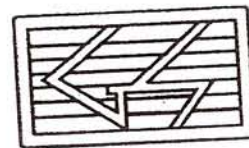


**Annual Report  
2008-2009**



**GOLDEN**  
**SECURITIES**  
**LIMITED**

**GOLDEN SECURITIES LIMITED**

**DIRECTORS** : BINOD KUMAR MEHRA  
PRAMOD KUMAR MEHRA  
ASHOK KUMAR BANSAL  
ANUP KUMAR MEHROTRA  
MADHUSUDAN PRASAD SRIVASTWA  
NITU KAUR

**SECRETARY** : BISWANATH MUKHERJEE

**AUDITORS** : VASUDEO & ASSOCIATES  
*Chartered Accountants*

**BANKERS** : UNITED BANK OF INDIA

**REGISTERED OFFICE** : 12A, S. N. ROY ROAD  
KOLKATA-700 038

**REGISTRAR & SHARE  
TRANSFER AGENTS** : NICHE TECHNOLOGIES PVT. LTD.  
D511, BAGREE MARKET  
71, CANNING STREET  
KOLKATA - 700 001

## GOLDEN SECURITIES LIMITED

### NOTICE TO THE MEMBERS

Notice is hereby given that the 16th Annual General Meeting of the members of GOLDEN SECURITIES LTD will be held on Wednesday, the 23rd September, 2009 at 10.00 A.M at the Registered Office of the Company at 12A, S. N. Roy Road, Kolkata-700038 to transact the following business.

#### AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss account for the year ended 31st March, 2009 and the Reports of the Board of Directors and Auditors.
2. To appoint a Director in place of Sri Ashok Kumar Bansal who retires by rotation but being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri Arup Kumar Mehrotra who retires by rotation but being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

#### **Registered Office :**

12A, S. N. Roy Road  
Kolkata - 700038

Dated 29th day of May, 2009

By Order of the Board of Directors  
For Golden Securities Limited  
BISWANATH MUKHERJEE  
Company Secretary

#### NOTES :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Register of members and Share Transfer Books will remain closed from 16.09.2009 to 23.09.2009 (both days inclusive).
3. Members are requested to notify the change in their address to the Registrar and Share Transfer Agents Niche Technologies Pvt. Ltd, Room No D-511, Bagri Market, 71, Canning Street, Kolkata-700001 or to the Company and always quote their folio nos. in all correspondence.



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 16th Annual Report of your Company together with the Audited statement of Accounts for the year ended 31st March, 2009.

## FINANCIAL RESULTS :

|  | (Rupees in thousands)  |                        |
|--|------------------------|------------------------|
|  | Year ended<br>31.03.09 | Year ended<br>31.03.08 |
| Profit/(Loss) before depreciation & tax          | (3240.29)              | 3839.86                |
| Less : Depreciation                              | 4.65                   | 5.70                   |
| Profit/(Loss) before tax                         | (3244.94)              | 3834.16                |
| Less : Provision for tax                         | 2.50                   | 590.00                 |
| Profit/(Loss) after tax                          | (3247.44)              | 3244.16                |
| Less : Transfer to Statutory Reserve             | NIL                    | 766.83                 |
| Less : Deferred Tax                              | 0.07                   | 288.42                 |
| Less : Income Tax & FBT Adjustment               | 554.44                 | NIL                    |
| Add : Balance Brought forward from previous year | 476.38                 | (1712.53)              |
| Balance carried to Balance Sheet                 | (3325.57)              | 476.38                 |

## OPERATIONS &amp; BUSINESS ACTIVITIES :

During the year under report the company has made moderate business in investments & corporate deposits.

## DIVIDEND :

Your Directors are unable to recommend any dividend due to net loss for the year ended 31st March, 2009.

## FIXED DEPOSITS :

Your company has not accepted any fixed deposits during the year and the Board of Directors have confirmed that the company is not holding any public deposit till date.

## CONSERVATION OF ENERGY RESOURCES, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

Information in accordance with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are furnished hereunder :

- a. Conservation of energy : The operations of the Company are not energy intensive.
- b. Technology absorption : Not applicable
- c. (1) Foreign Exchange Earnings : Nil
- (2) Foreign Exchange outgo : Nil

## DIRECTORS' RESPONSIBILITY STATEMENT :

In terms of the provisions of section 217(2AA) of the Companies Act, 1956 your directors state;

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. that the Directors selected such accounting policies and applied them consistently and made judgments that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year,

## GOLDEN SECURITIES LIMITED

3. that the Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and preventing and detecting the fraud and other irregularities,
4. that the directors have prepared the annual accounts on a going concern basis.

### **CORPORATE GOVERNANCE :**

In terms of Clause 49 of the listing agreements with the Kolkata & Mumbai Stock Exchanges, Corporate Governance Report, along with certificate of compliance from the Auditors is attached and form part of the Annual Report. The Board has approved the Corporate Governance Report.

### **DIRECTORS :**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Sri Ashok Kumar Bansal and Sri Anup Kumar Mehrotra, Directors of the Company retire by rotation and are eligible for reappointment.

### **LISTING OF SHARES :**

In terms of clause 48B of Listing Agreement with the Stock Exchanges, the Company specifies the names and addresses here under and confirmed that the Listing fees have been paid for the year.

1. The Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Kolkata-700001.
2. The Bombay Stock Exchange Ltd. – Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

### **AUDITORS :**

M/S. Vasudeo & Associates, Chartered Accountants, Auditors of the Company, retire in accordance with the provision of the Companies Act, 1956, and are eligible for reappointment.

### **PARTICULARS OF EMPLOYEES :**

None of the employees of the Company draw remuneration of or in excess of the amount prescribed as per sub section (2A) of section 217 of the Companies (Particulars of Employees Rules 1975) Act.

### **DISCLOSURE OF RELATIONSHIP WITH AN INDEPENDENT DIRECTOR :**

None of the independent Directors are related in any way with the Promoters/Directors except Sri Anup Kumar Mehrotra, who is brother in law (wife's sister's husband) of the Chairman.

### **ACKNOWLEDGEMENTS :**

The Directors thank the Shareholders and clients for the confidence reposed by them in the Company and also wish to place on record the appreciation for the services and sincere efforts of the employees, bankers, Registrar and Share Transfer Agent, legal advisor of the Company.

Kolkata  
29th day of May, 2009

On behalf of the Board  
For Golden Securities Limited  
Binod Kumar Mehra  
Chairman



## CORPORATE GOVERNANCE REPORT

## 1. Company's philosophy on Corporate Governance :

The company believes in adopting best practices in the area of Corporate Governance and follows the principles of complete transparency and accountability by providing detailed information on various issues concerning the company's business and financial performance to its share holders.

The Board considers itself as the Trustee of its Shareholders. During the period under review, the Board continued its pursuit by adopting corporate strategies and prudent business plans, adequate monitoring system was followed to safe-guard against major risk and to ensure implementation of policies and procedures to satisfy its social, legal and ethical responsibilities.

## 2. COMPOSITION OF THE BOARD OF DIRECTORS AS ON 31ST MARCH, 2009

(A) The Board of Directors of the Company comprises with non executive Directors. Particulars of them are :

| Name of the Directors           | Category of Directors             | No. of Directorships held in other Public Limited Companies | No of other position as Member | Committee held as Chairman |
|---------------------------------|-----------------------------------|---|--------------------------------|----------------------------|
| Sri Binod Kumar Mehra           | Non Executive, Promoter, Chairman | 1   | 1                              | NIL                        |
| Sri Pramod Kumar Mehra          | Non Executive, Promoter           | NIL   | 2                              | 1                          |
| Sri Ashok Kumar Bansal          | Non Executive                     | 1   | 3                              | 1                          |
| Sri Anup Kumar Mehrotra         | Non Executive                     | NIL   | 2                              | 1                          |
| Sri Madhusudan Prasad Srivastwa | Non Executive                     | NIL   | 2                              | NIL                        |
| Smt. Nitu Kaur                  | Non Executive                     | NIL   | 2                              | NIL                        |

There are three committees in the Company namely Audit Committee, Shareholders Grievance Committee and Nomination Committee. As the Directors are not paid any remuneration excepting sitting fees, no remuneration Committee is formed.

B. Attendance record of the Directors at the Board Meetings and Annual General Meeting :  
Board meeting were held on 31.05.08; 31.07.08; 30.08.08, 26.09.08, 31.10.08 & 30.01.09.

| Name of the Director            | Board meetings held during the year |          | Attendance at last AGM held on 26-09-2008 |
|---------------------------------|-------------------------------------|----------|---|
|                                 | Held                                | Attended |   |
| Sri Binod Kumar Mehra           | 6                                   | 6        | Yes                                       |
| Sri Pramod Kumar Mehra          | 6                                   | 6        | No  |
| Sri Ashok Kumar Bansal          | 6                                   | 6        | No  |
| Sri Anup Kumar Mehrotra         | 6                                   | 6        | Yes                                       |
| Sri Madhusudan Prasad Srivastwa | 6                                   | 3        | Yes                                       |
| Smt. Nitu Kaur                  | 6                                   | 4        | No  |

## III. AUDIT COMMITTEE

- The terms of reference including the powers as stipulated in clause 49II © of the Listing Agreements and role as laid down in clause 49II (d) of the same have been explained.
- The Audit Committee Meeting was held on 27th May, 2009 in which the Annual Accounts for the year ended 31st March, 2009 was considered and reviewed. Quarterly meetings were held on 26.05.2008, 29.07.2008, 29.10.2008 & 28.01.2009.

**GOLDEN SECURITIES LIMITED**

The following is the composition of Audit Committee as on 31.03.09 :

| Name of the Directors           | Positions Held | No of Meetings Held | No of Meetings Attended |
|---------------------------------|----------------|---------------------|-------------------------|
| Sri Anup Kr. Mehrotra           | Chairman       | 4                   | 4                       |
| Sri Ashok Kumar Bansal          | Member         | 4                   | 4                       |
| Sri Madhusudan Prasad Srivastwa | Member         | 4                   | 4                       |

All members of the Audit committee are independent Directors. The statutory Auditors are permanent invitee.

**IV. NOMINATION COMMITTEE**

A Nomination Committee is formed with all the existing Directors and Sri Pramod Kumar Mehra is the Chairman. 4 such meetings were held just after the conclusion of the meetings of the Board of Directors and the Directors who attended the Board meetings also took part in the said committee meetings. Meetings were held on 30.05.2008, 31.07.2008, 31.10.2008 and 31.01.2009.

**V. REMUNERATION COMMITTEE**

The Board of Directors are comprising with non-executive Directors and no remuneration is paid except sitting fees for attending the meetings of the Board of Directors. Therefore no remuneration committee is formed.

Details of sitting fees paid to the Directors for the financial year 2008-09 are given below :

| Name of Directors               | Sitting Fees paid (In Rs.) |
|---------------------------------|----------------------------|
| Sri Binod Kumar Mehra           | 6,000.00                   |
| Sri Pramod Kumar Mehra          | 6,000.00                   |
| Sri Ashok Kumar Bansal          | 5,000.00                   |
| Sri Anup Kumar Mehrotra         | 6,000.00                   |
| Sri Madhusudan Prasad Srivastwa | 3,000.00                   |
| Smt. Nitu Kaur                  | 4,000.00                   |

**VI. SHAREHOLDERS' COMMITTEE :**

- i) Name of Non Executive Director heading the committee : Sri Ashok Kumar Bansal
- ii) Name & Designation of Compliance Officer : Sri Biswanath Mukherjee, Company Secretary
- iii) Number of shareholder's queries received so far : ONE
- iv) Number not solved to the satisfaction of shareholders : ALL SOLVED
- v) Number of pending complaints : NIL

**VII. General Body Meetings :**

a. Location and time of the last three AGMs held :

| AGM  | Date       | Vaue                            | Time       |
|------|------------|---------------------------------|------------|
| 13th | 27-09-2006 | 12A, S. N. Roy Road, Kolkata-38 | 10.00 a.m. |
| 14th | 28-09-2007 | 12A, S. N. Roy Road, Kolkata-38 | 10.00 a.m. |
| 15th | 26-09-2008 | 12A, S. N. Roy Road, Kolkata-38 | 10.00 a.m. |



- b. Whether any special resolution was passed in the previous 3 AGMs : No
- c. Whether any special resolution was passed last year through postal ballot : No
- d. Persons who conducted the postal ballot exercise : N.A.
- e. Whether any special resolution is proposed to be conducted through postal ballot : No
- f. Procedure for postal ballot : N.A.

**VIII. DISCLOSURES :**

- a) Disclosures on materially significant related party transactions : The Company has not entered into any transactions of material nature, with its Promoters, Directors or the Management, its subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large, other than in the normal course of business. The transaction undertaken during the year have been disclosed in Note No. B (7) of the Schedule 11 forming part of the Accounts.
- b) The Company is regular in complying with the requirements of the regulatory authorities on the matters relating the Capital market and no penalties / strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, during the last three years.
- c) The Company duly complies with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges. However, the Company has not adopted the non-mandatory requirements defined therein.

**IX. MEANS OF COMMUNICATION :**

In compliance with clause 41 of the Listing Agreement, the Company faxes the quarterly half early/yearly provisional/ audited financial results to the Stock Exchanges within 15 minutes from the conclusion of the Board Meetings of which have taken on record. Speed post messages are also sent to Mumbai Stock Exchange immediately and hand delivery is made to Calcutta Stock Exchange on the next day. Results are published in Business Standard/Financial Express (English) and Dainik Lipi (Bengali) newspapers of Kolkata edition.

**X. GENERAL SHAREHOLDER INFORMATION :**

- (i) AGM Date : 23rd September, 2009 at 10 A.M to be held at the Registered Office at 12A, S. N. Roy Road, Kolkata-700038.
- (ii) Financial Year ended 31.03.2009 (2008-09)
- (iii) Date of book closure 16th September 2009 to 23rd September 2009 (both days inclusive)
- (iv) Dividend Payment date - No Dividend
- v) Listing on Stock Exchange Stock Code :
  - a. The Calcutta Stock Exchange Association Ltd. 10017059  
7 Lyons Range, Kolkata- 700 001
  - b. The Bombay Stock Exchange Ltd. 530579  
Phiroze Jijeebhoy Towers,  
Dalal Street, Mumbai-400001



## GOLDEN SECURITIES LIMITED

- vi) Market Price Data : The Market Price of the Equity Shares of the Company during 2008-2009 is given in the table below :

| Months       | CSE  |     | BSE  |      |
|--------------|------|-----|------|------|
|              | High | Low | High | Low  |
| April 08     | — *  | — * | 6.49 | 4.33 |
| May 08       | — *  | — * | 5.60 | 3.99 |
| June 08      | — *  | — * | 4.18 | 3.63 |
| July 08      | — *  | — * | 5.10 | 3.73 |
| August 08    | — *  | — * | 4.80 | 3.91 |
| September 08 | — *  | — * | 5.20 | 3.97 |
| October 08   | — *  | — * | 4.20 | 3.78 |
| November 08  | — *  | — * | 4.20 | 4.20 |
| December 08  | — *  | — * | 5.50 | 4.38 |
| January 09   | — *  | — * | 5.70 | 5.70 |
| February 09  | — *  | — * | 5.98 | 5.95 |
| March 09     | — *  | — * | 5.66 | 5.66 |

\* No trading is made through Calcutta Stock Exchange during the year

- vii) Performance in comparison to broad based indices such as BSE Sensex, Crisil Index etc – N.A.

- viii) Register & Share Transfer Agent : **Niche Technologies Pvt. Limited**  
D-511, Bagree Market  
71, B.R.B. Bose Road, Kolkata-700 001.

- x) Share Transfer System : The transfer are generally registered within a period of maximum one month from the date of receipt provided the documents are in order. Pursuant to the SEBI transfer cum demat guidelines, for transfer up to 500 shares, the RTA sends an option letter to the shareholders if shareholders wish to dematerialise their shares, they may enclose this (option) letter with the Dematerialised Request Form (DRF) and submit it to the RTA through their Depository Participant (DP) within 30 days of the date of this letter. If the same is not received within 30 days, it sends the physical shares to the shareholders. Alternatively, if the shareholders so desire, the share certificates may be dispatched early.

- xi) Distribution of share holding as on 31st March, 2009

| Share holding Pattern-size | No of Shares | Percentage | No of Share Holders | Percentage |
|----------------------------|--------------|------------|---------------------|------------|
| 1 - 500                    | 189510       | 6.3166     | 867                 | 68.1604    |
| 501 - 1000                 | 126960       | 4.2317     | 149                 | 11.7138    |
| 1001 - 5000                | 443037       | 14.7669    | 167                 | 13.1289    |
| 5001 - 10000               | 393201       | 13.1058    | 50                  | 3.9308     |
| 10001 - 50000              | 614592       | 20.4850    | 27                  | 2.1226     |
| 50001 - 100000             | 632600       | 21.0853    | 8                   | 0.6289     |
| 100001 and above           | 600300       | 20.0087    | 4                   | 0.3146     |
| Total                      | 3000200      | 100.00     | 1272                | 100.00     |

xii) Dematerialisation of Shares and Liquidity :

Pursuant to a directive from SEBI, the Shares of the Company are included in SEBI's list of shares in which trading in electronic form is compulsory with effect from October, 2000. As on 31st March 2009 the number of shares in dematerialised form is 1129871 representing 37.66% of the total shares and the balance 1870329 shares representing 62.34% of the total shares were held in paper form. Shareholders should have their physical holdings dematerialized in order to avoid problems.

xiii) Outstanding GDRS/WARRANTS or any convertible instruments, conversion date and likely impact on equity — No such outstanding.

xiv. Plant location — the company is an investment company and there is no plant.

xv) Address for correspondence : Golden Securities Ltd.  
12A, S. N. Roy Road,  
Kolkata - 700 038  
ISIN : INE 152C01017

Kolkata  
29th day of May, 2009.

On behalf of the Board of Directors  
For Golden Securities Limited  
Binod Kumar Mehra  
Chairman

## GOLDEN SECURITIES LIMITED

### AUDITORS CERTIFICATE

To  
The Members of Golden Securities Ltd.

We have examined the compliance of conditions of Corporate Governance by Golden Securities Limited, for the year ended on 31st March, 2009, as stipulated in clause 49 of the listing Agreement of the said Company with stock exchanges.

The compliances of the conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the 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 representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained, there were no investors' complaints remaining unattended/pending for more than 30 days as at 31st March, 2009.

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

5, Fancy Lane, 3rd Floor,  
Kolkata - 700 001  
Dated : 29th day of May, 2009.

For VASUDEO & ASSOCIATES  
*Chartered Accountants*  
V. D. AGARWAL  
*Partner*



AUDITORS' REPORT

## TO THE MEMBERS OF GOLDEN SECURITIES LIMITED.

1. We have audited the attached Balance Sheet of GOLDEN SECURITIES LTD., as at 31st March, 2009, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report) order, 2003 issued by the central government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure 3 referred to above, we report that :
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub -section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and explanation given to us, the said accounts together with notes thereon give the information required by the Companies Act, 1956, in the manners so required and give a true and fair view in conformity with the accounting principles generally accepted.
    - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2009;
    - (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
    - (c) in case of Cash Flow Statement, of the Cash flows for the year ended on that date.

5, Fancy Lane, 3rd Floor,  
Kolkata - 700 001  
Dated : 29th day of May, 2009.

For VASUDEO & ASSOCIATES  
*Chartered Accountants*

V. D. AGARWAL  
*Partner*  
(Membership No. 54784)

**Annexure to the Auditors' Report**

Referred to in paragraph 3 of our report of even date.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and of its business.
- (c) In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) The company had neither granted nor taken any Loans, Secured or Unsecured to / from Companies, Firms, or other parties covered in the register maintained Under Section 301 of the Companies Act, 1956. Accordingly, Sub-Clause (b), (c), (d), (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of shares and fixed assets and with regard to the sale of shares and service. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered. Sub-Clause (b) is not applicable.
- (vi) The Company had not accepted deposits from public and as such the question of compliance of Section 58A and 58AA of the Companies Act, 1956 does not arise.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Company is not a manufacturing Company and no cost records have been prescribed under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us, during the year there were no employees eligible for Provident Fund and Employee State Insurance Fund. Accordingly, the directions relating to Provident Fund and Employee's State Insurance are not applicable to the company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards Investor Education Protection Fund, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty & Cess. The Company has been regular in depositing Profession Tax and Income Tax dues with the appropriate authority and there were no undisputed amounts payable thereof which are outstanding, as at 31st March, 2009 for a period of more than six months from the date they become payable.



- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Service Tax, Wealth Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
- (x) The company have accumulated losses at the end of the financial year and has incurred cash losses during the financial year covered by our audit but not in the immediately preceeding financial year.
- (xi) The company has not taken any Loans from any Bank or Financial Institution and has not issued any debentures.
- (xii) We are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The company has maintained records of the transaction and contracts of dealing or trading in shares, debentures, and timely entries have been made there-in. The shares, securities, debentures and other investments are held in the name of the Company.
- (xv) The company has not given any guarantee for loans taken by others, Bank or financial institution.
- (xvi) The company has not raised any term loan.
- (xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the company, we report that the no funds raised on short-term funds basis have been used to finance long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The company has not issued any debentures during the financial year and therefore, the question of creating security or charges in respect thereof does not arise.
- (xx) The Company has not raised any funds from public issue.
- (xxi) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For VASUDEO & ASSOCIATES  
Chartered Accountants

V. D. AGARWAL  
Partner

(Membership No. 54784)

Place : Kolkata

Dated : 29th day of May, 2009



**GOLDEN SECURITIES LIMITED**

**Balance Sheet as at 31st March, 2009**

| SCHEDULE   | As on<br>31.03.2009 |                       | As on<br>31.03.2008   |    |
|--|---------------------|-----------------------|-----------------------|----|
|  | Rs.                 | P.                    | Rs.                   | P. |
| <b>I. SOURCES OF FUNDS :</b>                                 |                     |                       |                       |    |
| <b>1. SHAREHOLDERS' FUND</b>                                 |                     |                       |                       |    |
| (a) Share Capital  | 1                   | 2,99,99,000.00        | 2,99,99,000.00        |    |
| (b) Reserves & Surplus                                       | 2                   | 11,72,242.48          | 16,48,619.50          |    |
| <b>TOTAL</b>   |                     | <b>3,11,71,242.48</b> | <b>3,16,47,619.50</b> |    |
| <b>II. APPLICATION OF FUNDS :</b>                            |                     |                       |                       |    |
| <b>1. FIXED ASSETS</b>                                       |                     |                       |                       |    |
| (a) Gross Block  | 3                   | 98,61,719.73          | 98,61,719.73          |    |
| (b) Less : Depreciation                                      |                     | 42,35,321.33          | 42,30,669.33          |    |
| <b>NET BLOCK</b>   |                     | <b>56,26,398.40</b>   | <b>56,31,050.40</b>   |    |
| <b>2. INVESTMENTS</b>  |                     |                       |                       |    |
|  | 4                   | 10,00,000.00          | 1,21,00,000.00        |    |
| <b>3. CURRENT ASSETS, LOANS AND ADVANCES</b>                 |                     |                       |                       |    |
| (a) Current Assets   | 5                   | 1,50,14,806.03        | 1,16,58,049.69        |    |
| (b) Loans & Advances   | 6                   | 1,29,68,921.12        | 1,03,69,722.49        |    |
|  | (A)                 | 2,79,83,727.15        | 2,20,27,772.18        |    |
| <b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>           |                     |                       |                       |    |
| (a) Liabilities  | 7                   | 10,59,425.00          | 10,63,563.00          |    |
| (b) Provisions   |                     | 57,04,388.00          | 70,47,066.08          |    |
| (c) Deferred Tax Liabilities                                 |                     | 642.00                | 574.00                |    |
|  | (B)                 | 67,64,455.00          | 81,11,203.08          |    |
| <b>NET CURRENT ASSETS</b>                                    | (A - B)             | 2,12,19,272.15        | 1,39,16,569.10        |    |
| <b>3. MISCELLANEOUS EXPENDITURE</b>                          |                     |                       |                       |    |
| (To the extent not adjusted or written off)                  |                     |                       |                       |    |
| Profit & Loss A/C (Debit Balance C/F)                        |                     | 33,25,571.93          |                       |    |
| <b>TOTAL</b>   |                     | <b>3,11,71,242.48</b> | <b>3,16,47,619.50</b> |    |
| <b>NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES</b> |                     |                       |                       |    |
|  | 11                  |                       |                       |    |

Place : Kolkata  
Dated : 29th day of May, 2009

As per our Report of Even Date  
For **VASUDEO & ASSOCIATES**  
Chartered Accountants  
**V. D. AGARWAL**  
Partner

**BINOD KUMAR MEHRA**  
**PROMOD KUMAR MEHRA**  
**ANUP KUMAR MEHROTRA** } Directors  
**BISWANATH MUKHERJEE** Company Secretary

**GOLDEN SECURITIES LIMITED**

Profit & Loss Account for the year ended 31st March, 2009

| SCHEDULE   | For the year<br>ended 31.03.2009 |    | For the year<br>ended 31.03.2008 |    |
|--|----------------------------------|----|----------------------------------|----|
|  | Rs.                              | P. | Rs.                              | P. |
| <b>I. INCOME :</b>   |                                  |    |                                  |    |
| Sale of Shares   | 2,48,99,301.66                   |    | 4,22,08,913.74                   |    |
| Interest on Loans (Gross)  | 3,06,605.00                      |    | 6,06,003.00                      |    |
| (Tax deducted at source Rs. 44,345/-<br>Previous year Rs. 71,635/-)                                |                                  |    |                                  |    |
| Interest on Fixed Deposit  | 42,301.37                        |    | —                                |    |
| Other Income   | 2,62,132.35                      | 8  | 66,546.00                        |    |
| Increase/(Decrease) in stock   | 8,42,137.50                      | 9  | (13,43,499.77)                   |    |
| <b>TOTAL</b>   | <b>2,63,52,477.88</b>            |    | <b>4,15,37,962.97</b>            |    |
| <b>II. EXPENDITURE</b>   |                                  |    |                                  |    |
| Purchase of Shares   | 2,86,68,222.35                   |    | 3,78,11,460.15                   |    |
| Loss from Speculative Transactions   | 3,12,915.74                      |    | 13,28,549.29                     |    |
| Administrative & Other Charges   | 6,94,328.45                      | 10 | 6,47,437.13                      |    |
| Depreciation   | 4,652.00                         |    | 5,700.60                         |    |
| Provision for NPA as per RBI Guidelines  | (82,703.08)                      |    | (20,89,341.00)                   |    |
| <b>TOTAL</b>   | <b>2,95,97,415.46</b>            |    | <b>3,77,03,806.17</b>            |    |
| Profit/(Loss) Before Tax   | (32,44,937.58)                   |    | 38,34,156.80                     |    |
| Less : Provisions  |                                  |    |                                  |    |
| - For Income Tax   | —                                |    | 5,80,000.00                      |    |
| - For Deferred Tax   | 68.00                            |    | 2,88,419.00                      |    |
| - For Fringe Benefit Tax   | 2,500.00                         |    | 10,000.00                        |    |
| Less : Transfer to Statutory Reserve   | —                                |    | 7,66,831.36                      |    |
|  | (32,47,505.58)                   |    | 21,88,906.44                     |    |
| Less : FBT Adjustment  | 3,554.00                         |    | —                                |    |
| Income Tax Adjustment  | 5,50,889.37                      |    | —                                |    |
|  | (38,01,948.95)                   |    | 21,88,906.44                     |    |
| Add : Surplus/Deficit in Profit & Loss A/c.<br>brought forward from previous year                  | 4,76,377.02                      |    | (17,12,529.42)                   |    |
|  | <b>(33,25,571.93)</b>            |    | <b>4,76,377.02</b>               |    |
| <b>APPROPRIATIONS</b>  |                                  |    |                                  |    |
| Balance carried to Balance Sheet   | (33,25,571.93)                   |    | 4,76,377.02                      |    |
| Earning Per Equity Shares (Rupees)<br>(Face value of Rs. 10/- per equity<br>share) Basic & Diluted | (1.083)                          |    | 0.730                            |    |
| <b>NOTES ON ACCOUNTS AND<br/>SIGNIFICANT ACCOUNTING POLICIES</b>                                   |                                  |    |                                  |    |
|  | 11                               |    |                                  |    |

Place : Kolkata  
Dated : 29th day of May, 2009

As per our Report of Even Date  
For **VASUDEO & ASSOCIATES**  
Chartered Accountants  
**V. D. AGARWAL**  
Partner

|  |                  |
|--|------------------|
| <p><b>BINOD KUMAR MEHRA</b><br/><b>PROMOD KUMAR MEHRA</b><br/><b>ANUP KUMAR MEHROTRA</b></p> | <p>Directors</p> |
| <p><b>BISWANATH MUKHERJEE</b> Company Secretary</p>  |                  |



**GOLDEN SECURITIES LIMITED**

**Schedules Annexed to and forming part of the Balance Sheet**

|   | As at<br>31.03.2009   |                    | As at<br>31.03.2008   |                       |
|---|-----------------------|--------------------|-----------------------|-----------------------|
|   | Rs.                   | P.                 | Rs.                   | P.                    |
| <b>SCHEDULE : 1</b>                                 |                       |                    |                       |                       |
| <b><u>SHARE CAPITAL</u></b>                         |                       |                    |                       |                       |
| <b>Authorised Capital</b>                           |                       |                    |                       |                       |
| 3500000 Equity Shares of Rs.10/- each               | <u>3,50,00,000.00</u> |                    | <u>3,50,00,000.00</u> |                       |
| <b>Issued, Subscribed and Paid up</b>               |                       |                    |                       |                       |
| 3000200 Equity shares of Rs.10/- each               | <u>3,00,02,000.00</u> |                    | <u>3,00,02,000.00</u> |                       |
| Fully paid up in cash                               |                       | <u>3,000.00</u>    |                       | <u>3,000.00</u>       |
| Less : Call money in arrears                        |                       |                    |                       |                       |
|   | <u>2,99,99,000.00</u> |                    | <u>2,99,99,000.00</u> |                       |
| <b>SCHEDULE : 2</b>                                 |                       |                    |                       |                       |
| <b><u>RESERVES &amp; SURPLUS</u></b>                |                       |                    |                       |                       |
| Reserve Fund  | <u>3,72,892.00</u>    |                    | <u>3,72,892.00</u>    |                       |
| Statutory Reserve Fund (As per RBI Act)             | <u>7,99,350.48</u>    |                    | <u>7,99,350.48</u>    |                       |
| Profit and Loss A/c                                 |                       |                    | <u>4,76,377.02</u>    |                       |
|   | <u>11,72,242.48</u>   |                    | <u>16,48,619.50</u>   |                       |
| <b>SCHEDULE : 4</b>                                 |                       |                    |                       |                       |
| <b><u>INVESTMENT (AT COST)</u></b>                  |                       |                    |                       |                       |
| <b><u>LONG TERM INVESTMENT</u></b>                  |                       |                    |                       |                       |
| <b>In Unquoted units of Mutual Funds</b>            |                       | <b>Unit</b>        |                       |                       |
| Reliance Liquid Fund                                |                       | NIL (5,68,180.716) | —                     | 1,10,00,000.00        |
| Reliance Long Term Equity Fund                      |                       | NIL (20000)        | —                     | 1,00,000.00           |
| <b>In Unquoted Shares</b>                           |                       | <b>Qty.</b>        |                       | <b>Face Value</b>     |
| Satellite Mercantiles Pvt. Ltd.                     | 10000 sh              |                    |                       | 10/-                  |
|   |                       |                    | <u>10,00,000.00</u>   | <u>10,00,000.00</u>   |
|   |                       |                    | <u>10,00,000.00</u>   | <u>1,21,00,000.00</u> |
| <b>SCHEDULE : 5</b>                                 |                       |                    |                       |                       |
| <b><u>CURRENT ASSETS :</u></b>                      |                       |                    |                       |                       |
| <b>A. Sundry Debtors</b>                            |                       |                    |                       |                       |
| Debt outstanding for a period of more than 6 months |                       |                    |                       |                       |
| Unsecured, Considered Bad & Doubtful                | <u>30,20,496.88</u>   |                    | <u>37,03,576.88</u>   |                       |
| Debt outstanding for a period of less than 6 months |                       |                    |                       |                       |
| Unsecured, Considered Goods                         | <u>2,77,197.87</u>    |                    | <u>3,56,729.96</u>    |                       |
|   | <u>32,97,694.75</u>   |                    | <u>40,60,306.84</u>   |                       |
|   |                       | <b>Total</b>       |                       |                       |
| <b>B. Inventories</b>                               |                       |                    |                       |                       |
| Stock in Trade (As per Annexure - A)                | <u>44,66,522.88</u>   |                    | <u>36,24,385.38</u>   |                       |
|   | <u>44,66,522.88</u>   |                    | <u>36,24,385.38</u>   |                       |
|   |                       | <b>Total</b>       |                       |                       |
| <b>C. Cash and Bank Balances</b>                    |                       |                    |                       |                       |
| Cash in hand (As certified by the Management)       | <u>2,29,062.38</u>    |                    | <u>2,11,783.38</u>    |                       |
| Balance with Schedule Banks in Current Accounts     | <u>70,21,526.02</u>   |                    | <u>37,61,574.09</u>   |                       |
|   | <u>72,50,588.40</u>   |                    | <u>39,73,357.47</u>   |                       |
|   |                       | <b>Total</b>       |                       |                       |
| <b>Total of Current Assets (A+B+C)</b>              | <u>1,50,14,806.03</u> |                    | <u>1,16,58,049.69</u> |                       |



**GOLDEN SECURITIES LIMITED**

**SCHEDULE 3  
FIXED ASSETS**

|   | GROSS BLOCK         |          |           |          |           |          | DEPRECIATION   |                     |                     |                 |              |          | NET BLOCK |                     |                     |                     |                     |          |                |          |  |
|---|---------------------|----------|-----------|----------|-----------|----------|----------------|---------------------|---------------------|-----------------|--------------|----------|-----------|---------------------|---------------------|---------------------|---------------------|----------|----------------|----------|--|
|   | As at 1.04.08       |          | Additions |          | Deduction |          | As at 31.03.09 |                     | As at 01.04.08      |                 | For the Year |          | Deduction |                     | As at 31.03.09      |                     | As at 31.03.08      |          | As at 31.03.09 |          |  |
|   | Rs.                 | P.       | Rs.       | P.       | Rs.       | P.       | Rs.            | P.                  | Rs.                 | P.              | Rs.          | P.       | Rs.       | P.                  | Rs.                 | P.                  | Rs.                 | P.       | Rs.            | P.       |  |
| Air Conditioner   | 1,04,267.00         | —        | —         | —        | —         | —        | —              | 1,04,267.00         | 88,680.40           | 2,168.00        | —            | —        | —         | —                   | 90,848.40           | 15,586.60           | 13,418.60           | —        | —              | —        |  |
| Computer & Printer                                      | 1,92,768.00         | —        | —         | —        | —         | —        | —              | 1,92,768.00         | 1,91,422.20         | 540.00          | —            | —        | —         | —                   | 1,91,902.20         | 1,345.80            | 305.80              | —        | —              | —        |  |
| Fax Machine   | 25,000.00           | —        | —         | —        | —         | —        | —              | 25,000.00           | 21,434.00           | 495.00          | —            | —        | —         | —                   | 21,930.00           | 3,566.00            | 3,070.00            | —        | —              | —        |  |
| Furniture & Fixtures<br>(Including Electrical Fittings) | 35,400.00           | —        | —         | —        | —         | —        | —              | 35,400.00           | 32,826.00           | 468.00          | —            | —        | —         | —                   | 33,294.00           | 2,574.00            | 2,106.00            | —        | —              | —        |  |
| Office Equipments                                       | 42,809.73           | —        | —         | —        | —         | —        | —              | 42,809.73           | 35,756.73           | 980.00          | —            | —        | —         | —                   | 36,736.73           | 7,063.00            | 6,073.00            | —        | —              | —        |  |
| <b>Assets on Lease</b>                                  |                     |          |           |          |           |          |                |                     |                     |                 |              |          |           |                     |                     |                     |                     |          |                |          |  |
| Plant & Machinery                                       | 94,61,475.00        | —        | —         | —        | —         | —        | —              | 94,61,475.00        | 38,60,550.00        | —               | —            | —        | —         | —                   | 38,60,550.00        | 56,00,925.00        | 53,00,925.00        | —        | —              | —        |  |
| <b>TOTAL</b>  | <b>98,61,719.73</b> | <b>—</b> | <b>—</b>  | <b>—</b> | <b>—</b>  | <b>—</b> | <b>—</b>       | <b>98,61,719.73</b> | <b>42,30,669.33</b> | <b>4,652.00</b> | <b>—</b>     | <b>—</b> | <b>—</b>  | <b>42,35,321.33</b> | <b>56,31,050.40</b> | <b>56,26,398.40</b> | <b>56,31,050.40</b> | <b>—</b> | <b>—</b>       | <b>—</b> |  |
| Previous Year   | 98,61,719.73        | —        | —         | —        | —         | —        | —              | 98,61,719.73        | 42,24,968.73        | 5,700.60        | —            | —        | —         | —                   | 42,30,669.33        | —                   | 56,31,050.40        | —        | —              | —        |  |

**GOLDEN SECURITIES LIMITED**

|  | As at<br>31.03.2009              |    | As at<br>31.03.2008              |             |
|--|----------------------------------|----|----------------------------------|-------------|
|  | Rs.                              | P. | Rs.                              | P.          |
| <b>SCHEDULE : 6</b>  |                                  |    |                                  |             |
| <b><u>LOANS &amp; ADVANCES</u></b>                                     |                                  |    |                                  |             |
| Loans & Advances<br>(Secured, Considered Good)                         |                                  |    | —                                | 2,85,860.00 |
| Loans & Advances<br>(Unsecured, Considered Good)                       | 84,89,675.00                     |    | 45,17,303.00                     |             |
| Loans & Advances<br>(Unsecured, Considered Doubtful)                   | 33,18,116.31                     |    | 34,12,071.31                     |             |
| Advances recoverable in cash or in kind or<br>for value to be received | 11,61,129.81                     |    | 21,54,488.18                     |             |
|  | <u>1,29,68,921.12</u>            |    | <u>1,03,69,722.49</u>            |             |
| <b>SCHEDULE : 7</b>  |                                  |    |                                  |             |
| <b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>                     |                                  |    |                                  |             |
| <b>Current Liabilities :</b>   |                                  |    |                                  |             |
| Sundry Creditors for Expenses  | 15,200.00                        |    | 19,338.00                        |             |
| Security Deposits  | 10,44,225.00                     |    | 10,44,225.00                     |             |
|  | <u>10,59,425.00</u>              |    | <u>10,63,563.00</u>              |             |
| <b>Provisions :</b>  |                                  |    |                                  |             |
| For Taxation   | 8,12,000.00                      |    | 13,77,345.00                     |             |
| For Fringe Benefit Tax   | 12,500.00                        |    | 12,800.00                        |             |
| Provision for N.P.A. as per RBI Guidelines, 1998                       | 48,79,888.00                     |    | 56,56,921.08                     |             |
|  | <u>57,04,388.00</u>              |    | <u>70,47,066.08</u>              |             |
| <b>Total of Current Liabilities &amp; Provision</b>                    | <u>67,63,813.00</u>              |    | <u>81,10,629.08</u>              |             |
|  | For the year ended<br>31.03.2009 |    | For the year ended<br>31.03.2008 |             |
|  | Rs.                              | P. | Rs.                              | P.          |
| <b>SCHEDULE : 8</b>  |                                  |    |                                  |             |
| <b><u>OTHER INCOME</u></b>   |                                  |    |                                  |             |
| Dividend From Shares   | 20,521.00                        |    | 33,978.00                        |             |
| Income From Mutual Funds   | 2,41,611.35                      |    | 32,568.00                        |             |
|  | <u>2,62,132.35</u>               |    | <u>66,546.00</u>                 |             |
| <b>SCHEDULE : 9</b>  |                                  |    |                                  |             |
| <b><u>INCREASE / (DECREASE) IN STOCK</u></b>                           |                                  |    |                                  |             |
| Closing Stock  | 44,66,522.88                     |    | 36,24,385.38                     |             |
| Less : Opening Stock   | 36,24,385.38                     |    | 49,67,885.15                     |             |
|  | <u>8,42,137.50</u>               |    | <u>(13,43,499.77)</u>            |             |



**GOLDEN SECURITIES LIMITED**

|  | For the year ended<br>31.03.2009 |                    | For the year ended<br>31.03.2008 |                    |
|--|----------------------------------|--------------------|----------------------------------|--------------------|
|  | Rs.                              | P.                 | Rs.                              | P.                 |
| <b>SCHEDULE : 10</b>                             |                                  |                    |                                  |                    |
| <b><u>ADMINISTRATIVE &amp; OTHER CHARGES</u></b> |                                  |                    |                                  |                    |
| Salary & Bonus                                   | 3,35,600.00                      |                    | 3,25,100.00                      |                    |
| Staff Welfare                                    | 8,617.00                         |                    | 9,770.00                         |                    |
| Bank Charges                                     | 1,031.00                         |                    | 1,174.00                         |                    |
| Advertisement                                    | 16,551.00                        |                    | 4,991.00                         |                    |
| Directors Fees                                   | 30,000.00                        |                    | 26,000.00                        |                    |
| Demat Charges                                    | 6,518.00                         |                    | 15,876.50                        |                    |
| Listing Fees                                     | 20,500.00                        |                    | 10,134.00                        |                    |
| Custody Fees                                     | 4,658.00                         |                    | 9,079.00                         |                    |
| Computer Maintenance                             | 9,056.00                         |                    | 3,898.00                         |                    |
| Office Maintenance                               | 19,005.00                        |                    | 66,348.00                        |                    |
| Securities Transaction Tax                       | 88,780.45                        |                    | —                                |                    |
| Postage & Stamp                                  | 9,750.00                         |                    | 7,920.00                         |                    |
| Printing & Stationery                            | 8,942.00                         |                    | 10,366.00                        |                    |
| Rent   | 18,000.00                        |                    | 18,000.00                        |                    |
| <b>Auditor's Remuneration</b>                    |                                  |                    |                                  |                    |
| Audit Fees                                       | 7,000.00                         |                    | 7,000.00                         |                    |
| Tax Audit Fees                                   | 3,000.00                         |                    | 3,000.00                         |                    |
| For Certification Work                           | 2,250.00                         |                    | 2,362.00                         |                    |
| For Other Matters                                | <u>5,000.00</u>                  | 17,250.00          | <u>2,710.00</u>                  | 15,072.00          |
| Miscellaneous Expenses                           |                                  | 33,978.00          |                                  | 67,158.92          |
| Legal & Professional Charges                     |                                  | 15,150.00          |                                  | 9,150.00           |
| Filing Fees                                      |                                  | 20,213.00          |                                  | 2,550.00           |
| Professional Tax                                 |                                  | 5,000.00           |                                  | 5,000.00           |
| Service Tax                                      |                                  | —                  |                                  | 692.71             |
| Internal Audit Fees                              |                                  | 3,400.00           |                                  | 3,371.00           |
| Travelling & Conveyance                          |                                  | <u>22,329.00</u>   |                                  | <u>35,786.00</u>   |
|  |                                  | <u>6,94,328.45</u> |                                  | <u>6,47,437.13</u> |

**GOLDEN SECURITIES LIMITED**
**STOCK VALUATION AS ON 31/3/2009**
**ANNEXURE - A**
**QUOTED SHARES :**

| <u>Name of the Co.</u>    | <u>Quantity</u> | <u>Cost Price</u> | <u>Mkt. Price</u> | <u>Whichever is Lower</u> | <u>Valuation</u> |
|---------------------------|-----------------|-------------------|-------------------|---------------------------|------------------|
| Bank of Rajasthan         | 2,200           | 51.57             | 37.80             | 37.80                     | 83,160.00        |
| BBTC                      | 200             | 460.11            | 367.50            | 367.50                    | 73,500.00        |
| Himachal Futu             | 17000           | 17.79             | 8.01              | 8.01                      | 1,36,170.00      |
| HFCL Info (Inv. Trust)    | 10000           | 17.95             | 8.08              | 8.08                      | 80,800.00        |
| India Castor              | 1700            | 0.90              | —                 | 0.90                      | 1,530.00*        |
| Info Drive Ltd.           | 3000            | 55.40             | 24.15             | 24.15                     | 72,450.00        |
| ISMT LTD.                 | 1500            | 24.38             | 20.05             | 20.05                     | 30,075.00        |
| Ispat Ind.                | 50000           | 27.39             | 10.85             | 10.85                     | 5,42,500.00      |
| J. P. Hydro               | 3000            | 51.24             | 29.15             | 29.15                     | 87,450.00        |
| LNT                       | 80              | 1,382.58          | 672.65            | 672.65                    | 53,812.00        |
| McLeod Russel             | 139             | 48.70             | 64.55             | 48.70                     | 6,769.30         |
| Moserbaer                 | 500             | 152.10            | 53.10             | 53.10                     | 26,550.00        |
| Nagarjuna Fertiliser      | 22500           | 17.28             | 17.80             | 17.28                     | 3,88,800.00      |
| NTPC                      | 1000            | 196.60            | 180.20            | 180.20                    | 180,200.00       |
| Pioneer Embroideries Ltd. | 18602           | 11.11             | 10.01             | 10.01                     | 1,86,206.02      |
| Resurgere                 | 5300            | 83.30             | 45.90             | 45.90                     | 2,43,270.00      |
| Shakti Sug                | 851             | 49.87             | 22.80             | 22.80                     | 19,402.80        |
| Sharpe Global             | 8333            | 16.77             | —                 | 16.77                     | 1,39,744.41*     |
| Shree Digvijay Cement     | 205             | 18.25             | 6.87              | 6.87                      | 1,408.35         |
| Vakrangee                 | 4500            | 41.61             | 25.05             | 25.05                     | 1,12,725.00      |

**UNQUOTED SHARES :**

|                                    |                |        |   |   |                     |
|------------------------------------|----------------|--------|---|---|---------------------|
| Mehra Capital Market Ltd.          | 100000         | 10.00  | — | — | 10,00,000.00**      |
| Karlo Resources & Credit Pvt. Ltd. | 10000          | 100.00 | — | — | 10,00,000.00**      |
| <b>TOTAL</b>                       | <b>260,610</b> |        |   |   | <b>44,66,522.88</b> |

\* Market price is not available, so the last traded price has been taken.

\*\* Unquoted shares are valued at cost price.



SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS :

**SCHEDULE - 11**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**A) PRINCIPAL ACCOUNTING POLICIES :**

The Financial Statements have been prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. A summary of important accounting policies which have been applied consistently are set out below. Financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956 of India.

**a) BASIS OF ACCOUNTING :**

The Financial statements have been prepared under the historical cost convention.

**b) FIXED ASSETS :**

Fixed Assets are recorded at cost of acquisition including any incidental expenses incurred upto the date of installation.

**c) DEPRECIATION :**

Depreciation on Fixed Assets is provided on Written Down Value Basis at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on leased assets has been spread over the period of lease. Depreciation has not been provided on leased assets as the Company has filed a suit against the lessee.

**d) INVESTMENTS :**

Investment of long term nature is stated at cost, less adjustment for diminution, other than temporary, in the value thereof.

**e) STOCK IN TRADE-SHARE :**

Stock in trade is valued at cost or market price whichever is lower.

**f) REVENUE RECOGNITIONS :**

- i) The revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii) The Company recognises income and expenses on accrual basis.
- iii) Lease rentals received/receivable under the lease agreements have been accounted for as income adjusted by creating Lease Equalisation Account/Lease Terminal Account to ensure recognition of net income on periodic basis.

**g) RETIREMENT BENEFITS :**

- I. The provisions of Provident Fund Act are not applicable and liability on account of encashment of leave has been duly provided for.
- II. Gratuity to employees is charged against profit in the year in which the same is paid or becomes payable. No provision is made for liability of future payment of gratuity to retiring employees.

## GOLDEN SECURITIES LIMITED

### h) CONTINGENT LIABILITIES :

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

### i) TAXATION :

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the company.

### j) DEFERRED TAXATION :

Provision for deferred taxation is made using the liability method, at the current rates of taxation on all timing differences to the extent that it is probable that a liability or assets will crystallise.

### k) IMPAIRMENT OF ASSETS :

Regarding impairment of assets, on assessment, it has been ascertained that no potential loss is present. Accordingly, no impairment loss has been provided in the Books of Accounts.

## B) NOTES ON ACCOUNTS

- 1) Additional informations pursuant to the provisions of para 3,4C & 4D of Part II of Schedule VI of the Companies Act 1956 are given below :

Particulars in respect of purchase, sale and stock of shares.

|               | Quantity (No. of Shares) |                     | Value               |                |
|---------------|--------------------------|---------------------|---------------------|----------------|
|               | As at<br>31.03.2009      | As at<br>31.03.2008 | As at<br>31.03.2009 |                |
|               |                          |                     | Rs.                 | P.             |
| Opening Stock | 174251                   | 258927              | 36,24,385.38        | 49,67,885.15   |
| Purchase      | 427380                   | 1049507             | 2,86,68,222.35      | 3,78,11,460.15 |
| Sale          | 341021                   | 1134183             | 24,899,301.66       | 4,22,08,913.74 |
| Closing Stock | 260610                   | 174251              | 44,66,522.88        | 36,24,385.38   |

- 2) Sundry Debtors includes Rs. 18,30,030/- and Fixed Assets includes Rs. 56,00,925/- due on account of lease rentals and assets given on lease, from certain parties against which the Company has preferred recovery proceedings and the matter is sub-judice.

### 3) Movement of Provision towards NPA

|  | 31.3.2009    | 31.3.2008      |
|--|--------------|----------------|
| Opening Balance                        | 56,56,921.08 | 79,21,594.08   |
| Add/(Less) : Provision during the year | (82,703.08)  | (20,89,340.00) |
| Less : Written Off during the year     | 6,94,330.00  | 1,75,332.00    |
| Closing balance                        | 48,79,888.00 | 56,56,921.08   |

- 4) Confirmation from parties for amounts due to them/amounts due from them as per accounts of the company are not received. Necessary adjustments, if any, will be made when the accounts are reconciled.



- 5) Basic earning per Share has been computed with reference to Profit/(Loss) after tax of Rs. (32,47,505.58) [Previous Year Rs. (21,88,906.44)] and Equity Shares outstanding (nominal value Rs. 10) during the year aggregating to (3000200 shares)
- 6) A. Deferred Tax has been accounted in accordance with the requirement at Accounting Standard on "Taxes on Income" (AS 22).
- B. The timing difference relating mainly to unabsorbed losses result in the deferred Tax assets. As a prudence measure the net deferred tax assets relating to the above has not been recognised in the accounts.
- C. The major components at the Deferred Tax /Liabilites, based on the tax effect of the timing differences, as at 31st March, 2009 are timing difference in depreciable assets Rs.2079.

**7) Related Party Disclosure**

In accordance with Accounting Standard 18, the disclosure required are given below :

| Sl. | Nature of Transaction                      | Holding Company | Subsidiary | Associates | Partnership Firm | Relative of key management Personal | Total  |
|-----|--|-----------------|------------|------------|------------------|-------------------------------------|--------|
| 1.  | Rent                                       | —               | —          | —          | —                | 18,000                              | 18,000 |
| 2.  | Purchases                                  | —               | —          | 9914153.00 | —                | —                                   | —      |
| 3.  | Sales                                      | —               | —          | 9202962.56 | —                | —                                   | —      |
| 4.  | Outstanding as on 31st March, 2009 (Debit) | —               | —          | 277197.87  | —                | NIL                                 | NIL    |

**Name of related parties and description of relationship :**

- Relative of Key Management Personal : Ms. Ekta Mehra. (Daughter of Mr. Binod Kr. Mehra, Director)
- Associates : Mehra Capital Market Ltd.

**8A. Segment Report for the year ended 31st March, 2009**

**By Business Segments**

|                             | Rs. in Lacs         |         |        |          |
|-----------------------------|---------------------|---------|--------|----------|
|                             | Shares & Securities | Finance | Others | Total    |
| <b>Revenue</b>              |                     |         |        |          |
| Total Revenue               | 248.49              | 3.48    | —      | 251.97   |
| <b>Result</b>               |                     |         |        |          |
| Segment Result              | (36.68)             | 4.23    | —      | (32.45)  |
| Less : Unallocated expenses |                     |         |        | NIL      |
| Profit before Tax           |                     |         |        | (32.45)  |
| (Less) : Provision for Tax  |                     |         |        | NIL      |
| Add/(Less) : Deferred Tax   |                     |         |        | (.00068) |
| Less : Fringe Benefit Tax   |                     |         |        | 0.025    |
| Less : Income Tax Adjust    |                     |         |        | 5.51     |
| Less Fringe Benefit Tax Adj |                     |         |        | 0.035    |
| Profit / (Loss) After Tax   |                     |         |        | (38.021) |

- 2) Break-up of (1)(f) above (outstanding Public deposits inclusive of interest accrued there on but not paid) :
- a) In the form of Unsecured debentures
  - b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security
  - c) Other public deposits

Amount outstanding

**ASSETS SIDE :**

- 3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]
- a) Secured
  - b) Unsecured
- 4) Break-up of Leased Assets and Stock on hire and hypothecation loans counting towards EI/HP activities :
- i) Leased assets including lease rentals under sundry debtors :
    - a) Financial lease
    - b) Operating lease
  - ii) Stock on hire including hire charges under sundry debtors :
    - a) Assets on hire
    - b) Repossessed Assets
  - iii) Hypothecation loans counting towards EI/HP activities
    - a) Loans where assets have been repossessed
    - b) Loans other than (a) above
- 5) Break-up of Investment :
- Current Investments
1. Quoted :
- i) Shares : (a) Equity
  - (b) Preference
  - ii) Debentures and Bonds
  - iii) Units of Mutual Funds
  - iv) Government Securities
  - v) Others (please specify)

24.67  
NIL  
NIL  
—  
NIL  
NIL



**GOLDEN SECURITIES LIMITED**

|                            |       |
|----------------------------|-------|
| 2. Unquoted :              |       |
| i) Shares : (a) Equity     | 20.00 |
| (b) Preference             | NIL   |
| ii) Debentures and Bonds   | NIL   |
| iii) Units of Mutual Funds | NIL   |
| iv) Government Securities  | NIL   |
| v) Others (please specify) | NIL   |

**Long Term Investments :**

|                            |       |
|----------------------------|-------|
| 1. Quoted :                |       |
| i) Shares : (a) Equity     | NIL   |
| (b) Preference             | NIL   |
| ii) Debentures and Bonds   | NIL   |
| iii) Units of Mutual Funds | NIL   |
| iv) Government Securities  | NIL   |
| v) Others (please specify) | NIL   |
| 2. Unquoted :              |       |
| i) Shares : (a) Equity     | 10.00 |
| (b) Preference             | NIL   |
| ii) Debentures and Bonds   | NIL   |
| iii) Units of Mutual Funds | NIL   |
| iv) Government Securities  | NIL   |
| v) Others (please specify) | NIL   |

**6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :**

|                                | Amount net of provisions |               |               |
|--------------------------------|--------------------------|---------------|---------------|
|                                | Category                 |               |               |
|                                | Secured                  | Unsecured     | Total         |
| 1. Related Parties             |                          |               |               |
| a. Subsidiaries                | —                        | —             | —             |
| b. Companies in the same group | —                        | —             | —             |
| c. Other related parties       | —                        | —             | —             |
| 2. Other than related parties  | —                        | 118.08        | 118.08        |
| <b>TOTAL</b>                   | <b>NIL</b>               | <b>118.08</b> | <b>118.08</b> |

GOLDEN SECURITIES LIMITED

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

| Category                       | Market value / Break up or Fair value of NAV | Book value (Net of Provisions) |
|--------------------------------|--|--------------------------------|
| 1. Related Parties             |  |                                |
| a) Subsidiaries                | —  | —                              |
| b) Companies in the same group | —  | —                              |
| c) Other related parties       | —  | —                              |
| 2. Other than related parties  | 24.67  | 10.00                          |
| <b>TOTAL</b>                   | <b>24.67</b>                                 | <b>30.00</b>                   |

8) Other Information

| <u>Particulars</u>                           | <u>Amount</u> |
|--|---------------|
| i. Gross Non-Performing Assets               |               |
| a) Related parties                           | NIL           |
| b) Other than related parties                | 48.80         |
| ii. Net Non-Performing Assets                |               |
| a) Related parties                           | NIL           |
| b) Other than related parties                | NIL           |
| iii. Assets acquired in satisfaction of debt | NIL           |

11) Previous year's figures have been regrouped, re-classified and/or renamed to confirm to this year's classification.

Place : Kolkata  
Dated : 29th day of May, 2009

As per our Report of Even Date  
For **VASUDEO & ASSOCIATES**  
Chartered Accountants  
V. D. AGARWAL  
Partner

BINOD KUMAR MEHRA  
PROMOD KUMAR MEHRA  
ANUP KUMAR MEHROTRA } Directors  
BISWANATH MUKHERJEE Company Secretary



## GOLDEN SECURITIES LIMITED

### BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

#### i) REGISTRATION DETAILS

Registration No. 60377 State Code : 21  
Balance Sheet Date : 31.03.2009

#### ii) CAPITAL RAISED DURING THE YEAR (Amount in Rs. thousands)

Public Issue : NIL Right Issue : NIL  
Bonus Issue : NIL

#### iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. thousands)

Total Liabilities : 37935.697 Total Assets : 37935.697

##### SOURCE OF FUNDS

Paid up Capital : 29999.000  
Reserves & Surplus 1172.242  
Secured Loans : NIL  
Unsecured Loans NIL

##### APPLICATION OF FUNDS

Net Fixed Assets 5626.398  
Investments 1000.000  
Net Current Assets 21219.272  
Miscellaneous Exp. NIL  
Accumulated Loss 3325.572

#### iv) PERFORMANCE OF THE COMPANY (Amount in Rs. thousands)

Turnover : 25510.340 Total Expenditure : 28755.278  
(Total Income)  
Profit before Tax : (3244.938) Profit after Tax : (3247.506)  
Earning per Share (1.083) Dividend NIL

#### v) GENERAL NAMES OF THREE PRINCIPAL PRODUCT/SERVICES OF COMPANY

Item Code :

(ITC CODE) N.A.

Description : a) Assets Finance  
b) Investment Banking  
c) Equipment Lease & Finance

As per our Report of Even Date  
For **VASUDEO & ASSOCIATES**  
Chartered Accountants  
V. D. AGARWAL  
Partner

BINOD KUMAR MEHRA  
PROMOD KUMAR MEHRA  
ANUP KUMAR MEHROTRA } Directors

Place : Kolkata  
Dated : 29th day of May, 2009

BISWANATH MUKHERJEE Company Secretary

**GOLDEN SECURITIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

|  | 2008-2009             |    | 2007-2008               |    |
|--|-----------------------|----|-------------------------|----|
|  | Rs.                   | P. | Rs.                     | P. |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>        |                       |    |                         |    |
| Net Profit/(Loss) before Tax and Extraordinary items   | (32,44,937.58)        |    | 38,34,156.80            |    |
| Adjustment for :                                       |                       |    |                         |    |
| Depreciation   | 4,652.00              |    | 5,700.60                |    |
| Provision for NPA                                      | (82,703.08)           |    | (20,89,341.00)          |    |
| Profit on Sale of Investment                           | (2,41,611.35)         |    | (32,568.00)             |    |
| Dividend from Investments                              | (20,521.00)           |    | (33,978.00)             |    |
| <b>Operating Profit before working capital changes</b> | <b>(35,85,121.01)</b> |    | <b>16,83,970.40</b>     |    |
| Adjustment for :                                       |                       |    |                         |    |
| Trade and other Receivables                            | (35,77,333.91)        |    | 54,52,245.75            |    |
| Inventories  | (8,42,137.50)         |    | 13,43,499.77            |    |
| Trade payables   | (4,138.00)            |    | (752.00)                |    |
| Income Tax Paid  | (76,171.00)           |    | (3,00,000.00)           |    |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>              | <b>(80,84,901.42)</b> |    | <b>81,78,963.92</b>     |    |
| <b>*B. CASH FLOW FROM INVESTING ACTIVITIES</b>         |                       |    |                         |    |
| Purchase of Investment                                 | (50,00,000.00)        |    | (1,10,00,000.00)        |    |
| Sale of Investment                                     | 1,63,41,611.35        |    | 1,32,568.00             |    |
| Dividend on Investments                                | 20,521.00             |    | 33,978.00               |    |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>           | <b>1,13,62,132.35</b> |    | <b>(1,08,33,454.00)</b> |    |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>              |                       |    |                         |    |
| Net increase in cash and cash equivalents              | 32,77,230.93          |    | (26,54,490.08)          |    |
| Cash and Cash equivalents as at 01.04.2008             | 39,73,357.47          |    | 66,27,847.55            |    |
| Cash and Cash equivalent as at 31.03.2009              | <b>72,50,588.40</b>   |    | <b>39,73,357.47</b>     |    |

As per our Report of Even Date annexed  
**For VASUDEO & ASSOCIATES**  
Chartered Accountants  
**V. D. AGARWAL**  
Partner

**BINOD KUMAR MEHRA**  
**PROMOD KUMAR MEHRA**  
**ANUP KUMAR MEHROTRA** } Directors

**BISWANATH MUKHERJEE** Company Secretary

Place : Kolkata  
Dated : 29th day of May, 2009