

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Members of Lohia Securities Limited will be held on Saturday, the 27th day of September, 2008 at Somany Conference Hall, Merchant Chamber of Commerce, 15B Hemanta Basu Sarani, 2nd floor, Kolkata 700 001 at 10.30 A.M. to transact the following business :

Ordinary Business :

1. To consider and adopt the Accounts of the company for the financial year ended 31st March 2008, the Balance Sheet as at that date and reports of the Directors and Auditors thereon.
2. To declare dividend on ordinary shares for the year ended 31st March, 2008.
3. To appoint a Director in place of Shri Mahesh Kumar Bajaj, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Sudheer Kumar Jain, who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as Ordinary Resolution :

"Resolved that M/s Patni & Co., Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company."

Special Business :

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

"RESOLVED That Shri Sameer Bajaj, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and hold office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company subject to whose period of office shall be liable to determination by retirement of Directors by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), and subject to the approval of the Central Government, if required, from time to time, and in partial modification of the Ordinary Resolution passed by the members of the Company at their Annual General Meeting held on 27th September, 2006, the consent of the members of the Company be and is hereby granted for revision in the terms of remuneration of Shri Rajesh Kumar Bajaj, the Managing Director of the Company, for a period covering from 1st April, 2008 till the end of the tenure of his present office i.e. upto 24th September, 2010, or up to any further extension in his tenure beyond the end of his present tenure as aforesaid, which may be granted to him by the Board of Directors/ Remuneration Committee as are set out in the Explanatory Statement attached to the Notice of this meeting, a copy of which initialed by the Chairman of the meeting, for the purpose of identification, is placed before this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the said remuneration, perquisites/ benefits payable to Shri Rajesh Kumar Bajaj as the Managing Director as may be mutually agreed between the Company and Shri Rajesh Kumar Bajaj, subject to the applicable statutory provisions and approval of the Central Government, if required.

Resolved further that the Board of Directors be and is hereby authorised to take such steps as the Board may consider necessary or expedient to give effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to the approval of the Central Government, if required, from time to time, and in partial modification of the Ordinary Resolution passed by the members of the Company at their Annual General Meeting held on 27th September, 2006, the consent of the members of the Company be and is hereby granted for revision in the terms of remuneration of Shri Sudheer Kumar Jain, the Whole-time Director of the Company, for a period covering from 1st April, 2008 till the end of the tenure of his present office i.e. upto 25th September, 2009, or up to any further extension in his tenure beyond the end of his present tenure as aforesaid, which may be granted to him by the Board of Directors/ Remuneration Committee as are set out in the Explanatory Statement attached to the Notice of this meeting, a copy of which initialed by the Chairman of the meeting, for the purpose of identification, is placed before this meeting.

NOTICE (Contd.)

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the said remuneration, perquisites/ benefits payable to Shri Sudheer Kumar Jain as the Whole-time Director as may be mutually agreed between the Company and Shri Sudheer Kumar Jain, subject to the applicable provisions and approval of the Central Government, if required."

"Resolved Further that the Board of Directors be and is hereby authorised to take such steps as the Board may consider necessary or expedient to give effect to this Resolution."

By Order of the Board
For Lohia Securities Limited

Narendra Kr. Rai
Company Secretary

Place : Kolkata
Date : 30th July, 2008

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 24th September, 2008 to Saturday 27th September, 2008 (both days inclusive).
3. As per recommendations of SEBI Committee on Corporate Governance for appointment of the Directors/ re-appointment of the retiring Directors, a statement containing details of the concerned Directors are attached herewith.
4. Dividend on equity shares, if declared at the meeting, will be made payable on or after 3rd October, 2008 in respect of shares held in physical form to those members whose names appear in the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company as at the end of business hours on 23rd September, 2008 and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL).
5. Members/Proxies are requested to bring their Attendance Slip alongwith their copies of the Annual Report and Accounts to the Meeting.
6. Members seeking any information as regards the Accounts are requested to write to the Company at least one week in advance so as to enable the Management to keep the information ready.
7. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account number for identification.
8. Members holding shares in physical form are requested to notify/ send the following to company's Registrar and Share Transfer Agent - M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Road, Kolkata - 700 001 :
 - i) any change in their address/ mandate/ bank details
 - ii) particulars of their bank account, in case the same have not been sent earlier, and
 - iii) share certificate(s), held in multiple accounts in identical order of names, for consolidation of such shareholdings into one account.
9. Shareholders holding shares in electronic form may kindly note that their bank account details as furnished by their depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the depositories. Members are requested to notify any change in their bank account details to their Depository Participants immediately and not to send requests for change in their bank account details directly to the Company or to the Registrar and Share Transfer Agent.
10. Members are informed that dividends remaining unclaimed/ unpaid over a period of seven years shall be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their dividend warrant(s)/ cheques are requested to make their claims to the Company before the expiry of the statutory period of seven years.
11. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit the prescribed Form 2B for this purpose to the Registrar and Share Transfer Agent of the Company.

NOTICE (Contd.)**ANNEXURE TO THE NOTICE**

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

RESOLUTION NOS. 3 & 4**Reappointment of Directors :**

Pursuant to the provisions of Articles of Association Shri Mahesh Kumar Bajaj and Shri Sudheer Kumar Jain, Directors are retiring at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The brief resumes of all these directors and other information as per clause 49 of the Listing Agreement with the Stock Exchange are provided elsewhere in the Annual Report.

RESOLUTION NOS. 6**Appointment of Shri Sameer Bajaj**

Shri Sameer Bajaj has been appointed as an Additional Director on the Board w.e.f. 31st March, 2008 in terms of Article 81(a) of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956, he holds office upto the date of the Annual General Meeting and is eligible for appointment as Director. The Company has received a notice from a shareholder under Section 257 of the Companies Act, 1956 proposing his name for appointment as Director of the Company. No equity shares of the Company is being held by Shri Sameer Bajaj. A brief profile of Shri Sameer Bajaj and other information as per Clause 49 of the Listing Agreement with the Stock Exchange are provided elsewhere in the Annual Report. The Directors consider that the Company would be benefited by the advice of Shri Sameer Bajaj and recommend the acceptance of the resolution. None of the Directors is interested in the resolution except Shri Sameer Bajaj, the proposed appointee.

RESOLUTION NOS. 7 & 8 :**Revision of Remuneration of Executive Directors :**

The members of the Company had re-appointed Shri Rajesh Kumar Bajaj as the Managing Director of Lohia Securities Ltd. for a period of 5 years with effect from 24.09.2005 vide Resolution passed at the 11th Annual General Meeting of the Company held on 24th September, 2005 at the terms and conditions specified in the resolution. The said terms were further revised at the General Meeting of 27th September, 2006.

Shri Sudheer Kumar Jain was appointed as Whole-time Director of the Company effective from 1st October, 2004, for a period of 5 years at the terms and conditions specified in the resolution, by the members of the Company at their meeting held on 25th September, 2004. The said terms were further revised at the General Meeting of 27th September, 2006.

Considering the need to revise the scale of pay and revise the remuneration of Shri Rajesh Kumar Bajaj and Shri Sudheer Kumar Jain, the Remuneration Committee and the Board of Directors of the Company at their respective meeting held on 30th June, 2008 have approved grant of increments with effect from 1st April, 2008 to both the Managing Director and Whole-time Director, which is beyond the monthly pay approved by the members of the Company at their Annual General Meeting as aforesaid.

The terms of remuneration as approved for the above two managerial personnel at the aforesaid meetings of the Remuneration Committee/ Board of Directors are as under :

Particulars of Remuneration	Shri Rajesh Kumar Bajaj Managing Director	Shri Sudheer Kumar Jain Whole-time Director
Basic Salary	Rs.1,00,000/- per month with effect from 1st April, 2008	Rs.1,00,000/- per month with effect from 1st April, 2008

Perquisites :

Provision of the Company's maintained Car and driver's salary for use of the Company's business and telephone at residence shall not be considered as perquisite. The Company shall bill the appointee for personal long distance calls and use of car for private purpose, if any.

Reimbursement for entertainment, travelling and other actual expenses properly incurred for the purpose of Company's business shall not be considered as remuneration

No sitting fees to be paid for attending Meetings of the Board of Directors or any Committee.

Shri Rajesh Kumar Bajaj and Shri Sudheer Kumar Jain are interested in the proposed resolution at item no(s). 7 and 8 above to the extent of the remuneration, benefits they would enjoy.

NOTICE (Contd.)

The resolutions given under the items nos. 7 and 8 and this explanatory statement taken together, may be construed as an Abstract and Memorandum of Concern and Interest under Section 302 of the Companies Act, 1956.

By Order of the Board
For Lohia Securities Limited

Place : Kolkata
Date : 30th July, 2008

Narendra Kr. Rai
Company Secretary

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

Details of the Director seeking re-appointment at the 14th Annual General Meeting

Name of the Director	Shri Mahesh Kumar Bajaj	Shri Sudheer Kumar Jain	Mr. Sameer Bajaj
Date of Birth	03.03.1959	01.03.1966	28.11.1974
Date of Appointment	18.01.1995	18.01.1995	31.03.2008
Qualification Expertise in specific functional areas	BCOM He has over 23 years experience of stock market. He was Vice President of the Calcutta Stock Exchange from 1996 to July 1998. He is actively involved in carrying out research activity in the Capital Market.	BCOM(H), FCA, ACS He is by qualification a Chartered accountant and a Company Secretary. He is a commerce graduate from University of Calcutta. He has more than 14 years experience of capital market. He is Wholetime Director of the Company since 01.10.2004. He is looking after matters relating to administration, finance, investment and taxation.	BCOM (H), FCA, DISA He is a Chartered accountant and has more than 13 years experience of capital market. He is giving his advises to Board on matters relating to administration, finance.
List of Companies in which outside Directorship held	Public Companies : Nil Private Companies : 1. Bajaj Portfolio Services Private Limited 2. Madhusudhan Enclave Private Limited 3. Bajaj Stock & Securities Trading Private Limited 4. Lohia Commodities Pvt. Ltd. 5. Trade City Securities Private Limited. 6. Trade City Real Estate Private Limited (Formerly : Choudhary Distributors Pvt. Ltd.)	Public Companies : Nil Private Companies : 1. Trade City Real Estate Private Limited (Formerly : Choudhary Distributors Pvt. Ltd.) 2. Snehdeep Commerce Private Limited. 3. Shiv Lalit Consultancy Private Limited 4. Lohia Commodities Private Limited 5. Trade City Securities Private Limited	Public Companies : Nil Private Companies : 1. Ridhi Sidhi Distributor Private Limited 2. Trade City Real Estate Private Limited (Formerly: Choudhary Distributors Pvt. Ltd.)
Chairman/ Member of the Committee of the Board of Directors of the Company (Lohia Securities Ltd.)	<ul style="list-style-type: none"> • Member of Audit Committee • Member of Investors Grievance Committee • Member of Remuneration Committee 	Nil	<ul style="list-style-type: none"> • Member of Audit Committee • Member of Investors Grievance Committee • Member of Remuneration Committee
Chairman/ Member of the Committees of the Directors of other Companies in which he is a Director	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 14th Annual Report and the Audited Accounts of your Company for the financial year ended 31st March, 2008.

FINANCIAL HIGHLIGHTS

Particulars	Current Year ended 31.03.2008 (Rs. in lakhs)		Previous Year ended 31.03.2007 (Rs. in lakhs)	
Gross profit before interest, depreciation		2403.68		776.16
Less : Interest	109.34		72.86	
Depreciation	137.04	246.38	49.65	122.51
Profit before Tax		2157.30		653.65
Less : Provision for Current Taxation				
Income Tax for Earlier Years	—		(0.40)	
Provision for Fringe Benefit Tax	3.16		1.87	
Securities Transaction Tax Paid	848.61		609.65	
Provision for Deferred Tax	21.08	872.85	(3.80)	607.32
Profit after Tax		1284.45		46.33
Add Balance in Profit and Loss Account		622.50		634.67
Amount Available for Appropriation		1906.95		681.00
Appropriation:				
General Reserve	49.00		—	
Proposed Dividend on Equity Shares	59.80		50.00	
Tax on Dividend	10.16	118.96	8.50	58.50
Balance carried to Balance Sheet		1787.99		622.50
Earnings Per Share		25.69		0.93

DIVIDEND

The Directors of your Company are pleased to recommend a dividend of Re.1.20 per equity shares i.e. 12% (Previous year 10%) on par value of Rs.10/- each for the year ended 31st March, 2008. As, the Company will also pay a dividend tax of 16.995%, the total dividend outgo will be Rs.69.96 lacs.

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

OPERATIONS

Operating Income for the period ended 31st March, 2008 was Rs. 3491.65 lakhs as compared to Rs.1387.24 lakhs for the period ended 31st March, 2007 resulting in annualized downfall of 156.20%. Operating Profit (Earnings before interest, depreciation and income tax) for the period ended 31st March, 2008 was Rs.2403.68 lakhs as against Rs.776.16 lakhs for the year ended 31st March 2007 with annualized increase at 209.68%.

The Company has earned Profit before Tax of Rs. 2157.30 lakhs (as compared to last year's Rs.653.65 lakhs) after meeting interest expenses of Rs. 109.34 lakhs (last year's Rs.72.85 lakhs) and depreciation of Rs. 137.03 lakhs (last year's Rs.49.65 lakhs) for the year ended 31st March, 2008. The Net profit for the year was Rs.1284.45 lakhs (as compared to last year's Rs46.33 lakhs). The Board has decided to transfer to General Reserve Rs. 49 lakhs this year (Previous year Rs. Nil).

SUBSIDIARY COMPANIES

During the year under report your company has floated Trade City Securities Private Limited as a new company as its 100% subsidiary

DIRECTORS' REPORT (Contd.)

company. The said subsidiary has acquired membership of NSE and has become operational. Your Company has become holding Company of Trade City Commodities Private Limited and Trade City Real Estate Private Limited. Trade City Commodities Private Limited is a member of NCDEX, NCDEX Spot and MCX and is engaged in Commodity trading and registered with FMC. Trade City Real Estate is engaged in property business.

TRADE CITY AS TRADE MARK

Your Company has made application for registration of Trade City as its trade mark. It has got the name of its subsidiary companies changed by prefixing words "Trade City". It will create a brand image for the company and its products.

SHARE CAPITAL

Your Company has forfeited 17000 equity shares for non-payment of allotment money @ Rs.15/- (including a premium of Rs.7.50) per shares on 30/06/2008. As you are aware the trading members of the Bombay Stock Exchange are allowed to do trading in the shares of your Company in B Group with effect from May 6, 2008.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts, applicable accounting standards have been followed and that there are no material departures from the same.
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2008 and of the profit of the company for the year ended on that date.
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

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

DIRECTORS

During the year under review, Mr, Basant Kumar Agarwal resigned from the Directorship of the Company on personal grounds. The Board places on record its appreciation for his invaluable contribution during his tenure as Director of the Company. During the year under review Shri Sameer Bajaj was appointed as Additional Director by the Board and holds office upto the ensuing Annual General Meeting. The Company received notice from a member under section 257 of the Companies Act, 1956 proposing his appointment as Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and Article 90 of the Articles of Association of the Company, Shri Mahesh Kumar Bajaj and Shri Sudheer Kumar Jain retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief resume of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the stock exchange, are provided with the Annexure to the Notice of Annual General Meeting. Your Board of Directors has recommended their re-election.

AUDITORS

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

AUDITORS' REPORT

The statutory auditors of the Company submitted their report on the accounts of the Company for the accounting year ended 31st March, 2008, which was self explanatory and needed no comment.

DIRECTORS' REPORT (Contd.)**PARTICULARS OF EMPLOYEES**

None of the employees of the Company was in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence, particulars as required under the Companies (Particulars of Employees) Rules, 1975 are not given.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The company has no activity relating to conservation of energy or technology absorption, details of which are required to be furnished in this report as per the provision of Section 217(1)(e) of the Companies Act, 1956.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange used and earned are as below (Rs. in lakhs)

1. Expenditure in Foreign Currency

Particulars	2007-08	2006-07
Conference Fees (including travelling expenses for conference)	2.11	0
Training Expenses	2.54	0
Software Expenses	2.89	0
Books & Periodicals	0.48	0
Purchase of Electrical fittings	0	8.35
Total	8.02	8.35

2. Inflow in Foreign Currency

Particulars	2007-08	2006-07
Refund of Subscription Amount	1.13	0

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

ACKNOWLEDGEMENTS

Your directors wish to express their grateful appreciation for the co-operation and support received from suppliers, constituents, beneficiaries, banks, financial institutions, shareholders and the society at large. Your Directors also take on record their appreciation for the contribution and hard work of employees across all levels. Without their commitment, inspiration and hard work, your Company's consistent growth would not have been possible.

The Directors also wish to place their sincere thanks and appreciation to the Central Government, West Bengal Government and other Government Regulatory authorities for their assistance and support provided to the Company and look forward to their continued support.

For and on behalf of the Board of Directors

Kolkata, the 30th day of July, 2008

Rajesh Kumar Bajaj
Managing Director

Sudheer Kumar Jain
Whole-time Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The Indian economy continued to exhibit reasonably strong momentum during the year 2007-08 despite the global slowdown. According to the revised estimates of the Central Statistical Organisation (CSO), the economy recorded a real GDP growth of 9% during 2007-08 as compared to 9.6% during 2006-07. The growth in Industry at 8.1% and Services at 10.7% sectors continued to be the prime drivers of growth in overall GDP.

Capital markets also continued to boom. The National Stock Exchange (NSE) Index (S&P CNX Nifty) which was at 3821.65 points in March 2007 raised to 4734.50 points in March 2008, registering an increase of 23.89%. The Bombay Stock Exchange (BSE) Sensitive Index (Sensex) also registered increase of 22.11% from 13072.10 points to 15644.44 points during the same period. In the month of January 2008, BSE Sensex reached 21206.77 points and NSE S&P CNX Nifty reached 6357.10. The lowest BSE sensex was 12425.52 and NSE (S&P CNX Nifty) Index was 3617.00 in the month of April 2007. Thus, there was a fluctuation of 70.67 % between High and Low in BSE Sensex during the year and 75.76% between NSE's High and Low. In the NSE trading value for CM segment during the year was Rs.35,19,918 crore as compared to previous year Rs.19,40,094 crore. The F&O segment of NSE has achieved a trading value of Rs.13,090,478 crore during the year as compared to Rs.73,56,271 crore of the year 2006-07.

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

The stock broking and depository services have huge growth opportunities due to existing low penetration levels. However, these businesses are facing tremendous competitive pressures and regulatory compliances. As per SEBI, there were 9335 brokers (Cash market), 23479 sub-brokers, 994 Derivative Brokers (Trading and Clearing members) and 526 Depository participants as on 31.03.2006. Stockbrokers and Depository Participants have to comply with various laws. The advances in technologies have also affected these businesses. Your Company is gearing up well to face all such developments by increasing its reach across geographical areas and client segments, improving its infrastructure and technological, financial and human resources.

Opportunities and Threats

Your Company has diversified into other businesses by acquiring/ promoting subsidiary companies. It has acquired substantial stake in (a) Trade City Commodities Private Limited-engaged in Commodity Trading, (b) Trade City Real Estate Private Limited-Property Dealing (c) Trade City Securities Private Limited-Share broking with Membership of NSE-Cash and Derivative Segment-especially in retail business. Your Company is contemplating to acquire membership of currency derivative of NSE and BSE. The Company is concentrating its activities to a cross section of society across the India by opening branches in Kolkata, Mumbai, New Delhi, Jaipur, Patna, Ranchi, Giridih, Purulia, Bhagalpur. It is providing professional, value added, comprehensive and integrated financial and wealth management solutions across equities, derivatives, and depository segments. This feature helped the Company in generating more business than its competitors. The entry of large broking houses and banking companies with huge financial stake, is posing a threat to the Company. However, The stringent regulatory and government policies have made the expansion of the business tough.

Activities- wise performance

Your Company has not performed satisfactorily because of increase in STT charges and stiff competition. During the year, the Broking & Trading activities of the Company posted a gross revenue of Rs.3468.79 lacs as compared to Rs. 1372.98 lacs for the year ended 31.03.2007 resulting in annualized increase of 152.65%. The Depository managed to bring in revenue of Rs. 22.86 lacs during the year as compared to Rs. 14.25 lacs of last year. The Company has to bear STT of Rs. 848.61 lacs during this year as compared to Rs. 609.65 lacs of last year, which significantly affected its performance.

Outlook

The Company is now well prepared to grow its business in spite of the competitive environment it is facing. All out efforts are being made to keep the expenses under check so that resources could be deployed more gainfully. The Company is encouraging its workforce to acquire more and more knowledge about the market and intermediation works.

Your Board expect that the positive industrial growth trends are likely to continue in current fiscal. Your Company has an active role in trading in capital as well as derivative market. With increase in volume in both the markets, better price discovery is expected and it may enable the Company to earn better revenue through its trading activities.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

With the separation of trading operations and accounting and back office operations, the personals and the equipments would concentrate on the core area of operations. The reduction of burden of machines in general and server etc. in particular would help the Company in the long run. Now, the system personnel would concentrate in the proper maintenance of all the equipments.

Risks and Concerns

Your Company recognizes the importance of a comprehensive Risk Management system. This system will help not only to meet and comply with regulatory requirements but also to bring about an improvement in asset quality and profitability. It will eventually increase the shareholders' value. The Market Risk and Operational Risk, need to be identified, assessed, controlled and managed for effective and efficient operation. Your Company has endeavoured to bench-mark its Risk Management System on lines of market best practices and emerging regulatory norms.

A comprehensive risk evaluation methodology and processes for early identification and mitigation of all kinds of risks being in place, except for unforeseen circumstances and marginal exposure to financial risk in retail capital markets division, your Company is quite a risk free business.

Internal Control System

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

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

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

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

Discussion on financial performance with respect to operational performance

During the year good condition of the Indian Capital Market, helped the Company to attain reasonable profit. This was largely due to increase in profit from trading activities. Clear understanding of business dynamics, emphasis on efficient recovery system alongwith an integrated approach to risk management has enabled the Company to make the best use of the available resources and achieve better results.

The overall performance of your Company has been satisfactory despite the negative effect of STT on turnover. This could be possible due to management's relentless focus on assets productivity, strengthening of internal efficiency, cost consciousness and improved realization on turnovers. During the year under review, the Operating Income of the Company for the period ended 31st March 2008 was Rs. 3491.65 lakhs as compared to Rs.1387.24 lakhs for the period ended 31st March 2007 resulting in annualized increase of 151.70%. Operating Profit (Earnings before interest, depreciation and income tax) for the period ended 31st March, 2008 was Rs2403.68 lakhs as against Rs.776.16 lakhs for the year ended 31st March 2007 with annualized increase at 209.69%.

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

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

The actual number of persons employed in the Company as on 31st March, 2008 were 208.

For and on behalf of the Board of Directors

Kolkata, the 30th day of July, 2008

Rajesh Kumar Bajaj
Managing Director

Sudheer Kumar Jain
Whole-time Director

REPORT ON CORPORATE GOVERNANCE

Annexure to the Director's Report

The Directors present the Company's Report on Corporate Governance

The Company's Governance Philosophy

Your Company is strongly committed to the adoption of the best Corporate Governance practices and their adherence in true spirit in all its business dealings to serve the best interest of all stakeholders encompassing clients, employees, shareholders and the society at large. The Company endeavours to ensure integrity, transparency, fairness and social accountability in all its business practices and dealings

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company and as trustees of stakeholders.

Composition

The Board of Lohia Securities Limited is a balanced one, comprising Executive and Non-Executive Directors. Executive Directors do not exceed one-third of the total strength of the Board. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business /finance /law. The Board of Directors elected one of them as Chairman at each of their meetings.

Name of the Directors	Category of Directors	No. of other Directorships held (*)
Shri Hari Kishan Lohia	Non-Executive Director, Promoter	Nil
Shri Mahesh Kumar Bajaj	Non-Executive Director, Promoter	Nil
Shri Rajesh Kumar Bajaj	Executive Director, Promoter	Nil
Shri Sudheer Kumar Jain	Executive Director, Promoter	Nil
Shri Basant Kumar Agarwal (Resigned on 03/04/2007)	Independent, Non Executive Director	Nil
Shri Vineet Goenka	Independent, Non-Executive Director	Nil
Shri Sameer Bajaj (Appointed on 31/03/2008)	Independent, Non-Executive Director	Nil

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

Note :

Shri Basant Kumar Agarwal resigned from Directorship of the Company on 03.04.2007. He was an independent director of the Company and was also member of Audit Committee, Remuneration Committee and Investor Grievance Committee. After his resignation the Board of Directors approved, in principle, the appointment of Shri Sameer Bajaj and has applied to different stock exchanges of which the Company is a member for their prior approval of appointment of new Director within the reasonable time as per their guidelines. The Company has appointed Shri Sameer Bajaj as Director after receipt of approval from stock exchanges on 31.03.2008. During the intervening period of resignation of Shri Basant Kumar Agarwal and appointment of Shri Sameer Bajaj, the Board of directors of the Company was consisting of one independent director. The said delay in appointment of independent director was caused due to delay in receiving approval from the concerned stock exchanges.

Meetings and Attendance

Eight Board meetings were held during the year, as against the minimum requirements of four meetings. The Company has held at least one Board Meeting in every three months and maximum time gap between any such two meetings was not more than four months. During the financial year ended 31st March 2008, Board Meetings were held on 03.04.2007, 29.06.2007, 30.07.2007, 23.08.2007, 03.10.2007, 30.10.2007, 30.01.2008 and 31.03.2008.

REPORT ON CORPORATE GOVERNANCE (Contd.)**Attendance at Board Meetings and at Annual General Meeting (AGM)**

Name of the Directors	No. of Board Meeting		Whether attended the last AGM
	Held	Attended	
Shri Hari Kishan Lohia	8	8	Yes
Shri Mahesh Kumar Bajaj	8	8	No
Shri Rajesh Kumar Bajaj	8	8	Yes
Shri Sudheer Kumar Jain	8	8	Yes
Shri Basant Kumar Agarwal*	8	1	N.A.
Shri Vineet Goenka	8	8	Yes
Shri Sameer Bajaj*	8	1	N.A.

* were Director for part of the year

COMMITTEES OF THE BOARD**A. AUDIT COMMITTEE****Composition**

Your Company has an Audit Committee comprising of following three Non Executive Directors (two of them independent subject to Note on composition of Board of Directors). All of them financially literate and most of them have accounting or related financial management expertise. The Chairman of the Committee is an independent Director.

Shri Vineet Goenka, Chairman

Shri Mahesh Kumar Bajaj

Shri Basant Kumar Agarwal (Resigned on 03/04/2008)

Shri Sameer Bajaj (Appointed on 31/03/2008)

Shri Hari Kishan Lohia (Appointed on 03/04/2007 and resigned on 31/03/2008)

Terms of Reference

The terms of reference of the Committee include the powers and role including review of information as specified in Section 292A of the Companies Act, 1956 and Clauses 49II(C), 49II(D) and 49II(E) of the Listing Agreement, of the Company as well as that of its subsidiary companies. The Company, however, do not have any subsidiary.

Attendance

During the financial year ended on 31st March, 2008 meeting of the Audit Committee were held on 30th June, 2007, 30th July, 2007, 30th October, 2007, 30th January, 2008 and 31st March, 2008 which were attended by all the above members. The gap between two meetings never exceeded four months. Head of Finance, Accounts, Internal Auditors and Statutory Auditors also attended said meetings as and when invited by the Committee. The Company Secretary acts as the Secretary to the Committee.

B. REMUNERATION COMMITTEE**Composition**

The Remuneration Committee comprises of three Non-Executive Directors, two of whom are independent subject to Note on Composition of Board of Directors. The Chairman of the Remuneration Committee is ShriVineet Goenka. Shri Mahesh Kumar Bajaj and Shri Sameer Bajaj are the two other members of this Committee. Shri Basant Kumar Agarwal resigned from the Committee on 03/04/2007 and Shri Hari Kishan Lohia was appointed in his place on the same date. However Mr. Lohia resigned on 31st March, 2008 and in his place Mr. Sameer Bajaj was appointed as a member of the Committee.

Terms of Reference

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

Meetings and Attendance

The Remuneration Committee met on 30.12.2007 and approved grant of increments of the remuneration package of Shri Rajesh Kumar Bajaj- Managing Director, and Shri Sudheer Kumar Jain, Whole-time Director of the Company as per term approved by the members at the AGM of 27/09/2006. The Remuneration Committee met again on 31st March, 2008 and approved grant of further increment of remuneration package of Shri Rajesh Kumar Bajaj and Shri Sudheer Kumar Jain subject to approval of the members of the Company for the remaining period of their appointments.

REPORT ON CORPORATE GOVERNANCE (Contd.)**Remuneration of Directors**

The Remuneration Committee, comprising only of Non-Executive Directors, determines remuneration of Executive Directors and Senior Executive. The aggregate amount of salary paid for the year ended 31st March, 2008, to Shri Rajesh Kumar Bajaj, Managing Director of the Company was Rs. 5,70,000/- and Shri Sudheer Kumar Jain Whole-time Director was Rs.3,90,000/-. The Non-executive Directors are not paid any sitting fees for attending meeting of the Board and Committee thereof. During the year under report, no commission on net profit was paid to Non-Executive Directors.

C. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE**Composition**

The Shareholders/ Investors Grievance Committee presently comprises of three Non –Executive Directors, two of whom are independent (subject to Note on Composition of Board of Directors). The Chairman of the Shareholders/ Investors Grievance Committee is Shri Vineet Goenka. The other members of the Committee are Shri Mahesh Kumar Bajaj and Shri Sameer Bajaj. Company Secretary is the Compliance Officer of the Committee.

Terms of Reference

Role of the Committee include redressal of shareholders' complaints relating to transfer of shares, exchange of share certificates, non-receipt of balance sheet, non-receipt of declared dividends etc. Pursuant to Clause 49IVG(iv) of the Listing Agreement, the Board of the Company has delegated the power of Share Transfer to Whole-time Director Shri Sudheer Kumar Jain. Shri Jain attended to share transfer formalities on a fortnightly basis and the same was ratified by the Committee at its meeting.

Number of complaints received and solved during the financial year ended on 31st March, 2008 and pending as on that date were as follows :

Number of Shareholder Complaints received during the year.	Nil
Number not solved to the satisfaction of the shareholders till 31st March, 2008	Nil
Number of Complaints pending as at 31st March, 2008	Nil

Meetings and Attendance

During the financial year ended 31st March, 2008, only one meeting of the Shareholders/ Investors Grievance Committee was held on 29.01.2008 for consideration of the future policies of the Company in relation to handling of investor grievances.

General Body Meetings

- Location and time, where last three AGMs held

Financial Year	Date	Time	Place
2004-05	Saturday, 24th September, 2005	10.00 A.M.	1 R.N.Mukherjee Road, 1st floor, Kolkata 700 001
2005-06	Wednesday, 27th September, 2006	4.30 P.M.	1 R.N.Mukherjee Road, 1st floor, Kolkata 700 001
2006-07	Saturday, 29th September, 2007	10.30 A. M.	The Palladian Lounge Telegraph Room, 6 Netaji Subhas Road, 2nd Floor, Kolkata - 700 001

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

Financial Year	Items
2003-04	Nil
2004-05	Payment of Sitting fees to Non-Executive Directors
2005-06	Payment of Commission to Non-Executive Director
2006-07	Nil

One Resolution in terms of Notice dated 3rd October, 2007 for creation of charges under section 293(1)(a) was passed through Postal Ballot on 26/11/2007. No Resolution is proposed at the ensuing Annual General Meeting for passing of Resolution through Postal Ballot Papers.

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

REPORT ON CORPORATE GOVERNANCE (Contd.)**Disclosures :**

- o A Statement in summary form of transactions with related party in the ordinary course of business is placed periodically before the Audit Committee. The pricing of all transactions with the related parties were on arms length basis.
- o There are no materially significant related party transactions i.e. transactions material in nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. having potential conflict with the interests of the Company at large.
- o While preparation of financial statements for the year under review, no accounting treatment which was different from that prescribed in the Accounting standard followed.
- o For the list of disclosures of related party relationship and transactions as per Accounting Standard AS-18, "Related Party Disclosures", Note 3 on Schedule Q to the Annual Audited Accounts of the Company for the year ended 31st March, 2008 may be referred to.
- o In accordance with the requirement of Corporate Governance the Board of Directors of the Company has formulated a Code of Conduct for Directors and Senior Management Personnel of the Company and all concerned thereof has affirmed the compliance. The required declaration to this effect signed by the Managing Director and the Whole-time Director is appended as a separate Annexure to this Report. The Code of Conduct has been hosted on the Company's web site.
- o No stricture was imposed on the Company by any regulatory authority on any matter related to capital market during the last three years.
- o The Company has laid procedure to inform the Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.
- o In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 as amended in February, 2002, the Board of Directors of the Company has formulated the Code of Conduct for prevention of insider trading in Equity Shares of the Company by its Directors and Employees.
- o The Board of Directors of the Company have received a Certificate from the Managing Director and a Whole-time Director of the Company in compliance of Clause 49(V) of the Listing Agreement.
- o The Company has not made any public issue/ rights issue and preferential issues during the period under review.
- o The Company does not presently have a Whistle Blower Policy.
- o Non-Mandatory requirement to the extent of formation of Remuneration Committee, have been adopted.

Means of Communication

In compliance with the requirements of the Listing Agreements, the Company regularly intimates unaudited as well as audited financial results to the Calcutta Stock Exchange immediately after the Board takes them on record. Further coverage is given for the benefit of the shareholders and investors by publication of the financial results in the Financial Express and a Bengali newspaper circulating in the state of West Bengal.

General Shareholder Information

1. Annual General Meeting: Date, time and Venue

Date	27th September, 2008 (Saturday)
Time	10.30 A.M.
Venue	Somany Conference Hall, Merchant Chamber of Commerce, 15B Hemanta Basu Sarani, 2nd Floor, Kolkata 700 001 at 10.30 A.M.

2. Financial Calendar :

Financial reporting for the quarter ending June 30, 2008	End of July 2008
Financial reporting for the quarter ending September 30, 2008	End of October 2008
Financial reporting for the quarter ending December 31, 2008	End of January 2009
Financial reporting for the year ending March 31, 2009	End of June 2009
Annual General Meeting for the year ended March 31, 2009	Last fortnight of September, 2009

REPORT ON CORPORATE GOVERNANCE (Contd.)

3. Dates of Book Closure : 24th September, 2008 to 27th September, 2008
(both dates inclusive)
4. Dividend Payment Date : On or after 3rd October, 2008
5. Listing on Stock Exchange : The Calcutta Stock Exchange Association Limited
7, Lyons Range, Kolkata - 700 001

Note : Listing fee for the year 2007-08 has been paid to the Calcutta Stock Exchange Association Ltd.

6. Stock Code :
The Calcutta Stock Exchange Association Limited - 22123-LOHIASEC
ISIN Number : Partly Paid Shares - IN9803B01015
Fully Paid Shares - INE803B01017

7. Market Price Data :

Monthly high and low quotes and volume of shares traded on Calcutta Stock Exchange (CSE): There were no trading of the equity shares of Lohia Securities Limited for the period from 01/04/2007 to 31/03/2008 at the Calcutta Stock Exchange. The close price as on 31st March, 2008 is Rs.6.00

8. Stock Performance (Indexed) & Stock Performance during the last year (In Percentage) : The Company's share does not form a part of the CSE-40 or CSE-50 index

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

10. Share Transfer System : Share transfers are registered and returned within a period of 15 days from the date of receipt, in case documents are complete in all respects. All share transfers are approved by the whole-time Director under the authority delegated to him by the shareholders/ investors Grievance Committee.

11. a) Distribution of Shareholding as at the year ended 31.3.2008 :

No. of Shares	No. of Shareholders	% of Total	No. of Shares	% of Total
Upto- 500	516	86.0000	71,590	1.4318
501-1,000	14	2.3333	12,700	0.2540
1001-5000	15	2.5000	46,351	0.9270
5001-10,000	9	1.5000	65,750	1.3150
10,001-50,000	19	3.1667	393,500	7.8700
50,001-1,00,000	10	1.6667	787,860	15.7572
1,00,001- & above	17	2.8333	36,22,249	72.4450
Total	600	100.0000	5000000	100.0000

REPORT ON CORPORATE GOVERNANCE (Contd.)

b) Distribution of Shareholding as at the year ended 31.3.2008

Category	No. of Shareholders	% of Total	No. of Shares	% of Total
Bodies Corporate :				
Promoters	3	0.50	575000	11.500
Others	14	2.33	993960	19.879
	17	2.83	1568960	31.379
Resident Individuals				
Promoters (Directors & Relatives)	12	2.00	2309000	46.180
Others	571	95.17	1122040	22.441
	583	97.17	3431040	68.621
TOTAL	600	100.00	5000000	100.000

12. Dematerialisation of Shares and Liquidity :

The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31st March, 2008 a total of 31,95,743 shares of the Company, which forms 63.91% of the Share Capital of the Company stood dematerialised.

13. Outstanding GDR/ Warrants : None
14. Investor Correspondence : M/s. Niche Technologies Pvt. Ltd.
D-511, Bagree Market,
71, B.R.B.B. Road
Kolkata- 700 001

The Shareholders may also contact Shri Narendra Kumar Rai, Company Secretary, at the Registered Office of the Company for any assistance.

Declaration of Code of Conduct

As required by Clause 49(1)(d) of the listing agreement it is hereby affirmed that all the Board members and Senior Management personnel have complied with the code of conduct of the Company.

Rajesh Kumar Bajaj
Managing Director

Kolkata, the 30th day of July, 2008

REPORT ON CORPORATE GOVERNANCE (Contd.)

Auditors' Certificate on Corporate Governance

The Board of Directors
Lohia Securities Limited
6 Lyons Range, 1st floor,
Kolkata 700 001

We have examined the compliance of conditions of Corporate Governance by M/s. Lohia Securities Limited, for the year ended 31st March, 2008 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

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

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

For **PATNI & Co.**
Chartered Accountants

Sd/-
S.Sureka
Partner
Membership No. 57918

Place : 9 India Exchange Place, Kolkata 700 001
Date : the 30th day of July, 2008

AUDITORS' REPORT

To the Members of

M/s. Lohia Securities Limited

1. We have audited the attached Balance Sheet of M/s. **Lohia Securities Limited** as at 31st March, 2008, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are 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 to support the financial statement, amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used in the preparation of financial statements, assessing significant estimates made by the Management in the preparation of financial statements and evaluating overall financial statement preparation. 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 in term of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph (3) above, we report that :

- a) We have obtained all the information and explanations to the best of our knowledge and belief, were necessary for the purposes of our audit.
- b) 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 the books.
- c) The Balance sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
- d) In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standard referred to in sub-section 3(C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors, as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2008 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us and subject to notes given there on, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2008.

And

- (b) In the case of the Profit & Loss Account, of the Profit of the company for the year ended on that date.

And

- (c) In the case of the Cash Flow statements of the cash flow for the year ended on that date.

Place : 9, India Exchange Place
Kolkata - 700 001
Date : The 30th day of June, 2008

For **PATNI & CO.**
Chartered Accountants
S. SUREKA
Partner
Membership No. 57918

ANNEXURE TO THE AUDITORS' REPORT

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

- i) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. These fixed assets were physically verified by the management during the year. We have been informed that no discrepancies were noticed on such physical verification. Substantial part of fixed assets has not been disposed of during the year, which will affect its status as going concern.
- ii) Physical verification of inventories has been conducted by the management during the year at reasonable intervals. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. As informed to us, discrepancies found on physical verification of inventories as compared to book records were recorded in the books of accounts.
- iii) A) The company had not granted any loan, secured or unsecured to any party covered in the register maintained u/s 301 of the Companies Act, 1956. Hence question of reporting whether the terms and conditions of loan given are prejudicial to the interest of the company does not arise.
B) The Company has taken unsecured loan from six parties covered in the register required to be maintained u/s 301 of The Companies Act, 1956. The maximum amount involved during the year was Rs. 4,55,00,000/-. In our opinion, the rate of interest and terms and conditions of loan taken by the company from companies, firms or other parties listed in the register required to be maintained under section 301 of the Companies Act, 1956, are not, prima facie, prejudicial to the interest of the company. The company is regular in payment of interest. There is no specific stipulation with regard to repayment of loans.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
- v) According to the information and explanations given to us, in our opinion contracts or arrangements that need to be entered into the register required to be maintained u/s 301 of the Companies Act, 1956 have been so entered.
In our opinion, each of these contracts or arrangements made have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- vi) According to information and explanations given to us, the company has not accepted any deposits from the public deposit upto 31.3.2008.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) The company is not engaged in production, processing, manufacturing or mining activities. Hence, the provisions of section 209(1)(d) do not apply to the company. Hence, no comment on maintenance of cost records u/s 209(1)(d) is required.
- ix) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service tax, Sales Tax, Customs Duty, Excise Duty & Cess and any other statutory dues with appropriate authorities applicable to it. According to information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service Tax, sales tax, custom duty and excise duty were outstanding as at the last date of the accounting year for a period of more than six months from the date they became payable. According to records of the company, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- x) The company has no accumulated losses. The company has not incurred cash losses in the financial year under report and in the immediately preceding financial year.

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

- xi) The Company has not defaulted in repayment of dues to financial institution or bank or debenture holders.
- xii) As informed to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- xiii) The company is not a chit fund, nidhi or mutual benefit fund / society.
- xiv) The company has maintained proper records of the transactions and contracts of dealing in shares, securities, debenture and other investment and we have been informed that timely entries have been made therein. As explained to us, all the shares have been held by the company in its own name except to the extent of exemption granted u/s 49 of the Companies Act, 1956.
- xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The term loans obtained by the company have been applied for the purpose for which they were raised.
- xvii) According to the information and explanation given to us, we report that no funds raised on short-term basis have been used for long term investment by the company.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register required to be maintained under section 301 of the Act.
- xix) The company has not issued any debenture.
- xx) The company has not raised any money by public issues during the period covered by our audit report.
- xxi) During the checks carried out by us, no fraud on or by the company has been noticed or reported during the year under report.

Place : 9, India Exchange Place
Kolkata - 700 001
Date : The 30th day of June, 2008

For **PATNI & CO.**
Chartered Accountants
S. SUREKA
Partner
Membership No. 57918

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedules	2007 - 2008		2006 - 2007	
		Rs.	P.	Rs.	P.
I. SOURCES OF FUNDS					
1. SHAREHOLDER'S FUNDS					
a) Share Capital	"A"	49,809,750.00	✓	49,796,250.00	
b) Reserves & Surplus	"B"	293,106,396.10	✓	171,643,840.51	
2. LOAN FUNDS					
a) Secured Loans	"C"	106,899,413.17	✓	13,621,031.84	
b) Unsecured Loans	"D"	—		41,300,000.00	
3. DEFERRED TAX LIABILITY (NET)		2,697,893.00	✓	589,940.00	
TOTAL		452,513,452.27		276,951,062.35	
II. APPLICATION OF FUNDS					
1. FIXED ASSETS					
Gross Block	"E"	87,908,708.79		48,278,399.92	
Less : Depreciation		41,080,504.15		29,045,620.39	
Net Block		46,828,204.64		19,232,779.53	
Capital Work - in - Progress		—		10,845,127.97	
		46,828,204.64		30,077,907.50	
2. INVESTMENTS	"F"	50,958,500.00		2,795,212.00	
3. CURRENT ASSETS AND LOANS & ADVANCES					
a) Inventories	"G"	55,063,313.42		59,679,242.46	
b) Sundry Debtors	"H"	12,243,850.30		6,134,513.89	
c) Cash & Bank Balances	"I"	248,961,914.03		150,530,575.61	
d) Other Current Assets	"J"	9,325,840.48		5,860,556.61	
e) Loans & Advances	"K"	83,919,523.41		55,555,560.17	
		409,514,441.64		277,760,448.74	
LESS : CURRENT LIABILITIES AND PROVISIONS					
a) Current Liabilities	"L"	43,406,873.22		23,610,476.62	
b) Provisions	"M"	11,560,017.00		10,097,750.00	
		54,966,890.22		33,708,226.62	
NET CURRENT ASSETS		354,547,551.42		244,052,222.12	
4. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)					
a) Interest Suspense		179,196.21		25,720.73	
		179,196.21		25,720.73	
TOTAL		452,513,452.27		276,951,062.35	
Significant Accounting Policies and Notes to the Accounts Schedules referred to above form an integral part of the Balance Sheet As per our attached report of even date For PATNI & CO. <i>Chartered Accountants</i> S. SUREKA <i>Partner</i> Membership No. 57918 Place : Kolkata Date : 30.06.2008					
"Q"					
For and on behalf of the Board of Directors					
		Narendra Kumar Rai <i>Company Secretary</i>	Rajesh Kumar Bajaj <i>Managing Director</i>	Sudheer Kumar Jain <i>Whole-time Director</i>	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedules	2007 - 2008		2006 - 2007	
		Rs.	P.	Rs.	P.
I. INCOME					
Income from Share operation	"N"	284,362,838.12		93,531,688.78	
Dividend from Shares lying at Inventories		571,326.05		1,032,196.55	
Brokerage		45,331,991.35		33,410,613.38	
Interest (T.D.S. Rs. 32,72,345.28 Previous Year Rs. 19,90,234.70)		16,353,887.57		9,053,369.10	
Receipts from DP Division		2,286,044.14		1,425,367.87	
Profit on Sale of Investment		61,704.40		113,802.00	
Profit On Sale of Fixed Assets		145,175.24		—	
Miscellaneous Income		52,802.17		157,116.00	
TOTAL		349,165,769.04		138,724,153.68	
II. EXPENDITURE					
Payments to and Provision for Employees	"O"	24,134,620.69		12,400,061.39	
Other Expenses	"P"	84,662,979.07		48,708,267.51	
Interest Expenses		10,934,435.14		7,285,976.90	
Depreciation		13,703,411.00		4,964,932.00	
TOTAL		133,435,445.90		73,359,237.80	
PROFIT/(LOSS) BEFORE TAX (A-B)		215,730,323.14		65,364,915.88	
Less : Securities Transaction Tax		84,861,297.55		60,965,272.11	
Less : Provision for Taxes					
Current Tax		—		—	
Deferred Tax		2,107,953.00		(380,250.00)	
Fringe Benefit Tax		316,184.00		187,000.00	
Income Tax For Earlier Year		—		(39,683.00)	
PROFIT/(LOSS) AFTER TAX		128,444,888.59		4,632,576.77	
Add : Balance Brought Forward from previous year		62,250,090.51		63,467,263.74	
		190,694,979.10		68,099,840.51	
Less : Proposed Dividend for the year		5,979,600.00		5,000,000.00	
Less : Provision for Dividend Tax		1,016,233.00		849,750.00	
		183,699,146.10		62,250,090.51	
Less : Transfer to General Reserve		4,900,000.00		—	
Balance As Per Balance Sheet		178,799,146.10		62,250,090.51	
Basic/Diluted Earning Per Share		25.69		0.93	
Significant Accounting Policies and Notes to the Accounts	"Q"				
Schedules referred to above form an integral part of the Profit & Loss Account					
As per our attached report of even date					
For PATNI & CO.					
<i>Chartered Accountants</i>					
S. SUREKA					
<i>Partner</i>					
Membership No. 57918					
Place : Kolkata					
Date : 30.06.2008					
Narendra Kumar Rai					
<i>Company Secretary</i>					
Rajesh Kumar Bajaj					
<i>Managing Director</i>					
Sudheer Kumar Jain					
<i>Whole-time Director</i>					

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008
(Pursuant to Clause 32 of Listing Agreements (s) (as amended))

	31.3.2008		31.3.2007	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extraordinary Items		2,157.30		653.66
Adjustment for :				
Depreciation	137.03		49.65	
Interest on Loan	109.34		71.63	
Profit on Sales of Investment	(0.62)		(1.14)	
Profit on Sales of Fixed Assets	(1.45)	244.31	—	120.14
		<u>2,401.61</u>		<u>773.80</u>
Operating Profit before Working Capital Adjustment				
(Increase)/Decrease in Inventories	46.16		441.46	
(Increase)/Decrease in Debtors	(61.09)		7.84	
(Increase)/Decrease in Other Current Assets	(34.65)		(33.13)	
(Increase)/Decrease in Loans & Advances	(283.64)		414.09	
Increase/(Decrease) in Current Liabilities	197.92	(135.30)	(239.59)	590.67
		<u>2,266.31</u>		<u>1,364.47</u>
Payment of Tax		848.61		(620.97)
Net cash flow from operating activities		<u>1,417.70</u>		<u>743.50</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale Proceed of Investment	0.95		2.85	
Purchase of Long Term Investment	(481.97)		(10.00)	
Advance for Property	—		(12.70)	
Purchase of fixed assets	(309.20)		(91.05)	
Sales Proceeds of Fixed Assets	6.12		—	
Capital Work In Progress	—		(108.45)	
(Increase)/decrease in fixed deposit	(546.32)		(458.55)	
Net cash used in investing activities		<u>(1,330.42)</u>		<u>(677.90)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(Decrease) in Secured Loan	932.78		(168.05)	
Increase/(Decrease) in Unsecured Loan	(413.00)		(86.00)	
Payment of Dividend & Dividend Tax	(58.50)		(22.81)	
Interest Paid	(109.34)		(71.63)	
Share Capital & Security Premium	0.27		0.36	
Misc. Expenses W/off	(1.53)		(0.15)	
Net cash realised from financing activities		<u>350.68</u>		<u>(348.28)</u>
Net increase/(Decrease) in cash and cash equivalent		<u>437.95</u>		<u>(282.68)</u>
OPENING CASH & CASH EQUIVALENT		<u>77.71</u>		<u>360.39</u>
CLOSING CASH & CASH EQUIVALENT		<u>515.66</u>		<u>77.71</u>

As per our attached report of even date

For **PATNI & CO.**

Chartered Accountants

S. SUREKA

Partner

Membership No. 57918

Place : Kolkata

Date : 30.06.2008

Narendra Kumar Rai
Company Secretary

For and on behalf of the Board of Directors

Rajesh Kumar Bajaj
Managing DirectorSudheer Kumar Jain
Whole-time Director

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS

	2007 - 2008		2006 - 2007	
	Rs.	P.	Rs.	P.
SCHEDULE 'A'				
SHARE CAPITAL				
Authorised				
75,00,000 Equity shares of Rs. 10/- each				
		75,000,000.00		75,000,000.00
Issued, subscribed & paid up				
50,00,000 Equity shares of Rs. 10/- each fully paid up		50,000,000.00		50,000,000.00
Less : Calls in arrear		190,250.00		203,750.00
TOTAL		49,809,750.00		49,796,250.00
Note : Out of the above shares, 50,000 shares are allotted as fully paid up pursuant to a contract without payment being received in cash.				
SCHEDULE 'B'				
RESERVE & SURPLUS				
A. General Reserve				
Opening Balance		90,100,000.00		90,100,000.00
Add : Transfer from P/L A/c		4,900,000.00		—
Sub - Total A		95,000,000.00		90,100,000.00
B. Profit & Loss A/c				
Profit & Loss Account		178,799,146.10		62,250,090.51
Sub - Total B		178,799,146.10		62,250,090.51
C. Share Premium				
Opening Balance		19,500,000.00		19,500,000.00
Less : Calls in arrear		192,750.00		206,250.00
Sub - Total C		19,307,250.00		19,293,750.00
TOTAL (A + B + C)		293,106,396.10		171,643,840.51

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS

	2007 - 2008		2006 - 2007	
	Rs.	P.	Rs.	P.
SCHEDULE 'C'				
SECURED LOAN				
Loan against Car				
1. ICICI BANK LTD. (Repayable within one year Rs. 2,37,348/-; Previous Year Rs. 1,51,668/-)	437,055.00		307,125.00	
2. HDFC BANK LTD. (Repayable within one year Rs. 3,15,180/-; Previous year Nil)	919,275.00		—	
Term Loan				
1. ICICI BANK LTD. (Secured against personal guarantee of Directors and office premises of group companies)	—		6,661,876.00	
2. HDFC BANK (Refer note no.7 of Schedule 'Q') (Repayable within one year Rs. 2,20,00,000; Previous year Nil)	22,000,000.00		—	
3. HDFC BANK (Secured against moveable Plant & Machinery and Furniture & Fittings at Office located at 4, Brouborne Road, 5th Floor, Kolkata - 1) (Repayable within one year Rs. 66,66,666.72; Previous year Nil)	14,999,999.96		—	
Bank overdraft				
HDFC Bank LAS A/c (Secured against pledge of Shares)	6,579,827.90		5,056,645.48	
HDFC Bank FD/OD A/c (Refer note no. 7 of Schedule 'Q')	21,880,255.35		1,595,385.36	
Punjab National Bank FD/OD A/c. (Refer note no. 7 of Schedule 'Q')	13,814,325.00		—	
HDFC BANK (Secured against personal guarantee of Directors and office premises of Subsidiary Companies)	26,268,674.96		—	
TOTAL	106,899,413.17		13,621,031.84	
SCHEDULE 'D'				
UNSECURED LOAN				
From body Corporates	—		41,300,000.00	
TOTAL	—		41,300,000.00	

SCHEDULE 'E'

FIXED ASSETS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2007	Addition	Deduction	As at 31.03.2008	As at 01.04.2007	For the year	Adjustment for sale	As at 31.03.2008	As at 31.03.2008	As at 31.03.2007
Office	4,893,081.00	—	—	4,893,081.00	2,075,491.74	140,879.00	—	2,216,370.74	2,676,710.26	2,817,589.26
Office Equipment	1,890,396.74	2,537,817.50	—	4,428,214.24	451,745.36	471,234.00	—	922,979.36	3,505,234.88	1,438,651.38
Furniture & Fixtures	2,742,525.21	8,217,590.83	—	10,960,116.04	1,643,209.97	1,298,895.00	—	2,942,104.97	8,018,011.07	1,099,315.24
Air Conditioner	2,093,232.25	1,564,055.00	—	3,657,287.25	604,886.84	388,690.00	—	993,576.84	2,663,710.41	1,488,345.41
Car	4,021,084.00	1,552,448.00	1,175,889.00	4,397,643.00	2,375,710.14	458,386.00	712,357.58	2,121,738.56	2,275,904.44	1,645,373.86
Computer & Accessories*	31,563,500.23	23,688,500.09	959,000.00	54,293,000.32	21,842,519.14	10,351,153.00	956,169.66	31,237,502.48	23,055,497.84	9,720,981.09
Electrical Installation	183,126.49	4,204,786.45	—	4,387,912.94	52,057.20	470,173.00	—	522,230.20	3,865,682.74	131,069.29
Generator	891,454.00	—	—	891,454.00	—	124,001.00	—	124,001.00	767,453.00	891,454.00
TOTAL	48,278,399.92	41,765,197.87	2,134,889.00	87,908,708.79	29,045,620.39	13,703,411.00	1,668,527.24	41,080,504.15	46,828,204.64	19,232,779.53
PREVIOUS YEAR	39,173,438.85	9,104,961.07	—	48,278,399.92	24,080,688.39	4,964,932.00	—	29,045,620.39	19,232,779.53	15,092,750.46

*Notes :

Computer & Accessories includes Rs. 5,60,000/- on which no depreciation has been charged as the same was not put into use.

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS

	2007 - 2008		2006 - 2007	
	Rs.	P.	Rs.	P.
SCHEDULE 'F'				
INVESTMENT				
LONG TERM INVESTMENTS (AT COST)				
A) In Equity Shares				
Unquoted, Trade				
In Subsidiaries	12,500,000.00		—	
Trade City Securities Pvt. Ltd.				
12,50,000 (Previous Year : Nil)Equity Shares of Rs. 10 each fully paid up				
Trade City Real Estate Pvt. Ltd.	26,246,500.00		—	
(Formerly:- Choudhary Distributors Pvt. Ltd.)				
7,49,900 (Previous Year : Nil) Equity Shares of Rs. 10 each fully paid up				
Trade City Commodities Pvt. Ltd.	9,450,000.00		—	
(Formerly : Lohia Commodities Pvt. Ltd.)				
6,30,000 (Previous Year : Nil)Equity Shares of Rs. 10 each fully paid up				
Sub Total (i)	48,196,500.00		—	
In Others				
The Calcutta Stock Exchange Association Ltd.				
250 (Previous Year : 1) Equity Shares of Rs. 1 each fully paid up	500,000.00		500,000.00	
Sub Total (ii)	500,000.00		500,000.00	
Quoted, Non Trade				
Ballarpur Industries Ltd.	—		33,212.00	
(Previous Year : 874 Equity Shares of Rs. 10 each fully paid up)				
Sidheshwari Garments Ltd.	87,000.00		87,000.00	
8,700 (Previous Year: 8,700) Equity Shares of Rs. 10 each fully paid up				
Sub Total (iii)	87,000.00		120,212.00	
Unquoted, Non Trade				
Nimbus Communication Ltd.	675,000.00		675,000.00	
3,000 (Previous Year : 3,000) Equity Shares of Rs. 10 each fully paid up				
Ratnagiri Barter Pvt. Ltd.	500,000.00		500,000.00	
50,000 Equitiy Shares of Rs. 10 each fully paid up				
Sub Total (iv)	1,175,000.00		1,175,000.00	
TOTAL : A (i+ii+iii+iv)	49,958,500.00		1,795,212.00	
B. In Mutual Fund				
Unquoted (Non Trade)	1,000,000.00		1,000,000.00	
LIC MF India Vision Fund				
1,00,000 (Previous Year : 1,00,000) Units of Rs. 10 each fully paid up	1,000,000.00		1,000,000.00	
TOTAL : B	1,000,000.00		1,000,000.00	
TOTAL : (A + B)	50,958,500.00		2,795,212.00	
Market value of Quoted Shares	26,535.00		120,271.50	
Net Assets Value of Mutual Fund	1,084,790.00		915,670.00	

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE 'G'	2007-2008		2006-2007	
	Qty.	Amount	Qty.	Amount
STOCK IN TRADE				
Name of the Company				
Adlabs Films Limited.	50	28,450.00	—	—
Accel Frontline Limited	35,000	2,968,000.00	2,000	121,000.00
Aksh Optifibre Limited	10,000	443,500.00	—	—
Allahabad Bank Limited	—	—	1	72.65
Alok Industries Limited	—	—	10,050	545,715.00
Alphageo India Limited	—	—	6,000	1,301,184.15
Ambalal Sarabhai Enterprises Limited	500	12,925.00	—	—
Anco Communications Limited.	1,000	2,150.00	1,000	2,150.00
Ansal Housing & Construction Limited	—	—	2,000	537,900.00
Arvind Mills Limited	—	—	4,300	185,545.00
Arihant Threads Limited	9,000	2,700,000.00	—	—
Arvind Remedies Limited	100,000	245,000.00	—	—
Ashok Leyland Limited	999	35,364.60	1	38.40
Atul Limited	—	—	12,434	1,061,241.90
BAG Films Limited.	—	—	17,500	338,327.35
Bajaj Auto Limited	—	—	2	4,855.20
Bajaj Hindustan Limited	—	—	47	8,258.35
Ballarpur Industries Limited	—	—	9,125	978,656.25
Bang Overseas Limited	25,000	2,797,342.25	—	—
Bank of India	—	—	2	334.00
Bank of Rajasthan Limited.	—	—	5,800	224,750.00
Baroda Rayon Corp. Limited.	485	1,430.75	485	1,430.75
Bharati Shipyard Limited	175	95,200.00	200	67,425.00
Bharti Tele Ventures Limited	—	—	2	1,527.00
Bhourkla Aluminium Limited	4,000	187,600.00	—	—
Binani Industries Limited	1,000	117,250.00	—	—
Biopac India Corporation Limited	2,050	28,700.00	—	—
Bodal Chemicals Limited	500	24,950.00	—	—
BPL Limited	4,500	194,850.00	—	—
Brushman India Limited	36,625	2,388,144.70	—	—
Barak Valley Cement Limited	950	30,551.00	—	—
Carol Info Service Limited	—	—	2,401	118,369.30
Ceat Limited	—	—	1,000	107,850.00
Celebrity Fashions Limited	25,557	1,001,834.40	—	—
Century Textiles Limited	—	—	3	1,614.00
Centurian Bank of Punjab Limited.	15,000	648,750.00	—	—
Century Extrusions Limited	28,616	148,803.20	—	—
Cochin Minerals & Rutilites Limited	6,000	239,100.00	—	—
Cipla Limited	—	—	2	470.10
Confidence Petroleum India Limited	60,000	750,000.00	—	—
Colgate Palmolive (I) Limited	—	—	1,833	606,906.30
Cosmo Films Limited	3,000	255,150.00	—	—
Crisil Limited	95	314,450.00	—	—
Dabur India Limited	—	—	1	94.50

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE 'G' (Contd.)	2007-2008		2006-2007	
	Qty.	Amount	Qty.	Amount
Dewan Housing Finance Corporation Limited	—	—	25,475	1,556,522.50
Deccan Aviation Limited	—	—	10,000	922,500.00
Develop Credit Bank Limited	100	8,520.00	—	—
Dena Bank	500	25,400.00	—	—
Divi's Laboratories Limited	—	—	1	2,980.00
DLF Limited	1	645.75	—	—
Dolat Investments Limited	50,000	360,500.00	—	—
Duncans Industries Limited	438	4,139.10	—	—
Dunlop India Limited.	3,851	25,416.60	1,000	5,500.00
Eimco Elecon (India) Limited	—	—	250	71,975.00
Electrosteel Castings Limited	2,000	88,900.00	—	—
English India Clays Limited	52	53,770.60	—	—
Esab India Limited	—	—	2,100	639,660.00
Escorts India Limited	—	—	1	115.60
Essar Oil Limited	500	102,175.00	—	—
Essar Steel Limited.(Prefencial Shares)	—	—	1,200	2,520.00
Federal - Mogul Goetze India Limited	829	53,711.60	—	—
Foundary Fuel Products Limited	62,690	317,838.30	—	—
Forbes & Company Limited	30	14,220.00	—	—
Gallant Metal Limited	800	18,997.50	—	—
Gail India Limited	—	—	4,504	1,191,533.20
Ganesh Housing Corporation Limited	—	—	2,000	672,784.75
Garden Silk Mills Limited	—	—	5,000	258,250.00
Gati Limited	—	—	2,565	231,905.10
Gateway Distripark Limited.	1,000	98,400.00	800	120,651.55
Gujrat Ambuja Cement Limited.	—	—	107	11,416.90
Gujrat industrial Power Company Limited.	—	—	4,700	258,970.00
Gujrat Narmada FERTilisers Company Limited	—	—	5,898	548,219.10
G V Films Limited	18,000	103,320.00	—	—
Goodyear India Limited	1,100	138,490.00	1,100	170,830.00
Great Offshore Limited	200	125,585.15	1,550	891,354.25
Garnet International Limited	500	28,175.00	—	—
Gujit Limited	335,000	592,950.00	—	—
Gulf Oil Corporation Limited	100	9,910.00	—	—
HCL Technologies Limited	—	—	1	291.40
Himachal Futuristic Comm. Limited	64,000	1,225,600.00	32,000	712,000.00
Himadri Chemical Limited.	1,005	438,280.50	1,100	306,907.50
Hindalco Industries Limited	800	128,654.00	—	—
Hindalco (Partly Paid up Rs.0.50/-)	—	—	2,195	177,026.75
Hinafil India Limited	9,000	5,310.00	—	—
Hindustan Oil Exploration Limited	493	51,518.50	5,000	343,500.00
Hindustan Petroleum Corporation Limited	1,040	266,656.00	2	495.60
Hindustan Motors Limited	2,093	67,603.90	—	—
Hindustan Construction Company Limited	—	—	1	89.50
Hindustan Machine Tools Limited	—	—	4,700	337,460.00
Hitachi Home & Life Solution Limited	3,993	462,589.05	10,000	801,500.00

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE 'G' (Contd.)	2007-2008		2006-2007	
	Qty.	Amount	Qty.	Amount
Honeywell Automation Industries Limited	—	—	218	333,890.00
House of Pearl Fashion Limited	—	—	5,000	1,684,500.00
Hinduja TMT Limited	—	—	2,500	1,455,000.00
ICICI Bank Limited	49	37,700.60	3	2,560.05
IDEA Cellular Limited	1	102.65	2	189.20
Infrastructure Development Finance Company Limited	2,943	444,393.00	4,639	388,284.30
IFCI Limited	700	30,870.00	1,486	44,412.10
I-Flex Solution Limited	52	48,937.20	—	—
IG Petrochemicals Limited	6,450	253,299.10	3,701	199,113.80
India Bulls Finance Service Limited	150	62,520.00	5,496	2,295,129.60
India Bulls Real Estate Limited	7,500	3,355,980.95	7,450	1,966,997.50
Indian Hotels Corp. Limited	300	33,660.00	1,080	156,941.20
India Cements Limited	2	373.60	—	—
IndiaBulls Securities Limited	160	4,864.00	—	—
India Oil Corporation Limited	100	44,555.00	—	—
Indian Resort Hotels Limited	—	—	7,622	3,070,522.70
Intra Decor Limited	5,000	2,550.00	—	—
Industrial Development Bank of India.	—	—	2	155.00
Inox Leisure Limited	300	29,910.00	23,100	2,528,295.00
Infosys Technologies Limited	—	—	2	3,985.00
Information Technologies India Limited.	100	105.00	100	105.00
Ispat Industries Limited	—	—	200	2,660.00
IOL Broadband Limited	—	—	500	188,950.00
IVR Prime Urban Developers Limited	900	157,995.00	—	—
IVRCL Infrastructure & Project Ltd	—	—	2	584.20
Jai Balaji Sponge Limited	—	—	111	6,532.80
Jaiprakash Associates Limited.	2	453.00	—	—
Jai Prakash Hydro Power Limited	450	24,300.00	18,750	531,562.50
Jaysynth Dyest India Limited	5,000	39,500.00	—	—
Jetking Infotrain Limited	—	—	1,000	318,793.15
JK Cement Limited	400	59,285.65	450	62,925.75
JK Lakshmi Cement Limited	—	—	15,000	1,586,250.00
JK Synthetic Limited	50,000	182,000.00	52,488	260,865.36
JK Industries Limited	—	—	2,800	313,180.00
Jindal Steel & Power Limited	20	41,400.00	—	—
Kailash Ficom Limited	263,990	11,113,979.00	—	—
KLG Capital Services Limited	600	40,200.00	—	—
Kohinoor Foods Limited	19,980	2,177,820.00	—	—
La Opala RG Limited	1,000	26,050.00	—	—
LT Overseas Limited	—	—	500	20,134.50
Mafatlal Industries Limited	300	13,020.00	—	—
Magnum Ventures Limited	1,000	13,850.00	—	—
Mahindra & Mahindra Limited	—	—	5	3,829.25
Mahindra Gesco Developers Limited	700	289,240.00	827	460,492.95
Maruti Udyog Limited	—	—	3	2,398.00
Mascón Global Limited	100	1,350.00	3,162	30,039.00

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE 'G' (Contd.)	2007-2008		2006-2007	
	Qty.	Amount	Qty.	Amount
Matrix Laboratories Limited	—	—	849	148,575.00
Max India Limited	2,025	300,206.25	—	—
McLeod Russel India Limited.	—	—	3,912	218,444.55
Mind Tree Consultancy Limited	200	67,020.00	2,000	1,661,600.00
Mirc Electrtonics Limited.	—	—	1,000	17,500.00
Mangalore Refinery & Petrochemicals Limited	200	15,620.00	17,800	591,405.00
Mahanagar Telephone Nigam Limited	800	77,280.00	—	—
Nandan Exim Limited	27,500	82,500.00	—	—
National Thermal Power Corporation Limited	700	137,620.00	500	70,587.75
Nahar Export Limited	—	—	350	11,305.00
Nahar Spinnings Mills Limited	—	—	275	16,500.00
National Alluminium Co Limited	1,725	737,717.50	2,208	514,693.20
Netflir Finco Limited	875	24,850.00	1,125	157,500.00
Network 18 Fin Limited	—	—	15,250	5,204,825.00
NIIT Technologies Limited	96	9,801.60	—	—
Nissan Copper Limited	10,000	340,500.00	—	—
Nocil Limited	3,000	79,950.00	—	—
Noida Toll Bridge Communication Limited	1,003	39,768.95	—	—
Omax Auto Limited	4,600	234,600.00	7,700	708,400.00
Opto Circuits (I) Limited	—	—	5,000	1,486,750.00
Orchid Chemicals Limited	400	56,700.65	—	—
Orient Paper PP 5/-	1,970	35,460.00	—	—
Orient Paper & Ind. Limited.	5,740	120,472.26	634	269,418.30
Oudh Sugar Mills Limited	3,000	138,000.00	3,975	258,573.75
Pankaj Polymers Limited	15,000	91,650.00	15,000	149,850.00
Paramount Communication Limited	2,500	63,000.00	—	—
Parsvnath Develpoers Limited	—	—	195	49,634.20
Pennar Aluminium Co. Limited.	3,500	10,885.00	5,000	6,000.00
Petronet LNG Limited	56	3,948.00	—	—
Polaris Software Lab Ltd	—	—	1,400	249,808.80
Prakash Industries Limited	—	—	7,000	234,150.00
Pricol Limited	—	—	21,701	712,877.85
Prudential Sugar Corpn. Limited.	200	274.00	200	274.00
Power Finance Corporation Limited	350	56,752.50	—	—
Porwal Auto Components Limited	3,000	74,850.00	—	—
Power Grid Corporation Limited	791	77,726.40	—	—
Ramsrup Industries Limited	250	37,625.00	—	—
Rasandik Engineering Industries India Limited	1,000	72,000.00	—	—
Ramco Systems Pvt Limited	—	—	2,000	255,500.00
Ramyond Limited	—	—	500	169,313.00
Reliance Industries Limited	1	2,258.95	—	—
Reliance Capital Limited.	—	—	1	644.00
Reliance Power Limited	198	62,964.00	—	—
Reliance Energy Limited	—	—	296	143,526.90
Reliance Natural Resources Limited	500	49,900.00	2,500	55,375.00
Rollta India Limited	—	—	5,000	1,656,500.00

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE 'G' (Contd.)	2007-2008		2006-2007	
	Qty.	Amount	Qty.	Amount
Reliance Petroleum Limited	2,002	312,712.40	2	143.10
Roman Tarmat Limited	44,054	3,204,928.50	—	—
RS Software	—	—	5,000	261,000.00
Sahara One Media & Entertainment Limited	95	22,923.50	—	—
Sakthi Sugars Limited.	1,000	64,300.00	—	—
Sandur Manganese & Iron Ores Limited	1,100	439,405.00	—	—
Sangam India Limited	—	—	200	15,065.00
Satnam Overseas Limited	—	—	—	—
Satyam Computer Services Limited	—	—	3	1,366.50
SB & T International Limited	3,000	51,000.00	—	—
Sesa Goa Limited	—	—	450	766,552.50
SE Investment Limited	1,000	230,450.00	—	—
Southern Online Bio Technologies Limited	21,250	218,450.00	46,250	475,450.00
Shree Mahaganga Sugar Limited	2,000	2,520.00	—	—
Shiva Cement Limited	—	—	100,000	802,990.00
Shipping Corporation of India Limited	—	—	—	—
Shoppers Stop Limited	630	255,496.50	563	344,509.15
Shaw Wallace Limited	6,916	2,105,685.80	—	—
Shreyas Intermediates Limited	—	—	2,000	92,200.00
Shree Synthetics Limited	20	19.00	20	19.00
Shringar Cinemas Limited	—	—	4,500	232,200.00
Sterlite Industries (India) Limited	—	—	1	465.65
Sunflag Iron & Steel Co.	—	—	7,000	89,250.00
Surya Lakshmi Cotton Mills Limited	—	—	2,250	130,275.00
Surya Roashni Limited	40,000	2,188,000.00	4,500	220,275.00
Suzlon Energy Limited	—	—	1	975.00
Silverline Animation	80	6,692.00	—	—
Srei Infrastructure Finance Limited	—	—	4,500	210,825.00
Silverline Technologies Limited	200	5,580.00	25,000	388,750.00
SRF Limited	1,500	151,050.00	—	—
Steel Authority of India limited	1,001	185,485.30	—	—
State Bank of India	—	—	1	980.00
Sumeet Industries Limited	2,500	28,650.00	—	—
Surat Textiles Mills Limited	10,000	62,300.00	—	—
Surya Pharmaceutical Limited	14,000	1,199,100.00	13,500	843,075.00
Svam Software Limited	5,000	13,050.00	—	—
Syndicate Bank	—	—	1	63.90
Swil Limited	7,866	76,772.16	10,000	100,400.00
Talbros Automotive Components Limited	—	—	250	11,637.50
Tata Elxsi (I) Limited	—	—	2,300	658,848.60
Tata Iron & Steel Co. Limited	—	—	2	898.70
Tata Motors Limited	—	—	304	221,372.80
Tata Consultancy Services Limited	—	—	5	6,008.00
Teledata Informatics Limited	2,000	47,400.00	—	—
Teledata Technologies Limited	1,000	32,940.00	—	—
TeleData Info Marin Limited	1,000	32,940.00	—	—

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS

	2007 - 2008		2006 - 2007	
	Rs.	P.	Rs.	P.
SCHEDULE 'J'				
OTHER CURRENT ASSETS				
Dividend Receivable	47,655.00		18,995.50	
Interest Receivable	9,278,185.48		5,841,561.11	
TOTAL	9,325,840.48		5,860,556.61	
SCHEDULE 'K'				
LOANS & ADVANCES				
(Recoverable in cash or in kind or for value to be received)				
ADVANCES				
Income Tax	10,614,634.49		7,309,634.88	
Fringe Benefit Tax	604,000.00		327,000.00	
Prepaid Expenses	3,858,986.51		2,912,477.78	
Margin with Exchange	15,600,000.00		9,100,000.00	
Other Advances	21,056,221.41		4,903,535.51	
DEPOSITS				
Deposits With Exchange	22,520,201.00		22,170,201.00	
Telephone Deposits	116,333.00		108,520.00	
Electricity Deposits	614,000.00		14,000.00	
Security Deposits For Office	7,922,860.00		7,807,860.00	
Other Deposits	1,012,287.00		902,331.00	
TOTAL	83,919,523.41		55,555,560.17	
SCHEDULE 'L'				
CURRENT LIABILITIES				
Sundry Creditors for Goods	4,689,687.95		1,752,599.45	
Sundry Creditors for Expenses and others	7,355,307.95		4,809,074.91	
Advances Received from clients	174,932.01		394,629.66	
Margin from Clients	29,374,411.00		15,793,000.00	
Book Overdraft With Banks	13,945.91		9,781.10	
Mark to Market Margin	1,798,588.40		851,391.50	
TOTAL	43,406,873.22		23,610,476.62	

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS

	<u>2007 - 2008</u>		<u>2006 - 2007</u>	
	<u>Rs.</u>	<u>P.</u>	<u>Rs.</u>	<u>P.</u>
SCHEDULE 'M'				
PROVISIONS				
Provision for Taxation 05-06	3,900,000.00		3,900,000.00	
Provision for FBT 05-06	161,000.00		161,000.00	
Provision for FBT 06-07	187,000.00		187,000.00	
Provision for FBT 07-08	316,184.00		—	
SUB - TOTAL : A	4,564,184.00		4,248,000.00	
Proposed Dividend	5,979,600.00		5,000,000.00	
Provision for Dividend Tax	1,016,233.00		849,750.00	
SUB - TOTAL : B	6,995,833.00		5,849,750.00	
TOTAL :- (A + B)	11,560,017.00		10,097,750.00	
SCHEDULE 'N'				
INCOME FROM OPERATION				
Sales	2,237,412,627.58		1,851,485,513.06	
Closing Stock	55,063,313.42		59,679,242.46	
Profit from Share Dealing	343,996,652.32		99,478,673.86	
	2,636,472,593.32		2,010,643,429.38	
Less : Purchases	2,292,430,512.74		1,813,286,555.21	
Less : Opening Stock	59,679,242.46		103,825,185.39	
TOTAL	284,362,838.12		93,531,688.78	
SCHEDULE 'O'				
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES				
Salary & Bonus	19,980,752.67		10,133,621.99	
Employer Contribution to Provident Fund	89,059.00		89,213.00	
Employer Contribution to Employee State Insurance	169,766.00		—	
Gratuity	239,473.00		315,333.00	
Staff Welfare	3,655,570.02		1,861,893.40	
TOTAL	24,134,620.69		12,400,061.39	

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS

	2007 - 2008		2006 - 2007	
	Rs.	P.	Rs.	P.
SCHEDULE 'P'				
OTHER EXPENSES				
Advertisement	541,933.25	✓	140,490.65	
Auditors Remuneration	104,000.00	✓	92,000.00	
Bank Charges and Guarantee Commission	3,347,801.61	✓	2,284,214.06	
Books & Periodicals	124,454.50		15,984.00	
Broker Note Stamp	5,349,816.89		3,899,344.00	
Bad Debts	5,253.80	✓	—	
Car Expenses	183,944.06		92,738.00	
Communication(including V-SAT) Expenses	6,518,395.87		4,797,233.49	
Computer & Software Expenses	5,129,488.91		1,595,393.13	
Depository Charges	103,839.03		106,423.84	
Donation	112,000.00	✓	58,502.00	
Electricity Charges	3,212,942.92		1,717,837.81	
Fees & Subscription	3,226,124.02		2,343,771.29	
Foreign Exchange Fluctuation	6,310.89		—	
General Expenses	446,321.98		197,970.93	
Insurance Charges	320,222.34	✓	271,003.96	
Internal Audit Fees	414,000.00		332,500.00	
NSDL/ CDSL Charges	572,350.03		409,672.37	
NSE, BSE, SEBI Expenses	24,308,960.19		16,954,125.44	
Postage & Courriers	353,446.08		149,913.63	
Printing & Stationery	1,768,093.54		952,722.40	
Professional Charges	17,793,855.00		7,282,303.00	
Legal & Professional Fees	495,069.00		109,925.00	
Rates & Taxes	330,468.92	✓	94,738.93	
Registration & Share Transfer Expenses	12,873.03		12,000.00	
Rent	2,810,046.23	✓	1,405,785.58	
Repairs & Maintenance	4,123,162.59		1,561,578.24	
Service Tax	47,151.00		—	
Sub Brokerage	804,491.89		628,227.96	
Training Charges	429,192.40		369,147.05	
Travelling & Conveyance Expenses	1,666,969.10		832,720.75	
TOTAL	84,662,979.07		48,708,267.51	

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS.**SCHEDULE Q****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS :****Significant Accounting Policies****(a) Basis of Preparation**

The Financial Statements are prepared under the historical cost convention, on an accrual basis and in accordance with the Companies Act, 1956, and the Accounting Standards issued under the Companies (Accounting Standards) Rules 2006.

(b) Use of Estimates

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

(c) Fixed Assets & Depreciation

- (i) Fixed Assets are stated at their original cost of acquisition less accumulated depreciation.
- (ii) Depreciation on fixed assets has been provided under written down value method on pro-rata basis as per rate prescribed under Schedule XIV of the Companies Act, 1956.

(d) Inventory

Inventories are valued at lower of cost or market price. The costs of the shares are determined on First In & First Out Basis.

(e) Investments

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

(f) Revenue Recognition :

- (i) Income from Brokerage is recognized on the trade date of transaction.
- (ii) Dividend income is recognized when the right to receive the income is established.

(g) Retirement Benefit**(i) Defined Contribution Plan :**

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

(ii) Defined Benefit Plan :

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

(h) Derivative Market Trading

1. In respect of Option Contract, premium paid for contract expiring beyond the balance sheet date has been treated as current assets, adjusted for loss, if any
2. In respect of Futures Contract, Mark-to-Market debit balance has been recognized in the Profit & Loss Account and Mark-to-Market credit balance has been treated as current liabilities as per the guidance note issued by ICAI on accounting of Future & Option contract.

(i) Taxation

Provision of current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates as applicable. The deferred tax charge is recognized using the enacted tax rate. Deferred Tax Assets/Liabilities are reviewed as at balance sheet date based on the developments during the year and reassess realization/liabilities in terms of AS-22 issued by ICAI

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS**(j) Foreign Currency Transaction****a) Initial Recognition**

Foreign currency monetary items are reported in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rates.

c) Exchange Difference

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

Notes on Accounts**1. a) Contingent Liability****Bank Guarantee**

The Company has taken Bank Guarantee of Rs.1,050 Lakhs from HDFC Bank Ltd. against pledge of fixed deposit receipts of Rs. 531.45 Lakhs, of Rs. 100 Lakhs from Dhanlaksmi Bank Ltd. against pledge of fixed deposit receipts of Rs. 50 Lakhs, of Rs. 200 Lakhs from Punjab National Bank against pledge of Fixed Deposit of Rs. 100 Lakhs and of Rs. 100 Lakhs from United Bank Of India against pledge of fixed deposits of Rs. 50 lakhs and creation of first charge against movable Plant & Machinery and book debts. The company has also taken bank guarantee of Rs. 500 Lakhs from Oriental Bank of Commerce against pledge of fixed deposits of Rs. 257.37 lakhs and creation of second charge against movable Plant & Machinery and book debts. The above mentioned bank guarantees have been given as margin money in favour of National Securities Clearing Corporation Ltd. The Company has taken Bank Guarantee of Rs. 230 lakhs from HDFC Bank against pledge of fixed deposit of Rs. 115 lakhs which has been given in favour of BOI Shareholding Limited, towards margin money and trade guarantee fund for trading in Bombay Stock Exchange Limited

b) Capital Commitment for Office.

The company has pending capital commitment of Rs. 71,97,800/- towards purchase of Office at Siliguri.

2. Director's Remuneration

Salary & Bonus includes Rs. 9,60,000/- for the year 2007-2008 (Rs. 7,20,000/- for the year 2006-2007) payment to Director's towards managerial remuneration under Sec. 198 of the Companies Act, 1956 Payments made to Directors are as follow :

Name of the Director	Amount of Remuneration
1. Shri Rajesh Kumar Bajaj	Rs. 5,70,000/-
2. Shri Sudheer Kumar Jain	Rs. 3,90,000/-

1% commission on Net profit payable to directors have been waived off by the directors. Consent letter for the wavier of the same. has been received from directors.

3. Compliance of Accounting Standards issued by the Institute of Chartered Accountants of India.**(a) Segment Reporting**

The company's operation predominantly comprises of only one segment "Activity relating to Capital Market" and therefore segment reporting is not applicable to the company.

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS**(b) Related Party Disclosure :**

Information given in accordance with Accounting Standard - 18

A. Related party relationship

- i. Enterprise that are controlled by the reporting enterprises :
 1. Trade City Securities Pvt. Ltd. – Wholly Owned Subsidiary Company
 2. Trade City Commodities Pvt. Ltd. – Subsidiary Company
 3. Trade City Real Estate Pvt. Ltd. – Subsidiary Company
- ii Key Management Personnel :
 1. Shri Rajesh Kumar Bajaj
 2. Shri Sudheer Kumar Jain
- iii Enterprises over which key management personnel exercises significant influence exits :
 1. Shiv Lalit Consultancy Pvt. ILtd.
 2. Naryani Commodities (P) Ltd.
 3. Snehdeep Commerce (P) Ltd.

B. Transactions with Related Parties :

Figures in Lakhs

Description of the nature of Transaction	Subsidiary	Key Management Personnel (KMP)	Enterprises over which KMP exercise significant influence
Brokerage Earned	— (—)	.02 (.01)	5.74 (1.43)
Remuneration	— (—)	9.60 (7.20)	— (—)
Margin Deposit with the Company	— (—)	— (—)	5.00 (19.60)
Interest paid	.07 (.18)	— (—)	2.13 (2.14)
Rent, Electricity Maintenance & Generator Expenses	10.03 (7.59)	— (—)	— (—)
Equity Contribution			
Trade City Securities Pvt. Ltd.	175.00	—	—
Trade City Commodities Pvt. Ltd.	175.00	—	—
Trade City Real Estate Pvt. Ltd.	87.00	—	—
Loan Taken (Repaid during the year)	123.00 (19.00)	— (—)	536.50 (300.00)
Purchase of Shares			
Trade City Real Estate Pvt. Ltd.	— (—)	17.47 (—)	8.75 (—)
Temporary Loan Given (Received during the year)	1.81 (—)	— (—)	— (—)

*Previous year figures are given in bracket

C. Amount due from Subsidiary :

Rs. 17,756/-

D. Provision to be made with regard to Outstanding Amount :

Nil

4. Outstanding contracts

Outstanding contracts of the clients for the settlement period for which delivery has not taken place has not been considered for the purpose of financial statement made up to 31st March, 2008. However brokerage income on such contract has been accounted for.

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS**5. Auditors Remuneration (excluding service tax)**

Particulars	2007-2008 (Rs.)	2006-2007 (Rs)
(a) Statutory Audit Fee	50,000.00	40,000.00
(b) Tax Audit Fee	10,000.00	10,000.00
(c) Certification & Other Charges	44,000.00	42,000.00
Total	1,04,000.00	92,000.00

6. Additional information pursuant to part - IV of Schedule VI to the Companies Act, 1956 is annexed as Annexure - I hereto
7. The company has obtained a term loan of Rs. 220 lacs from HDFC Bank against pledge of Fixed Deposits of Rs. 110 lacs. The company has also obtained a bank overdraft limit of Rs. 297 lacs from HDFC Bank and of Rs. 138.75 lacs from Punjab National Bank against pledge of Fixed Deposits of Rs. 330 lacs & Rs. 150 lacs respectively.
8. The Company has pledged fixed deposit receipts of Rs. 245 Lacs with National Securities Clearing Corporation Limited and of 15 lacs with BOI Shareholding Ltd.
9. Quantitative details of item traded during the year ended 31st March, 2008.

	2007 - 2008		2006 - 2007	
	Qty.	Amount	Qty.	Amount
Opening Stock				
Shares	7,85,948	5,96,79,242.46	18,81,301	10,38,25,185.39
Mutual Fund	Nil	Nil	Nil	Nil
		5,96,79,242.46		10,38,25,185.39
Purchases				
Shares	2,40,75,638	2,24,74,30,512.74	1,63,84,844	150,30,56,028.50
Mutual Fund	31,16,448.544	4,50,00,000.00	2,41,56,417.15	31,02,30,526.71
		2,29,24,30,512.74		181,32,86,555.21
Sales				
Shares	2,32,44,008	2,19,23,56,409.75	1,74,80,197	154,07,77,953.61
Mutual Fund	31,16,448.544	4,50,56,217.83	2,41,56,417.15	31,07,07,559.45
		2,23,74,12,627.58		185,14,85,513.06
Closing Stock				
Shares	16,17,578	5,50,63,313.42	7,85,948	5,96,79,242.46
Mutual Fund	Nil	Nil	Nil	Nil
		5,50,63,313.42		5,96,79,242.46

10. The Company has pledged the following shares with the HDFC Bank Ltd. towards Loan against security.

Name of the Company	No. of Shares	Book Value (Rs.)
1. Aksh Optifibre Limited	10,000	4,43,500
2. Centurian Bank of Punjab Limited	15,000	6,48,750
3. Dolat Invetment & Finance Limited	50,000	3,60,500
4. Electro Steel Casting Limited	2,000	88,900
5. Foundary Fuel Products Limited	51,000	2,58,570
6. Gateway Distriparks Limited	1,000	98,400
7. Hindustan Petroleum Corporation Limited	500	1,28,200
8. Max India Limited	2,000	2,96,500
9. Reliance Petroleum Limited	1,000	1,56,200
10. SRF Limited	1,500	1,51,050
11. Surya Pharmaceutical Limited	14,000	11,99,100
12. Welspun India Limited	1,000	44,750
TOTAL	1,49,000	38,74,420

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS**11. Expenditure in Foreign Currency :**

Particulars	2007-2008 (Rs.)	2006-2007 (Rs)
Conference Fees (including traveling for Conference)	2,10,863.44	—
Training Expenses	2,54,682.40	—
Software Expenses	2,89,228.76	—
Books & Periodicals	47,899.68	—
Purchase of Electrical Fittings	—	8,35,389.94
TOTAL	8,02,674.28	8,35,389.94

12. Inflow in Foreign Currency :

Particulars	2007-2008 (Rs.)	2006-2007 (Rs)
Refund of Subscription Amount	1,13,349.45	—
TOTAL	1,13,349.45	—

13. Components of Deferred Tax Liability (Net) shown in the Balance Sheet is as follow :

Particulars	As at 31.03.2007 (Rs.)	For the year	As at 31.03.2008 (Rs.)
Liability Items :			
Depreciation	11,48,390.00	16,85,046.00	28,33,436.00
Assets Items :			
Disallowance u/s. 40(a)	(5,42,240.00)	4,06,697.00	(1,35,543.00)
Brought Forward Loss	(16,210.00)	16,210.00	—
Deferred Tax Liabilities (Net)	5,89,940.00	21,07,953.00	26,97,893.00

14. In respect of Option Contract, position of open interest as on the Balance Sheet date is as under :**Option Contract in respect of which premium is paid**

Name of the Stock Option	Option Premium Carried Forward Net of Loss (Rs.)
ARVINDMILL	3,655.00
BAJAJHIND	55,195.00
BALRAMCHIN	43,920.00
BHEL	28,200.00
BINDALAGRO	9,26,887.50
CAIRN	46,875.00
DLF	31,900.00
HDIL	66,540.00
HINDUNILVR	1,28,900.00
IDBI	27,300.00
IFCI	78,800.00
ISPATIND	38,387.50
ITC	1,60,200.00
JPASSOCIAT	37,875.00
NTPC	1,65,506.25
ONGC	47,205.00
ORCHIDCHEM	5,22,427.50
RANBAXY	14,000.00
RECLTD	36,660.00
REL	1,36,068.00

SCHEDULES ATTACHED AND FORMING PART OF THE FINANCIAL STATEMENTS**Option Contract in respect of which premium is paid (contd.)**

Name of the Stock Option	Option Premium Carried Forward Net of Loss (Rs.)
RELIANCE	2,50,140.00
RNRL	2,20,281.60
RPL	4,63,137.50
TATASTEEL	22,308.80
RPOWER	29,767.50
ASHOKLEY	1,26,776.25
BHARTIARTL	6,262.50
CHAMBLFERT	25,530.00
DENABANK	7,218.75
GLAXO	23,400.00
HINDALCO	2,01,368.75
ICICIBANK	5,810.00
IDEA	26,730.00
IDFC	33,925.00
INDIACEM	24,976.25
IVRCLINFRA	16,950.00
LICHSGFIN	13,600.00
LT	103,847.50
MATRIXLABS	60,000.00
MRPL	5,562.50
MTNL	23,280.00
NATIONALUM	57.50
ORIENTBANK	14,280.00
PETRONET	1,32,550.00
PFC	12,000.00
POLARIS	4,200.00
POWERGRID	3,753.75
PUNJLLOYD	11,250.00
RCOM	21,140.00
RELCAPITAL	8,74,368.00
SBIN	1,29,729.60
SUZLON	32,400.00
TATACHEM	708.75
TECHM	2,620.00
TTML	11,756.25
UNITECH	19,710.00
WIPRO	24,000.00
GESHIP	5,400.00
Sub - Total : (i)	55,87,298.50
NIFTY	34,30,415.00
MINIFTY	3,060.00
Sub - Total : (ii)	34,33,475.00
Sub - Total : A	90,20,773.50

Schedules attached Forming part of the Financial Statements**Option Contract in respect of which premium is received**

Name of the Stock Option	Option Premium Carried Forward/Net of Loss (Rs.)
ALOKTEXT	17,922.50
AMBUJACEM	10,310.00
CIPLA	8,375.00
ESSAROIL	7,907.20
GMRINFRA	22,250.00
SAIL	68,715.00
SATYAMCOM	32,370.00
INFOSYSTCH	5,440.00
ISPATIND	40,047.50
SUB-TOTAL : B	2,13,337.20
TOTAL : (A-B)	88,07,436.30

Net open positions in respect of future contract are as follow :

Name of the Equity Stock Future	No of Contracts	No of Units	
		Long	Short
ABAN 24 April 08	2	100	-
ACC 24 April 08	4	-	752
ADLABSFILM 24 April 08	3	675	-
AIRDECCAN 24 April 08	5	4,250	-
ARVINDMILL 24 April 08	1	4,300	-
ASHOKLEY 24 April 08	4	-	19,100
AXISBANK 24 April 08	4	900	-
BAJAJHIND 24 April 08	1	-	950
BALRAMCHIN24 April 08	1	-	2,400
BANKNIFTY 24 April 08	1	-	25
BATAINDIA 24 April 08	1	1,050	-
BHARTIARTL 24 April 08	1	250	-
BHEL 24 April 08	1	-	75
BINDALAGRO 24 April 08	31	-	1,53,450
BONGAIREFN 24 April 08	1	2,250	-
BPCL 24 April 08	1	550	-
BRIGADE 24 April 08	5	2,750	-
CAIRN 24 April 08	4	-	5,000
CAIRN 29May08	1	-	1,250
CENTRALBK 24 April 08	10	20,000	-
CENTURYTEX 24 April 08	2	424	-
CESC 24 April 08	1	550	-
DLF 24 April 08	2	800	-
DRREDDY 24 April 08	1	400	-
FEDERALBNK 24 April 08	1	-	851
GDL 24 April 08	3	7,500	-
GMRINFRA 24 April 08	1	1,250	-
HDFC 24 April 08	1	-	75
HDIL 24 April 08	1	400	-
HINDALCO 24 April 08	5	7,975	-
HINDOILEXP 24 April 08	6	9,600	-
HINDPETRO 24 April 08	3	3,900	-
HINDUNILVR 24 April 08	23	23,000	-

Schedules attached Forming part of the Financial Statements

Name of the Equity Stock Future	No of Contracts	No of Units	
		Long	Short
ICICIBANK 24 April 08	29	5,075	-
ICICIBANK 29 May 08	2	-	350
IDBI 24 April 08	16	19,200	-
IDFC 24 April 08	3	4,425	-
IFCI 24 April 08	3	5,910	-
IFLEX 24 April 08	5	750	-
INDIACEM 24 April 08	1	725	-
INDUSINDBK 24 April 08	1	1,925	-
INFOSYSTCH 24 April 08	5	1,000	-
INFOSYSTCH 29 May 08	4	-	800
IOC 24 April 08	8	4,800	-
ISPATIND 24 April 08	8	33,200	-
ITC 24 April 08	16	-	18,000
IVRCLINFRA 24 April 08	1	-	500
IVRPRIME 24 April 08	2	1,600	-
JINDALSAW 24 April 08	10	2,500	-
JPASSOCIAT 24 April 08	13	-	9,750
JPASSOCIAT 29 May 08	1	750	-
JPHYDRO 24 April 08	24	-	75,000
JSTAINLESS 24 April 08	2	2,000	-
JSWSTEEL 24 April 08	3	825	-
KOTAKBANK 24 April 08	2	550	-
KPIT 24 April 08	1	1,650	-
LAXMIMACH 24 April 08	3	300	-
LITL 24 April 08	1	425	-
LT 24 April 08	4	-	200
MCDOWELL-N 24 April 08	13	-	1,625
MINIFTY 24 April 08	21	-	420
MINIFTY 29 May 08	5	-	100
MOSERBAER 24 April 08	2	1650	-
MRPL 24 April 08	1	-	2,225
MTNL 24 April 08	16	25,600	-
NATIONALUM 24 April 08	2	1,150	-
NIITLD 24 April 08	2	2,900	-
NIITECH 24 April 08	6	7,200	-
NTPC 24 April 08	1	-	1,625
NUCLEUS 24 April 08	1	550	-
ONGC 24 April 08	15	3,375	-
ONGC 29 May 08	2	-	450
ORCHIDCHEM 24 April 08	11	-	11,550
ORCHIDCHEM 29 May 08	1	-	1,050
ORIENTBANK 24 April 08	1	1,200	-
PETRONET 24 April 08	9	-	19,800
POLARIS 24 April 08	1	-	2,800
POWERGRID 24 April 08	4	7,700	-
PUNJLLOYD 24 April 08	3	2,250	-
RANBAXY 24 April 08	2	-	1,600
RANBAXY 29 May 08	2	1,600	-
RCOM 24 April 08	17	5,950	-
RECLTD 24 April 08	2	-	3,900

Schedules attached Forming part of the Financial Statements

Name of the Equity Stock Future	No of Contracts	No of Units	
		Long	Short
REL 24 April 08	23	-	3,174
RELCAPITAL 24 April 08	33	-	4,554
RELIANCE 24 April 08	22	1650	-
RNRL 24 April 08	12	-	21,456
RPL 24 April 08	8	13,400	-
RPL 29 May 08	1	-	1,675
RPOWER 24 April 08	1	450	-
SAIL 24 April 08	20	27,000	-
SAIL 29 May 08	1	1,350	-
SASKEN 24 April 08	2	2,200	-
SBIN 24 April 08	46	6,072	-
SBIN 29 May 08	2	-	264
SIEMENS 24 April 08	1	376	-
SRF 24 April 08	8	12,000	-
STER 24 April 08	1	219	-
SUZLON 24 April 08	1	-	2,000
TATAMOTORS 24 April 08	1	412	-
TATAPOWER 24 April 08	10	2,000	-
TATASTEEL 24 April 08	3	1,146	-
TATATEA 24 April 08	2	-	550
TCS 24 April 08	6	1,500	-
TVSMOTOR 24 April 08	1	2,950	-
ULTRACEMCO 24 April 08	1	400	-
UNITECH 24 April 08	4	3,660	-
WELGUJ 24 April 08	11	8,800	-
WIPRO 24 April 08	1	-	600
WWIL 24 April 08	1	3,150	-
YESBANK 24 April 08	2	-	2,200
TOTAL		3,30,344	3,05,846
Equity Index Future	No of Contracts	No of Units	
		Long	Short
NIFTY 24 April 08	106	5,300	-
NIFTY 29 May 08	2	-	100
TOTAL		5,300	100

15. Information pursuant to Section 212 of the Companies Act, 1956 is annexed as Annexure - II hereto.

16. Previous year's figure have been regrouped /rearranged wherever considered necessary.

For **PATNI & CO.**
Chartered Accountants

S. SUREKA

Partner

Membership No. 57918

Place : Kolkata

Date : 30.06.2008

Narendra Kumar Rai
Company Secretary

Rajesh Kumar Bajaj
Managing Director

Sudheer Kumar Jain
Whole-time Director

For and on behalf of the Board of Directors

Schedules Pursuant to Part-IV of Schedule-VI of the Companies Act, 1956**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****i) REGISTRATION DETAILS**

Registration No. : L67120WB1995PLC067195

State Code : 21

Balance Sheet Date : 31.03.2008

ii) CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. '000)Public Issue N I LRight Issue N I LBonus Issue N I LPrivate Placement N I L**iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. '000)**Total Liabilities 5 0 7 4 8 0Total Assets 5 0 7 4 8 0**Sources of Funds :**Paid up Capital 4 9 8 1 0Reserves & Surplus 2 9 3 1 0 6Secured Loans 1 0 6 8 9 9Unsecured Loans N I LDeferred Tax Liabilities 2 6 9 8**Application of Funds :**Net Fixed Assets 4 6 8 2 8Investments 5 0 9 5 9Net Current Assets 3 5 4 5 4 7Misc. Expenditure 1 7 9Accumulated Losses N I L**iv) PERFORMANCE OF COMPANY (AMOUNT IN RS. '000)**Turnover 3 4 9 1 6 6Total Expenditure 1 3 3 4 3 6Profit/(Loss) before Tax 2 1 5 7 3 0Profit/(Loss) after Tax 1 2 8 4 4 5Earning per Share in Rs. 2 5 . 6 9Dividend Rate (%) 1 2**v) GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY**

(AS PER MONETARY ITEMS)

Item Code No. (ITC Code) : N.A.

Product Description : Shares & Securities

For and on behalf of the Board of Directors

Place : Kolkata
Date : 30.06.2008Narendra Kumar Rai
Company SecretaryRajesh Kumar Bajaj
Managing DirectorSudheer Kumar Jain
Whole-time Director

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956
RELATING TO SUBSIDIARY COMPANIES**

Particulars	NAME OF THE SUBSIDIARIES		
	Trade City Securities Pvt. Ltd.	Trade City Real Estate Pvt. Ltd.	Trade City Commodities Pvt. Ltd.
1. The Financial Year of the Subsidiary Company ended on	31.03.2008	31.03.2008	31.03.2008
2. (a) The No of Equity Shares held by Lohia Securities Limited and its nominees in the Subsidiary as at March 31, 2008	12,50,000 equity shares of Rs. 10 each fully paid up	7,49,900 equity shares of Rs. 10 each fully paid up	6,30,000 equity shares of Rs. 10 each fully paid up
(b) Extent of interest of Lohia Securities Limited in the Capital of the Subsidiary.	100%	99.99%	59.72%
3. Net aggregate amount of the Profits/Loss of the Subsidiary so far it concerns the members of Lohia Securities Limited as it not dealt with the Company's Accounts :			
(a) Profit/Loss for the year ended March 31, 2008 of the Subsidiaries	Loss of Rs. 1,34,127/-	Loss of Rs. 9,98,042/-	Profit of Rs. 1,21,989/-
(b) Profit/Loss for the previous Financial Year of the subsidiaries, since it became a Subsidiary of Lohia Securities Limited	Nil	Nil	Nil
4. Net aggregate amount of the Profits/Loss of the Subsidiary so far as deal with or provision is made for those losses in Lohia Securities Limited's Accounts			
(a) Profit/Loss for the year ended March 31, 2008 of the Subsidiaries	Nil	Nil	Nil
(b) Profit/Loss for the previous Financial Year of the subsidiaries, since it became a Subsidiary of Lohia Securities Limited	Nil	Nil	Nil

For and on behalf of the Board of Directors

Place : Kolkata
Date : 30.06.2008

Narendra Kumar Rai
Company Secretary

Rajesh Kumar Bajaj
Managing Director

Sudheer Kumar Jain
Whole-time Director