703	58,569,705
(ii) Deposit Accounts	480,731,315	516,700,293
(iii) Earmarked Accounts:		
- Deposit Accounts	444,958,074	433,318,791
- Unpaid Dividend Accounts	13,042,323	4,648,314
<b>(c) Share in Joint Ventures</b>	212,203,299	524,163,387
	<b>1,760,229,551</b>	<b>2,099,847,046</b>
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS, 3 Cash Flow Statements is	1,302,229,154	1,661,879,941

### Note 20: Short-Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
<b>(a) Loans and Advances to Related Parties</b>		
(i) Aloula Geojit Brokerage Company	343,475	1,096,389
(ii) Geojit Comtrade Ltd.	3,840,715	2,170,434
(iii) Barjeel Geojit Securities LLC	453,364	-
(iv) BBK Geojit Securities KSC	10,112	-
	4,647,666	3,266,823
<b>(b) Loans and Advances to Clients</b>		
(i) Margin Funding Loans - Secured	59,768,066	97,980,148
(ii) Loan against Shares & Commodities	1,852,792,153	440,437,391
	1,912,560,219	538,417,539
<b>(c) Security Deposits</b>		
(i) Deposits with Stock Exchanges	200,000	199,997
(ii) Other Deposits:		
- Considered Good	31,995,864	23,519,084
- Considered Doubtful	553,975	1,444,504
	32,549,839	24,963,588
- Less: Provision for Doubtful Deposits	553,975	1,444,504
	31,995,864	23,519,084
	32,195,864	23,719,081



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 20: Short-Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise) (Contd.....)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>(d) Loans and Advances to Employees</b>		
- Considered Good	1,430,359	1,397,809
- Considered Doubtful	148,704	148,704
	1,579,063	1,546,513
- Less: Provision for Doubtful Advances	148,704	148,704
	1,430,359	1,397,809
<b>(e) Prepaid Expenses</b>	16,860,519	20,336,281
<b>(f) Balances with Government Authorities</b>		
(i) Service Tax credit receivable	9,567,309	4,672,590
<b>(g) Other Advances</b>		
- Considered Good	6,641,353	3,504,679
- Considered Doubtful	1,510,681	1,628,720
	8,152,034	5,133,399
- Less: Provision for Doubtful Advances	1,510,681	1,628,720
	6,641,353	3,504,679
<b>(h) Share in Joint Ventures</b>	17,840,899	48,958,407
	<b>2,001,744,188</b>	<b>644,273,209</b>

### Note 21: Other Current Assets

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>(a) Unbilled Revenue</b>	1,766,402	840,552
<b>(b) Accruals</b>		
(i) Interest accrued on fixed deposits with banks	42,406,432	44,891,016
<b>(c) Receivable from Stock Exchanges</b>	366,534,174	447,674,006
<b>(d) Share in Joint Ventures</b>	-	313,853
	<b>410,707,008</b>	<b>493,719,427</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 22: Revenue from Operations

Particulars	For the Year Ended 31 March, 2013	For the Year Ended 31 March, 2012
	₹	₹
<b>(a) Sale of Services</b>		
(i) Brokerage Services	1,652,981,141	1,706,421,281
(ii) Depository Services	122,302,639	124,436,821
(iii) Financial Product Distribution	71,139,022	61,235,004
(iv) Portfolio Management Services	22,203,106	24,925,208
(v) Software Consultancy and Development	133,147,081	88,579,968
(vi) Interest Income from Margin Funding	209,712,608	85,797,148
	<b>2,211,485,597</b>	<b>2,091,395,430</b>
<b>(b) Other Operating Revenues</b>		
(i) Overdue Fees collected from Clients	100,056,931	72,399,218
(ii) Miscellaneous Income	9,634,419	12,927,394
	<b>109,691,350</b>	<b>85,326,612</b>
<b>(c) Share in Joint Ventures</b>	<b>62,233,551</b>	<b>89,179,120</b>
	<b>2,383,410,498</b>	<b>2,265,901,162</b>

### Note 23: Other Income

Particulars	For the Year Ended 31 March, 2013	For the Year Ended 31 March, 2012
	₹	₹
<b>(a) Interest Income</b>		
(i) From Banks on Fixed Deposits	94,037,275	122,815,151
(ii) On Income Tax Refunds	243,299	744,364
<b>(b) Dividend Income</b>		
(i) From Current Investments:		
- Mutual Funds	59,387,310	75,867,587
(ii) From Non-Current Investments:		
- Others	68,727	45,604
<b>(c) Net gain on sale of:</b>		
(i) Current Investments	73,340	15,725,805
<b>(d) Net Gain on Foreign Currency Transactions</b>	-	498,679
<b>(e) Other Non-Operating Income</b>		
(i) Cost Recovery For Shared Services	53,595,537	23,012,689
(ii) Royalty	13,311,606	16,632,710
(iii) Infrastructure Usage Fees	344,435	19,764,279
(iv) Liabilities No Longer Payable Written Back	331,502	410,325
(v) Rental Income	1,189,034	1,159,225
(vi) Bad Debts Recovered	1,047,451	-
(vii) Miscellaneous Income	3,188,234	3,151,336
<b>(f) Share in Joint Ventures</b>	<b>11,696,438</b>	<b>25,678,128</b>
	<b>238,514,188</b>	<b>305,505,882</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 24: Operating Expenses

Particulars	For the Year Ended 31 March, 2013	For the Year Ended 31 March, 2012
	₹	₹
Commission to Business Associates (Equity)	524,483,443	402,783,154
Marketing Fees	45,973,830	44,782,500
Marketing Incentive	14,093,968	10,954,164
Commission to Business Associates (Distribution)	4,212,482	3,367,175
Connectivity Charges	65,369,688	76,202,886
Depository Charges	20,260,899	18,329,251
Research Expenses	12,567,904	14,255,613
Postage Charges - Contract Note	5,276,669	8,060,390
Loss on Sale of Stock-in-Error	3,557,716	6,580,937
Transaction Charges	769,281	3,076,299
Insurance (NSE, BSE, NSDL)	73,817	623,061
Registration and Renewal Charges	2,233,866	807,376
Miscellaneous Expenses	3,764,069	2,656,306
Share in Joint Ventures	3,346,158	18,533,686
	<b>705,983,790</b>	<b>611,012,798</b>

### Note 25: Employee Benefit Expenses

Particulars	For the Year Ended 31 March, 2013	For the Year Ended 31 March, 2012
	₹	₹
Salaries and Wages	507,512,767	505,264,316
Contribution to Provident and Other Funds	13,468,865	14,084,546
Expense on Employee Stock Option Plans (ESOP)	1,440,247	155,545
Staff Welfare Expenses	32,162,110	35,360,762
Share in Joint Ventures	50,047,085	208,533,878
	<b>604,631,074</b>	<b>763,399,047</b>

### Note 26: Finance Costs

Particulars	For the Year Ended 31 March, 2013	For the Year Ended 31 March, 2012
	₹	₹
<b>(i) Interest Expense on:</b>		
- Temporary Overdrafts availed from Banks	22,927,803	4,705,325
- Delayed / Deferred payment of Income Tax	173,894	842,614
<b>(ii) Other Borrowing Costs:</b>		
- Bank Guarantee Charges	7,828,866	9,184,849
- Others	630,621	-
<b>(iii) Net Loss on Foreign Currency Transactions</b>	495,191	18,204
<b>(iv) Share in Joint Ventures</b>	741,076	24,987,945
	<b>32,797,451</b>	<b>39,738,937</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 27: Other Expenses

Particulars	For the Year Ended 31 March, 2013	For the Year Ended 31 March, 2012
	₹	₹
Rent	131,753,779	137,954,098
Advertisement	29,015,027	34,562,444
Telephone	31,033,638	38,078,545
Postage	13,188,952	18,210,733
Power and Fuel	46,610,146	39,237,188
Software Charges	2,746,253	3,822,696
Repairs and Maintenance:		
- Leasehold Building	3,343,915	3,884,239
- Others	35,254,800	33,507,276
Printing and Stationery	12,010,848	14,947,318
Travelling and Conveyance	28,336,655	23,519,275
Legal and Professional	7,744,098	9,267,612
Payments to Auditors	5,957,305	5,263,273
Office Expenses	10,214,380	9,668,731
Provision For Doubtful Trade Receivables & Advances	44,510,060	1,464,422
Bad Debt Written Off	443,942	1,515,222
Business Promotion	11,245,007	9,930,664
Rates and Taxes	11,626,734	16,836,859
Loss on Fixed Assets Sold / Scrapped / Written Off	5,783,435	1,177,731
Loss on Restatement / Sale of Current Investments	283,442	-
Loss on Closure of Subsidiary	-	2,212,182
Donations and Contributions	926,172	1,141,970
Provision for Warranty	-	302,088
Insurance	1,017,413	-
Empanelment Fees	1,433,333	2,011,819
Provision for Standard Assets	3,558,619	-
Miscellaneous Expenses	16,679,993	10,349,107
Share in Joint Ventures	26,200,834	120,803,899
	<b>480,918,780</b>	<b>539,669,391</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 28. Contingent Liabilities and Commitments (To the extent not provided for)

#### (i) Contingent Liabilities:

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Claims against the company not acknowledged as debts :		
- Legal suits filed against the Company / Matters under Arbitration	105,431,631	38,344,199
(b) Demand under ESI Act, 1948, pending in appeal	603,612	603,612
(c) Income Tax demands, pending in appeal	303,911,539	315,889,184
(d) Service Tax demands (Show Cause Notices for which the company has filed replies)	3,632,939	-
(e) Service Tax demands, pending in appeal	4,968,758	448,298

#### (ii) Commitments:

Particulars	As at	As at
	31 March, 2013	31 March, 2012
	₹	₹
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Tangible assets	183,502	155,285,930
- Intangible assets	785,059	774,133
(b) Uncalled liability on shares and other investments partly paid	1,217,790,000	1,140,720,000
- Uncalled Share Capital in Aloula Geojit Brokerage Company, Saudi Arabia (Uncalled SR 7.50 per share)		

### 29. Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for Preferential Issues of SEBI (Disclosure and Investor Protection) Guidelines, 2000:

Particulars	2012-13	2011-12
	₹	₹
Amount pending utilisation as on 1st April 2012 (1st April 2011)	-	54,809,225
Less: Utilisation during the year:		
- For Business Expansion	-	54,809,225
- For Investment in Subsidiaries	-	-
Balance pending utilization as on 31st March 2013 (31st March 2012)	-	-

30. The Company's operations predominantly relate to one segment, viz., broking and financial services, which constitutes more than 75% of the total revenues / results / assets of all segments combined. Other activities which are not related to the main business of broking and financial services do not individually constitute 10% or more of the total revenues or results or assets of the Company. Therefore, separate business segment information is not disclosed. Besides, the Company's operations are located predominantly in India and hence, separate secondary geographical segment information is not disclosed.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 31. Earnings Per Equity Share

Particulars	2012-13	2011-12
<b>Basic:</b>		
Net profit for the year attributable to equity shareholders - ₹	818,022,827	194,474,113
Weighted average number of equity shares	228,360,104	228,360,104
Par value per equity share - ₹	1.00	1.00
Basic Earnings per Share - ₹	3.58	0.85
<b>Diluted:</b>		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Stock Options for the respective periods.		
Net profit for the year attributable to equity shareholders - ₹	818,022,827	194,474,113
Weighted average number of equity shares for Basic EPS	228,360,104	228,360,104
Add: Effect of ESOPs which are dilutive	151,980	-
Weighted average number of equity shares for diluted EPS	228,512,084	228,360,104
Par value per equity share - ₹	1.00	1.00
Diluted Earnings per Share - ₹	3.58	0.85

### 32. Interest In Joint Ventures

The Company has interests in the following jointly controlled entities:

Name of Joint Venture and Country of Incorporation	% of Shareholding	
	2012-13	2011-12
Barjeel Geojit Securities LLC, United Arab Emirates (Barjeel)	30%	30%
BNP Paribas Securities India Private Limited, India (BNPPSI)	Refer Note 37	50%
Aloula Geojit Brokerage Company, Saudi Arabia (Aloula)	28%	28%

Particulars	Barjeel		BNPPSI		Aloula	
	2012-13 ₹	2011-12 ₹	2012-13 ₹	2011-12 ₹	2012-13 ₹	2011-12 ₹
Assets	95,380,464	118,251,714	Refer Note 37	381,331,950	264,297,190	250,536,153
Liabilities	23,094,320	27,284,331		466,010,609	7,682,124	6,456,639
Income	52,420,627	56,400,966		250,646,495	41,212,432	26,941,674
Expenditure	42,978,403	41,448,765		314,669,021	45,265,443	44,927,130
Contingent Liabilities	626,146	587,124		13,723,000	-	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 33. A) Employee Stock Option Plans:

#### (a) Employee Stock Option Plan – 2005 (ESOP-2005 (Reissue-1)):

During 2007-08, the Company had issued options for 950,500 equity shares of ₹1/- each to eligible permanent employees and an independent non-executive director, who is not a promoter of the Company and its Subsidiaries. The issue of options was approved by the Shareholders through postal ballot on 5th December 2007 and by the Compensation Committee of Directors on 12th October 2007. The options vested over a period of 4 years from the date of grant, viz., 10th December 2007, in the proportion specified in the scheme. The exercise period commenced from the date of vesting and expired on 9th December 2012. The exercise price was computed by giving discounts, based on the grade of the employees as well as fixed amounts, to the market price on the date prior to grant date. The Company had re-priced the options on 11th April 2009 from ₹65.36 to ₹25.50 per option with the approval of the Compensation Committee and Shareholders.

#### (b) Employees Stock Option Plan 2007 for Key Employees (ESOP 2007):

The Company introduced Employees Stock Option Plan 2007 for Key Employees during the year 2007-08, under which options for 2,500,000 equity shares of ₹1/- each were granted to eligible senior management employees of the Company. The scheme was approved by the Shareholders through postal ballot on 5th December 2007 and by the Compensation Committee of Directors on 12th October 2007. The options vest over a period of 7 years from the date of grant, viz., 10th December 2007, in the proportion specified in the scheme. The exercise period commence from the date of vesting and expires not later than 8 years from the date of grant, viz., 09th December 2015. The exercise price is at 10% discount to the market price on the date prior to grant date. The Company had re-priced the options on 11th April 2009 from ₹59.90 to ₹25.50 per option with the approval of the Compensation Committee and Shareholders.

#### (c) Employees Stock Option Plan 2010 – Tranche I:

During 2010-11, the Company introduced Employees Stock Option Plan 2010 (Tranche I) under which options for 2,786,795 equity shares of ₹1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on 12th July 2010 and by the Compensation Committee of Directors on 12th April 2010. The options vested on 28th March 2013, being the 2nd Anniversary from the date of grant, viz., 29th March 2011. The exercise period commences from the date of vesting and will expire not later than 4 years from the date of vesting, viz., 28th March 2017. The exercise price of the options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options.

#### (d) Employees Stock Option Plan 2010 – Tranche II:

During the year, the Company introduced Employees Stock Option Plan 2010 (Tranche II) under which options for 2,799,885 equity shares of ₹1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on 12th July 2010 and by the Compensation Committee of Directors on 12th April 2010. The options will vest on the 2nd Anniversary from the date of grant, viz., 11th July 2012. The exercise period commences from the date of vesting and will expire not later than 4 years from the date of vesting, viz., 10th July 2018. The exercise price of the options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options.

### B) Accounting of employee share based compensation cost:

The Company has adopted intrinsic value method for accounting employee share based compensation cost. Under the intrinsic value method, the difference between market price of the share on the date prior to grant date or as near thereto and the exercise price is considered as intrinsic value of options and expensed on straight-line basis over the vesting period as employee share



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

based compensation cost. The details of costs accounted under the Employee Stock Option Plans are as follows:

Particulars	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)
Cumulative intrinsic value of the options granted net of expected forfeiture	Nil (₹ 447,213/-)	₹ 13,295,530/- (₹ 13,295,530/-)	Not Applicable (Not Applicable)	Not Applicable (Not Applicable)
Expected forfeiture rate per annum	Nil (20%)	4% (4%)	(Not Applicable) (Not Applicable)	(Not Applicable) (Not Applicable)
Amount expensed during the year under intrinsic value method	Nil (₹ -72,067/-)	₹ 1,440,247/- (₹ 227,612/-)	Not Applicable (Not Applicable)	Not Applicable (Not Applicable)
Additional charge under Fair Value method of accounting cost	Nil (₹ -3,298,070/-)	₹ 12,028,822/- (₹ 1,863,443/-)	₹ 8,176,941/- (₹ 7,726,868/-)	₹ 3,815,169/- (Not Applicable)

Note: Previous year figures are given in brackets.

C) Further disclosures with regard to Employee Stock Option Plans are as follows:

Particulars	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)
Date of Grant	10.12.2007	10.12.2007	29.03.2011	11.07.2012
Number of Options Granted	950,500	2,500,000	2,786,795	2,799,885
Vesting Conditions	Continuation in the services of the Company and such other conditions as may be formulated by the Compensation Committee from time to time.			
Method of Settlement	In Cash	In Cash	In Cash	In Cash
Weighted average Exercise Price (₹)	25.50	25.50	22.20	20.55
No. of options outstanding as at 01.04.2012	364,908 (400,111)	2,197,040 (2,500,000)	2,503,410 (2,786,795)	- (-)
Add: No. of options granted during the year	- (-)	- (-)	- (-)	2,799,885 (-)
Less: No. of options forfeited on resignation / lapsed due to non-exercise during the year	364,908 (35,203)	- (302,960)	201,700 (283,385)	255,680 (-)
Less: No. of options exercised during the year	- (-)	- (-)	- (-)	- (-)
No. of options outstanding as at 31.3.2013	Nil (364,908)	2,197,040 (2,197,040)	2,301,710 (2,503,410)	2,544,205 (-)
No. of options exercisable at year end	- (364,908)	1,098,523 (549,260)	2,301,710 (-)	- (Not Applicable)
No. of options available for grant at year end	- (-)	- (-)	- (-)	- (-)

Note: Previous year figures are given in brackets



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

D) Details of Fair Value Method of accounting for employee compensation cost using Black-Scholes Options Pricing Model are as follows:

Particulars	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)
Weighted average fair value per option (₹)	56.60	61.67	6.94	4.71
Market price relevant for grant (₹)	25.50	25.50	22.20	20.55
Expected Annual Volatility of Shares	170%	170%	52%	39%
Expected Dividend Yield	0.60%	0.60%	2.30%	4.04%
Risk Free Interest Rate	7%	7%	8%	8%
Expected Life (In Years)	2-4	4-7	2	2

Annualised volatility is computed using the high and low market price of the Company's share over the one year period prior to the date of grant. It is assumed that employees would exercise the options immediately on vesting. The historical volatility of the Company's share price is higher than the volatility considered above. However, the Company expects the volatility of its share price to reduce as it matures.

E) The impact on Basic and Diluted Earnings Per Share for the year, had the Company followed Fair Value Method of accounting for ESOP compensation cost is as follows:

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
	₹	₹
Profit for the Year (As reported)	818,022,827	194,474,113
Add: Expense on Employee Stock Option Plans under Intrinsic Value Method	1,440,247	155,545
Less: Expense on Employee Stock Option Plans under Fair Value Method	25,461,179	6,447,787
Profit for the Year (Proforma)	794,001,895	188,181,871
Basic earnings per share (As reported)	3.58	0.85
Basic earnings per share (Proforma)	3.47	0.82
Diluted earnings per share (As reported)	3.58	0.85
Diluted earnings per share (Proforma)	3.47	0.82

### 34. Details of Provisions:

Particulars	As at 31 March, 2012	Additions	Utilisations	As at 31 March, 2013
	₹	₹	₹	₹
Provision for Non Performing Assets	1,631	14,682	-	16,313
Contingent Provision against Standard Assets	1,120,618	3,558,619	-	4,679,237
Provision for Warranty	502,088	360,300	382,902	479,486

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 35. The details of assets under the Portfolio Management Scheme are as follows:

Particulars	As at 31 March, 2013	As at 31 March, 2012
Number of clients	1,138	1,457
<b>Value of assets under management – ₹</b>	<b>967,344,511</b>	<b>1,179,022,669</b>
Represented by:		
(a) Bank balance – ₹	96,160,772	30,318,960
(b) Value of portfolio holdings – ₹	871,183,739	1,148,703,709
<b>Total</b>	<b>967,344,511</b>	<b>1,179,022,669</b>
<b>Net asset value of portfolio under management – ₹</b>	<b>921,777,080</b>	<b>1,151,243,334</b>

### 36. Statement of information in terms of General Circular No. 2/2011 (No. 5/12/2007-CL-III) dated 8th February, 2011 issued by Ministry of Corporate Affairs, Government of India.

#### 2012-13

Particulars	Geojit Investment Services Ltd.	Geojit Credits Pvt. Ltd.	Geojit Financial Management Services Pvt. Ltd.	Geojit Technologies Pvt. Ltd.	Geojit Financial Distribution Pvt. Ltd.	QBG Geojit Securities LLC
	₹	₹	₹	₹	₹	₹
Capital	40,000,000	206,656,550	277,000,000	11,538,460	500,000	36,102,353
Reserves & Surplus	59,042,665	129,375,595	13,337,798	892,340,789	32,715,396	(7,710,819)
Total Assets	104,442,674	1,879,049,080	291,706,484	924,559,958	35,099,448	28,391,534
Total Liabilities	5,400,009	1,543,016,935	1,368,686	20,680,709	1,884,052	-
Investments (Excl. investment in subsidiaries)	14,948,410	-	44,135,800	355,309,376	33,815,314	-
Turnover	17,277,081	194,272,433	15,491,496	220,929,369	3,068,430	4,061,920
Profit Before Tax	12,103,775	76,998,248	127,638,712	134,122,743	2,232,126	(6,938,504)
Provision for Tax	3,293,000	26,189,181	24,300,000	33,877,826	679,660	-
Proposed Dividend	-	-	-	-	-	-

#### 2011-12

Particulars	Geojit Investment Services Ltd.	Geojit Credits (P) Ltd.	Geojit Financial Management Services (P) Ltd.	Geojit Technologies (P) Ltd.	Geojit Financial Distribution (P) Ltd.
	₹	₹	₹	₹	₹
Capital	40,000,000	206,656,550	277,000,000	11,538,460	500,000
Reserves & Surplus	50,231,890	96,580,133	(1,468,425)	792,095,872	30,518,876
Total Assets	95,174,257	449,206,739	275,577,605	819,896,352	33,563,955
Total Liabilities	4,942,367	145,970,056	46,030	16,262,020	2,545,079
Investments (Excl. investment in subsidiaries)	44,480,183	-	274,999,990	717,961,705	1,803,799
Turnover	35,615,578	61,927,555	-	162,723,927	3,068,430
Profit Before Tax	29,286,256	47,786,713	(59,226)	104,193,262	2,232,126
Provision for Tax	102,223,936	15,115,113	-	19,499,411	679,660
Proposed Dividend	-	10,332,828	-	-	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

37. Exceptional item represents gain on disposal of major part of the Company's investment in the joint venture BNP Paribas Securities India Private Limited during the year.

38. **Goodwill / Capital Reserve on Consolidation:**

Particulars	As at 31 March, 2013	As at 31 March, 2012
<b>Goodwill:</b>		
Opening balance	650,900	4,636,753
Add / (Less): Exchange difference during the year	(859,345)	(1,658,161)
Less: On disposal of Subsidiary during the year	-	(2,327,692)
<b>Closing balance - Goodwill / (Capital Reserve)</b>	<b>(208,445)</b>	<b>650,900</b>
<b>Capital Reserve:</b>		
Opening balance	482,094	482,094
Add / (Less): Exchange difference during the year	-	-
<b>Closing balance</b>	<b>482,094</b>	<b>482,094</b>

39. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.





**GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED**

Registered Office: 34/659-P, Civil Line Road, Padivattom, Kochi – 682024

**ATTENDANCE SLIP**  
**19<sup>TH</sup> ANNUAL GENERAL MEETING – 12<sup>TH</sup> JULY 2013**

**DP ID NO.** \_\_\_\_\_ **CLIENT ID NO** \_\_\_\_\_ **FOLIO NO.** \_\_\_\_\_  
(Electronic Mode) (Electronic Mode) (Physical Mode)

No. of shares \_\_\_\_\_

I/We hereby record my/our presence at the Annual General Meeting of the Company at The Renai Cochin, Palarivattom, Kochi, Kerala - 682025 at 4.00 p.m. on 12<sup>th</sup> July 2013.

\_\_\_\_\_  
Name of Member/Proxy (In block letters)

\_\_\_\_\_  
Signature of Member/Proxy

Note: Please fill up this Attendance Slip and hand it over at the entrance of the Meeting Hall.

**NO GIFTS WOULD BE DISTRIBUTED AT THE AGM**

**GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED**

Registered Office: 34/659-P, Civil Line Road, Padivattom, Kochi – 682024

**PROXY FORM**

**DP ID NO.** \_\_\_\_\_ **CLIENT ID NO** \_\_\_\_\_ **FOLIO NO.** \_\_\_\_\_  
(Electronic Mode) (Electronic Mode) (Physical Mode)

No. of shares \_\_\_\_\_

I/We \_\_\_\_\_ residing at \_\_\_\_\_ being a Member /

Members of GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED hereby appoint Mr./Ms \_\_\_\_\_

residing at \_\_\_\_\_ or failing him/her, Mr./Ms. \_\_\_\_\_ residing at \_\_\_\_\_

\_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the

Company, to be held on 12<sup>th</sup> day of July 2013 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature of the Proxy \_\_\_\_\_

Signature of the Member \_\_\_\_\_

Affix  
One Rupee  
Revenue  
Stamp

NOTE: This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting. A PROXY NEED NOT BE A MEMBER.


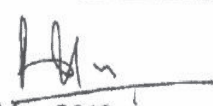
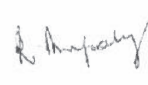
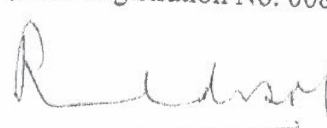

**NO GIFTS WOULD BE DISTRIBUTED AT THE AGM**





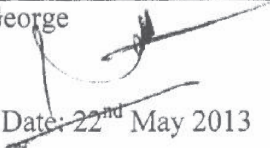
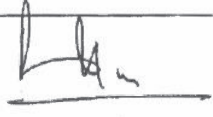
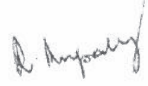
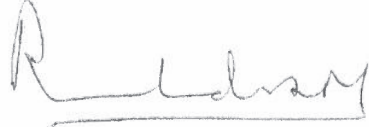
**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	Geojit BNP Paribas Financial Services Limited
2.	Annual separate financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	<input type="checkbox"/> CEO/Managing Director: Mr.C J George  Place: Kochi Date: 22 <sup>nd</sup> May 2013	
	<input type="checkbox"/> CFO: Mr.Binoy V Samuel  Place: Kochi Date: 22 <sup>nd</sup> May 2013	
	<input type="checkbox"/> Audit Committee Chairman: Mr.R Bupathy  Place: Kochi Date: 22 <sup>nd</sup> May 2013	
	<input type="checkbox"/> Auditor of the Company: Refer our Audit Report dated 22 <sup>nd</sup> May 2013 on the separate financial statements of the Company For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 008072S)  (M. Ramachandran) (Partner) (Membership No. 16399) KOCHI, 22 May, 2013 	

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	Geojit BNP Paribas Financial Services Limited
2.	Annual consolidated financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	<input type="checkbox"/> CEO/Managing Director: Mr.C J George  Place: Kochi Date: 22 <sup>nd</sup> May 2013	
	<input type="checkbox"/> CFO: Mr.Binoy V Samuel  Place: Kochi Date: 22 <sup>nd</sup> May 2013	
	<input type="checkbox"/> Audit Committee Chairman: Mr.R Bupathy  Place: Kochi Date: 22 <sup>nd</sup> May 2013	
	<input type="checkbox"/> Auditor of the Company: Refer our Audit Report dated 22 <sup>nd</sup> May 2013 on the consolidated financial statements of the Company For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 008072S)  (M. Ramachandran) (Partner) (Membership No. 16399) KOCHI, 22 May, 2013 