

GOLDEN SECURITIES LTD.

Life, Future, Success

ANNUAL REPORT 2010 - 11

Board of Directors	Shri G. L. Goenka – <i>Chairman</i> Shri Gauri Shankar Mehta Shri Madhusudan Prasad Srivastawa Smt. Nitu Kaur Shri Dinesh Burman Shri Vivek Goenka – <i>Managing Director</i>
Company Secretary	Shri Biswanath Mukherjee
Statutory Auditors	Vasudeo & Associates <i>Chartered Accountants</i> 5, Fancy Lane, 3rd Floor Room No. 9, Kolkata 700 001
Bankers	United Bank of India Standard Chartered Bank
Registered Office	1st, British Indian Street Room No. B-10, Kolkata 700 069
Registrar & Share Transfer Agents	Niche Technologies Pvt. Ltd. D511, Bagree Market 71, Canning Street, Kolkata 700 001 Phone No. : 033 2235 7270/7271 Fax : 033 2215 6823 Email : nichetechpl@nichetechpl.com

Contents

Notice	2
Directors' Report	6
Management Discussion & Analysis	9
Report on Corporate Governance	10
Auditors' Report	17
Balance Sheet	20
Profit & Loss Account	21
Cash Flow Statement	22
Schedules to the Accounts	23

Notice

NOTICE is hereby given that the 18th Annual General Meeting of the members of GOLDEN SECURITIES LTD. will be held on Friday, the 16th September, 2011 at 10.30 A.M. at "Manthan" (Banquet Hall) at 3, Waterloo Street, Kolkata 700 069 to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Account of the Company together with the Directors' Report and also the Auditors' Report thereon for the financial year ended 31st March, 2011.
2. To appoint a Director in place of Shri Madhusudan Prasad Srivastawa who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Smt. Nitu Kaur who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT Shri G. L. Goenka be and is hereby appointed as a Director of the Company not liable to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT Shri Gauri Shankar Mehta be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT Shri Vivek Goenka be and is hereby appointed as a Director of the Company not liable to retire by rotation."
8. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Shri Vivek Goenka as the Managing Director of the Company for a period of five years w.e.f. 20th December, 2010 at a remuneration of ₹ 3,60,000/- p.a. and he shall be entitled for leave encashment as per the Rules of the Company.
RESOLVED FURTHER that above remuneration shall be paid to Shri Vivek Goenka as Minimum Remuneration notwithstanding any loss or inadequacy of profit in any financial year during the tenure of his employment as Managing Director.
RESOLVED FURTHER that the tenure of the employment of Shri Vivek Goenka as Managing Director is terminable by either side with a notice period of three months or remuneration in lieu of such notice."
9. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT in accordance with Sections 16, 94 of the Companies Act, 1956 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from ₹ 17,50,00,000/- divided into 1,75,00,000 equity shares of ₹ 10/- each to ₹ 70,00,00,000/- divided into 7,00,00,000 equity shares of ₹ 10/- each ranking *pari passu* with the existing equity shares of the Company.
RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be altered by substituting the following in place of the existing clause :
V. *The Authorised Share Capital of the Company is ₹ 70,00,00,000/- (Rupees Seventy Crores Only) divided into 7,00,00,000 Equity Shares of ₹ 10/- (Rupees Ten) each with the power to increase or reduce the same and to divide the share for*

Notice (Contd.)

the time being into several classes and attach thereto respectively such preferential, qualified or special rights and privileges as may be determined in accordance with the provisions of the Companies Act, 1956 and any amendments made thereto to the Act.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

“RESOLVED THAT in accordance with the provisions of Section 81(1) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), any other law for the time being in force, provisions of the Memorandum and Articles of Association of the Company, the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [the “SEBI (ICDR) Regulations, 2009”], as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and Listing Agreement entered into by the Company with the stock exchanges where the shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, Reserve Bank of India, SEBI, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies (“Concerned Authorities”) in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, and permissions as may be necessary or which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any Committee thereof), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot to the equity shareholders of the Company, equity shares of the Company of the face value of ₹ 10/- (Rupees Ten only) each for cash for a sum upto ₹ 131 crores or such sum as may be determined by the Board in this regard in the ratio to be determined by the Board (the “Rights Issue”) and on such terms and conditions as may be mentioned in the draft letter of offer to be issued by the Company in respect of the Rights Issue.

RESOLVED FURTHER THAT such of these Equity Shares to be issued, if are not subscribed to by the existing Shareholders may be disposed of by the Board thereof in its absolute discretion in such manner and/or on such terms as it may deem fit including by offering or placing them with Bank/s, Financial Institutions/s, Investment Institution/s Mutual Fund/s, Foreign Institutional Investor/s, Body/ies Corporate or otherwise as the Board may in its absolute discretion deem fit and proper.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted shall be listed and traded on the Stock Exchanges where the existing Equity Shares of the Company continue to be listed and traded.

RESOLVED FURTHER THAT for the purpose of, giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, proper or desirable and to settle any question or difficulty that may arise in regard to the offer/issue/allotment and utilization of the proceeds of the Rights Issue towards the Company’s projects/other corporate needs and finalise such documents for creating mortgages/charges as it may deem fit.”

Registered Office :
1st, British Indian Street
Room No. B-10
Kolkata-700 069
Dated, the 4th August, 2011

By Order of the Board of Directors

BISWANATH MUKHERJEE
Company Secretary

Notice (Contd.)

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.**
2. The Register of Members and Share Transfer Books will remain closed from Friday the 9th September, 2011 to Friday the 16th September, 2011 (both days inclusive).
3. Members are requested to notify the change in their addresses to the Registrar and Share Transfer Agents, Niche Technologies Pvt. Ltd., Room No. D-511, Bagree Market, 71, Canning Street, Kolkata 700 001 or to the Company and always quote their Folio No. or DP ID and Client ID in all correspondence.
4. Information about Directors proposed to be appointed at the Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in the report of Corporate Governance forming part of the Annual Report.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5, 6 and 7

Shri G. L. Goenka, Shri Gauri Shankar Mehta and Shri Vivek Goenka were appointed as Additional Directors of the Company w.e.f. 8th October, 2010, 8th October, 2010 and 3rd December, 2010 respectively pursuant to the provisions of Section 260 of the Companies Act, 1956 and in terms of Article 93 of Articles of Association of the Company. According to the provision of Section 260 of the Companies Act, 1956 and Article 93 of Articles of Association of the Company they will hold office up to the date of this Annual General Meeting. The Company has received notices in writing from members under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- in respect of each Director signifying their intentions to propose Shri G. L. Goenka, Shri Gauri Shankar Mehta and Shri Vivek Goenka as candidates for office of Directors of the Company.

None of the Directors of Company except Shri G. L. Goenka, Shri Gauri Shankar Mehta, and Shri Vivek Goenka is concerned or interested in the respective resolution of their appointment.

The Directors recommend the resolutions for approval of members.

Item No. 8

The Board of Directors of Company at its meeting held on 20th December, 2010 has appointed Shri Vivek Goenka as the Managing Director of the Company w.e.f. 20th December, 2010 for a period of five years. Shri Vivek Goenka is Bachelor in Commerce and has over 5 years of experience in the field of finance/capital market and related activities. The Remuneration Committee of Directors at its meeting held on 20th December, 2010 has approved the payment of remuneration to Shri Vivek Goenka.

The appointment and remuneration payable to Shri Vivek Goenka require approval of the shareholders in terms of Schedule XIII of the Companies Act, 1956.

None of the Directors of Company except Shri Vivek Goenka is concerned or interested in the resolution.

The Directors recommend the resolution for approval of members.

A copy of the notice with Explanatory Statement and Minutes of the meeting of the Board of Directors and Remuneration Committee of Directors both held on 20th December, 2010 and a copy of the agreement between the Company and Shri Vivek Goenka in this connection will be kept open for inspection by shareholders at the registered office of the Company situated at 1st, British Indian Street, Room No. B-10, Kolkata-700 069 between 2 PM and 4 PM on any working day of the Company.

Notice (Contd.)

Item No. 9

The present Authorised Share Capital of the Company is ₹ 17,50,00,000/- (Rupees Seventeen Crores Fifty Lacs Only) divided into 1,75,00,000 equity shares of ₹ 10/- each. The Company proposes to raise further resources for the expansion plan of the Company and to enhance the networth of the Company by way of fresh issue of equity shares on rights basis. In view of the above, it is proposed to increase the Authorised Share Capital to ₹ 70,00,00,000 /- (Rupees Seventy Crores Only) divided into 7,00,00,000 equity shares of ₹ 10/- each and amend the Capital Clause of the Memorandum of Association of the Company accordingly.

The Clause V of the Memorandum of Association of the Company is proposed to be altered accordingly to reflect the alteration in the Authorised Share Capital of the Company.

None of the Directors of the Company is concerned or interested in any way in the resolution.

The Directors therefore recommend the resolution for your approval.

Item No. 10

The Company is planning to expand its activities of investment in shares & securities and providing loans and advances and also diversifying in real estate and infrastructure financing business. With a view to augment the long term resources of the Company and to finance its expansion plans, the consent of the shareholders is sought to authorize the Board/Committee of Directors to offer/issue/ allot such equity shares of the Company of the face value of ₹ 10/- (Rupees Ten only) each for cash at such price on Rights Basis, for an aggregate amount not exceeding ₹ 131 crores on a Record Date to be specified for that purpose.

Section 81(1) of the Companies Act, 1956 provides, inter-alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81(1) of the Companies Act, 1956 unless the shareholders in the General Meeting decide otherwise.

The Listing Agreement with the Stock Exchanges in India where the shares of the Company are listed also provides, inter alia, that the Company in the first instance should offer all the shares to be issued for subscription to the existing equity shareholders, on a pro-rata basis, unless the shareholders decide otherwise in the General Meeting.

Since the Special Resolution proposed in this Notice may result in the issue of shares of the Company otherwise than to the members of the Company, the consent of the Shareholders is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges in India where the shares of the Company are listed.

The Directors of the Company may be deemed to be concerned or interested in the resolutions to the extent of their entitlement that may be offered to them on rights basis or otherwise applied for by them and allotted to them.

The Directors recommend the resolution for your approval.

Registered Office :
1st, British Indian Street
Room No. B-10
Kolkata-700 069
Dated, the 4th August, 2011

By Order of the Board of Directors

BISWANATH MUKHERJEE

Company Secretary

Directors' Report

Your Directors have pleasure in presenting the 18th Annual Report together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

	₹ in lacs	
	Year ended 2010-11	Year ended 2009-10
Sales & Income	443.25	1114.69
Profit before Depreciation & Tax	47.28	5.53
Depreciation	0.68	0.04
Profit before Tax	46.60	5.49
Provision for Tax	(0.01)	3.14
Profit after Tax	46.61	2.35
Transfer to Statutory Reserve	9.32	0.47
Balance brought forward from previous year	(31.38)	(33.26)
Balance carried to Balance Sheet	<u>5.91</u>	<u>(31.38)</u>

OPERATIONS & BUSINESS ACTIVITIES

During the year your Company achieved sales and income of ₹ 443.25 lacs as against ₹ 1114.69 lacs in the previous year and recorded profit before depreciation and tax of ₹ 47.28 lacs as against ₹ 5.53 lacs in the financial year 2009-10. The Company has assigned the assets on lease during the year and written back the provision for non performing assets of ₹ 52.94 lacs. During the year under review the Company earned moderate profit from trading in shares and expect that the profit from trading in shares will improve during the current financial year. The Company also intends to diversify into real estate business in the near future.

A detailed Management Discussion and Analysis Report forms part of the Report as Annexure-1.

DIVIDEND

Your Directors do not recommend any dividend due to inadequate profit for the year ended 31st March, 2011.

FIXED DEPOSIT

The Company is a non deposit taking Non Banking Financial Company and therefore has not accepted any public deposit during the year.

CHANGE OF PROMOTERS

The Company was originally promoted by Shri Binod Kumar Mehra and Shri Pramod Kumar Mehra. On 7th August, 2010, the present promoters of the Company entered into a Memorandum of Understanding (MOU) with the erstwhile promoters to acquire from them 3,30,300 equity shares of the Company aggregating to 11.01% of the equity and voting share capital of the Company and also to acquire management control of the Company. Subsequent to the MOU, the Company had passed a special resolution through the postal ballot in compliance with Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and Regulation 12 read with Regulation 2(1) (c) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 to effect the change in management control of the Company. The outcome of the special resolution was declared by Shri Binod Kumar Mehra on 1st October, 2010 and thereafter Shri G. L. Goenka and Risewell Credit Pvt. Limited were inducted as promoters of the Company by the Board of Directors on 29th October, 2010 and also were entrusted with the management control of the Company.

Directors' Report (Contd.)

ALLOTMENT OF SHARES

The Company has allotted 83,40,000 Equity Shares of ₹ 10/- each to promoter and 56,60,000 Equity Shares of ₹ 10/- each to strategic investors not forming part of promoter group on preferential basis at a premium of ₹ 8/- per Equity Share on 19th May, 2011. Pursuant to this the paid up share capital of the Company has increased from ₹ 300.02 lacs to ₹ 1700.02 lacs.

RIGHTS ISSUE

The members of the Company at the Extraordinary General Meeting held on 10th November, 2010 have approved the issue of 90,00,600 Equity Shares of face value of ₹ 10/- each at a premium of ₹ 15/- per share aggregating to ₹ 2250.15 lacs to the members of the Company on rights basis in the ratio of three equity shares for every 1 equity share held on a record date to be specified for the purpose. However the proposal of issue on equity shares on rights basis was withdrawn following the reservations raised by the regulatory authorities.

AUTHORISED CAPITAL

During the year under review, the Authorised Share Capital of the Company was increased from ₹ 3,50,00,000 (Rupees Three crores fifty lacs) to ₹ 12,50,00,000 (Rupees Twelve crores fifty lacs) divided into 1,25,00,000 equity shares of ₹ 10/ each. The Authorised Share Capital of the Company was further increased after the year end from ₹ 12,50,00,000 (Rupees Twelve crores fifty lacs) to ₹ 17,50,00,000 (Rupees Seventeen crores fifty lacs) divided into 1,75,00,000 equity shares of ₹ 10/ each.

LISTING OF SHARES

The Company have applied to Bombay Stock Exchange Limited and Calcutta Stock Exchange Association Limited to grant approval for listing of additional 1,40,00,000 Equity Shares allotted on preferential basis on 19th May, 2011. The approvals from stock exchanges are awaited.

REGISTERED OFFICE

The Registered Office of the Company has been shifted to 1st, British Indian Street, Room No B-10, Kolkata-700 069 with effect from 29th October, 2010.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the requirement of Section 217(2AA) of the Companies Act, 1956 your Directors confirm;

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;
3. that 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 the fraud and other irregularities;
4. that the Directors have prepared the annual accounts on a going concern basis.

Directors' Report (Contd.)

CORPORATE GOVERNANCE

In terms of Clause 49 of the listing agreements with the Stock Exchanges, Report on Corporate Governance along with certificate of compliance from the auditors confirming compliances to the condition of the Corporate Governance requirement are attached and form part of the Report as Annexure - 2.

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

The Company is a Non Banking Financial Company and therefore information relating to Conservation of Energy and Technology Absorption are not applicable.

The Company has neither earned nor used any foreign exchange during the year under review.

DIRECTORS

Shri Pramod Kumar Mehra, Shri Ashok Kumar Bansal and Shri Binod Kumar Mehra, Directors of the Company resigned w.e.f. 08.10.2010, 08.10.2010 and 29.10.2010 respectively. The Board places on record its high appreciation of the valuable services rendered by Shri Pramod Kumar Mehra, Shri Ashok Kumar Bansal and Shri Binod Kumar Mehra during their tenure as Directors of the Company.

Shri G. L. Goenka, Shri Gauri Shankar Mehta and Shri Vivek Goenka were appointed as Additional Directors of the Company w.e.f. 08.10.2010, 08.10.2010 and 03.12.2010 respectively.

Shri G. L. Goenka, Shri Gauri Shankar Mehta and Shri Vivek Goenka hold office till the ensuing Annual General Meeting and are eligible for reappointment.

At the ensuing Annual General Meeting, Shri Madhusudan Prasad Srivastawa and Smt Nitu Kaur, Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

Shri Vivek Goenka was appointed as the Managing Director of the Company w.e.f. 20.12.2010 for a period of 5 years.

AUDITORS

Messrs Vasudeo & Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration up to or in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956 read with (Particulars of Employees) Rules, 1975.

HOLDING COMPANY

Pursuant to allotment of 83,40,000 Equity Shares of ₹ 10/- each to Risewell Credit Pvt. Ltd. on preferential basis on 19.05.2011, the holding of Risewell Credit Pvt. Ltd. in the Company has become 50.79%. Consequent to this the Company has become a subsidiary of Risewell Credit Pvt. Ltd. w.e.f 19.05.2011.

ACKNOWLEDGEMENTS

Your Directors thank the shareholders and customers for the confidence reposed by them in the Company and also wish to record the appreciation for the services and sincere efforts of the Employees, Bankers, Registrar and Share Transfer Agents of the Company.

For and on behalf of the Board of Directors

Kolkata
Dated, 30th May, 2011

G. L. GOENKA
Chairman

Annexure -1 to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

India's GDP growth in 2010-11 has been estimated at 8.6% with the agriculture, industry and services sectors registering growth rates of 5.4%, 7.8% and 9.5% respectively. GDP growth is estimated to average 8.2% over the 11th Plan as against 7.7% during the previous Plan. Though the performance fell short of the 9% target at the beginning of the Plan, it is to be viewed in light of the unprecedented crisis which derailed the global economy. GDP growth during the 12th Plan period has been indicated in the range of 9 to 9.5%, reflective of the growth imperatives of an emerging economy.

Opportunities & Threats

The economy is expected to continue to grow during the current financial year. The forecast of GDP growth rate for 2011-12 is 9 +/- 0.25 %. In view of the higher GDP and good industrial production growth rates, the financial sector and capital market is expected to continue to grow during 2011-12. The higher rate of interest, high rate of inflation and uncertainty in global market could impact the growth of financial sector during the current financial year.

Segment-wise or Product-wise Performance

The Company is engaged in the business of investment and financing and hence there is only one primary segment.

Outlook

The Index of Industrial Production has been on a declining trend. The index of industrial production was lower at 7.80% in this year compared to 10.1% in the previous year. The relentless increase in interest rates over the past year has already started exerting pressure on corporate and retail borrowers alike.

In the expected scenario of low to moderate growth, continuing inflation and higher interest cost, your Company will continue to strive for meaningful growth, focusing as always on superior credit quality, a balance portfolio mix and efficient cost management, in order to sustain profitability.

Risk Management

Your Company, being in the business of financing and investment has to manage various risks. These risks include credit risk, liquidity risk, interest rate risk and operational risk.

The Company manages credit risk through stringent credit norms established through several years of experience in this line of business and continues to follow the time tested practice of personally assessing every borrower, before committing to a credit exposure. This process ensures that the expertise in lending operations acquired by the Company over the period is put to best use and acts to mitigate credit risks. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles.

Internal Control System

The Company has a proper and adequate system of controls in order to ensure that all assets are safeguarded against loss from unauthorized use or disposal. All transactions are properly checked, verified, recorded and reported correctly.

Regular Internal Audit checks are carried out to ensure that the responsibilities are executed effectively and that proper and adequate systems are in place.

Financial Performance

During the year your Company achieved sales and income of ₹ 443.25 lacs as against ₹ 1114.69 lacs in the previous year and recorded profit before depreciation and tax of ₹ 47.28 lacs as against ₹ 5.53 lacs in the financial year 2009-10.

Human Resources

Your Company believes that its greatest assets are its people and training is an investment in long term people development, for organizational excellence. During the year under review, your Company has taken several new initiatives to ensure that the knowledge and wisdom gained over period is handed down to the next generation of employees.

For and on behalf of the Board of Directors

Kolkata

Dated, 30th May, 2011

G. L. GOENKA
Chairman

Annexure-2 to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Board of Directors (Board) considers itself as the trustee of its shareholders. During the year under review, the Board continued its pursuit by adopting corporate strategies and prudent business plans. The Company followed adequate monitoring system to safeguard against major risk and to ensure implementation of policies and procedures to satisfy its social, legal and ethical responsibilities.

II. BOARD OF DIRECTORS

(a) Composition of the Board :

The Board of Directors comprises of one Executive Director and five Non-Executive Directors. Non-Executive Directors constituted more than half of the total number of Directors. Four out of the six Directors are Independent Directors which duly complied with the requirement of clause 49 of the Listing Agreement. The Company has a Non-Executive Chairman who is also promoter of the Company.

The information on composition of the Board as on date, Category of Directors, Directorships in other Public Limited Companies and Committees of other Public Limited Companies of which the Director is a member/chairman, is as under:

Name of the Directors	Category of Directors	No. of Directorships held in other Public Limited Companies	No. of other Board Committee(s) of which he is a Member	No. of other Board Committee(s) of which he is a Chairman
Shri G. L. Goenka	Promoter, Non-Executive	NIL	NIL	NIL
Shri Vivek Goenka	Managing Director	NIL	NIL	NIL
Shri Dinesh Burman	Independent, Non-Executive	NIL	NIL	NIL
Shri Gauri Shankar Mehta	Independent, Non-Executive	NIL	NIL	NIL
Shri Madhusudan Prasad Srivastawa	Independent, Non-Executive	NIL	NIL	NIL
Smt. Nitu Kaur	Independent, Non-Executive	NIL	NIL	NIL

(b) Number of Board Meetings :

During the financial year 2010-11, fourteen meetings of the Board of Directors were held on 31.05.2010, 30.07.2010, 07.08.2010, 29.09.2010, 08.10.2010, 29.10.2010, 12.11.2010, 30.11.2010, 03.12.2010, 20.12.2010, 10.01.2011, 28.01.2011, 15.03.2011 and 30.03.2011

The information on attendance at Board Meetings held during the year and at the last Annual General Meeting is as under:

Name of the Director	Board Meetings		Attendance at last Annual General Meeting
	Held	Attended	
Shri Binod Kumar Mehra (ceased to be Director w.e.f. 29.10.2010)	14	5	YES
Shri Pramod Kumar Mehra (ceased to be Director w.e.f. 08.10.2010)	14	4	YES
Shri Ashok Kumar Bansal (ceased to be Director w.e.f. 08.10.2010)	14	3	YES

Annexure-2 to the Directors' Report (Contd.)

Shri G. L. Goenka (w.e.f. 08.10.2010)	14	9	N.A.
Shri Vivek Goenka (w.e.f. 03.12.2010)	14	5	N.A.
Shri Dinesh Burman	14	11	NO
Shri Gauri Shankar Mehta (w.e.f. 08.10.2010)	14	3	N.A.
Shri Madhusudan Prasad Srivastawa	14	9	YES
Smt. Nitu Kaur	14	7	NO

III. AUDIT COMMITTEE

- a) The term of reference of Audit Committee includes the matters specified under Clause 49 of the Listing Agreement.

Terms of Reference

The role and power of the Audit Committee includes :

1. Oversight of the Company's financial reporting process and disclosure of its financial to its financial information to ensure that the financial statements are correct, sufficient and credible.
 2. Recommendation in respect of appointment, re-appointment and removal of statutory and internal auditors, fixation of audit fees and approval for payment for any other services rendered by statutory & internal auditors.
 3. Review of the quarterly and annual financial statements before submission to the Board.
 4. Review and discussions with statutory and internal auditors, in respect of the internal control/audit systems, internal audit reports, management letters of internal control, weaknesses, adequacy of internal control systems and improvement therein.
 5. Review of finding/observations of the internal auditors into matters of irregularity or suspected fraud and reporting the matter to the Board.
 6. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, creditors and shareholders (in case of non-payment of declared dividend).
 7. To seek information from any employee, access to records of the Company and investigate any activity relating to financial matters.
 8. To seek outside legal and / or professional advice.
 9. Pre-audit and post-audit discussions with statutory auditors to ascertain the nature, scope and any specific area of concern.
 10. Review of management discussion and analysis of financial condition and results of operations and statements of related party transactions.
- b) During the financial year 2010-11 four Audit Committee Meetings were held on 27.05.2010, 28.07.2010, 10.11.2010 and 27.01.2011.
- c) The composition of Audit Committee as on date is as under :

Name of the Directors	Positions Held	No. of Meetings Held	No. of Meetings Attended
Shri Ashok Kumar Bansal (ceased to be member w.e.f. 08.10.2010)	Chairman	4	2
Shri Dinesh Burman (w.e.f. 29.10.2010)	Chairman	4	2
Shri Madhusudan Prasad Srivastawa	Member	4	4
Smt. Nitu Kaur	Member	4	4

All members of the Audit Committee are Independent Directors. The composition of the committee is in conformity with Clause 49II(A) of the Listing Agreement. The Statutory Auditors are regular invitee. The Company Secretary acts as the Secretary of the committee.

Annexure-2 to the Directors' Report (Contd.)

IV. NOMINATION COMMITTEE

The Nomination Committee was reconstituted on 31.05.2010.

- During the financial year 2010-11 one Nomination Committee Meeting was held on 31.05.2010.
- The composition of Nomination Committee as on date is as under :

Name of the Directors	Positions Held	No. of Meetings Held	No. of Meetings Attended
Shri Dinesh Burman	Chairman	1	1
Shri Gauri Shankar Mehta	Member	1	—

V. REMUNERATION COMMITTEE

The Board of Directors of the Company at its meeting 29th October, 2010 constituted the Remuneration Committee of Directors to approve and determine the policy of the Company on specific remuneration packages of Executive Directors and other related matters. The terms and conditions governing the appointment/remuneration of the Executive Directors are approved first by the Remuneration Committee and then the same are considered by the Board and finally placed for the approval of members.

The composition of the Remuneration Committee as on the date of report is as follows :

Name of the Directors	Positions Held	No. of Meetings Held	No. of Meetings Attended
Shri Madhusudan Prasad Srivastawa	Chairman	1	1
Shri Dinesh Burman	Member	1	1
Smt. Nitu Kaur	Member	1	1

All members of the Remuneration Committee are Independent Directors. The Company Secretary acts as the Secretary of the Committee.

During the year under review one meeting of the Remuneration Committee was held on 20th December, 2010 for recommending the remuneration of Shri Vivek Goenka, Managing Director of the Company. The Company pays monthly remuneration to Managing Director. The employment of the Managing Director is contractual in nature and is terminable by either side with a notice period of three months or remuneration in lieu of such notice.

Apart from making payment of sitting fee for attending the Board meetings and defraying expenses for attending such meetings and other traveling expenses incurred wholly and exclusively in attending to Company's work, no remuneration in any form is paid to Non-Executive Directors.

Remuneration paid to Directors during the financial year ended 31st March, 2011 is as under :

Non- Executive Directors	Sitting Fees paid (Amount in ₹)
Shri Binod Kumar Mehra	4,000
Shri Pramod Kumar Mehra	3,000
Shri Ashok Kumar Bansal	3,000
Shri G. L. Goenka	40,000
Shri Dinesh Burman	42,000
Shri Gauri Shankar Mehta	25,000
Shri Madhusudan Prasad Srivastawa	28,000
Smt Nitu Kaur	28,000

Remuneration paid to Executive Director

Name	Remuneration (Amount in ₹)
Shri Vivek Goenka	Salary - 90,000/-

VI. SHAREHOLDERS' GRIEVANCES COMMITTEE

- Name of Non Executive Director heading the committee : Smt. Nitu Kaur
- Name & Designation of Compliance Officer : Shri Biswanath Mukherjee, Company Secretary
- Number of shareholder's queries received during the year : One

Annexure-2 to the Directors' Report (Contd.)

- iv) Number not solved to the satisfaction of shareholders : One, Court Case
- v) Number of pending complaints : Nil

VII. GENERAL BODY MEETING

- a) Location and time of the last three AGMs held :

AGM	Date	Venue	Time
15th	26.09.2008	12A, S. N. Roy Road, Kolkata 700 038	10.00 a.m.
16th	23.09.2009	12A, S. N. Roy Road, Kolkata 700 038	10.00 a.m
17th	27.09.2010	12A, S. N. Roy Road, Kolkata 700 038	10.00 a.m

- b) Whether any special resolution was passed in the previous 3 AGMs : No

Postal Ballot :

During the year one special resolution was passed through Postal Ballot. Smt Sweety Kapoor was appointed as the Scrutinizer for the Postal Ballot process. The results of the Postal Ballot were announced by Shri Binod Kumar Mehra on 01.10.2010 and advertised in the newspapers. Details of Resolution passed through Postal ballot are as follows :

Description of Resolution :

Special Resolution pursuant to Regulation 12 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 read with Regulation 2(1) (c) thereof for obtaining the consent of the members for entrusting/transferring/assigning the management control of the Company to Shri G. L. Goenka and Risewell Credit Pvt. Ltd.

Voting Pattern

Voting	Nominal Value of Shares	Percentage of Total Votes
Votes in favour	1,21,86,800	100.00
Votes against	NIL	NIL
Total	1,21,86,800	100.00

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 have been followed for the Postal Ballot conducted during the year.

VIII. DISCLOSURES

- a) Disclosures on materially significant related party transactions: The Company has not entered into any transactions of material nature, with its related parties that may have potential conflict with the interest of the Company at large, other than in the normal course of business. The transaction undertaken during the year have been disclosed in Note No.B(6) of the Schedule 11 forming part of the Accounts.
- b) The Company is regular in complying with the requirement of the regulatory authorities on the matters relating the capital market and no penalties / strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, during the last three years.
- c) Although the Company has not formulated Whistle Blower Policy, being a non-mandatory requirement, but no personnel has been denied access to the senior management/Audit Committee.
- d) The Company complies with all the mandatory requirements and one non-mandatory requirements of Clause 49 of the Listing Agreement viz constitution of Remuneration Committee of Directors.

IX. MEANS OF COMMUNICATION

In compliance with Clause 41 of the Listing Agreement, the Company faxes the quarterly/ half yearly/ yearly unaudited / audited financial results to the Stock Exchanges within 15 minutes from the conclusion of the Board Meetings. Information through speed post are also sent to Bombay Stock Exchange immediately and hand delivery is made to Calcutta Stock Exchange. Results are published in Business Standard (English) and Kalantar (Bengali) etc. newspapers of Kolkata edition. The website of the Company is www.goldensecltd.com.

X. GENERAL SHAREHOLDER INFORMATION

- (i) AGM Date : 16th September, 2011 at 10.30 A.M. to be held at "Manthan" (Banquet Hall) at 3, Waterloo Street, Kolkata 700 069
- (ii) Financial Year ended : 31.03.2011 (2010-2011)
- (iii) Date of Book Closure : 9th September, 2011 to 16th September, 2011 (both days inclusive)
- (iv) Dividend Payment date : The Board has not recommended any dividend.

Annexure-2 to the Directors' Report (Contd.)

(v) Listing on Stock Exchanges

	Stock Code
a. The Calcutta Stock Exchange Associate Ltd. 7 Lyons Range, Kolkata-700001	10017059
b. The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	530579
c. ISIN	INE 152C01017

(vi) Market Price Data : The Market Price of the Equity Share of the Company during 2010-2011 is given in the table below :

Months	BSE		Months	BSE	
	High	Low		High	Low
April 2010	6.99	5.66	October 2010	19.40	14.30
May 2010	7.80	6.70	November 2010	19.30	16.70
June 2010	10.65	7.25	December 2010	20.70	16.70
July 2010	13.69	8.85	January 2011	19.90	16.15
August 2010	14.99	11.29	February 2011	21.30	17.00
September 2010	16.20	13.35	March 2011	21.95	14.50

No trading was made at Calcutta Stock Exchange during the year.

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

	31.03.2011	31.03.2010	Change (%)
Share Prices of the Company	16.60	6.31	(+) 163.07
BSE Sensex	19445.22	17527.77	(+) 10.94

(viii) Registrar & Share Transfer Agent : Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, Canning Street, Kolkata-700 001, Telephone : 033-22357270/7271, Fax : 033 2215 6823, Email : nichetechpl@nichetechpl.com.

(ix) Share Transfer System : The transfer of shares is effected by the Registrar and Share Transfer Agents after necessary approvals. The shares sent for physical transfer are generally registered within a period of maximum one month from the date of receipt provided the documents are in order.

x) a) Distribution of Shareholding as on 31st March, 2011

Shareholding	No. of Shares	Percentage to Total	No. of Shareholders	Percentage to Total
1 – 500	1,67,240	5.57	841	74.10
501 – 1000	94,566	3.15	112	9.87
1001 – 5000	2,70,114	9.00	116	10.22
5001 – 10000	1,96,092	6.54	24	2.11
10001 – 50000	5,41,929	18.07	23	2.03
50001 – 100000	13,32,498	44.41	17	1.50
100001 and above	3,97,761	13.26	2	0.17
Total	30,00,200	100.00	1135	100.00

b) Shareholding Pattern of the Company as on 31st March, 2011

Category	No. of Shares	Percentage to Total
Promoters	3,30,300	11.10
Residents(Individual)	11,50,102	38.33
Non-Resident Individuals /OCBs	500	0.02
Indian Corporate Bodies/Trusts	14,30,078	47.67
Clearing Corporation/Clearing Member	89,220	2.98
Total	30,00,200	100.00

Annexure-2 to the Directors' Report (Contd.)

xi) Dematerialization of Shares and Liquidity :

Pursuant to a directive from SEBI, the Shares of the Company are included in SEBI's list of shares in which trading in electronic form is compulsory with effect October, 2000. As on 31st March, 2011 the number of shares in dematerialized form is representing 91.92% of the total shares and the balance shares representing 8.08 % of the shares were held in physical form.

xii) Outstanding GDRs/WARRANTs or any convertible instruments, conversion data and likely impact on equity – Nil.

xiii) Plant Location : The Company is an investment company and there is no plant.

xiv) Address for Correspondence: Golden Securities Ltd., 1st, British Indian Street, Kolkata 700 069
Phone : 033-22623827, E mail : goldensecltd@yahoo.in, Website : www.goldensecltd.com

Details of Directors seeking appointment at the ensuing Annual General Meeting :

Name of Directors	Shri G.L. Goenka	Shri Vivek Goenka	Shri G. S. Mehta	Smt. Nitu Kaur	Shri Madhusudan Prasad Srivastawa
Date of Birth	06.01.1964	10.04.1980	03.02.1948	11.09.1976	01.03.1953
Date of appointment	08.10.2010	03.12.2010	08.10.2010	28.02.2005	28.02.2005
Qualifications	B.Com, FCA	B. Com.	M.Sc. Agri (Hons)	B.Com	M.B.B.S.
Nature of Expertise	More than 20 years of experience in Corporate Finance, taxation, audit, Corporate Laws and Real Estate Business	Has over 5 years of experience in the field of finance, capital markets and related activities	More than 30 years of experience in Banking Industry and related matters.	Has over 10 years of experience in Interior Decoration, overall management, finance and general activities	Has over 10 years of experience in Finance & Investments
Directorship in other public limited companies	NIL	NIL	NIL	NIL	NIL
Name of committees of other companies in which the director is a member	NIL	NIL	NIL	NIL	NIL
No. of shares held in the Company	36,000	NIL	NIL	NIL	NIL
Relationships with other Directors	No	No	No	No	No

For and on behalf of the Board of Directors

Kolkata
Dated, 30th May, 2011

G. L. GOENKA
Chairman

Annexure-2 to the Directors' Report (Contd.)

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF GOLDEN SECURITIES LTD.

We have examined the compliance of conditions of Corporate Governance by Golden Securities Limited, for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentions Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained, there were no investors' complaints remaining unattended/pending for more than 30 days as at 31st March, 2011.

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

5, Fancy Lane, 3rd Floor
Kolkata 700 001
Date : 30th May, 2011

For VASUDEO & ASSOCIATES

Chartered Accountants

V. D. AGARWAL

Partner

Membership No. 54784

F. R. No. 319299E

DISCLOSURE

Disclosure of particulars of persons constituting "Group" pursuant to Regulations 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1977

Ascent Merchants Pvt. Ltd., Aslow Estates Pvt. Ltd., Aristro Capital Markets Pvt. Ltd., Ambey Realtors Pvt. Ltd., Beauty Builders Pvt. Ltd., Balakrishna Infrastructure Pvt. Ltd., Cornerstone Developers Pvt. Ltd., Elegant Shelters Pvt. Ltd., Jackpot Distributors Pvt. Ltd., Karni Project Pvt. Ltd., Karni Business Pvt. Ltd., Karni Vincom Pvt. Ltd., Kalakanchan Developers Pvt. Ltd., Karni Awas Pvt. Ltd., Karni Realtors Pvt. Ltd., Karni Shelter Pvt. Ltd., Karni Marketing Pvt. Ltd., Liberal Commosales Pvt. Ltd., Longview Commotrade Pvt. Ltd., N. C. Shaw & Co., Beverage Pvt. Ltd., Phony Developers Pvt. Ltd., Robin Properties & Investment Pvt. Ltd., Rangoli Tradelinks Pvt. Ltd., Rajnikita Builders Pvt. Ltd., Rajnikita Consultants Pvt. Ltd., Sri Karni Ambey Developers Pvt. Ltd., Gridhari Lal Goenka, G. L. Goenka HUF, G. Goenka & Co., Raj Goenka, Rajeev Goenka, Nikita Goenka (Minor)

For and on behalf of the Board of Directors

Kolkata
Dated, 30th May, 2011

G. L. GOENKA

Chairman

Auditors' Report

1. We have audited the attached Balance Sheet of GOLDEN SECURITIES LTD., as at 31st March, 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and explanation given to us, the said accounts together with notes thereon give the information required by the Companies Act, 1956, in the manners so required and give a true and fair view in conformity with the accounting principles generally accepted
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Kolkata
Date : 30th May, 2011

For VASUDEO & ASSOCIATES
Chartered Accountants
V. D. AGARWAL
Partner
Membership No. 54784
F. R. No. 319299E

Annexure to the Auditors' Report

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, no material discrepancies were notice on such verification.
- (c) During the year, the Company has disposed off a major part of the plant and machinery. According to the information and explanations given to us, we are of the opinion that the sale of the said part of plant and machinery has not affected the going concern status of the Company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and of its business.
- (c) In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) The Company had neither granted nor taken any loans, secured or unsecured to / from companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, Sub-Clause (b), (c), (d), (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of shares and fixed assets and with regard to the sale of shares and service. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered. Sub-Clause (b) is not applicable.
- (vi) The Company had not accepted deposits from public and as such the question of compliance of Section 58A and 58AA of the Companies Act, 1956 does not arise.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Company is not a manufacturing company and no cost records have been prescribed under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us, during the year there were no employees eligible for Provident Fund and Employee State Insurance Fund. Accordingly, the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards Investor Education Protection Fund, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Service Tax, Excise Duty & Cess. The Company has been regular in depositing Profession Tax and Income Tax dues with the appropriate authority and there were no undisputed amounts payable thereof which are outstanding, as at 31st March, 2011 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Service Tax, Wealth Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.

Annexure to the Auditors' Report (Contd.)

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

Place : Kolkata
Date : 30th May, 2011

For VASUDEO & ASSOCIATES
Chartered Accountants
V. D. AGARWAL
Partner
Membership No. 54784
F. R. No. 319299E

Balance Sheet as at 31st March, 2011

				(Amount in ₹)	
	Schedule	As At 31st March, 2011	As At 31st March, 2010		
I SOURCES OF FUNDS					
1 Shareholders Funds					
a) Capital	1	3,00,02,000	2,99,99,000		
b) Reserves & Surplus	2	27,42,038	12,19,143		
c) Share Application Money Received Allotment pending		2,00,00,000	—		
Deferred Tax Liabilities		—	669		
TOTAL		5,27,44,038	3,12,18,812		
II APPLICATION OF FUNDS					
1 Fixed Assets					
a) Gross Block	3	9,60,412	98,61,720		
b) Depreciation		4,46,925	42,39,165		
Net Block		5,13,487	56,22,555		
2 Investments	4	2,77,772	10,00,000		
3 Current Assets, Loans & Advances					
a) Current Assets	5	4,16,13,102	1,31,48,305		
b) Loans & Advances	6	1,10,12,872	1,50,28,904		
(A)		5,26,25,974	2,81,77,209		
Less: Current Liabilities & Provisions					
a) Current Liabilities	7	2,88,022	10,61,568		
b) Provisions		3,85,173	56,56,888		
(B)		6,73,195	67,18,456		
Net Current Assets	(A-B)	5,19,52,779	2,14,58,753		
4 Miscellaneous Expenditure					
(To the extent not adjusted or written off)		—	—		
Profit & Loss Account (Debit Balance C/F)		—	31,37,504		
TOTAL		5,27,44,038	3,12,18,812		
Significant Accounting Policies & Notes on Accounts					
	11				

The Schedules referred to above form an integral part of these accounts.
As per our report of even date

For VASUDEO & ASSOCIATES

Chartered Accountants

F. R. No. 319299E

V. D. AGARWAL

Partner

Membership No. 54784

Place : Kolkata

Dated : 30th May, 2011

BISWANATH MUKHERJEE

Company Secretary

G. L. GOENKA

DINESH BURMAN

Directors

VIVEK GOENKA

Managing Director

Profit & Loss Account for the year ended 31st March, 2011

(Amount in ₹)			
	Schedule	For the year ended 31st March, 2011	For the year ended 31st March, 2010
I INCOME			
Sale of Shares		4,23,89,319	11,01,50,076
Interest on Loans (Gross)		8,95,457	11,14,468
(Tax Deducted at Source ₹ 75,301/- Previous Year ₹ 1,12,376/-)			
Profit from Speculative Transactions		71,700	1,35,411
Interest on Income Tax Refund		—	8,411
Other Income	8	9,68,972	60,769
Increase / (Decrease) in Stock	9	2,59,02,530	15,50,693
TOTAL		7,02,27,978	11,30,19,828
II EXPENDITURE			
Purchase of Shares		6,80,02,173	11,11,09,747
Administrative & Other Charges	10	23,09,431	9,42,258
Depreciation		68,310	3,844
Preliminary Expenses W/Off		4,57,549	—
Contingent Provision Against Standard Asset		25,173	—
Provision for NPA as per RBI Guidelines		(52,94,388)	4,14,500
TOTAL		6,55,68,248	11,24,70,349
Profit before Tax		46,59,730	5,49,479
Less : Provisions			
For Income Tax		—	1,40,000
For Deferred Tax		(669)	27
		46,60,399	4,09,452
Less : FBT Adjustment		—	(6,573)
Income Tax Adjustment		—	1,81,057
		46,60,399	2,34,968
Less : Transfer to Statutory Reserve		9,32,080	46,900
		37,28,319	1,88,068
Add : Surplus/Deficit in Profit & Loss Account Brought Forward from Previous Year		(31,37,504)	(33,25,572)
		5,90,815	(31,37,504)
APPROPRIATIONS			
Balance carried to Balance Sheet		5,90,815	(31,37,504)
Earnings Per Equity Share (Rupees) (Face value of ₹ 10/- per Equity Share) Basic & Diluted		1.55	0.14
Significant Accounting Policies & Notes on Accounts	11		

The Schedules referred to above form an integral part of these accounts.

As per our report of even date

For VASUDEO & ASSOCIATES

Chartered Accountants

F. R. No. 319299E

V. D. AGARWAL

Partner

Membership No. 54784

Place : Kolkata

Dated : 30th May, 2011

BISWANATH MUKHERJEE

Company Secretary

G. L. GOENKA

DINESH BURMAN

Directors

VIVEK GOENKA

Managing Director

Cash Flow Statement for the year ended 31st March, 2011

	(Amount in ₹)	
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extraordinary items	46,59,730	5,49,479
ADJUSTMENT FOR :		
Depreciation	68,310	3,844
Provision for NPA	(52,94,388)	4,14,500
Contingent Provision for Standard Asset	25,173	—
Bad Debts W/off	6,12,705	—
Profit on Sale of Investment	(3,26,955)	—
Interest on Income Tax Refund	—	(8,411)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(2,55,425)	9,59,412
ADJUSTMENT FOR :		
Trade and Other Receivables	20,09,490	(35,08,353)
Inventories	(2,59,02,530)	(15,50,693)
Trade Payables	(7,73,546)	2,143
Purchase of Investment	(6,59,95,544)	—
Sale of Investment	6,60,44,727	—
Income Tax Refund	—	70,730
Income Tax Paid	(13,19,50)	(1,13,235)
NET CASH FROM OPERATING ACTIVITIES	(2,50,04,778)	(41,39,996)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,60,167)	—
Sale of Fixed Assets	62,94,855	—
NET CASH FROM INVESTING ACTIVITIES	57,34,688	—
C. CASH FLOW FROM FINANCING ACTIVITIES		
Calls in arrears received	3,000	—
Share Application money received	2,00,00,000	—
NET CASH FROM FINANCING ACTIVITIES	2,00,03,000	—
Net increase in Cash and Cash equivalents	7,32,910	(41,39,996)
Cash & Cash equivalents as at 01.04.2010	31,10,592	72,50,588
Cash & Cash equivalents as at 31.03.2011	38,43,502	31,10,592

As per our report of even date

For VASUDEO & ASSOCIATES

Chartered Accountants

F. R. No. 319299E

V. D. AGARWAL

Partner

Membership No. 54784

Place : Kolkata

Dated : 30th May, 2011

BISWANATH MUKHERJEE

Company Secretary

G. L. GOENKA

DINESH BURMAN

Directors

VIVEK GOENKA

Managing Director

Schedules Annexed to and forming part of Accounts

(Amount in ₹)

	As At 31st March, 2011	As At 31st March, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised Capital		
1,25,00,000(P.Y. 35,00,000) Equity Shares of Rs. 10/- each	<u>12,50,00,000</u>	<u>3,50,00,000</u>
Issued, Subscribed & Paid up Capital		
30,00,200 Equity Shares of Rs.10/- each		
Fully paid up in cash	3,00,02,000	3,00,02,000
Less : Call money in arrears	<u>—</u>	<u>3,000</u>
	<u>3,00,02,000</u>	<u>2,99,99,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Reserve Fund	3,72,892	3,72,892
Statutory Reserve Fund (As per RBI Act)	17,78,330	8,46,251
Profit & Loss Account	<u>5,90,815</u>	<u>—</u>
	<u>27,42,038</u>	<u>12,19,143</u>

SCHEDULE - 3 FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2010	Additions	Deductions	As at 31.3.2011	As at 1.4.2010	For the year	Deduction	As at 31.3.2011	As at 31.3.2011	As at 31.3.2010
Air Conditioner	1,04,267	23,000	—	1,27,267	92,716	2,602	—	95,318	31,949	11,551
Computer & Printer	1,92,768	—	—	1,92,768	1,92,286	482	—	1,92,768	—	482
Fax Machine	25,000	—	—	25,000	22,358	2,642	—	25,000	—	2,642
Furniture & Fixture (Including Electrical Fittings)	35,400	—	—	35,400	33,674	1,726	—	35,400	—	1,726
Office Equipments	42,810	—	—	42,810	37,581	5,229	—	42,810	—	5,229
Car	—	5,37,167	—	5,37,167	—	55,629	—	55,629	4,81,538	—
Assets on Lease - Plant & Machinery	94,61,475	—	94,61,475	—	38,60,550	—	38,60,550	—	—	56,00,925
TOTAL	98,61,720	5,60,167	94,61,475	9,60,412	42,39,165	68,310	38,60,550	4,46,925	5,13,487	56,22,555
Previous Year	98,61,720	—	—	98,61,720	42,35,321	3,844	—	42,39,165	56,22,555	56,31,050

(Amount in ₹)

	As At 31st March, 2011	As At 31st March, 2010
SCHEDULE 4		
INVESTMENT (AT COST)		
Long Term Investment		
In Quoted Shares		
Microsec Financial Services Ltd.	Qty. 2354 F.V 10/-	2,77,772 —
(Market Value of Quoted Investment ₹ 96,985/-)		
In Unquoted Shares		
Satellite Mercantiles Pvt Ltd.	10000 10/-	— 10,00,000
	<u>2,77,772</u>	<u>10,00,000</u>

Schedules Annexed to and forming part of Accounts

	As At 31st March, 2011	As At 31st March, 2010
(Amount in ₹)		
SCHEDULE 5		
CURRENT ASSETS		
A. Sundry Debtors		
Debt outstanding for a period of more than 6 months Unsecured, Considered Bad & Doubtful	—	30,20,497
Debt outstanding for a period of less than 6 months Unsecured, Considered Good	58,49,854	10,00,000
Total	58,49,854	40,20,497

B. Inventories

Stock in Trade

(at cost or market price whichever is lower)

Name of the Company	As At 31st March, 2011			As At 31st March, 2010	
	Face Value	Quantity	Amount (₹)	Quantity	Amount (₹)
Quoted Shares					
AIA Engineering Limited	2	1,500	494,117	—	—
Andhra Bank Limited	10	3,000	4,11,600	—	—
Areva T&D India Limited	2	3,500	8,67,300	—	—
Ashok Leyland Limited	1	2,500	1,24,150	—	—
Balrampur Chinni Mills Limited	1	6,000	4,20,300	—	—
Bartronics India Limited	10	15,000	9,09,750	—	—
Bharti Shipyard Limited	10	2,000	2,81,623	—	—
Canfin Homes Limited	10	5,500	5,58,097	—	—
Central Bank Of India	10	12,000	16,86,000	—	—
Chemplast Sanmar Limited	1	40,000	2,48,000	—	—
Cosmo Films Limited	10	14,500	13,53,575	—	—
Crew Bos Products Limited	10	8,500	7,77,325	—	—
Deccan Chronicle Holdings Limited	2	11,000	8,83,300	—	—
Dena Bank Limited	10	5,000	4,59,300	—	—
Excel Crop Care Limited	5	10,000	24,28,500	—	—
Finolex Cables Limited	2	5,500	2,59,325	—	—
GCV Services Limited	1	70,643	33,33,043	—	—
HFCL	1	—	—	9,500	1,18,275
HFCL Infotel Limited	5	—	—	10,000	75,300
Hindustan Construction Co Limited	1	10,000	3,64,000	—	—
JK Tyre & Industries Limited	10	12,000	11,26,800	—	—
Kerala Chemicals Limited.	10	4,500	4,50,675	—	—
Kesoram Industries Limited	10	—	—	2,000	7,49,800
Lyka Labs Limited	10	23,500	5,09,950	—	—
Munjial Auto Industries Limited	10	4,500	5,00,400	—	—
Munjial Showa Limited	2	5,250	2,60,949	—	—
Narmada Gelatines Limited	10	3,411	2,84,819	—	—
NTPC	10	—	—	1,000	1,80,200
Oil & Natural Gas Corporation Limited	5	5,500	15,23,578	—	—
Phillips Carbon Black Limited	10	4,000	5,11,141	—	—
PNB Gilts Limited	10	57,500	13,54,125	—	—
Punjab & Sind Bank	10	31,000	33,48,787	—	—
Rajshree Sugar & Chemicals Limited	10	1,000	53,100	—	—

Schedules Annexed to and forming part of Accounts

Name of the Company	As At 31st March, 2011			As At 31st March, 2010	
	Face Value	Quantity	Amount (₹)	Quantity	Amount (₹)
S Kumar Nationwide Limited	10	—	—	5,400	3,22,733
Sharpe Infotech Limited	10	—	—	8,333	13,9744
Shilpa Medicare Limited	10	—	—	10,000	26,05,320
Shree Dijvivy Cement Co Limited	10	—	—	205	1,408
SIL Investments Limited	10	8,659	9,08,019	—	—
State Bank Of Mysore	10	3,500	22,83,400	—	—
State Bank Of Travancore	10	1,083	7,84,388	—	—
Subex Limited	10	—	—	1,000	60,250
Suzlon Energy Limited	2	—	—	100	7,185
Tata Motors Limited	10	1,000	6,36,095	—	—
The Andhra Sugars Limited	10	11,000	9,61,400	—	—
Timex Group India Limited	1	7,000	2,11,066	—	—
Tube Investment Of India Limited	2	—	—	10,000	7,57,000
Visaka Industries Limited	10	3,500	3,51,750	—	—
Sub Total (A)			3,19,19,746		50,17,216
Unquoted Shares					
Mehra Capital Market Limited		—	—	10,000	10,00,000
Sub Total (B)			—		10,00,000
Grand Total			3,19,19,746		60,17,216
C. Cash and Bank Balances					
Cash in hand (As certified by the Management)			3,38,822		2,05,871
Balance with Schedule Banks in Current Accounts			35,04,680		28,89,187
Cheque in Hand			—		15,534
Total			38,43,502		31,10,592
TOTAL OF CURRENT ASSETS (A+B+C)			4,16,13,102		1,31,48,305
SCHEDULE 6					
LOANS & ADVANCES					
Loans & Advances (Unsecured, Considered Good)			1,00,69,233		1,12,75,226
Loans & Advances (Unsecured, Considered Doubtful)			—		33,18,116
Other Advances			3,03,325		—
Advances recoverable in cash or in kind or for value to be received			6,40,314		4,35,562
			1,10,12,872		1,50,28,904
SCHEDULE 7					
CURRENT LIABILITIES & PROVISIONS					
Current Liabilities					
Sundry Creditors for Expenses			2,88,022		17,343
Security Deposits			—		10,44,225
Total (A)			2,88,022		10,61,568
Provisions					
For Taxation			3,60,000		3,60,000
For Fringe Benefit Tax			—		2,500
Contingent Provision against Standard Asset			25,173		—
Provision for NPA as per RBI Guidelines, 1998			—		52,94,388
Total (B)			3,85,173		56,56,888
TOTAL OF CURRENT LIABILITIES & PROVISIONS (A+B)			6,73,195		67,18,456

Schedules Annexed to and forming part of Accounts

	(Amount in ₹)	
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
SCHEDULE 8		
OTHER INCOME		
Dividend From Shares	7,527	60,769
Comission From Mutual Fund	6,34,490	—
Profit From Mutual Fund	3,26,955	—
	9,68,972	60,769
SCHEDULE 9		
INCREASE / (DECREASE) IN STOCK		
Closing Stock	3,19,19,746	60,17,216
Less : Opening Stock	60,17,216	44,66,523
	2,59,02,530	15,50,693
SCHEDULE 10		
ADMINISTRATIVE & OTHER CHARGES		
Salary & Bonus	4,93,206	4,15,000
Staff Welfare	15,053	12,844
Bank Charges	1,469	1,567
Advertisement	40,631	15,672
Directors Fees	1,73,000	24,000
Demat Charges	5,219	11,440
Listing Fees	1,43,497	24,913
Custody fees	13,240	13,240
Computer Maintenance	6,520	6,381
Office Maintenance	18,476	26,976
Securities Transaction Tax	1,77,144	2,15,872
Postage & Stamp	4,120	9,324
Printing & Stationery	63,516	15,375
Bad Debts	6,12,705	—
Rent	21,000	27,000
Auditors Remuneration		
— Audit Fees	8,751	7,721
— Tax Audit Fees	3,309	3,309
— For Certification Work	7,721	4,412
— For Other Matters	—	4,059
	19,781	19,501
Miscellaneous Expenses	42,769	40,116
Legal & Professional Charges	3,82,780	12,550
Filing Fees	6,500	1,500
Professional Tax	5,000	5,000
Internal Audit Fees	4,000	3,400
Telephone Expenses	1,786	—
Travelling & Conveyence	58,019	40,587
	23,09,431	9,42,258

Schedule Annexed to and forming part of Accounts

SCHEDULES -11

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

1. Principal Accounting Policies :

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

2. Basis of Accounting :

The Financial Statements have been prepared under historical cost convention on accrual basis in compliance with applicable Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

3. Fixed Assets And Depreciation :

a) Fixed Assets :

Fixed Assets are carried at their original cost of acquisition less accumulated depreciation. Cost includes freight, duties taxes and incidental expenses related to acquisition and installation of the concerned assets.

b) Depreciation :

Depreciation on Fixed Assets is being provided on Written Down Value basis at the rates specified in Schedule XIV of the Companies Act, 1956.

4. Investments :

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

5. Inventory Valuation :

Inventories comprising shares of companies are valued at lower of cost and net realizable price.

6. Revenue Recognition :

i) The revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

ii) The Company recognizes income and expenses on accrual basis.

7. Retirement Benefits :

The provisions of Provident Fund Act and Gratuity Act are not applicable and liability on account of encashment of leave has been duly provided for (if any).

8. Taxation :

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Company. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India, respectively. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably certain.

9. Impairment of Assets :

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset with future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is recognized by debiting the Profit and Loss Account and is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

10. Earning Per Share :

In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items. The number of the shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

Schedule Annexed to and forming part of Accounts

11. Preliminary Expenses :

Preliminary Expenses are fully written off in the year in which they are incurred.

B.) NOTES ON ACCOUNTS

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

Particulars in respect of Purchase, Sale and Stock of Shares : (Amount in ₹)

	Quantity (No. of Shares)		Value	
	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
Opening Stock	1,57,538	2,60,610	60,17,216	44,66,523
Purchase	7,47,309	10,23,448	6,80,02,173	1,11,109,747
Sale	4,90,801	11,26,520	4,23,89,319	1,10,150,076
Closing Stock	4,14,046	1,57,538	3,19,19,746	60,17,216

2. Movement of Provision towards NPA Particulars

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Gross NPAs as on April 1, 2010 (Opening Balance)	52,94,388	48,79,888
Add : Fresh NPAs during the year	—	4,14,500
Sub total (A)	52,94,388	52,94,388
Less :		
(i) Recoveries	18,00,000	—
(ii) Write-offs	34,94,388	—
Sub total (B)	52,94,388	—
Gross NPAs as on March 31, 2011 (Closing Balance) (A-B)	—	52,94,388

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

4. Information about Business and Geographical Segments

Business Segments

Pursuant to the Accounting Standard – 17 on “SEGMENT REPORTING”, the following Business Segments have been reported.

Shares & Securities includes dealing in shares and other securities. Finance includes all loans & advances to individuals & companies. Others includes other income of the Company.

4A. Segment Report for the year ended 31st March, 2011

By Business Segments	Shares & Securities	Finance	Others	Total
Revenue				
Total Revenue	427.96	8.95	6.34	443.25
Result				
Segment Result	(14.56)	55.11	6.05	46.60
Less : Unallocated expenses				NIL
Profit before Tax				46.60
Less : Provision for Tax				NIL
Profit After Tax				46.60

Schedule Annexed to and forming part of Accounts

Other Information				
Segment Assets				
Segment Assets	428.07	105.41	0.69	534.17
Unallocated Corporate Assets	—	—	—	—
Total				<u>534.17</u>
Segment Liabilities & Provisions				
Segment Liabilities	2.78	0.31	0.04	3.13
Provisions	—	—	—	—
Unallocated Corporate Liabilities & Provisions				3.60
Total				<u>6.73</u>
Capital Expenditure	—	—	—	—
Depreciation	—	—	—	0.68
Amortisation of Preliminary Expenses				4.58
Non Cash Expenses other than Depreciation	—	—	—	—

4B. **Geographical Segment:** The Company's business is mainly concentrated in similar geographical, political and economical conditions. Hence disclosure for geographical segment is not required.

5. Basic Earning per Share has been computed in accordance with Accounting Standard-20 "Earning Per Share". Basic Earning per Share is computed by dividing Net Profit/(Loss) after Tax by the Weighted Number of Equity Shares outstanding during the year.

The following table sets forth, for the periods indicated, the computation of EPS :

	Year ended 31st March, 2011	Year ended 31st March, 2010
Weighted average no. of Equity Shares outstanding	30,00,027	29,99,900
Net Profit (Amount in ₹)	46,60,399	4,09,452
Basic Earning per Share (₹)	1.55	0.14

6. RELATED PARTY DISCLOSURE

(A) The Company has transactions with its related parties comprising associates, key management personnel and relatives of key management personnel.

i) Relative of Key Management Personnel

1. Ms. Ekta Mehra (Daughter of Mr. Binod Kumar Mehra, Director) *
2. Mrs. Anita Mehra **
3. Mrs. Raj Goenka (Wife of Mr. G. L. Goenka, Director)

* Transactions reported upto October 28, 2010

** Transactions reported upto September 29, 2010

ii) Associates

1. Mehra Capital Market Ltd.*
2. Aristro Capital Market Pvt Ltd.
3. Risewell Credit Pvt Ltd.

* Transactions reported upto October 08, 2010

iii) Key Management Personnel

1. Vivek Goenka (Managing Director)

Schedule Annexed to and forming part of Accounts

B. In accordance with Accounting Standard 18, the disclosure required are given below : (Amount in ₹)

SL. Nature of Transaction	Holding Company	Subsidiary	Associates	Relative of key Management Personnel	KMP	Others	Total
1. Rent	—	—	—	21,000	—	—	21,000
2. Purchases	—	—	77,54,180	—	—	—	77,54,180
3. Sales	—	—	1,90,88,019	10,00,000	—	—	2,00,88,019
4. Share Application Money Received	—	—	4,00,00,000	—	—	—	4,00,00,000
5. Share Application Money Refunded	—	—	2,00,00,000	—	—	—	2,00,00,000
6. Salary	—	—	—	—	90,000	—	90,000

C. Outstanding as at the year end

Share Application Money	2,00,00,000
Sundry Debtors	58,49,854

7. Details of non-performing assets purchased/sold

The Company has sold certain non-performing assets in terms of the guidelines issued by RBI circular no. DBOD.No.BP.BC.16/21.04.048/2005-06 dated July 13, 2005 on such sale.

The following table sets forth, for the periods indicated, details of non-performing assets sold :

Particulars	Year ended 31.3.2011
No. of accounts – Seven	
Aggregate value (net of provisions) of accounts sold	34,94,388
Aggregate consideration	21,87,753
Aggregate Bad Debt written off	13,06,635
Aggregate Bad Debt reversed	6,93,930
Net Bad Debt written off	6,12,705
Aggregate gain/(loss) over net book value	NIL

8. The Company has assigned certain leased assets aggregating to ₹62,94,855 and full amount has been received.
9. A) Deferred Tax has been accounted in accordance with the requirement of Accounting Standard on “Taxes on Income” (AS 22).
- B) The major components of the Deferred Tax, based on the tax effect of the timing differences, as at 31st March, 2011 are timing difference in depreciable assets and amortization of Preliminary Expenses but the deferred tax asset has not been recognized as there is no reasonable certainty that the Company would earn profits in the near future however the reversal of Deferred Tax liability has been accounted for.
- Deferred Tax has also not been provided on unabsorbed business losses and unabsorbed depreciation as there is no virtual certainty that the company would earn profits in the near future.
10. Regarding impairment of assets, on assessment, it has been ascertained that no potential loss is present. Accordingly, no impairment loss has been provided in the Books of Account.
11. The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to their outstanding amount and interest have not been made.

Schedule Annexed to and forming part of Accounts

12. The Company is registered as NBFC with RBI, Kolkata. It has received the certificate of NBFC from RBI, Kolkata. The Company has transferred an amount of Rs. 9,32,080 to Statutory Reserve Account as required by Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

13. **Managerial Remuneration :**

	(Amount in ₹)	
Particulars	As at 31.3.2011	As at 31.3.2010
1. Salary	90,000	NIL
2. Directors' Sitting Fees	1,73,000	24,000
Total	2,63,000	24,000

14. Computation of Net Profit u/s 349 of the Companies Act, 1956

	(Amount in ₹)
Particulars	
Profit before Tax as per Profit & Loss Account	46,59,730
Add : 1) Depreciation	68,310
2) Managerial Remuneration	90,000
3) Provision for NPA as per RBI guidelines	(52,94,388)
4) Contingent Provision against Standard Asset	25,173
	(4,51,175)
Less : 1) Depreciation as per Companies Act, 1956	68,310
Net Profit	(5,19,485)

Since the Company has no profits hence remuneration will be calculated as per limits prescribed under Section II of Part II of Schedule XIII i.e based on the effective capital of the Company.

Calculation of Effective Capital :

	(Amount in ₹)
Particulars	
1) Paid up Share Capital (excluding Share application money)	2,99,99,000
2) Reserves and Surplus (excluding revaluation reserve)	12,19,142
Total (A)	3,12,18,142
1) Accumulated losses	31,37,504
Total (B)	31,37,504
Effective Capital (A-B)	2,80,80,639

Since the effective capital of the Company is less than Rs. 5 crore hence limit prescribed for the payment of managerial remuneration is upto Rs. 1,00,000/- per month per managerial person.

15. Listing fees includes an amount of Rs. 1,20,885 paid to Calcutta Stock Exchange and Bombay Stock Exchange and Legal & Professional charges includes an amount of Rs. 1,93,025 paid in Connection with forthcoming right issue but the right issue was not proceeded with, as the management decided to withdraw the same.
16. In the opinion of the management the market value of the quoted investment compared against their cost value have not suffered any permanent diminution and accordingly no provision for diminution in the value has been made during the year.

Schedule Annexed to and forming part of Accounts

17. Required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998

LIABILITIES SIDE :		(₹ In lacs)	
	Amount outstanding	Amount overdue	
(1) Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not Paid :			
(a) Debentures : Secured			
: Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL	
(b) Deferred Credits			
(c) Term Loans			
(d) Inter-corporate loans and borrowing			
(e) Commercial Paper			
(f) Public Deposits*			
(g) Other Loans			
(2) Break-up of (1)(f) above (Outstanding Public deposits inclusive of interest accrued thereon but not paid) :			
(a) In the form of Unsecured debentures			
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	NIL	
(c) Other public deposits			
ASSETS SIDE :			
(3) Break-up of Loans and Advance including bills receivables [other than those included in (4) below] :			
(a) Secured	NIL	NIL	
(b) Unsecured	101	NIL	
(4) Break up of leased Assets and stock on hire and hypothecation loans counting towards EI/ HP activities			
(i) Leased assets including lease rentals under Sundry Debtors :			
(a) Financial Lease	—	—	
(b) Operating Lease	—	—	
(ii) Stock on hire including hire charges under Sundry Debtors :			
(a) Assets on hire	—	—	
(b) Repossessed Assets	—	—	
(iii) Hypothecation loans counting towards EL/HP activities			
(a) Loans where assets have been repossessed	—	—	
(b) Loans other than (a) above	—	—	
(5) Break-up of Investment :			
Current Investments :			
1. Quoted :			
(i) Shares : (a) Equity	319	NIL	
(b) Preference	NIL	NIL	
(ii) Debentures and Bonds	NIL	NIL	
(iii) Units of Mutual Funds	NIL	NIL	
(iv) Government Securities	NIL	NIL	
(v) Others	NIL	NIL	

Schedule Annexed to and forming part of Accounts

2. Unquoted :		(₹ In lacs)		
(i) Shares : (a) Equity	NIL	NIL		
(b) Preference	NIL	NIL		
(ii) Debentures and Bonds	NIL	NIL		
(iii) Units of Mutual Funds	NIL	NIL		
(iv) Government Securities	NIL	NIL		
(v) Others	NIL	NIL		
<hr/>				
Long Term Investments :				
1. Quoted :				
(i) Shares : (a) Equity	2.78	NIL		
(b) Preference	NIL	NIL		
(ii) Debentures and Bonds	NIL	NIL		
(iii) Units of Mutual Funds	NIL	NIL		
(iv) Government Securities	NIL	NIL		
(v) Others	NIL	NIL		
<hr/>				
2. Unquoted :				
(i) Shares : (a) Equity	NIL	NIL		
(b) Preference	NIL	NIL		
(ii) Debentures and Bonds	NIL	NIL		
(iii) Units of Mutual Funds	NIL	NIL		
(iv) Government Securities	NIL	NIL		
(v) Others	NIL	NIL		
<hr/>				
(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :				
		Amount Net of Provisions		
		Category		
		Secured	Unsecured	Total
1. Related Parties		—	—	—
(a) Subsidiaries				
(b) Companies in the same group		—	—	—
(c) Other related parties		—	—	—
2. Other than related parties		—	101	101
Total		NIL	101	101
<hr/>				
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
Category	Market Value/Break up or Fair value or NAV	Book Value (Net of Provisions)		
<hr/>				
1. Related Parties				
(a) Subsidiaries				
(b) Companies in the same group	—	—		
(c) Other related parties	—	—		
2. Other than related parties	322	—		
Total	322	—		
<hr/>				

Schedule Annexed to and forming part of Accounts

(8) **Other information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(ii) Net Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL

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

As per our report of even date

Signatures to Schedules 1 to 11

For VASUDEO & ASSOCIATES

Chartered Accountants

F. R. No. 319299E

V. D. AGARWAL

Partner

Membership No. 54784

Place : Kolkata

Dated : 30th May, 2011

BISWANATH MUKHERJEE

Company Secretary

G. L. GOENKA

DINESH BURMAN

Directors

VIVEK GOENKA

Managing Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

As per Part IV of Schedule VI to the Companies Act, 1956 :

I. Registration Details

Registration No.	60377	State Code	21
Balance Sheet Date	March 31, 2011		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL		

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Sources of Funds

Total Assets	52,744	Total Liabilities	52,744
Paid up Capital	30,002	Reserves & Surplus	2,742
Secured Loans	NIL	Unsecured Loans	NIL
Share Application Money Received pending Allotment	20,000		

Application of Funds

Net Fixed Assets	513	Investments	278
Net Current Assets	51,953	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover (Total Income)	70,228	Total Expenditure	65,568
Profit Before Tax	4,660	Profit After Tax	4,660
Earning Per Share (in Rs.)	1.55	Dividend	NIL

V. Generic Name of three Principal Product/Services of the Company

Item Code no. (ITC Code)	:	N. A.
Description	:	a) Assets Finance; b) Investment Banking; c) Equipment Lease & Finance

As per our report of even date

For VASUDEO & ASSOCIATES

Chartered Accountants

F. R. No. 319299E

V. D. AGARWAL

Partner

Membership No. 54784

Place : Kolkata

Dated : 30th May, 2011

BISWANATH MUKHERJEE

Company Secretary

G. L. GOENKA

DINESH BURMAN

Directors

VIVEK GOENKA

Managing Director

Registered Office

1st, British Indian Street, Room No. B-10, Kolkata 700 069



ATTENDANCE SLIP

18th Annual General Meeting on 16th September, 2011 at 10.30 A.M.

Leger Folio No./DP ID and Client ID.....

Full Name of the Shareholder (in BLOCK LETTERS)

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 18th Annual General Meeting of the Company at "Manthan" (Banquet Hall) on Friday, the 16th day of September, 2011 at 10.30 A.M.

Shareholder's / Proxy's Signature

Proxy's full name

(in BLOCK LETTERS)

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



Registered Office

1st, British Indian Street, Room No. B-10, Kolkata 700 069



PROXY FORM

REGD. FOLIO NO. :

D.P. ID No.

NO. OF SHARES :

Client ID No.

I/We

of.....

..... being a Member/Members of GOLDEN SECURITIES LIMITED do

hereby appointof

or failing himof

or failing him.....of

as my/our Proxy to attend and vote for me/us on my/our behalf at the 18th ANNUAL GENERAL MEETING of the Company to be held at "Manthan" (Banquet Hall) on Friday, the 16th day of September, 2011 at 10.30 A.M. and at any adjournment thereof.

In witness thereof, I/we have set my/our hand/hands thisday of.....2011.

Signature of the Member across the stamp

Please affix Re. 1 Revenue Stamp

Note :This form, in order to be effective, should be completed, stamped, duly signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.