

Annual Report

2009 - 2010



RICHFIELD FINANCIAL SERVICES LTD.



RICHFIELD FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS:

Mr. R K Kankaria (Promoter, Non-Executive Director)
Mr. J N Gupta (Promoter, Non-Executive Director)
Mr. S K Agrawal (Independent, Non- Executive Director)
Mr. S C Choradia (Independent, Non- Executive Director)

AUDIT COMMITTEE

Mr. S C Choradia (Chairman of the Committee)
Mr. S K Agrawal (Member)
Mr. R K Kankaria (Member)

INVESTOR GRIEVANCES COMMITTEE

Mr. S K Agrawal (Chairman of the Committee)
Mr. S C Choradia (Member)
Mr. J N Gupta (Member)

AUDITORS:

M/S MORE V & CO.
Chartered Accountants
16-B Roberts Street
Kolkata 700 012.

REGD OFFICE

33, Brabourne Road,
5th Floor,
Kolkata 700 001.

BANKERS:

Citibank
IDBI Bank
Canara Bank
Punjab National Bank
Punjab & Sindh Bank

REGISTRAR & SHARE TRANSFER AGENT: (Physical & Demat)

Niche Technology Private Limited
C-444, 71- BRBB Road
Kolkata-700 001



RICHFIELD FINANCIAL SERVICES LTD.

33, Brabourne Road, 5TH Floor, Kolkata - 700 001

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of **RICHFIELD FINANCIAL SERVICES LIMITED** will be held at the Registered Office of the Company at 33, Brabourne Road, 5th Floor, Kolkata-700 001 on Friday, 23rd July, 2010 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Sikhar Chand Choradia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

By order of the Board
R. K. Kankaria
Director

Kolkata, May 31, 2010

NOTES:

- 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 a proxy need not be a member of the company.
- B. Instrument of proxies in order to be effective must be deposited with the company at its Registered Office not less than 48 hours before the commencement of the meeting.
- C. The register of members of the Company and share transfer book will remain closed from 20th July 2010 to 23rd July 2010 (both days inclusive).
- D. Members holding shares in DEMAT form are requested to bring their Client ID No. and DP ID No. for easier identification of the attendance at the meeting.
- E. Members holding shares in physical form are requested to notify any change in the address to the Company and always quote their folio no. in all correspondence with the Company.
- F. Information regarding the directors seeking appointment / re-appointment as per Item Serial No.2 of the notice is given below:

Sri Sikhar Chand Choradia, born 15.09.57, appointed as director on 31st January 2007. He is having more than 23 years of rich experience to his credit in company affairs matter. His guidance and advises has contributed a lot in progress of the company. He is the Chairman of Audit Committee and a member of Investor Grievance Committee of the company.

Shareholders desiring any information as regards the account are requested to write to the company sufficiently in advance so as to enable the management to keep the information ready.

By order of the Board
R. K. Kankaria
Director

Kolkata, May 31, 2010



DIRECTORS REPORT

TO THE MEMBERS

Your directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2010.

REVIEW OF OPERATIONS

During the year under review, your Company's performance is satisfactory and it has shown a positive growth in comparison to last year operations. Your company has shown potential and has managed to grow along with the market. The broad parameters of operations are as below:

FINANCIAL RESULTS

| | 31.03.2010 (Rs. in Lacs) | 31.03.2009 (Rs. in Lacs) |
|------------------------------------|-----------------------------|-----------------------------|
| Total Income | 81.20 | 61.91 |
| Profit/(Loss) before Tax | 4.31 | 2.14 |
| Less: Provision for Taxation | 0.48 | 0.28 |
| Profit/(Loss) after Tax | 3.83 | 1.86 |
| Balance brought forward | 20.24 | 19.11 |
| Profit available for appropriation | 23.73 | 20.66 |
| Transfer to RBI Reserve Fund | 0.86 | 0.43 |
| Surplus carried to Balance Sheet | 22.87 | 20.24 |

DIVIDEND

Due to non-availability of sufficient surplus, your Directors are unable to propose dividend for the year under review.

OPERATIONS & FUTURE PROSPECTS

The year ended 31st March, 2010 was a good year for the entire economy particularly the capital market, the area in which your company has been operating. In the growing market scenario after the world economic crisis, as the capital market has witnessed a gradual rise, your company has been able to maintain its growth to a certain level. Your directors feel that the inner strength of the Company will enable it to stand firmly on its feet and face the counter market for further development.

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

The requirement of disclosure in terms of section 217(1)(e) of the Companies Act, 1956, of the steps taken as regards conservation of energy and technology absorption does not apply to your company. Your company does not have any Foreign Exchange Earnings or Outgo during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956 as amended by the companies (Amendment) Act, 2000 the Directors confirm that –

- i) In the preparation of annual accounts, the applicable accounting standards have been followed;
- ii) Appropriate accounting policies as mentioned in Notes on Accounts of the Annual Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2010 and of the profit or loss of the Company for the year ended 31st March 2010;



- iii) Proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- iv) The annual accounts have been prepared on the going concern basis.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. S. C. Choradia retires by rotation and is eligible for re-appointment.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement with the stock exchange, a management discussion and analysis, corporate governance report along with the Auditors certificate regarding compliance of conditions of Corporate Governance are made a part of annual report.

AUDITORS

M/s More V. & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment as auditors. The company has received a certificate from them to the effect that the re-appointment, if made would be within the limits prescribed under section 224(1B) of companies Act 1956.

AUDITORS REPORT

The notes on Accounts referred in the Auditors Report are self explanatory and therefore, do not call for any classification

PUBLIC DEPOSIT

Your company has not accepted any deposit(s) within the meaning of Sec-58A of the Companies Act, 1956 and the rules made thereof.

LISTING OF SHARES

The Equity Shares of the Company are listed with Calcutta Stock Exchange. Listing Fees for the year 2009-10 have been paid.

DEPOSITORY SYSTEM

Following directive from Securities & Exchange Board of India (SEBI), the Shares of the Company are now open for dematerialisation. The ISIN number allotted to the Company is INE 201C01012. The shareholders now have the option to hold the Equity Shares of the Company either in physical form or in electronic form.

PARTICULARS OF EMPLOYEES

The particulars as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 (as amended) are not applicable, as none of the employees of the Company fall under the category prescribed.

APPRECIATION

Your Directors acknowledge with deep appreciation convey their gratitude to the employees, auditors shareholders and all concerned Government Department for their continued support and assistance extended to your company.

On behalf of the Board of Directors

R. K. Kankaria
Director

May 31, 2010



Annexure A

REPORT ON CORPORATE GOVERNANCE

(A) COMPLIANCE OF MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that good corporate governance enhances accountability and increases shareholder value. Good corporate governance has been an integral part of the Company's philosophy. Transparency, integrity, professionalism and accountability based values form the basis of the company's philosophy for corporate governance. The Company believes that good corporate governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory requirements. The Company strives to improve the corporate governance practices to meet stake holder's expectations and strictly complies with regulation guidelines on corporate governance, which is a key driver of sustainable growth and enhanced shareholder value.

BOARD OF DIRECTORS

Composition and Category of Directors

| Sl.No | Category | Name of Director |
|-------|---|-------------------------------------|
| 1 | Promoter and Non-Executive Directors | Sri R K Kankaria Sri J N Gupta |
| 2 | Independent and Non-Executive Directors | Sri S K Agrawal Sri S C Choradia |

DATES AND NUMBER OF BOARD MEETINGS HELD

Attendance of Directors at the Meeting of Board of Directors held during the financial year 2009-10 and the Annual General Meeting (AGM) held on 31st July, 2009 are as follows:

Five Board Meetings were held during the year. They were held on different dates, viz., 01.04.2009, 30.06.2009, 31.07.2009, 30.10.2009, and 21.01.2010.

The record of attendance of Directors and Directorships of Public Limited Companies and Memberships of Board Committees:

| Name of Director | No of Board Meetings attended | Attendance at the AGM | No. of other Directorships | No of Membership of Board committees | No of Chairmanship of Board Committees |
|------------------|-------------------------------|-----------------------|----------------------------|--------------------------------------|--|
| Sri R K Kankaria | 5 | Present | 2 | Nil | Nil |
| Sri J N Gupta | 5 | Present | 2 | Nil | Nil |
| Sri S K Agrawal | 5 | Present | 2 | 3 | 2 |
| Sri S C Choradia | 5 | Present | Nil | Nil | Nil |

Brief note on Directors seeking appointed / re-appointment at the ensuing AGM:

Sri Sikhar Chand Choradia, born on 15.09.57, appointed as director on 31st January 2007. He is having more than 23 years of rich experience to his credit in company affairs matter. His guidance and advises has contributed a lot in progress of the company. He is the Chairman of Audit Committee and a member of Investor Grievance Committee of the company.



Committees of Board of Directors

Audit Committee

Brief description of Terms of Reference

To oversee the Company's financial reporting process, Internal Control System, Reviewing the accounting policies and practices, reports of the Company's financial statements audited by the statutory auditors as also to review financial policies. The Audit committee of the company meets four times a year in the following pattern. One meeting is held before finalisation of annual accounts and one every three months. During the financial year ended 31.03.2010, the Audit committee met 4 times on 30.06.2009(Tue), 31.07.2009(Fri), 30.10.2009(Fri), and 21.01.2010(Thurs).

Composition, Names of Members and record of attendance during the year

| Name of the Director | Category | No of Meetings held | No of Meetings Attended |
|----------------------------|-----------------------------|---------------------|-------------------------|
| Sri S C Choradia, Chairman | Independent & Non-Executive | 4 | 4 |
| Sri S K Agrawal, Member | Independent & Non-Executive | 4 | 4 |
| Sri R K Kankaria, Member | Promoter & Non-Executive | 4 | 4 |

Investors' Grievance Committee

Brief description of terms of reference:

To specifically look into redress of complaints like transfer of shares, non-receipt of annual report etc. received from shareholders / investors and improve the efficiency in investors service, wherever possible. During the financial year ended 31.03.2010, the Investors Grievance committee met 4 times on 30.06.2009(Tue), 31.07.2009(Fri), 30.10.2009(Fri), and 21.01.2010(Thurs).

Composition, Names of Members and record of attendance during the year:

| Name of the Director | Category | No of Meetings held | No of Meetings Attended |
|---------------------------|-----------------------------|---------------------|-------------------------|
| Sri S K Agrawal, Chairman | Independent & Non-Executive | 4 | 4 |
| Sri S C Choradia, Member | Independent & Non-Executive | 4 | 4 |
| Sri J N Gupta, Member | Promoter & Non-Executive | 4 | 4 |

Name and Designation of Compliance Officer: Sri Omprakash Singhania

Details of Complaints received during the Year 2009-10

| Nature of Complaints/ Queries | No of Complaints/ Queries received | No of Complaints not solved to the satisfaction of Shareholder |
|-------------------------------|------------------------------------|--|
| Transfer of Shares | Nil | Nil |
| Non-receipt of Annual Report | Nil | Nil |
| Pending Share Transfers | Nil | Nil |

The company confirms that there were no share transfers lying pending as on 31.03.2010, and all request for dematerialization and re-materialisation of shares as on that date were confirmed / rejected into the NSDL /CDSL system.

Remuneration Committee

No Remuneration Committee has been constituted by the Board of Directors of the Company.

Details of remuneration paid to Executive Directors for Financial Year 2009-10

Since there is no Executive Directors in the Company, no remuneration has been paid.

Details of sitting fees paid to Directors- Nil



Annual General Meetings

i) **Details of last three Annual General Meetings held:**

| Particulars | F.Y.2006-2007 | F.Y.2007-2008 | F.Y.2008-2009 |
|-------------|--|--|--|
| Day | Friday | Monday | Friday |
| Date | 31.08.2007 | 22.09.2008 | 31.07.2009 |
| Time | 10.30 A.M. | 10.30 A.M. | 10.30 A.M. |
| Venue | 33, Brabourne Road, 3rd Floor, Kolkata-700001 | 33, Brabourne Road, 5th Floor, Kolkata-700001 | 33, Brabourne Road, 5th Floor, Kolkata-700001 |

All the resolutions set out in the respective notices were passed by the shareholders.

DISCLOSURES

i) **Disclosures on materially significant related party transactions**

There were no significant related party transactions during the year having conflicts with the interests of the Company.

ii) **Details of non compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The Company has complied with all the requirements of the listing Agreement with the stock exchanges as well as regulations & guidelines of SEBI. No penalties have been levied or strictures have been passed by SEBI, stock Exchanges or any other Statutory Authority on matters relating to capital markets, in the last three years.

Means of Communication

The quarterly and annual financial results of the company are forwarded to Calcutta Stock Exchange and are published in the "The Echo of India" (English) and the "Arthik Lipi" (Bengali).

GENERAL SHAREHOLDER INFORMATION

1. **Annual General Meeting**

| | |
|----------------|---|
| Day | Friday |
| Date | 23.07.2010 |
| Time | 10.30 A.M. |
| Venue | 33, Brabourne Road, 5th Floor, Kolkata-700001 |
| Financial Year | 1st April 2009 to 31st March 2010 |

2. **Declaration of Quarterly results**

| | |
|------------------------|---|
| Qtr Ended Jun 30, 2010 | On or before 31st Jul 2010 |
| Qtr Ended Sep 30, 2010 | On or before 31st Oct 2010 |
| Qtr Ended Dec 31, 2010 | On or before 31st Jan 2011 |
| Qtr Ended Mar 31, 2011 | Publication of Audited Result by 31st May, 2011 |



3. Date of Book Closure: Tuesday, 20th July 2010 to Friday, 23rd July 2010 (Both days inclusive).
4. Registrar and Share Transfer Agent: Niche Technology Pvt. Ltd. Room No-C-444, 71, BRBB Road, Kolkata-1 – for both Physical & Demat Segment.
5. Address for Investors Correspondence: As Above
6. Listing on Stock Exchange : Calcutta Stock Exchange Association Ltd.
Annual Listing fee has been paid to Calcutta Stock Exchange for financial year 2008-09.
7. Demat ISIN Number : INE201C01012
Scrip Code : 10028162
8. Shareholding pattern as on 31st March 2010

| Sl No | Category | No. of Shares held | %of shareholding |
|--------------|---------------------------|--------------------|------------------|
| A. | Promoter's holding | | |
| | Promoters | 305200 | 8.14% |
| | Person acting in Concert | 1025600 | 27.35% |
| | Sub Total | 1330800 | 35.49% |
| B. | Others | | |
| | Body Corporate | 1984600 | 52.92% |
| | Indian Public | 434700 | 11.59% |
| | Any other- Clearing House | Nil | Nil |
| | Sub Total | 2419300 | 64.51% |
| Total | 3750100 | 100.00% | |

9. Distribution of Shareholding as on 31st March 2010

| Sl No | No. of Shares | No. of Shareholders | % of Shareholders | No. of Shares | % of Shares |
|-------|------------------|---------------------|-------------------|----------------|---------------|
| 1 | Upto 500 | 480 | 76.68 | 57900 | 1.54 |
| 2 | 501 to 1000 | 26 | 4.15 | 19800 | 0.53 |
| 3 | 1001 to 5000 | 41 | 6.55 | 127900 | 3.41 |
| 4 | 5001 to 10000 | 10 | 1.60 | 82800 | 2.21 |
| 5 | 10001 to 50000 | 48 | 7.66 | 1156225 | 30.83 |
| 6 | 50001 to 100000 | 12 | 1.92 | 848399 | 22.62 |
| 7 | 100001 and above | 9 | 1.44 | 1457076 | 38.86 |
| | Total | 626 | 100.00 | 3750100 | 100.00 |



10. Share Transfer System:

Certain directors and executives of the company are severally empowered to approve the transfers & dematerialization. The company co-ordinates with the Common Transfer Agent to ensure that the transfer and dematerialization of shares are processed and completed within the stipulated time if the documents are complete in all respects.

As per agreements of the Company with NSDL & CDSL, the investors have an option to dematerialize their Ordinary Shares with either of the Depositories.

11. Dematerialisation of shares and liquidity as on 31st March 2010.

Shares of the Company can be held and traded in Electronic form. SEBI has notified inclusion of our company's shares for compulsory Demat trading by all the categories of the investors.

Extent of Dematerialisation:

| Name of the Depositor | Shares | % |
|--|---------|-------|
| a. National Security Depository Limited | 3432775 | 91.54 |
| b. Central Depository Services (India) Limited | 159575 | 4.25 |
| Total | 3592350 | 95.79 |

12. Market Price Data: The monthly High/Low Price of the Company's share traded on the Calcutta Stock Exchange during the financial year 2009-10 was as follows:

| Month & Year | High (Rs) Per | Low (Rs) Per | No. of Shares Traded | BSE Sensox | |
|--------------|---------------|--------------|-------------------------|------------|-----------|
| | Share | Share | | High | Low |
| April-09 | N.T. | N.T. | Nil | 11,492.10 | 9,546.29 |
| May-09 | N.T. | N.T. | Nil | 14,930.54 | 11,621.30 |
| June-09 | N.T. | N.T. | Nil | 16,600.30 | 14,016.95 |
| July-09 | N.T. | N.T. | Nil | 15,732.81 | 13,219.99 |
| August-09 | N.T. | N.T. | Nil | 16,002.46 | 14,684.45 |
| September-09 | N.T. | N.T. | Nil | 17,142.52 | 15,356.72 |
| October-09 | N.T. | N.T. | Nil | 17,493.17 | 15,805.20 |
| November-09 | N.T. | N.T. | Nil | 17,290.48 | 15,330.56 |
| December-09 | 57.00 | 57.00 | 24000 | 17,530.94 | 16,577.78 |
| January-10 | N.T. | N.T. | Nil | 17,790.33 | 15,982.08 |
| February-10 | 57.00 | 57.00 | 13000 | 16,669.25 | 15,651.99 |
| March-10 | 57.00 | 57.00 | 33000 | 17,793.01 | 16,438.45 |

(B) STATUS OF COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

- 1) The expenses incurred in the performance of duties of Chairman are reimbursed or borne by the Company.
- 2) The company has not set up a Remuneration Committee.



MORE V & CO.

Chartered Accountants
16-B Roberts Street, Kolkata-700 012

COMPLIANCE CERTIFICATE FROM AUDITORS OF THE COMPANY

(Under Clause 49 of the Listing Agreement)

To the members of RICHFIELD FINANCIAL SERVICES LIMITED

We have examined the compliance of conditions of Corporate Governance by Richfield Financial Services Limited for the year ended on 31st March 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us and 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 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 no investor grievances were pending/unattended for a period of one month against the Company as per the records maintained by the Shareholders /Investor Grievance Committee

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

For More V & Co.
Chartered Accountants
Firm Registration No. 312033E

16B, Roberts Street
Kolkata – 700 012

P K Shyamsukha
Partner
Membership No. 53220

May 31, 2010

**Annexure B****MANAGEMENT DISCUSSION AND ANALYSIS****Overview**

The overall economic conditions during the first half of fiscal 2009 remained strong although with some moderation in economic activity following liberal monetary policy in response to moderate inflation. Year-on-year inflation measured by the Wholesale Price Index (WPI) increased from 5.86% at year-end fiscal 2008 to 1.51% at October, 2009. The Central Statistical Organization (CSO) placed GDP growth at 6.1% during the first half of fiscal 2009 compared to 7.8% during the first half of fiscal 2008.

Equity markets remained strong on global macroeconomic scenario. The BSE Sensex was 17793 at March 31, 2010 compared to 9709 at March 31, 2009. The Sensex recovered almost 8000 points during the year, as an effect the stock prices has shown a recovery from the last year downfall.

Operational Review

The Company is essentially an Investment Company. Its source of income is from dividends receivable on investment made and held by it in other companies and the capital appreciation of the investments. Any adverse financial impact on the operation/businesses of the Investee companies may impact the revenue of the company and also result in diminution in the value of the investments.

The Financing activity has been moderate this year even in the phase of moderate interest rate. Share trading business has done well in the year.

Opportunities and Threats

Growing Political instability and speculation towards government policies has always created a pressure over the market. Since the economy is moving towards globalization of business and trade, management is of the view that the day speculations of adverse impact of policies formulated by the newly formed government are discussed and resolved by, the market will regain its potential value.

Outlook

The company is in belief of positive growth and further rationalisation of capital market, which will lead to more investment, better production, value creation, capitilisation and thus the additional wealth for investors and thus see better prospect in near future in it.

Human Resources

Employees at various levels understand the impact of the external factors and are striving to meet the primo objective of growth and value creation

The company has a transparent delegation structure, which help in smooth business operations.

Internal Control System

The internal control system and actual performance is closely reviewed on quarterly and yearly basis. The company has prominent and eligible members in audit committee to act and look after the internal control measure and their adherence at regular interval. Its internal control system and procedure are commensurate with the size of the operation and are adequate to ensure safeguarding its resources against loss, unauthorized use or disposition and also to ensure that all transactions are authorized, recorded and reported correctly.

Cautionary Statement

Statement in this Management & Analysis describing the company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed and implied. Important factors that could make a difference to the Company's change of operations include resource availability and prices, cyclical demand, changes in government regulations, tax regimes, economic developments, etc.



MORE V & CO.

Chartered Accountants

16-B Roberts Street, Kolkata-700 012

AUDITORS' REPORT TO THE MEMBERS

1. **We have audited the attached Balance Sheet of M/s. RICHFIELD FINANCIAL SERVICES LIMITED as at 31st March 2010 the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.**
2. **We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.**
3. **As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.**

Further to our comments in the Annexure referred to above, we report that:

1. **We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;**
2. **In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;**
3. **The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;**
4. **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;**
5. **On the basis of the written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;**



6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes appearing in Notes on Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2010.
 - b) In the case of the Profit & Loss account of the Profit of the Company for the year ended on that date.
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

As required by the "Non Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1998", we further state that we have submitted a Report to the Board of Directors of the Company containing a statement on the matters of supervisory concern to the Reserve Bank of India as specified in the said directions, namely the following: -

1. The Company, incorporated prior to January 9, 1997, has applied for registration as provided in section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). The Company has been granted certificate of registration as NBFC by the Reserve Bank of India and the Registration No. is 05.00093 dated 18.02.1998.
2. The Board of Directors of the Company has passed a Resolution for non-acceptance of any public deposits.
3. The Company has not accepted any public deposits during the year under reference.
4. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning of bad doubtful debts as applicable to it.

For More V & Co.
Chartered Accountants
Firm Reg. No. 312033E

16B, Roberts Street
Kolkata - 700 012
May 31, 2010

P K Shyamsukha
Partner
M. No. 53220



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date)

- 1) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets.
(c) There was no Substantial disposal of fixed assets during the year, which would affect the going concern of the Company.
- 2) The company does not hold any inventories within the meaning of inventories, as defined in Accounting Standard - 2 (Rev) issued by ICAI and therefore Clause 4(ii) of the Companies (Auditor's Report) Order 2003 is not applicable.
- 3) (a) As informed to us the Company has not taken any loan but has granted a loan to a party (continuing from earlier years) covered in the register maintained under section 301 of the Companies Act, 1956, the maximum amount of which involved during the year and the year-end balance is Rs. 303315/- and Rs. Nil /-, respectively.
(b) In our opinion, the rate of interest and other terms and conditions of such loan is not prima facie prejudicial to the interest of the company.
(c) In respect of the aforesaid loan, the borrower has been regular in repaying the interest as stipulated. The terms of arrangement do not stipulate any repayment schedule and are repayable on demand. Accordingly, paragraph 4 (iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.
(d) There are no overdue amounts of more than rupees one lakh in respect of loan granted to the body corporate listed in the register maintained under Section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of Inventory & Fixed assets & sale of goods. There is no continuing failure to correct major weakness in the internal control.
- 5) Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that there were no transactions during the year that need to be entered into the register maintained under section 301 of the Companies Act, 1956 and as such clause v (b) is not applicable.
- 6) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion the company has not accepted any public deposit and hence there is no contravention to the directives of Reserve Bank of India and the provision of Sections 58A and 58AA of the Act and the rules framed there under. We are informed by the management that no order has been passed by the National Company Law Tribunal under Sections 58A and 58AA.
- 7) In our opinion the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- 8) We have been informed by the management that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of activities carried out by the company.



- 9) a) According to the records of the Company, The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth-tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth-tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- 10) The Company has no accumulated losses as at 31.03.2010 and it has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- 11) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to a financial institution or bank or debenture holders.
- 12) According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) 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.
- 14) On the basis of our examinations of the companies' records, we are of the opinion that the company is maintaining adequate records regarding transactions and contracts relating to dealing / trading in shares, securities and other investments and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name except to the extent of exemption granted under section 49 of the Act.
- 15) According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) The company has not raised any money through term loan and consequently do not have any term loan outstanding as at the end of the year.
- 17) On the basis of information received from the management and based on our examination of the balance sheet of the company, we find that the funds raised on a short-term basis have not been used for long-term investment and vice-versa.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19) According to the records of the company, the company has not issued any debentures.
- 20) The Company has not raised any money by public issue during the year.
- 21) Based on information and explanations furnished by the management, there were no frauds on or by the Company noticed or reported during the course of our audit.

For **Moro V & Co.**
Chartered Accountants
Firm Reg. No. 312033E

16B, Roberts Street
Kolkata – 700 012

P K Shyamsukha
Partner
M. No. 53220

May 31, 2010



BALANCE SHEET AS AT 31ST MARCH, 2010

| Particulars | Schedule | Current year | Previous year |
|--|----------|--------------------|--------------------|
| SOURCES OF FUNDS | | | |
| 1 Shareholders' Funds | | | |
| Share Capital | A | 37300750.00 | 37300750.00 |
| Reserve & Surplus | B | 17432468.85 | 17083321.15 |
| | | <u>54733218.85</u> | <u>54384071.15</u> |
| 2 Deferred Tax Liability(Net)(Note - 7 Sch-N) | | 12895.00 | 19150.00 |
| | | <u>54746113.85</u> | <u>54403221.15</u> |
| APPLICATION OF FUNDS | | | |
| 1 Fixed Assets | | | |
| Gross Block | | 1162473.25 | 1162473.25 |
| Less: Depreciation | | 1035854.00 | 1008382.00 |
| Net Block | F | 122619.25 | 154091.25 |
| 2 Investments | | | |
| Investments in shares | G | 15884096.16 | 20040382.61 |
| 3 Current Assets, Loan & Advances | | | |
| a) Current Assets: | | | |
| Inventories | C | 2883739.75 | 6544080.73 |
| Cash & Bank Balances | D | 1096956.68 | 875084.56 |
| b) Loans & Advances | E | 34856502.00 | 26961472.00 |
| | | <u>38637157.43</u> | <u>34380637.29</u> |
| Less: Current Liabilities and Provisions | H | 97798.99 | 171890.00 |
| | | <u>38739396.44</u> | <u>34208747.29</u> |
| | | <u>54746113.85</u> | <u>54403221.15</u> |
| Notes on Account | N | | |

In terms of our report of even date annexed hereto.

For MORE V & CO.
Chartered Accountants
P K SHYAMSUKHA
Partner
M. No. 53220

16-B Roberts Street,
Kolkata - 700 012
Kolkata, May 31, 2010

R K Kankaria
Director

J N Gupta
Director

S K Agrawal
Director

S C Choradia
Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| Particulars | Schedule | Current year | Previous year |
|--|----------|---------------------|-------------------|
| I. INCOME | | | |
| Sale of Shares | | 4842896.14 | 3076835.23 |
| Profit/(Loss) on sale of investments | | 156729.91 | 24800.00 |
| Income from Operations | I | 3120648.51 | 3089799.40 |
| Increase(+)/ Decrease(-) in Stock | J | <u>(3760340.98)</u> | <u>1209804.80</u> |
| | | 4359933.58 | 7401239.43 |
| II. EXPENDITURE | | | |
| Purchase of Shares | | 3026658.00 | 6401690.00 |
| Payment to Employees | K | 624509.00 | 459630.00 |
| Operating Expenses | L | 140197.95 | 109211.92 |
| Administrative Expenses | M | <u>106151.93</u> | <u>185624.00</u> |
| | | 3897516.88 | 7156155.92 |
| III. Profit before Depreciation | | | |
| | | 462416.70 | 245083.51 |
| Less Depreciation | F | <u>31472.00</u> | <u>30918.00</u> |
| IV. Profit before Tax | | | |
| | | 430944.70 | 214165.51 |
| Provision for Taxation | | | |
| Less: Current Income Tax | | 54594.00 | 29586.00 |
| Less: Current FBT | | — | 3545.00 |
| Less: Deferred Tax Liability Reversed (Refer Note-7, Sch-N) | | <u>(6255.00)</u> | <u>(5136.00)</u> |
| | | 48339.00 | 27985.00 |
| V. Profit after Tax | | | |
| | | 382605.70 | 186170.51 |
| VI. Balance Brought Forward | | | |
| | | 2023548.15 | 1910587.64 |
| Income Tax paid for earlier years | | 2406153.85 | 2096758.15 |
| | | <u>33458.00</u> | <u>30377.00</u> |
| VII. Balance available for appropriation | | | |
| | | 2372695.85 | 2066381.15 |
| VIII. APPROPRIATIONS | | | |
| Transfer to RBI Reserve Fund | | 86189.00 | 42833.00 |
| Balance Carried to Balance Sheet | | <u>2286506.85</u> | <u>2023548.15</u> |
| | | 2372695.85 | 2066381.15 |
| Earning Per Share - Basic and Diluted | | | |
| | | 0.10 | 0.05 |
| <i>(Refer Note-8, Sch-N)</i> | | | |

Notes on Accounts

N

In terms of our report of even date annexed hereto.

For **MORE V & CO.**

Chartered Accountants

P K SHYAMSUKHA

Partner

M. No. 53220

16-B Roberts Street,

Kolkata - 700 012

Kolkata, May 31, 2010

R K Kankaria
Director

J N Gupta
Director

S K Agrawal
Director

S C Choradia
Director



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

| | Current year | | Previous year | |
|--|---------------------|----------------------------|---------------------|----------------------------|
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net profit before tax & extraordinary items | | 430844.70 | | 214165.51 |
| Adjustment for: | | | | |
| Add : Depreciation | | <u>31472.00</u> | | <u>30918.00</u> |
| | | 462416.70 | | 245083.51 |
| Deduct : Profit on sale of Investment | 156729.91 | | 24800.00 | |
| Dividend Income | 164470.04 | <u>321199.95</u> | <u>163439.40</u> | <u>188239.40</u> |
| Operating Profit before Working Capital Changes | | 141215.75 | | 56844.11 |
| Adjustment for :- | | | | |
| Inflow : Increase in Trade & Other Payable | 1423.99 | | (2607.90) | |
| (Outflow) : Increase in Inventories | 3760340.98 | | (1209804.80) | |
| Loan Given(Net) | <u>(8217834.00)</u> | <u>(4456069.03)</u> | <u>985731.00</u> | <u>(226681.70)</u> |
| Cash Generated from Operations | | (4374852.26) | | (169837.59) |
| Direct Taxes Paid | | <u>(59237.00)</u> | | <u>(72424.00)</u> |
| Cash Inflow(+)/Outflow(-) before Extra Ordinary Items | | (4255615.28) | | (97413.59) |
| Add(+)/Deduct(-) : Prior Period Adjustments | | — | | — |
| Net Cash Inflow(+)/Outflow(-) in Operating Activities | | <u>(4255615.28)</u> | | <u>(97413.59)</u> |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Outflow : Assets purchases | | — | | 13500.00 |
| Inflow : Sale of Investments | 4313016.36 | | <u>(1347267.00)</u> | |
| Dividend Income | 164470.04 | <u>4477486.40</u> | <u>163439.40</u> | <u>(1183847.60)</u> |
| Net Cash Inflow(+)/Outflow(-) in Investing Activities | | <u>4477486.40</u> | | <u>(1197347.60)</u> |
| (C) CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Inflow : | | — | | — |
| Outflow : | | — | | — |
| Net Cash Inflow(+)/Outflow(-) in Financing Activities | | — | | — |
| NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C) | | 221871.12 | | (1294761.19) |
| OPENING CASH AND CASH EQUIVALENTS (Opening Balance) | | 875084.56 | | 2159045.75 |
| CLOSING CASH AND CASH EQUIVALENTS (Closing Balance) | | <u>1096955.68</u> | | <u>875084.56</u> |

In terms of our report of even date annexed hereto.

For **MORE V & CO.**
Chartered Accountants
PK SHYAMSUKHA
Partner
M. No. 53220

16-B Roberts Street,
Kolkata - 700 012
Kolkata, May 31, 2010

R K Kankaria
Director

J N Gupta
Director

S K Agrawal
Director

S C Choradia
Director



**SCHEDULE FORMING PART OF THE STATEMENT OF ACCOUNTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010**

| | Current year | | Previous year | |
|---|--------------|--------------------|---------------|--------------------|
| SCHEDULE : A | | | | |
| SHARE CAPITAL | | | | |
| AUTHORISED | | | | |
| 40,00,000 Equity Shares of Rs. 10/- each | | 40000000.00 | | 40000000.00 |
| ISSUED, SUBSCRIBED AND PAID UP | | | | |
| 37,50,100 Equity Shares of Rs. 10/- each | | 37501000.00 | | 37501000.00 |
| Less: Calls in Arrear | | 200250.00 | | 200250.00 |
| | | <u>37300750.00</u> | | <u>37300750.00</u> |
| SCHEDULE : B | | | | |
| RESERVES & SURPLUS | | | | |
| Share Premium Account | | | | |
| As per last Account | 14100400.00 | | 14100400.00 | |
| Less: Calls in Arrear | 54427.00 | 14045973.00 | 54427.00 | 14045973.00 |
| Reserve Fund | | | | |
| As per last Account | 446325.00 | | 403492.00 | |
| Add: Provided during the year | 86189.00 | 532514.00 | 42833.00 | 446325.00 |
| General Reserve | | | | |
| As per last Account | | 567475.00 | | 567475.00 |
| Profit & Loss Account | | | | |
| As per assessed Account | | <u>2288506.85</u> | | <u>2023548.15</u> |
| | | <u>17432468.85</u> | | <u>17083321.15</u> |
| SCHEDULE : C | | | | |
| INVENTORIES | | | | |
| (As taken, valued and certified by the management) | | | | |
| Stock-in-trade | | 2883739.75 | | 6644080.73 |
| | | <u>2883739.75</u> | | <u>6644080.73</u> |
| SCHEDULE : D | | | | |
| CASH & BANK BALANCES | | | | |
| Cash in Hand | | 99071.72 | | 45904.72 |
| Balance with Scheduled Bank in : | | | | |
| Current Account | 114146.35 | | | 227772.31 |
| Balance with Scheduled Foreign Bank in : | 883738.61 | 997883.96 | | 601407.53 |
| Current Account | | | | |
| | | <u>1096955.68</u> | | <u>875084.56</u> |
| SCHEDULE : E | | | | |
| LOANS & ADVANCES | | | | |
| Unsecured - Considered Good | | | | |
| Loans (including accrued interest, if any) | | 34057931.00 | | 25840097.00 |
| Advance recoverable in cash or kind or for value to be received | | | | |
| Advance FBT | | 3544.00 | | 10498.00 |
| Income-Tax Deducted at Source | | 779527.00 | | 995377.00 |
| Deposits | | 15500.00 | | 15500.00 |
| | | <u>34856502.00</u> | | <u>26851472.00</u> |



SCHEDULE FORMING PART OF THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE : F**FIXED ASSETS**

| Particulars | Cost as on 01.04.2009 | Addition during the year | Cost as on 31.03.2010 | Depreciation Upto 31.03.2009 | Depreciation for the year | Depreciation Upto 31.03.2010 | W.D.V. as on 31.03.2010 | W.D.V. as on 31.03.2009 |
|-------------------------------|-----------------------|--------------------------|-----------------------|------------------------------|---------------------------|------------------------------|-------------------------|-------------------------|
| Furniture & Fixture | 274051.35 | — | 274051.35 | 240044.00 | 17348.00 | 257392.00 | 16659.35 | 34007.35 |
| Fax Machine | 29008.00 | — | 29008.00 | 28267.00 | — | 28267.00 | 741.00 | 741.00 |
| Computers | 624678.75 | — | 624678.75 | 590935.00 | 3740.000 | 594675.00 | 30003.75 | 33743.75 |
| Air Pollution Control Machine | 4275.00 | — | 4275.00 | 2996.00 | 204.00 | 3200.00 | 1075.00 | 1279.00 |
| Inverter | 13500.00 | — | 13500.00 | 86.00 | 640.00 | 726.00 | 12774.00 | 13414.00 |
| Office Equipments | 64915.15 | — | 64915.15 | 39638.00 | 3084.00 | 42722.00 | 22193.15 | 25277.15 |
| Air Conditioners | 95250.00 | — | 95250.00 | 75364.00 | 5028.00 | 80392.00 | 14858.00 | 19886.00 |
| Mobile Phone | 30100.00 | — | 30100.00 | 4939.00 | 1428.00 | 6367.00 | 23733.00 | 25161.00 |
| Scooter | 26895.00 | — | 26895.00 | 26113.00 | — | 26113.00 | 582.00 | 582.00 |
| | 1162473.25 | — | 1162473.25 | 1008382.00 | 31472.00 | 1039854.00 | 122619.25 | 154091.25 |
| Previous Year | 1148973.25 | 13500.00 | 1162473.25 | 977464.00 | 30918.00 | 1008382.00 | 154091.25 | |



SCHEDULE : G

| | QUANTITY | | AMOUNT | |
|---------------------------------------|---------------|---------------|-------------------|-------------------|
| | Current year | Previous year | Current year | Previous year |
| | Nos. | Nos | Rs | Rs. |
| INVESTMENT (At Cost) | | | | |
| Quoted Shares: | | | | |
| Bajaj Galvanising Ind Ltd | 75000 | 75000 | 593000.00 | 593000.00 |
| Aarsi Industries | 1000 | 2000 | 44149.00 | 76434.00 |
| Accentia Technology | - | 250 | - | 36852.52 |
| Alstom Projects | 300 | 200 | 144962.74 | 144962.74 |
| Areva T & D | 500 | 500 | 184195.00 | 184195.00 |
| 3i Infotech | 1000 | 1000 | 1.00 | 1.00 |
| Bajaj Hindusthan Ltd | 1500 | 1500 | 293271.46 | 293271.46 |
| Bartronics. | 100 | 100 | 13070.32 | 13070.32 |
| Bharat Gears | 500 | 500 | 34696.00 | 34696.00 |
| Elbani Airtel Ltd | 250 | 75 | 82082.88 | 46880.88 |
| Bharat Heavy Electronics Ltd | 50 | 50 | 104393.00 | 104393.00 |
| Consolidated Construction Concess Ltd | 375 | 75 | 74462.00 | 74462.00 |
| Dr. Reddy's Laboratories Ltd | - | 200 | - | 151921.00 |
| Esab India Ltd | 100 | 100 | 47173.00 | 47173.00 |
| Grasim Industries Ltd | 50 | 50 | 77373.29 | 77373.29 |
| Great OffShore Ltd. | 23 | 100 | 14855.06 | 65022.00 |
| HDFC Bank | 100 | 100 | 112525.04 | 112525.04 |
| Helios Matherson Technologies Ltd | 300 | 300 | 43580.50 | 43580.50 |
| Himachal Futuristic Corp Ltd | 3200 | 3200 | 118957.98 | 118957.98 |
| Hotel Leela | - | 250 | - | 12,986.00 |
| Hindalco Industries Ltd | 4000 | 4000 | 847851.19 | 847851.19 |
| Infosys Technologies Ltd | 150 | 150 | 301679.31 | 301679.31 |
| Indian Hotels Co Ltd | 173 | 173 | 12110.00 | 12110.00 |
| Indus Camera Ltd | 40950 | 40950 | 306000.00 | 306000.00 |
| Indus Panchaj Associate | 750 | 500 | 173983.00 | 173983.00 |
| Jindal Steel And Power | 300 | 50 | 102301.00 | 102301.00 |
| Lokesh Machinerics | 1500 | 1500 | 185673.00 | 185673.00 |
| Mahindra Forgings | 200 | 200 | 42258.00 | 42258.00 |
| Mangaiam Cement Ltd | 500 | 500 | 129197.83 | 129197.83 |
| MCC Investment & Leasing Ltd | 7000 | 7000 | 70000.00 | 70000.00 |
| Merck Ltd | 306 | 306 | 143416.97 | 143416.97 |
| Mind Tree Consultancy | - | 400 | - | 142000.00 |
| Norben Tea & Export Ltd | 30000 | 30000 | 300000.00 | 300000.00 |
| Orwaze | 250 | 250 | 67188.00 | 67188.00 |
| Panchwab Holiday Resorts Ltd | 4000 | 4000 | 40000.00 | 40000.00 |
| Reliance Industries Ltd. | 300 | 75 | 384550.46 | 129881.00 |
| Reliance Infrastructure | 100 | 100 | 73606.74 | 73606.74 |
| Reliance Petroleum Ltd | - | 1000 | - | 227440.00 |
| Supreme Petrochem Ltd. | 3500 | 4500 | 123979.81 | 158970.63 |
| Satyam Computers | 250 | 250 | 34868.00 | 34868.00 |
| Sirpur Paper Mills Ltd | 1250 | 1250 | 112500.00 | 112500.00 |
| Tata Power Co Ltd | 350 | 400 | 408783.37 | 467181.00 |
| Tata Steel CCCP | - | 2990 | - | 103915.00 |
| Tata Steel (Eq. Shares) | 500 | - | 104687.80 | - |
| Tata Consultancy LTD | 400 | 200 | 196958.62 | 196958.62 |
| Tech Mahindra Ltd | 200 | 200 | 221444.59 | 221444.59 |
| TTML | 1000 | 1000 | 36001.00 | 36001.00 |
| Woolworth India Ltd | 875 | 875 | 70000.00 | 70000.00 |
| Zee News | 1000 | 1000 | 72402.00 | 72402.00 |
| TOTAL - A | 184852 | 190168 | 6544096.16 | 7000382.61 |

(Market Value of Quoted shares Rs. 5937379.80/-

Previous year Rs.3071130.50/-).



SCHEDULE : G (Contd.)

| | QUANTITY | | AMOUNT | |
|---------------------------------------|---------------|---------------|--------------------|--------------------|
| | Current year | Previous year | Current year | Previous year |
| | Nos. | Nos | Rs. | Rs. |
| Unquoted Shares: | | | | |
| Ray Real Estate P Ltd | — | 15000 | — | 800000.00 |
| Brilliant Developers Private Ltd. | 50000 | 50000 | 100000.00 | 100000.00 |
| Expomark Hydrotech P Ltd | 10000 | 5000 | 100000.00 | 500000.00 |
| Magna Projects P Ltd | 25000 | 25000 | 2500000.00 | 2500000.00 |
| Manik Commercial P Ltd. | 15000 | — | 1500000.00 | — |
| Morgan Walker (Jute & Gunny) Ltd | 10000 | 10000 | 100000.00 | 100000.00 |
| Pinnacle Multiforms P Ltd | 60000 | 60000 | 600000.00 | 600000.00 |
| S B Assaying P Ltd | 10000 | 10000 | 500000.00 | 500000.00 |
| Sipari Investment P Ltd | — | 5000 | — | 2500000.00 |
| SRK Projects P Ltd | 13000 | 13000 | 1300000.00 | 1300000.00 |
| United Chemicals & Industries Pvt.Ltd | — | 4000 | — | 2000000.00 |
| UTI Safe Eng. Consultants P Ltd | 27000 | 27000 | 1350000.00 | 1350000.00 |
| Vatsalya Dealers P Ltd | 10000 | 10000 | 500000.00 | 500000.00 |
| Raksha Pipes P Ltd | 25500 | 25500 | 255000.00 | 255000.00 |
| Vijay Assay Centre P Ltd | 5000 | — | 500000.00 | — |
| Woodburn Niketan P Ltd | 3500 | 3500 | 35000.00 | 35000.00 |
| Total B | 264000 | 264000 | 9340000.00 | 13040000.00 |
| Total A + B | 448852 | 454169 | 15884096.15 | 20040382.61 |

| | Current year | Previous year |
|---|-----------------|------------------|
| SCHEDULE : H | | |
| CURRENT LIABILITIES & PROVISIONS | | |
| A) Current Liabilities | | |
| Liabilities for Expenses | 10073.99 | 8650.00 |
| B) Provisions | | |
| Provision for Fringe Benefit-tax | 3545.00 | 13854.00 |
| Provision for Income-tax | 84180.00 | 149595.00 |
| | 97798.99 | 171890.00 |

SCHEDULE : I

OPERATING INCOME

| | | |
|--|-------------------|-------------------|
| Brokerage & Commission received | — | 52000.00 |
| (TDS Rs.Nil/-, Previous year Rs.Nil/-) | | |
| Interest Received | 2929658.47 | 2365843.00 |
| (TDS Rs.321568/-, Previous year Rs.446259/-) | | |
| Interest recd. on Income Tax Refund | 26385.00 | 39717.00 |
| Share Difference | 135.00 | — |
| Dividend | 164470.04 | 163439.40 |
| | 3120548.51 | 3089799.40 |



**SCHEDULE FORMING PART OF THE STATEMENT OF ACCOUNTS
AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010**

| | Current year | | Previous year | |
|---|-------------------|---------------------|-------------------|-------------------|
| SCHEDULE : J | | | | |
| INCREASE(+)/DECREASE(-) IN STOCK | | | | |
| Closing Stock | 2883738.75 | | 6644080.73 | |
| Opening Stock | <u>6644080.73</u> | <u>(3760340.98)</u> | <u>5434275.93</u> | <u>1209804.60</u> |
| SCHEDULE : K | | | | |
| PAYMENT TO EMPLOYEES | | | | |
| Salary & Bonus | 594600.00 | | 436000.00 | |
| Food and Beverages for staffs at office | <u>29909.00</u> | <u>624509.00</u> | <u>21630.00</u> | <u>459630.00</u> |
| SCHEDULE : L | | | | |
| OPERATING EXPENSES | | | | |
| Computer Maintenance | 24162.00 | | 16714.00 | |
| Demol Charges | 3118.04 | | 1297.67 | |
| Telephone Expenses | 24295.41 | | 16707.25 | |
| Fax & Internet Expenses | 9036.00 | | 13461.00 | |
| Postage & Telegram | 11116.00 | | 8063.00 | |
| Printing & Stationery | 43994.00 | | 33374.00 | |
| Security Transaction Tax | 834.50 | | 245.00 | |
| Travelling & Conveyance | <u>22642.00</u> | <u>140197.95</u> | <u>19050.00</u> | <u>109211.92</u> |
| SCHEDULE : M | | | | |
| ADMINISTRATIVE & EXPENSES: | | | | |
| Advertisement | | 13100.00 | | 10264.00 |
| Auditors Remuneration: | | | | |
| - Audit Fees | 5515.00 | | 5515.00 | |
| - Tax Audit Fees | <u>1103.00</u> | <u>6518.00</u> | <u>1103.00</u> | <u>6618.00</u> |
| Bank Charges | | 188.43 | | 427.00 |
| Electric Charges | | 12830.00 | | 5110.00 |
| Filing Fees | | 1500.00 | | 2000.00 |
| General Expenses | | 6445.00 | | 2380.00 |
| Insurance Premium | | — | | 95234.00 |
| Interest paid -Professional Tax | | — | | 100.00 |
| Legal Fees | | 5000.00 | | 10000.00 |
| Listing Fees | | 11581.50 | | 10500.00 |
| Membership & Subscription | | — | | 250.00 |
| Newspaper, Magazines and Periodicals | | 3150.00 | | — |
| Office Repairs & Maintenance | | 9285.00 | | 8413.00 |
| Professional Tax | | 2500.00 | | 2500.00 |
| Rates & Taxes | | 2100.00 | | 1850.00 |
| Registrar's Fees | | 19854.00 | | 17978.00 |
| Rent | | <u>12000.00</u> | | <u>12000.00</u> |
| | | <u>106151.93</u> | | <u>185624.00</u> |



SCHEDULE : N

NOTES ON ACCOUNTS

1 Accounting Policies :

1.1 Fixed Assets :

- a) The Company capitalises Fixed assets at cost inclusive of all incidental expenses incurred in the acquisition of such assets.
- b) Depreciation has been provided on assets in accordance with the provision of the Schedule XIV of the Companies Act, 1956, on a straight line method to ensure that the cost of such assets is depreciated over the primary period of its use.
- c) Depreciation has been provided on Pro-rata basis with respect to the period of use.

1.2 Income :

- a) Dividend is accounted for on receipt basis.
- b) All other incomes has been recognised on accrual basis.

1.3 Expenses :

All expenses have been accounted for on accrual basis.

1.4 Contingent Liabilities :

Contingent Liabilities are not accounted for and are disclosed separately by way of notes.

1.5 Inventories :

Inventories i.e. stock of shares are valued at cost or market value whichever is lower.

1.6 Investments :

Investments are capitalised at cost including brokerage and stamp duty. In terms of the Reserve Bank of India guidelines to NBFC, all investments are bifurcated into current investments and long term investments. The investments acquired with the intention of short term holding are considered as stock in trade and classified as Current Assets and others are considered as Long term Investments. Decline in value of long term Investments are not provided for unless it is considered other than temporary in nature.

2 Fixed assets both tangible and intangible assets are tested for impairment every year and impairment loss if any is provided/adjusted as applicable.

3 Additional Information :

| | 2009-2010 | | 2008-2009 | |
|------------------------------------|------------|-------------|------------|-------------|
| | Qty.(Nos.) | Value (Rs.) | Qty.(Nos.) | Value (Rs.) |
| Trading of Shares / Units : | | | | |
| Opening of Stock | 199406 | 6644080.73 | 188350 | 5434275.93 |
| Purchases | 38500 | 3028658.00 | 119250 | 6401690.00 |
| Sales | 135215 | 4842896.14 | 120700 | 3076835.23 |
| Closing Stock | 110294 | 2883739.75 | 189406 | 6644080.73 |

*Quantity of Closing stock is adjusted by 19603 shares (Prev year 2506 shares) in total, which is increased/decreased due to merger/demerger/bonus/split and other adjustments etc.

Note :Other information as required under clause 4D of Part II to schedule VI of the Companies Act, 1956 are not applicable to the Company.

- 4 As per information given to us and as per information available with the company there are no outstanding to Small Scale Industries at the year end.
- 5 There were no employees receiving remuneration to the extent laid down in section 217(2A) of the Companies Act, 1956.
- 6 An amount of Rs 86189/- comprising 20% of the Net Profit for the year ended 31.3.2010 has been transferred to RBI Reserve Fund in accordance with section 45-1C of the RBI Act, 1964.


7 Accounting for Taxes on Incomes:

Details of deferred tax assets and liabilities arising/reversed on account of timing differences are:

| Particulars | 2009-2010 | | 2008-2009 | |
|----------------|-----------|-------------|-----------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| - Depreciation | — | 12995.00 | — | 19150.00 |

8 Earning Per Share (EPS):

| | 2009-10 | 2008-09 |
|--|-----------|-----------|
| (i) Profit after Tax | 382605.70 | 186170.51 |
| (ii) Weighted average No. of Ordinary Shares for Basic EPS | 3750100 | 3750100 |
| (iii) Normal Value of Ordinary Share | 10.00 | 10.00 |
| (iv) Basic/Diluted Earnings per Ordinary Share | 0.10 | 0.05 |

9 Information about Primary Business Segment

(Figures in '000)

| | | Business Segment | | | | Total |
|--|------------------|------------------|-----------------|---------------|-----------------|-----------------|
| | | Shares | Interest | Others | Unallocable | |
| Revenue: | | | | | | |
| External Revenue/Sale | 2008-2010 | 5097.37 | 2956.04 | 156.86 | — | 8128.27 |
| | 2008-2009 | 3240.27 | 2405.56 | 545.60 | — | 6191.43 |
| Result: | | | | | | |
| Segment result before tax | 2009-2010 | (1779.63) | 2956.04 | 156.86 | (902.33) | 430.94 |
| | 2008-2009 | (1951.61) | 2405.56 | 545.60 | (785.36) | 214.17 |
| Less: Provision for tax | 2009-2010 | | | | | 48.34 |
| | 2008-2009 | | | | | 26.00 |
| Results after tax | 2009-2010 | | | | | 382.61 |
| | 2008-2009 | | | | | 186.17 |
| Other information: | | | | | | |
| Segment Assets | 2009-2010 | 2883.74 | 34057.93 | — | 17902.24 | 54843.91 |
| | 2008-2009 | 6644.08 | 25840.10 | — | 22090.93 | 54575.11 |
| Segment Liabilities | 2009-2010 | — | — | — | 110.69 | 110.69 |
| | 2008-2009 | — | — | — | 191.04 | 191.04 |
| Non Cash Expenses other than Depreciation | 2009-2010 | | | | — | — |
| | 2008-2009 | | | | — | — |
| Depreciation | 2009-2010 | | | | 31.47 | 31.47 |
| | 2008-2009 | | | | 30.92 | 30.92 |

Notes:

- The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of product, services, the different risks and results, the organisation structure and internal reporting system. The Company's operations predominantly relates to trading in Shares & Finance. Other business comprises brokerage etc.
- The Company's operations wholly relate to domestic market. The export turnover is nil. As such there are no reportable geographical segments.
- Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relating to the business segment, are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.



10 No provision for Gratuity has been made as none of the employees have completed the required years of service.

11 **Related Party Disclosure**

| Related Party | Nature of Relationship | Nature of Transactions | Amount of Transaction | Balance as on 31.03.2010 |
|------------------|------------------------|------------------------|-----------------------|--------------------------|
| Kamal Kumar Jain | Directors' relative | Loan | 714948.00 | — |

12 The Company is a Small And Medium Sized Company (SMC) as defined in the general instruction in respect of the Accounting Standards notified under the Companies Act, 1956. Accordingly the company has Complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

13 In the absence of necessary information with the company relating to the registration of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 the information required under the Act Could not be Complied and Disclosed

14 Previous year figures have been regrouped or rearranged wherever necessary.

In terms of our report of even date annexed hereto.

For MORE V & CO.
Chartered Accountants
P K SHYAMSUKHA
Partner
M. No. 53220

16-B Roberts Street,
Kolkata - 700 012
Kolkata, May 31, 2010

R K Kankaria
Director

J N Gupta
Director

S K Agrawal
Director

S C Choradia
Director



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I. Registration Details:

Registration No. State Code
 Balance Sheet Date

II. Capital Raised during the Year (Amount in Rs.Thousands)

Public Issue Rights Issue
 Bonus Issue Private Placement

III. Position of Mobilisation & Deployment of Funds

Total Liabilities Total Assets
Source of Funds
 Paid-up Capital Reserves & Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liability
Application of Funds
 Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure
 Accumulated Losses

IV. Performance of Company

Turnover Total Expenditure
 Profit Before Tax Earning per share in Rs.
 Profit After Tax Dividend Rate %

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

(as Per monetary terms)

Product/Service Description:

Items Code No.:



| Particulars | Amount Outstanding |
|---|--------------------|
| 4. Break-up of Investments : | |
| Current Investments | |
| 1. Quoted : | |
| i. Shares a. Equity | 2881739.75 |
| b. Preference | 2000.00 |
| ii. Debentures and Bonds | — |
| iii. Units of Mutual Funds | — |
| iv. Government Securities | — |
| v. Others(Please specify) | — |
| 2. Unquoted : | |
| i. Shares a. Equity | 384.00 |
| b. Preference | — |
| ii. Debentures and Bonds | — |
| iii. Units of Mutual Funds | — |
| iv. Government Securities | — |
| v. Others(Please specify) | — |
| Long Term Investments | |
| 1. Quoted : | |
| i. Shares a. Equity (Net of Provisions) | 6544096.16 |
| b. Preference | — |
| ii. Debentures and Bonds | — |
| iii. Units of Mutual Funds | — |
| iv. Government Securities | — |
| v. Others(Please specify) | — |
| 2. Unquoted : | |
| i. Shares a. Equity (Net of Provisions) | 9340000.00 |
| b. Preference | — |
| ii. Debentures and Bonds | — |
| iii. Units of Mutual Funds | — |
| iv. Government Securities | — |
| v. Others(Please specify) | — |



| 5. Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below | | | |
|--|---|-----------------------------------|---------------|
| Category | Amount net of provisions | | |
| | Secured | Unsecured | Total |
| I. Related Parties | | | |
| a. Subsidiaries | - | - | - |
| b. Companies in the same Group | - | - | - |
| c. Other related Parties | - | - | - |
| II. Other than related Parties | - | 34057931.00 | 34057931.00 |
| Total: | | | |
| 6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see Note 3 below | | | |
| Particulars | Amount Outstanding | | |
| | Market value/ Break up or Fair Value or NAV | Book Value (Net of Provisions) | |
| Category | | | |
| i. Related Parties | | | |
| a. Subsidiaries | | | |
| b. Companies in the same Group | | | |
| c. Other related Parties | 100000.00 | 100000.00 | |
| II. Other than related Parties | 22007869.55 | 18667835.91 | |
| Total: | 22107869.55 | 18767835.91 | |
| 7. Other Information : | | | Amount |
| Particulars | | | |
| (i). Gross Non- Performing Assels | | | Nil |
| (a) Related Parties | | | |
| (b) Other than related Parties | | | |
| (ii) Net Non- Performing Assets | | | Nil |
| (a) Related Parties | | | |
| (b) Other than related Parties | | | |
| (iii) Assets acquired in satisfaction of debt | | | Nil |

Notes :

- As defined in Paragraph 2(1) (Xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions,2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of Investments and other Assels as also assets acquired in satisfaction of debt. However, market value in respect of quoted Investments and break-up/fair value.