

GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

17TH ANNUAL REPORT 2010-11

Board of Directors

A. P. Kurian	:	Chairman
C. J. George	:	Managing Director
R. Bupathy		
Alkeshkumar Sharma		
Mahesh Vyas		
Olivier Daniel Andre Le Grand		
Pierre Rousseau		
Punnoose George		
Rakesh Jhunjhunwala		

Registered Office

5th Floor, Finance Tower, Kaloor
Kochi – 682 017, Kerala, India

Website

www.geojitbnpparibas.com

Statutory Auditors

Deloitte Haskins and Sells
Chartered Accountants
Wilmont Park Business Centre
Warriam Road
Kochi – 682 016

Management Team

C. J. George	:	Managing Director
Binoy V. Samuel	:	Chief Financial Officer
Satish Menon	:	Director (Operations)
A. Balakrishnan	:	Chief Technology Officer
Martin Zachmeier	:	Director (Planning and Control)
Jaya Jacob Alexander	:	Chief of Human Resources
K. Venkitesh	:	National Head – Distribution

Registrar & Share Transfer Agents

S.K.D.C. Consultanants Limited
Kanapathy Towers, 3rd Floor
1391/A – 1, Sathy Road, Ganapathy
Coimbatore – 641 006

Bankers

Axis Bank Ltd.
HDFC Bank Ltd.
State Bank of India
Federal Bank Ltd.
BNP Paribas S. A.
Citibank N. A.

Company Secretary

T. Jayaraj

Listed at

National Stock Exchange of India Limited
Bombay Stock Exchange Limited

CONTENTS

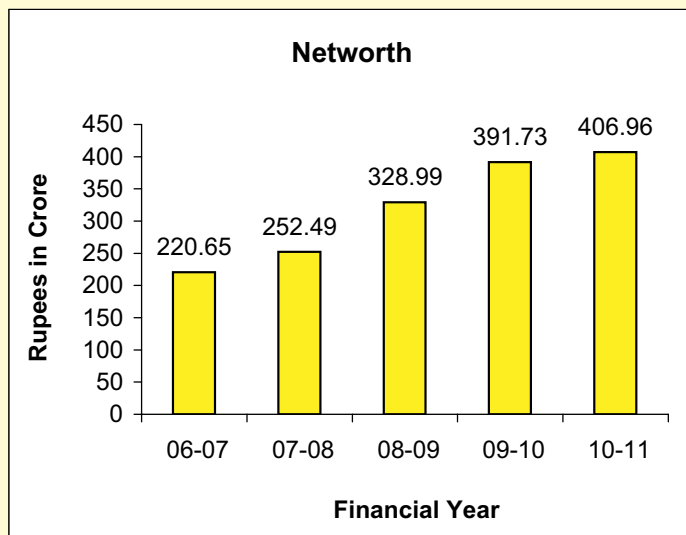
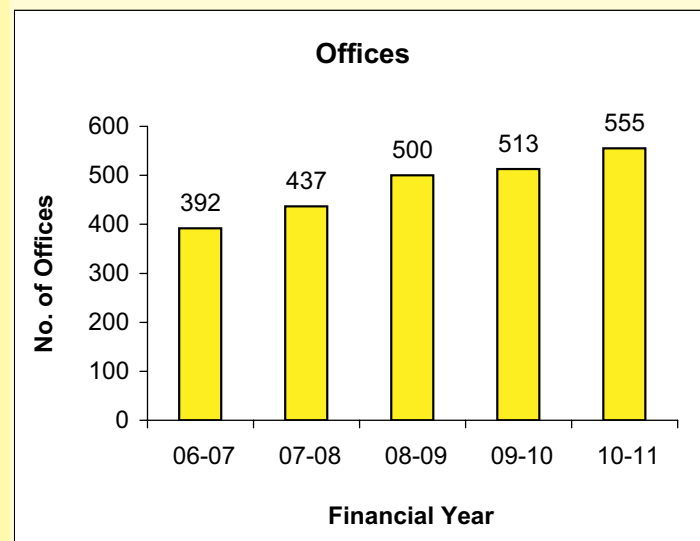
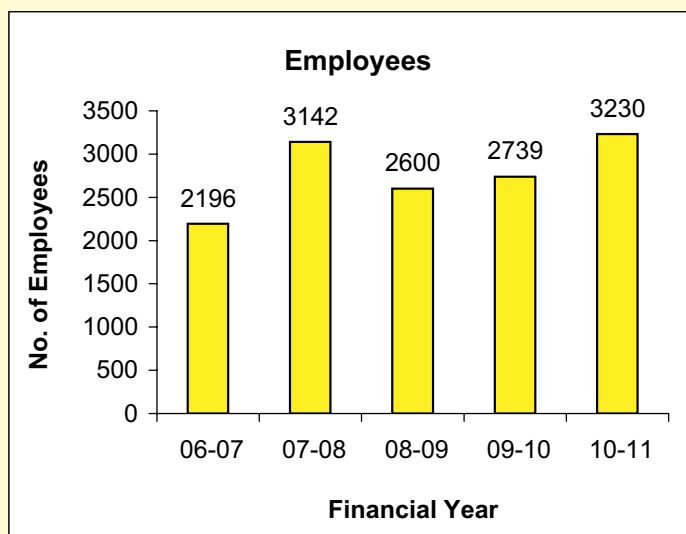
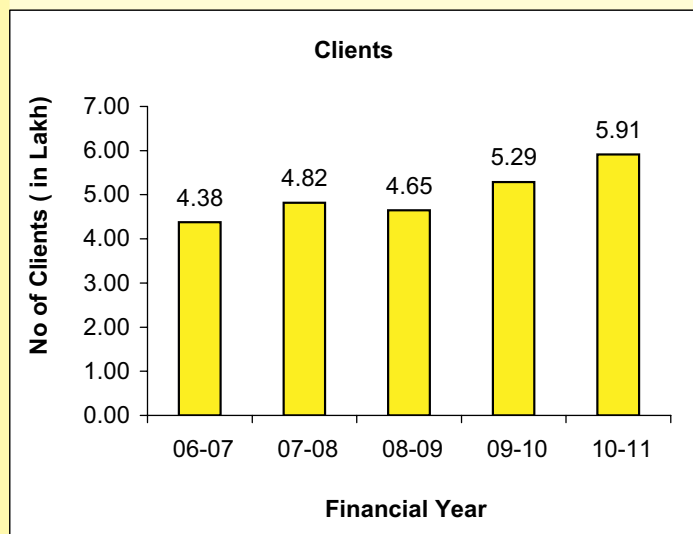
	Page
From the Chairman's Desk	5
Notice	6
Directors' Report	10
Corporate Governance Report	18
Management Discussion and Analysis	26
 Standalone Financial Statements	
Auditors' Report.....	29
Balance Sheet	32
Profit and Loss Account.....	33
Cash Flow Statement	34
Schedules to Accounts	35
 Consolidated Financial Statements	
Auditors' Report.....	59
Balance Sheet	60
Profit and Loss Account.....	61
Cash Flow Statement	62
Schedules to Accounts	63

FIVE YEARS REVIEW

CONSOLIDATED FINANCIAL SUMMARY

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Income from Operations	25,729	28,011	17,497	22,719	13,353
Other Income	2,400	2,400	1,700	1,729	257
Total Income	28,129	30,411	19,197	24,448	13,610
Total Expenditure	23,104	22,731	18,042	15,698	9,832
Profit Before Tax	5,025	7,680	1,155	8,750	3,778
Tax	1,880	2,842	1,048	2,760	1,338
Profit After Tax	3,145	4,838	107	5,990	2,440
Add: Extraordinary Item	-	-	4,001	-	-
Add: Share of Profit in Associates	-	-	-	-	81
Less: Pre-acquisition Profit on increase in stake in subsidiary	-	-	24	-	-
Less: Minority Interest	243	220	82	124	-
Net Profit after Tax	2,902	4,618	4,002	5,866	2,521
Equity	2,284	2,253	2,234	2,090	2,090
Reserves	38,413	36,920	30,664	23,159	19,975
Networth	40,697	39,173	32,898	25,249	22,065
Face Value	1	1	1	1	1
Book Value	17.82	17.39	14.73	12.08	10.56
EPS	1.28	2.06	-	2.81	1.63
Dividend	75%	75%	50%	70%	40%
Return on Networth	7 %	12 %	12 %	23 %	11 %

FIVE YEARS REVIEW



FROM THE CHAIRMAN'S DESK



I have great pleasure in extending a warm welcome to you all to this 17th Annual General Meeting.

The year 2010-11 was a challenging year for the Indian Economy. We witnessed continued increase in inflation and frequent intermediation by the Reserve Bank of India to counter the same by increasing the repo and reverse repo rates several times. This resulted in an increase in the interest rates and slowing down the rate of GDP growth. The FII investments in Indian equities were almost at the same level in a year ago while mutual funds continued to be net sellers. The money raised by mutual funds from new equity schemes launched during the year also was substantially lower. However, there was a marginal increase in the number of Initial Public Offerings during the year as well as the money raised than a year ago. We also witnessed the largest ever disinvestment, Coal India, in the public sector this year.

The Stock Market recorded one of the lowest retail participation in the last few years. The cash market volumes declined sharply month after month towards the end of the year while the derivative business recorded huge increase in volumes. At the end of the year, the percentage of cash market volume to the total exchange volume was only around 10%. Reflecting this, our revenues from operations, which heavily depend upon the retail equity brokerage income, registered a decline of 8% during the year.

Your Company recorded consolidated total income of ₹281.29 crore and a Profit After Tax of ₹29.02 crore for the year. The total income is lower by 8% and the Profit After Tax is lower by 37% compared to the previous year. The performance of the Company was affected due to low cash equity volumes, which recorded a 17% decrease in the average daily volume. There was a reduction in the brokerage yield also due to stiff competition in the market.

The consolidated diluted earnings per share is ₹1.28, lower than ₹2.04 recorded in the previous year.

The encouraging feature of last year was the substantial increase in the activities of the portfolio management and financing division of the Company whose combined income went up by 189%. Also, Barjeel Geojit Securities LLC, the Joint Venture Company in Dubai reported excellent performance. However, the two new Joint Venture companies, namely BNP Paribas Securities India Pvt. Limited and Al-Oula Geojit Securities LLC, Saudi Arabia continued to report losses.

In spite of the lower profit, the Board of Directors of the Company proposed to maintain the dividend of 75 paise per equity share, same rate as last year, to reward our shareholders. We added 60000 clients, 53000 depository accounts, 42 offices and 278 employees during the year. We remain strongly focused on our core business and will continue to expand our activities.

We continuously try to remain competitive in the market through technological innovation and value added services to our clients. We were one of the first few broking houses which introduced mobile trading in the country, which was launched in September 2010. The Mobile Trading Application developed with the support of the subsidiary company, Geojit Technologies, was recognised with 'Technology Achievement Award' in the 'Trade Tech India Conference' organised by Worldwide Business Research, New York. The portfolio management business of the Company improved significantly in terms of number of clients and funds under management. The Financial Advisory Services division continues to do an excellent job in training our employees across branches to provide valuable advisory services to the clients.

We have entered the 25th year of operations. With our continued emphasis on technology upgradation and training, we are well-equipped and organisationally well-positioned to handle the challenges of the emerging difficult and competitive market scenario. We look forward to receive from our large family of shareholders, employees, associates and well-wishers their continued support and encouragement.

Thanking you and wish you all the very best,

A. P. Kurian

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the Company will be held on Tuesday, the 12 day of July 2011 at 4.00 p.m. at Hotel International, Veeckshanam Road, Kochi – 682 035 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31 March, 2011 and Profit and Loss Account for the year ended 31 March, 2011 together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend on equity shares for the year 2010-11.
3. To appoint a Director in place of Mr. R. Bupathy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. P. Kurian, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"Resolved that M/s Deloitte Haskins & Sells, Chartered Accountants, 1st Floor, Wilmont Park Business Centre, Warriam Road, Kochi – 682 016, (ICAI Registration No. 008072S) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company at remuneration to be determined by the Board."

The present Auditors M/s Deloitte Haskins & Sells, Chartered Accountants, 1st Floor, Wilmont Park Business Centre, Warriam Road, Kochi – 682 016, (ICAI Registration No. 008072S) retire and have expressed their willingness to continue in office. Certificate has been obtained from them that re-appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

By Order of the Board of Directors

Sd/-

Place : Kochi
Date : 06-06-2011

T. Jayaraj
Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HRS BEFORE THE COMMENCEMENT OF THE MEETING.**
 2. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board Resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting.
 3. The Register of Members of the Company will remain closed from 9 July, 2011 to 12 July, 2011 (both days inclusive) under Section 154 of the Companies Act, 1956 for the purpose of payment of dividend.
 4. Dividend on equity shares as recommended by the Directors for the year ended 31 March 2011, when declared at the Meeting, will be paid on or before 10 August, 2011 :
 - (i) To those members whose names appear on the Company's Register of Members as on 12 July 2011, after giving effect to all valid share transfers in physical form lodged with the Registrar and Share Transfer Agent of the Company on or before 9 July, 2011.
 - (ii) In respect of shares held in electronic form, to those 'deemed members' whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours of 8 July, 2011.
- The Company will use the bank account details furnished by the Depositories for distributing the dividends to the Members holding shares in the electronic form through Electronic Clearing Services (ECS) facility.**
5. Members are requested to intimate change in their bank account details, address, etc., to the Registrar & Share Transfer Agents M/s S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006 (Email: info@skdc-consultants.com), in respect of shares held in physical form and to their respective Depository Participants, if the shares are held in electronic form.
 6. Members are requested to bring their copy of Annual Report and Attendance Slip duly completed when attending the Meeting.
 7. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
 8. The Company has transferred the unclaimed dividend declared for the Financial Year 2002–03 to “The Investor Education and Protection Fund”. All members who have either not received or have not yet encashed their dividend warrants for the Financial Year 2003 – 04 are requested to write to the Company's Registrar and Share Transfer Agents at the address mentioned above, for obtaining duplicate dividend warrant without any delay.
 9. The Certificate from Auditors of the Company as stipulated under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 for ESOP 2005, Employees Stock Option Plan 2005 (Reissue – I), Employees Stock Option Plan 2007 for Key Employees and Employees Stock Option Plan 2010 (ESOP 2010) will be available for inspection at the Annual General Meeting.
 10. Brief resume of Directors proposed to be appointed/ re-appointed are enclosed as Annexure A to this Notice as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

By Order of the Board of Directors

Sd/-

Place : Kochi
Date : 06-06-2011

T. Jayaraj
Company Secretary

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

Name of the Director	R. Bupathy	A. P. Kurian
Date of Birth	10-09-1951	26-06-1933
Nationality	Indian	Indian
Date of Appointment	05-01-2006	20-02-1995
Qualifications	B.Com., FCA	M.A. Economics & Statistics
Shareholding in Geojit BNP Paribas Financial Services Ltd.	18,000	376,900
Expertise in specific functional area	<p>Mr. Ramanathan Bupathy is a Practicing Chartered Accountant and Senior Partner of R. Bupathy & Co, Chennai. He has extensive professional experience spanning several decades. He was the President of the Institute of Chartered Accountants of India (ICAI) in the year 2003, the Vice-President of ICAI in 2002 and has been a Central Council Member for nine years from 1995.</p> <p>He has been a Member of various professional bodies and committees such as RBI (Sub-committee (Audit) in the board for Financial Supervision), SEBI (Primary Market Advisory Committee and Accounting Standards Committee), National Advisory Committee on Accounting Standards constituted by the Dept. of Company Affairs and Audit Advisory Board constituted by CAG of India.</p>	<p>Mr. A. P. Kurian has a career in the financial services industry spread over more than four decades and has held senior positions in the Reserve Bank of India as Director – Research and Advisor–Economic Department (1961 to 1975). From 1975 to 1993, he served as Director–Investments, Director–Planning and Development Department and as Executive Trustee equivalent to Managing Director in the erstwhile Unit Trust of India. He was an Advisor to one of the private sector Mutual Funds from 1975 to 1998. From 1998 to 2010, he was the Executive Chairman of Association of Mutual Funds in India, a trade body of all the Mutual Funds operating in India. He is a member of the Technical Advisory Committee of RBI on Money, Foreign Exchange and Government Securities Market. He holds a Masters Degree in Economics and Statistics.</p>
Chairman / Director of other Indian Companies	<p>(a) Geojit Technologies Private Limited</p> <p>(b) Jubliant Industries Limited</p>	<p>(a) National Stock Exchange of India Limited</p> <p>(b) Muthoot Capital Services Limited</p> <p>(c) Muthoot Fincorp Limited</p> <p>(d) Granules India Limited</p> <p>(e) JP Morgan Asset Management India Pvt. Ltd.</p>

<p>Chairman / Member of Committees of the Boards of other Indian Companies of which he is a Director</p>	<p>Jubliant Industries Limited –</p> <ul style="list-style-type: none"> (a) Audit Committee – Chairman (b) Remuneration Committee – Member (c) Corporate Governance Committee – Member 	<p>National Stock Exchange of India Ltd. –</p> <ul style="list-style-type: none"> (a) Committee for Approval of Acquisition of Premises (CAAP) – Member (b) Audit Committee – Member (c) Committee on Declaration of Defaults (CCD) – Member (d) Committee for monitoring compliance of suggestions given in SEBI Inspection Reports (SEBI Inspection Committee) – Member (e) Ethics Committees – Member (f) Compensation Committee – Member (g) Committee for approval of share transfer – Member <p>Muthoot Capital Services Limited – Audit Committee – Member</p> <p>Granules India Limited – Audit Committee – Member</p>
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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 17th Annual Report of your Company for the financial year ended 31 March 2011.

Financial Highlights

(₹ in crore)

Particulars	Standalone			Consolidated		
	2010-11	2009-10	Change	2010-11	2009-10	Change
Total Income	271.40	288.18	(6%)	281.29	304.24	(8%)
Profit Before Tax	63.81	81.72	(22%)	50.25	76.80	(35%)
Provision for Tax	15.08	24.56	(39%)	18.80	28.43	(34%)
Profit After Tax	48.73	57.15	(15%)	29.02	46.18	(37%)
Balance brought forward from previous year	88.47	54.96				
Profit available for appropriation	137.20	112.11				
Appropriations :						
Transfer to General Reserve	5.00	5.72				
Dividend (Including Dividend Tax)	17.12	17.92				
Balance carried to Balance Sheet	115.08	88.47				

Review of Performance

On a standalone basis, your Company has recorded a total income from ₹271.40 crore for the financial year ended 31 March 2011, a decrease of 6% compared to last year's figure of ₹288.18 crore. The operating profit is ₹63.81 crore and the net profit after tax is ₹48.73 crore. The profit after tax decreased by 15%. Basic earnings per share work out to ₹2.16 compared to ₹2.55 in the previous year.

On a consolidated basis your company earned a total income of ₹281.29 crore for the financial year, a decrease of 8% from the previous year's figure of ₹304.24 crore,

an operating profit of ₹50.25 crore and a net profit of ₹29.02 crore.

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

Dividend

Your Directors are pleased to recommend a dividend of 75 paise per share of ₹1 each for the financial year ended 31 March 2011. The payment of dividend together with tax thereon will absorb ₹19.92 crore.

Increase in Share Capital

During the year under review, the paid-up share capital of the Company increased from ₹22.52 crore to ₹22.83 crore, consequent to the issue of 3,106,479 equity shares to employees upon exercise of stock options under the Employee Stock Option Plans of the Company.

Directors

In accordance with Article 80 of the Articles of Association of the Company, Mr. R. Bupathy and Mr. A. P. Kurian, Non-Executive and Independent Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

Consolidated Results

The Consolidated Financial Results represent those of Geojit BNP Paribas Financial Services Limited, its subsidiaries i.e., Geojit Investment Services Limited (100% held), Geojit Financial Management Services Private Limited (100% held), Geojit Credits Private Limited (65.03% held), its step down subsidiaries i.e., Geojit Technologies Private Limited (65% held), Geojit Financial Distribution Private Limited (100%), Geojit Technologies FZ LLC, Dubai (100% held) and its joint ventures i.e., BNP Paribas Securities India Private Limited (50% minus one share held), Barjeel Geojit Securities L.L.C., Dubai (30% held) and Al-Oula Geojit Brokerage Company, Saudi Arabia (28% held) prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India.

Subsidiaries

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

office of the Company for inspection by any interested shareholder.

Geojit Investment Services Limited recorded revenue of ₹4.15 crore and a profit after tax of ₹2.21 crore.

Geojit Credits Private Limited recorded total revenue of ₹6.19 crore and profit after tax of ₹2.50 crore during the year.

The revenue of Geojit Technologies Private Limited, a step down subsidiary engaged in software development and services registered a consolidated revenue of ₹11.00 crore and a net profit after tax of ₹4.27 crore during the year.

Another step down subsidiary viz., Geojit Financial Distribution Private Limited engaged in insurance referrals has recorded a total income of ₹0.53 crore and net profit after tax of ₹0.24 crore.

Geojit Financial Management Services Private Limited, another subsidiary recorded a loss of ₹0.06 crore in the previous year.

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

Joint Ventures

Barjeel Geojit Securities L.L.C., a joint venture in Dubai with Al Saud Group in which Geojit holds 30% recorded a net profit of ₹9.12 crore (Previous year ₹7.46 crore) of which Geojit's share is ₹2.74 crore.

Al-Oula Geojit Brokerage Company, the joint venture in Saudi Arabia with Al Johar Group in which Geojit holds 28%, reported a net loss of ₹10.09 crore (Previous year ₹2.83 crore) of which Geojit's share is ₹2.82 crore.

BNP Paribas Securities India Private Limited, the joint venture in Mumbai with BNP Paribas for institutional broking in which Geojit holds 49.99%, recorded a net loss of ₹16.97 crore (Previous year ₹14.84 crore) of which Geojit's share is ₹8.48 crore.

Fixed Deposits

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

Human Resources

As a service company, the Company's operations are heavily dependent on qualified and competent personnel. As on 31 March 2011, the Company had a total head count of 3230. Your Company takes significant effort in training all employees at various levels and conducted 1373 training programmes during the year, which covered 13516 participants.

Employee Stock Option Plan

During the year some employees of the Company have exercised part of their stock options granted under the Employees Stock Option Plan 2005 and the Compensation Committee of the Board of Directors of the Company has allotted total 3,106,479 equity shares on various dates to those who exercised the stock options at various exercise prices in accordance with the terms and conditions of the ESOP.

The Company had obtained the approval of members for issuing 11,200,000 stock options under Employees Stock Option Plan 2010 (ESOP 2010) in the last Annual General Meeting. In accordance with the said approval, the Company has granted another 2,786,795 stock options under Employees Stock Option Plan 2010 during the year which covered 1460 employees.

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

Particulars of Employees

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

Directors' Responsibility Statement

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

- i. followed in preparation of the Annual Accounts, the applicable standards with proper explanation relating to material departures, where applicable;
- ii. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and the profit of your Company for that period;
- iii. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- iv. prepared the Annual Accounts on a going concern basis.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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

Corporate Governance

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

Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, 1st Floor, Wilmont Park Business Centre, Warriam Road, Kochi – 682 016, (ICAI Registration No. 008072S) were appointed as statutory auditors of your company to conduct the audit of accounts for the year ended 31 March, 2011. Their term of appointment expires at the conclusion of the forthcoming Annual General Meeting. Your Directors

have proposed them for reappointment at the forthcoming AGM.

Acknowledgements

Your Directors wish to acknowledge the valuable guidance and assistance received from Securities and Exchange Board of India, Stock Exchanges and other Regulatory authorities, BNP Paribas, KSIDC, our clients and business partners. We look forward to receiving their continued support and encouragement. The Board of Directors wishes to extend their thanks and appreciation and express their gratitude for the continuing commitment and dedication of

employees at all levels. The Directors are thankful to the esteemed shareholders for their support and the confidence reposed in the Company.

For and on behalf of the Board of Directors

Sd/-

Place : Kochi
Date : 06-06-2011

A. P. Kurian
Chairman

ANNEXURES TO THE DIRECTORS' REPORT 2011

Annexure I

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

Sl. No.	Particulars	ESOP 2005 (Granted during 2005-06)	ESOP 2005 (Re-issue – I) (Granted during 2007-08)	ESOP 2007 for Key Employees (Granted during 2007-08)	ESOP 2010 (Granted during 2010-11)
1.	Options granted	6,989,400 options representing equal number of shares.	950,500 options representing equal number of shares.	2,500,000 options representing equal number of shares.	2,786,795 options representing equal number of shares.
2.	The pricing formula	As per Note 1	As per Note 2	As per Note 3	At market price as on the date of grant (i.e., ₹22.20 per option)
3.	Options vested up to 31-03-2011	NA	288,098*	Nil	Nil
4.	Options exercised up to 31-03-2011	5,383,400	75,320	Nil	Nil
5.	The total number of shares arising as a result of exercise of option	5,383,400	75,320	Nil	Nil
6.	Options lapsed (as at 31 March, 2011)	1,606,000	475,069	Nil	Nil
7.	Variation of terms of options	<p>The Compensation Committee made the following amendments with the approval of Members wherever required –</p> <ul style="list-style-type: none"> Lock-in period was removed. Adjusted the number and price of options to give effect to the sub-division of face value of shares. Provided for the reissue of lapsed stock options at such terms and conditions as may be deemed fit by the Board of Directors. 	<p>The Compensation Committee re-priced the stock options on 11-04-2009 with the approval of Members. Now the options were granted at a Market Price of ₹25.50 as per SEBI Guidelines while options were granted earlier at a discount on the Market Price of ₹66.55 per share.</p>	<p>The Compensation Committee re-priced the stock options on 11-04-2009 with the approval of Members. Now the options were granted at a Market Price of ₹25.50 as per SEBI Guidelines while options were granted earlier at a discount on the Market Price of ₹66.55 per share.</p>	NA
8.	Money realised by exercise of options.	₹552.02 lakh	₹2.37 lakh	NA	NA
9.	Total number of options in force as at 31-03-2011.	NA (Last date for exercise was 06-03-2011)	400,111	2,500,000	2,786,795

10.	Employee-wise details of options granted to :	As per Note 4	As per Note 4	As per Note 4	As per Note 4
	(i) senior managerial personnel including Directors.				
	(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil	Nil	As per Note 4	Nil
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil	Nil	Nil
11	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 – Earnings per share.	₹2.16			
12	(i) Method of calculation of employee compensation cost.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued.			
	(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options.	Nil	₹37.84 lakh	₹260.24 lakh	₹75, 533/-
	(iii) The impact of this difference on profits and on EPS of the Company.	Profit After Tax as reported ₹4872.92 lakh Add Intrinsic Value Compensation Cost ₹32.30 lakh Less Fair value Compensation (Black Scholes Model) ₹331.14 lakh Adjusted Profit After Tax ₹4574.08 lakh Earnings per share (Basic) As reported ₹2.16 As adjusted ₹2.03 Earnings per share (Diluted) As reported ₹2.16 As adjusted ₹2.03			

13.	(i) Weighted average exercise price of options (As on 31-03-2011)	For Options issued to : Directors - ₹18.86 Managers & above - ₹17.75 Other employees - ₹17.94	For Options issued to : Directors - ₹25.50 Sr. Managers & above - ₹25.50 Other employees - ₹25.50	₹25.50	₹22.20
	(ii) weighted average fair values of options (As on 31-03-2011)	For Options issued to : Directors - ₹17.23 Managers & above - ₹17.27 Other employees - ₹17.30	For Options issued to : Directors - ₹56.60 Sr. Managers & above - ₹56.60 Other employees - ₹56.61	₹61.67	₹6.94
14.	Fair value of options based on Black Scholes methodology – Assumptions used :				
	(i) risk –free interest rate	7.00%	7.00%	7.00%	8.00%
	(ii) expected life of options	2 to 4 years	2 to 4 years	4 to 7 years	2 years
	(iii) expected volatility	199%	170%	170%	52%
	(iv) expected dividends (dividend yield)	1.76%	0.60%	0.60%	2.30%
	(v) Closing market price of share on the date of option grant	₹19.86	₹66.55	₹66.55	₹22.20

* Represents vested portion of total options in force as on 31-03-2011

Note 1 : ESOP 2005 – Eligibility criteria and Pricing formula

(a) Eligibility Criteria and No. of Options :

Independent Directors holding less than 10 % of the Equity and Employees of the Company and its subsidiaries as on 31st Dec., 2005.

Criteria

- All employees who have put in not less than 2 years as on 31-12-2005
- All employees in Salary Group I (Managers) and above irrespective of their service duration
- Eligible Directors

No. of Options

Option for 2000 shares for each year of completed service
Option for number of shares equal to 10% of their annual direct salary (excluding incentives) rounded off to the nearest hundred
Option for 60,000 shares each

(b) The Pricing Formula :

The exercise price is determined on the basis of the market price prior to the date of the meeting of the Board of Directors granting the options. Discount on market price to be offered, subject to the price not going below the face value of ₹1, as below:

For Criteria 1 :

- Managers & above – 20 paise for each year of completed service
- Jr. Executives to AM – 40 paise for each year of completed service
- Office Assistants & others – 50 paise for each year of completed service

For Criteria 2 & 3 :

- Directors – ₹1.00
- GM & above – ₹1.50
- SM to AGM – ₹2.00
- Managers – ₹2.50

Note 2 : Pricing formula for ESOP 2005 (Reissue – I)

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

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

Subsequently, on 11-04-2009 the Compensation Committee re-priced the outstanding stock options as on 31-03-2009 at the Market Price of ₹25.50 determined as per SEBI Guidelines.

Note 3 : Pricing formula for ESOP 2007 for Key Employees

10% discount was offered on the Market Price of ₹66.55 at the time of grant of options in December 2007. Subsequently, on 11-04-2009 the Compensation Committee re-priced the outstanding stock options as on 31-03-2009 at the Market Price of ₹25.50 determined as per SEBI Guidelines.

Note 4 : Options granted to Directors & Senior Managerial Personnel:

Name	Designation	No. of options granted under ESOP 2005	No. of options granted under ESOP 2005 (Re-issue-I)	No. of options granted under ESOP 2007 for Key Employees	No. of options granted under ESOP 2010
Mr. A. P. Kurian	Non-executive Chairman	60,000	Nil	Nil	Nil
Mr. R. Bupathy	Non-executive Director	Nil	60,000	Nil	Nil
Mr. Mahesh Vyas	Non-executive Director	60,000	Nil	Nil	Nil
Mr. Punnoose George	Non-executive Director	60,000	Nil	Nil	Nil
Mr. Satish Menon	Director Operations	80,900	Nil	508,982*	11,920
Mr. A. Balakrishnan	Chief Technology Officer	80,500	Nil	559,603*	13,360
Mr. Binoy Varghese Samuel	Chief Financial Officer	60,600	Nil	397,810*	7,200
Mrs. Jaya Jacob Alexander	Chief Human Resources	43,700	Nil	255,645*	4,320
Mr. K. Venkitesh	National Head - Distribution	Nil	Nil	302,960*	2,160
Mr. Krishnan Ramachandran	Chief Executive Officer - Barjeel Geojit Securities	Nil	Nil	200,000*	2,160

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

Annexure II

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AND FORMING PART OF THE DIRECTORS REPORT FOR THE PERIOD ENDED THE 31 MARCH 2011.

Name and Qualification	Age in years	Designation	Remuneration received	Experience in No. of years	Date of Employment	Last Employment
Mr. C. J. George, M.Com., CFP	52	Managing Director	12,083,653	27	24-11-1994	Proprietor, Geojit & Co.

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

Particulars	2010-11	2009-10
Foreign Exchange earnings	₹9,222,823	Nil
Foreign Exchange outgo	₹1,436,195	₹3,123,181/-

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

Annexure IV

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

The Board of Directors comprises 1 Executive

and 8 Non-Executive Directors of which 4 are Independent. Except for the Managing Director and the Nominee Director, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

During the year ended 31 March, 2011, 5 Board Meetings were held on 12 April 2010, 28 May 2010, 12 July 2010, 14 October 2010 and 12 January 2011.

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

Name of Director	Category	Number of shares held in the Company as on 31-03-2011	Attendance at		Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31-03-2011		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
Mr. A. P.Kurian	C, NE & I	376,900	5	Yes	4	3	Nil
Mr. C. J.George	MD & P	40,606,760	5	Yes	6	3	3
Mr. R. Bupathy	NE & I	18,000	5	Yes	2	Nil	1
Mr. Alkeshkumar Sharma	N, NE & I	Nil	4 [#]	Yes	11	2	Nil
Mr. Mahesh Vyas	NE & I	Nil	2 [*]	No	Nil	Nil	Nil
Mr. Olivier Le Grand	NE	Nil	4 [#]	Yes	4	2	Nil
Mr. Pierre Rousseau	NE	Nil	2 [^]	No	Nil	Nil	Nil
Mr. Punnoose George	NE	9,120,000	5	Yes	1	Nil	Nil
Mr. Rakesh Jhunjhunwala	NE	18,000,000	Nil	No	8	Nil	Nil

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

* Out of two, one Board Meeting was attended through video conference.

Out of four, one Board Meeting was attended through video conference.

^ Attended through tele conference.

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

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

Reappointment of Directors

The Directors, Mr. R. Bupathy and Mr. A. P. Kurian shall retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment. The brief resume and information relating to these directors as required under Clause 49 of listing agreement with the Stock Exchanges is furnished as part of the Notice convening the Annual General Meeting.

3. Audit Committee

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

During the year ended 31 March 2011, the Committee met 5 times on 12 April 2010, 28 May 2010, 12 July 2010, 14 October 2010 and 11 January 2011.

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

Name of Members of Audit Committee	Designation	No. of meetings attended
Mr. R. Bupathy	Chairman, Non-Executive Independent Director	5
Mr. A. P. Kurian	Member & Non-Executive Independent Director	5
Mr. Mahesh Vyas	Member, Non-Executive Independent Director	1
Mr. Alkeshkumar Sharma	Member, Non-Executive Independent Director	4 [#]
Mr. Olivier Le Grand	Member, Non-Executive Director	4 [#]
Mr. Pierre Rousseau	Member, Non-Executive Director	Nil

Out of four, one Audit Committee Meeting was attended through video conference.

4. Compensation Committee

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

During the year, the Committee met three times on 12 April 2010, 11 January 2011 and 29 March 2011.

Name of Members of Compensation Committee	Designation	No. of meetings attended
Mr. R. Bupathy	Chairman, Non-Executive Independent Director	3 [*]
Mr. Mahesh Vyas	Member, Non-Executive Independent Director	3 [#]
Mr. Olivier Le Grand	Member, Non-Executive Director	3 [@]
Mr. Pierre Rousseau	Member, Non-Executive Director	1 [^]
Mr. C. J. George	Member, Managing Director	3

* Out of three, one Compensation Committee Meeting was attended through tele conference.

Out of three, one Compensation Committee Meeting was attended through video conference.

@ Out of three, one Compensation Committee Meeting was attended through tele conference.

^ Attended through video conference.

Remuneration to Managing Director

The remuneration structure of the Managing Director comprises of salary, commission, perquisites and

allowances, contribution to Provident Fund and Gratuity. The service contract is for a period of 5 years w.e.f. 24-11-2009.

The details of remuneration paid / payable to the Managing Director for the year 2010–11 is given below:

- a) Salaries – ₹ 4,821,759
- b) Perquisites – ₹ 190,894
- c) Commission – ₹ 7,071,000
- d) Stock option – Nil

5. Remuneration to Non-Executive Directors

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees which were paid at the rate of ₹ 15,000/- for each meeting of the Board and Audit Committee and ₹ 7,500/- for other Board Committees attended by them[#]. The total amount of sitting fees paid during the year was ₹ 517,500[^]/- as follows:

Name of Director	No. of Stock Options granted under ESOP 2005 (Reissue – I)	Details of Sitting Fee paid			
		For Board Meeting	For Audit Committee Meeting	For Employee Compensation Committee Meeting	For Shareholders and Investors Grievance Committee Meeting
Mr. A. P.Kurian	Nil	60,000	60,000	NA	NA
Mr. Mahesh Vyas	Nil	15,000	Nil	15,000	NA
Mr. Rakesh Jhunjunwala	Nil	Nil	NA	NA	NA
Mr. R. Bupathy	60,000*	60,000	60,000	12,500	7,500
Mr. Punnoose George	Nil	60,000	NA	NA	7,500
Mr. Alkeshkumar Sharma	Nil	35,000	35,000	NA	NA
Mr. Olivier Le Grand	Nil	35,000	35,000	12,500	7,500
Mr. Pierre Rousseau	Nil	Nil	Nil	Nil	NA
Total		265,000	190,000	40,000	22,500

[#] Sitting fee payable to Non-Executive Directors of the Company was increased to ₹15,000/- for each meeting of the Board and Audit Committee and ₹ 7,500/- for other Board Committee Meetings with effect from 14-10-2010.

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

^{*} Originally granted on 10th December, 2007 at a discount of 50 paise per share on the market price of ₹ 66.55 prevailing on the day before the date of grant. It was re-priced at ₹ 25.50 per stock option on 11th April, 2009 based on the Market Price as on 09th April, 2009 without any discount.

All these stock options vest over a period of 4 years and can be exercised before the expiry of 5 years from the date of grant, based on continued directorship with the Company.

6. Shareholders / Investors Grievance Committee

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

Given below is the position of investor queries / complaints and other correspondences received and attended to during 2010-11 :

Nature of complaint / queries	No. of complaints
For non-receipt of dividend, shares lodged for transfer, issue of duplicate share certificates.	Nil
Queries / Complaints redressed	Nil
Pending queries / complaints as on 31-03-2011	Nil
Other letters received from shareholders and replied	61

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

99.39% of shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation / transfer during 2010-11 is given below:

	Transfers		Demats	
	No. of requests	No. of shares	No. of requests	No. of shares
Lodged	Nil	Nil	11	601,100
Processed	Nil	Nil	11	601,100
Objections	Nil	Nil	Nil	Nil
Pending as on 31-03-2011	Nil	Nil	Nil	Nil

7. General Body Meetings

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

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2009-10	Hotel International, Veekshanam Road, Kochi - 35	12-07-2010	4.00 p.m.	3
2008-09	Hotel Abad Plaza, M.G Road, Kochi - 35	11-07-2009	3.30 p.m.	Nil
2007-08	Hotel International, Veekshanam Road, Kochi - 35	26-07-2008	10.00 a.m.	Nil

No Extra-Ordinary General Meeting was held during the year 2010-11. At the forthcoming Annual General Meeting there is no item on the agenda that needs approval by Postal Ballot, as required under the provisions of Section 192 A of the Companies Act, 1956.

8. Disclosures

Related party disclosures are provided in Note 20 to the Notes forming part of the accounts in accordance with the provisions of Accounting Standard 18 – “Related Party Disclosures” issued by the Institute of Chartered Accountants of India.

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

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

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

Code of Conduct:

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

CEO / CFO Certification :

Mr. C. J. George, Managing Director and Mr. Binoy Varghese Samuel, Chief Financial Officer have given CEO/CFO Certificate to the Board. The Board at its meeting held on 06-06-2011 noted that the said CEO/CFO certificate was as per the format given under Clause 49(v) of Listing Agreement.

9. Means of Communication

The quarterly, half-yearly and annual results are published in 'Business Line' and 'Mangalam'. The results are also posted on the web site of the company viz. www.geojitbnpparibas.com. The company's web

site also displays all official news releases as well as the presentation made to the institutional investors / analysts, if any. Management Discussion and Analysis forms part of the Annual Report.

10. General Shareholders' Information

Annual General Meeting

Date and time : 12 July, 2011 – 4.00 p.m.

Venue : Hotel International, Veeekshanam Road, Kochi – 682 035

Financial Calendar 2011-12

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

Code of Insider Trading

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

Dates of book closure : 9 July, 2011 to 12 July, 2011
(Both days inclusive)

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

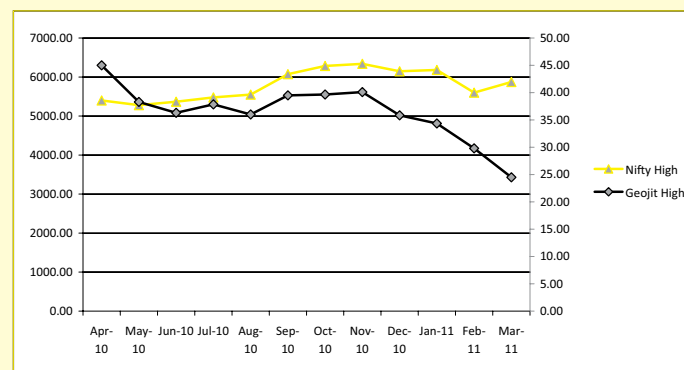
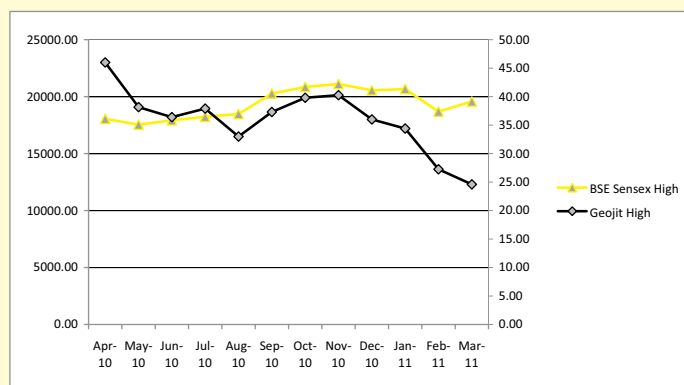
Listing on Stock Exchanges : Bombay Stock Exchange Limited & National Stock Exchange of India Limited

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

Demat ISIN Number : INE007B01023 (NSDL & CDSL)

Market Price Data : Market price of the equity shares of the Company during 2010-11 is given in the table below:

	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2010	45.00	35.50	46.00	35.15
May 2010	38.30	32.70	38.15	32.55
June 2010	36.30	33.10	36.40	33.00
July 2010	37.85	30.45	37.90	30.45
August 2010	36.00	30.50	33.00	30.50
September 2010	39.50	30.50	37.30	28.90
October 2010	39.65	33.50	39.80	33.45
November 2010	40.10	28.50	40.25	30.00
December 2010	35.85	31.05	36.00	31.25
January 2011	34.35	25.70	34.40	25.10
February 2011	29.80	22.90	27.25	22.65
March 2011	24.50	21.95	24.60	22.00



Distribution of the shareholding on the basis of categories of shareholders as on 31 March, 2011 is as under:

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	Percentage to total Shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian			
(a)	Individuals	2	45,606,760	19.971
(b)	Bodies Corporate	1	20,000,000	8.758
	Sub-Total (A) (1)	3	65,606,760	28.729
(2)	Foreign			
(a)	Bodies Corporate	1	76,688,959	33.582
	Sub-Total (A) (2)	1	76,688,959	33.582
	Total shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	4	142,295,719	62.311
(B)	Public Shareholding			
(1)	Institutions			
(a)	Mutual Funds/UTI	1	3,140	0.001
(b)	Foreign Institutions/ Banks	1	2,900	0.001
(c)	Foreign Institutional Investors	11	5,827,803	2.552
	Sub-Total (B) (1)	13	5,833,843	2.554
(2)	Non-Institutions			
(a)	Bodies Corporate	574	6,058,740	2.653
(b)	Individuals			
	i. Individual shareholders holding nominal share capital upto ₹ 1 lakh.	47312	30,443,284	13.332
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	18	6,106,035	2.674
(c)	Trust	2	4,307	0.002
(d)	Directors & their relatives	6	29,514,900	12.925
(e)	Non-resident Indians	1000	6,980,161	3.057
(f)	Clearing members	135	435,943	0.191
(g)	Hindu undivided families	573	687,172	0.301
	Sub-Total (B) (2)	49620	80,230,542	35.135
	Total Public Shareholding (B) = (B) (1) + (B) (2)	49633	86,064,385	37.689
	TOTAL (A) + (B)	49637	228,360,104	100.000

Distribution of shareholding as on 31 March 2011, pursuant to Clause 35 of the Listing Agreement as under :

Shareholding of nominal value of ₹	No. of Shareholders	% of Shareholders	Amount of Share Capital in ₹	% of Shareholding
Upto 5,000	48,506	97.72	20,207,612	8.85
5,001 – 10,000	576	1.17	4,324,620	1.89
10,001 – 20,000	280	0.56	3,989,192	1.75
20,001 – 30,000	97	0.20	2,456,167	1.08
30,001 – 40,000	54	0.11	1,982,726	0.87
40,001 – 50,000	22	0.04	1,008,704	0.44
50,001 – 100,000	50	0.10	3,634,418	1.59
100,001 and above	52	0.10	190,756,665	83.53
Total	49,637	100.00	228,360,104	100.00

- Registrar and Transfer Agents : S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road Ganapathy, Coimbatore – 641 006.
- Share Transfer System : Application for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the company. The share certificates in physical format are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Shares held in dematerialised form are electronically traded and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository, the beneficiary holdings so as to enable them to update their records. Physical shares received for dematerialisation are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect.
- Dematerialisation of shares and liquidity : 99.39% of the Company's paid-up equity share capital has been dematerialised up to 31 March, 2011. Trading in equity shares of the company is permitted only in dematerialised form.
- Outstanding ADRs / GDRs / Warrants and convertible instruments, conversion date and likely impact on equity. : Not applicable.
- Investor Correspondence : For any assistance regarding dematerialisation of shares, share transfers, transmission, change of address, non-receipt of dividend or any other query relating to shares or for any generation correspondence, contact:
- 1) S.K.D.C. Consultants Limited
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006
Phone: 0422-6549995, 2539835-836,
Fax: 0422- 2539837
Email: info@skdc-consultants.com
 - 2) Company Secretary
Geojit BNP Paribas Financial Services Limited,
5th Floor, Finance Towers, Kaloor, Kochi – 682 017
Phone: 0484- 2405501/02, Fax: 0484-2405618
Email: companysecretary@geojit.com

DECLARATION ON CODE OF CONDUCT

As required by Clause 49 (ID) of the Listing Agreement, it is hereby affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct of the Company.

Kochi, 6th June 2011

C. J. George
Managing Director

CERTIFICATE

To The Members of

Geojit BNP Paribas Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by **Geojit BNP Paribas Financial Services Limited** ("the Company") for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

M. Ramachandran
Partner
(Membership No. 16399)

Kochi, 6th June 2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economy Overview

The Indian economy is estimated to have grown by 8.50% during the year 2010-11 and retained its position as the second fastest growing economy, after China. The year started with a lot of expectations regarding the recovery of domestic economic growth backed by strong industrial growth which outpaced the initial expectations. This was supported by robust consumption and investment demand. However, the strength and pace of the growth couldn't meet the expectations in the later half of the year. Inflation was the primary concern during the period and became the downside risk to growth. The domestic and international commodity prices surged heavily which finally led to aggressive monetary tightening to curb inflation. This resulted in a steady increase in interest rates and a consequent reduction in demand and GDP growth rates.

Industry Overview

The Indian markets remained largely orderly during the period despite challenges posed by persistent inflation and geopolitical developments in other parts of the World. Returns in the Indian equity markets were relatively lower than most other emerging market economies.

The total turnover during the year in NSE cash segment showed a decrease of nearly 13% while the futures segment recorded a significant increase of 65%. BSE cash market turnover decreased by 20%. The year saw a very low participation from retail investors. The derivatives segment volume however went up substantially over the year and constitutes almost 90% of the total exchange volume at the end of the year. The exponential increase in derivatives business resulted from a significant increase in arbitrage and proprietary business which constituted a lion share of derivatives business. This has, in a way, changed the structure of stock market volumes and market share.

The net investments in equity by the FIIs remained almost the same as last year at around ₹1.10 lakh crore. Although the net investments increased substantially in the middle of the year, it was very minimal or negative in the later part of the year.

The resource mobilisation by equity mutual fund schemes from new schemes was about 45% lower during the year at ₹3,299 crore compared to ₹5,989 crore last year. Correspondingly, investments in Indian equities by the

mutual funds also remained negative in the first 8 months of the year and remained net sellers at the end of the year to the tune of ₹19,180 crore. The equity mutual funds schemes recorded a net outflow of ₹13,405 crore during the period, while last year it recorded a net inflow of 595 crore. The total assets under management of equity mutual fund schemes also went down from ₹1.74 lakh crore to ₹1.69 lakh crore.

A total of 18.53 lakh active accounts were added in both the depositories during the year and the total number of depository accounts in the country was 190 lakh at the end of March 2011.

The change in commission structure of insurance business served as a dampener to the insurance industry. This affected the sales of ULIP policies primarily.

The combined effect of all these developments negatively affected the sentiments of retail investors who chose to wait and watch rather than confident to participate in the market. As a leading retail intermediary, our performance must be viewed in this background.

Review of operations

a) Brokerage services

The Company added 42 offices and 60000 clients during the year under review. The average equity volume per day recorded a decrease of 17% while in the futures and options, it showed an increase of 40%. The reduction in the retail equity trading volumes and the brokerage yield affected the revenue from this business. There has been a reduction in brokerage rates for the derivatives business also. Total Brokerage recorded a 13% decrease from ₹231.98 crore last year to ₹202.86 crore this year. The brokerage revenue continues to be the main source of income of the Company and contributed 72% of the consolidated revenue. The revenue from internet business registered an increase of 20% from last year.

It is encouraging to note that the revenue from internet trading as a percentage of the total brokerage increased from 15% to 22% this year. It is our expectation that the strategic focus on internet business will result in better margins in the future.

The Company launched mobile trading platform on the very first date of its introduction by BSE and NSE and executed the first trade through mobile on NSE. We are likely to see a shift to this platform by clients using branch network. This newly introduced platform is very promising and likely to bring more revenues in future.

b) Depository services

Number of depository accounts increased by 16% during the year taking the total depository clients to 3.74 lakh. The income from this activity also increased by 6% to ₹10.78 crore. The value of assets under custody increased by 27% to ₹11,314 crore. 53,000 accounts were added which represents 2.86% of the increase in the active depository accounts in NSDL and CDSL during the year.

c) Distribution of financial products

Revenue from distribution of mutual funds was adversely affected due to changes in the commission payment structure in the last year which made it unattractive for the distributors to sell mutual fund units. Retail participation in the mutual funds investments is very much lower which also affected revenue of the Company from this business. The Company has earned a total income of ₹7.33 crore from distribution business during the year which was lower by 24%. The mutual funds assets under management handled by the Company as on 31.03.2011 stood at ₹600 crore.

d) Portfolio Management Services

The portfolio management services of the Company performed very well by providing returns much better than the benchmark returns during the year under review. During the last one year, the portfolio increased by 16.95 percent vis-à-vis CNX Nifty increase of 11.12 percent. The Company has aggressive plans to grow the Portfolio Management Services among high net worth resident individuals as well as non residents. The number of clients increased significantly by 245% from 333 last year to 1149 clients at the end of March 2011. There was a significant improvement in the assets under management also and the fees improved by 161% to ₹3.91 crore.

e) Financing

The financing activities in the form of margin funding showed increased revenues corresponding to market activities. It grew by 48% to ₹3.28 crore. The revenues of the NBFC subsidiary were also increased significantly by 212% to ₹5.59 crore. The arbitrage opportunity in the commodities market, especially

in the prices of Rubber in the last three months, led to significant increase in the delivery based lending activity.

f) IT Service and products

Geojit Technologies, the subsidiary engaged in IT development and services generated consolidated revenue of ₹11.00 crore during the period, a marginal decrease of 2%. The future prospects for this division look bright as the team is continuing to get export orders and new development requests. The mobile trading application developed by this company was recognised with "Technology Achievement Award" at the Trade Tech India Conference organized by Worldwide Business Research, New York. Technology upgradation is one of the key focus areas for the Company for a long time.

Joint ventures

- i. Barjeel Geojit Securities, Dubai
Barjeel Geojit continues to do well. The Company performed commendably in both the Indian equity business, and mutual funds and insurance distribution among NRIs in the UAE and Oman. This 30% joint venture recorded a net profit of ₹9.12 crore, an increase of 22% over the last year. The mutual fund assets under management handled by Barjeel Geojit as at the end of the year is above ₹1100 crore. Total assets under management by this joint venture including equities as on 31.03.2011 is ₹1,777 crore.
- ii. Aloula Geojit Brokerage Company, Saudi Arabia
This 28% Joint Venture is now well positioned as a complete financial advisory and investment solutions provider in Saudi Arabia. Saudi Capital Market is yet to show an improvement like other world markets and therefore revenues for the joint venture is yet to pick up. The Company incurred a loss of ₹10.09 crore during the year, out of which our share is ₹2.82 crore.
- iii. BNP Paribas Securities India, Mumbai
This 50% Joint Venture with BNP Paribas for institutional business improved its revenue significantly. The current year revenue was ₹44.84 crore higher by 14% over the previous year. On account of the inherently high cost nature of institutional business, the Company is yet to report profits. The Company incurred a loss of ₹16.97 crore during the year, out of which our share is ₹8.48 crore. There has been an increase in the number of domestic and foreign institutional clients also. It is expected that the joint venture will generate higher revenues and market share in future.

Financial Advisory Services

The Company's initiative in strengthening the advisory capabilities of the employees is well on track. The Company initially started training the employees in Kerala and certified 330 employees as certified financial advisors. The training is in full swing for the employees in Tamil Nadu and gradually we intend to cover the programme to all employees through out India.

Outlook 2011-12

FII's are getting increasingly concerned about the impact of inflation on India growth story. The RBI has revised the repo and reverse repo rates 8 times in the last one year. A similar episode of tight monetary control to curb inflation, which engineered a slowdown in growth in the late 1990s, may have a negative affect on the demand growth & investment activity and the consequent degrading in the earning capacity of companies. This may have a negative impact on the stock markets. FDI flows in 2010-11 have seen a slowdown from the previous year, second time in a row, which is a matter of concern as high growth economies tend to have positive FDI flows which enhances the rate of economic growth.

Opportunities & Threats

Capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market. While the long term growth prospects of the Indian economy looks bright given the strong fundamentals, the short term outlook is to be assessed in the context of the emerging macro economic developments.

Distribution income from mutual funds and insurance business is also driven by improvement in income levels and savings rate of individuals, favourable demographics and government initiatives. The announcement in the budget of opening up retail foreign investment in mutual funds is a positive development.

Risks and Concerns

Market conditions, in particular the performance of the equity markets, contribute substantially to the Company's growth and will impact on our ability to repeat or improve on the earnings. The high volatility being witnessed in the equity markets may have an effect on the operations of the Company. With global uncertainties rising, volatility may aggravate further. With the rise in global equity markets, a rebalancing of investors' portfolio may happen with a shift in investors' preference from the emerging market economies to the advanced economies. The Capital market industry in which your Company is operating is subject to extensive regulation. However the Company has a proper and adequate system of internal control designed to ensure regulatory compliances.

Internal Control Systems

The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. In addition to external firms of Chartered Accountants auditing branches, the Company has set up an internal audit department with competent personnel. The internal audit team regularly visits branches for ensuring regulatory compliance. Post audit reviews are also carried out to ensure follow up on the observations made. The Audit Committee of the Board reviews the scope of the internal audit and their observations on a regular basis.

Human Resources

The company places significant importance to its human capital. GeoJit has a very young workforce of 3,230 at the end of the year. The company believes in sharing the growth and prosperity based on performance & potential. Hence the company has been providing incentives to its employees to ensure commitment. The Company's remuneration structure includes a significant component of variable pay, which is based on performance and profits.

The Company also granted ESOPs to its employees in recognition of their performance and as a measure of retention. ESOPs were also granted to employees for their long service with the Company.

The company has been paying special attention to improve the skill set of the employees through various training programs. All employees are encouraged and incentivised to get themselves certified in relevant industry standard certifications such as CFP, NCFM, BSEC & NISM. Majority of the employees have obtained such certifications. We took significant effort in giving training to employees at various levels and conducted 1373 training programmes during the year, which covered 13516 participants.

Cautionary Note

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

AUDITORS' REPORT

To The Members of

Geojit BNP Paribas Financial Services Limited

1. We have audited the attached Balance Sheet of **Geojit BNP Paribas Financial Services Limited** ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the 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 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

M. Ramachandran
Partner
(Membership No. 16399)

Kochi, 6th June, 2011

ANNEXURE TO THE AUDITORS' REPORT

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

(i) Having regard to the nature of the Company's business/activities/result, clauses (ii), (iii) (f) and (g), (iv) with regard to purchase of inventory and sale of goods, (vi), (viii), (xii), (xiii), (xvi), (xix) and (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has granted unsecured loans aggregating ₹460,000,000/- to one party during the year. At the year-end, the outstanding balance of such loans aggregated to ₹ Nil and the maximum amount involved during the year was ₹335,000,000/-.

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.

(c) The principal amounts of such loans are repayable on demand and there is no repayment schedule. Interest is payable on demand.

(d) In respect of the said loans, the same are

repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, there are no overdue amounts.

The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion, and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations and that the Company's service income depends on large volume of transactions executed daily on behalf of several clients, where there is a probability that certain transactions may be disputed by clients resulting in consequential costs to the Company, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief, and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of ₹5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

(vi) In our opinion, the internal audit functions carried out

during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2004-05	14.24
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2005-06	36.83
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2006-07	25.27
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2007-08	515.84
Finance Act, 1994	Service Tax and Penalty	Service Tax Appellate Tribunal	01-07-03 to 30-06-04	4.48

(viii) In our opinion, the Company does not have accumulated losses at the end of the financial year. Further, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(ix) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks from which working capital facilities have been availed.

(x) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, and other investments, and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.

(xi) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xii) In our opinion, and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xiii) According to 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.

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

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

M. Ramachandran
Partner
(Membership No. 16399)

Kochi, 6th June, 2011

BALANCE SHEET AS AT 31ST MARCH 2011

(In ₹)

Particulars	Sch. No.	As at 31st March 2011	As at 31st March 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	228,360,104	225,253,625
Employee Stock Options Outstanding	2	11,041,849	18,835,299
Reserves & Surplus	3	3,325,719,180	2,946,258,720
TOTAL		3,565,121,133	3,190,347,644
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		775,728,154	714,958,715
Less : Accumulated Depreciation		425,203,905	313,991,924
		350,524,249	400,966,791
Capital Work-in-Progress		96,599,228	28,259,771
Net Block		447,123,477	429,226,562
Investments	5	1,201,988,785	1,252,855,099
Deferred Tax Asset (Net)		21,197,000	7,615,000
Current Assets, Loans & Advances			
Sundry Debtors	6	1,053,632,086	1,091,423,344
Cash & Bank Balances	7	1,878,834,831	2,028,305,521
Other Current Assets	8	44,615,392	29,656,161
Loans & Advances	9	805,116,597	1,199,671,928
		3,782,198,906	4,349,056,954
Less : Current Liabilities & Provisions			
Liabilities	10	1,664,226,408	2,623,910,972
Provisions	11	223,160,627	224,494,999
		1,887,387,035	2,848,405,971
Net Current Assets		1,894,811,871	1,500,650,983
TOTAL		3,565,121,133	3,190,347,644
Significant Accounting Policies and Notes to Accounts	18		

Schedules 1 to 18 form an integral part of the Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

M. Ramachandran
Partner

Place : Kochi
Date : 6th June 2011

For and on behalf of the Board of Directors

A. P. Kurian
Chairman

Place : Kochi
Date : 6th June 2011

C. J. George
Managing Director

T. Jayaraj
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(In ₹)

Particulars	Sch. No.	Year Ended 31-03-2011	Year Ended 31-03-2010
Income			
Income from Operations	12	2,347,153,750	2,619,201,867
Other Income	13	366,866,465	262,641,226
		2,714,020,215	2,881,843,093
Expenditure			
Employee Costs	14	545,119,594	510,931,817
Operating Expenses	15	962,248,766	1,011,603,154
Establishment & Other Expenses	16	439,979,658	426,645,802
Interest	17	742,097	323,753
Depreciation/Amortisation	4	127,857,030	115,183,550
		2,075,947,145	2,064,688,076
Profit Before Tax		638,073,070	817,155,017
Provision For Tax - Current		163,900,000	244,360,000
- Deferred (Refer Note 22 of Schedule 18)		(13,582,000)	(5,949,000)
- Income Tax & FBT relating to Earlier Years		462,970	7,201,415
		150,780,970	245,612,415
Net Profit		487,292,100	571,542,602
Balance Brought Forward from Previous Year		884,722,710	549,638,076
Profit Available for Appropriation		1,372,014,810	1,121,180,678
Less: Appropriations:			
Transfer to General Reserve		50,000,000	57,200,000
Proposed Dividend on Equity Share Capital		171,270,078	168,940,219
Dividend Tax Thereon		27,784,288	28,058,859
Corporate Dividend Tax Credit		(28,058,859)	(18,079,509)
Dividend on Shares allotted under ESOPs		193,466	338,399
		221,188,973	236,457,968
Balance Carried to Balance Sheet - Schedule 3		1,150,825,837	884,722,710
Earnings Per Share (Equity Shares of face value ₹ 1/- each): (Refer Note 21 of Schedule 18)			
Basic		2.16	2.55
Diluted		2.16	2.53
Significant Accounting Policies and Notes to Accounts	18		

Schedules 1 to 18 form an integral part of the Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

M. Ramachandran
Partner

A. P. Kurian
Chairman

C. J. George
Managing Director

Place : Kochi
Date : 6th June 2011

Place : Kochi
Date : 6th June 2011

T. Jayaraj
Company Secretary

CASH FLOW STATEMENT

(In ₹)

Particulars	2010-11	2009-10
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	638,073,070	817,155,017
Add/(Less):		
Depreciation / Amortisation	127,857,030	115,183,550
ESOP expense amortised	3,230,005	4,123,146
Provision for Doubtful Debts	8,991,587	12,363,229
Interest	742,097	323,753
Loss on sale / write off of Fixed Assets	2,339,724	8,922,597
Dividend from non-trade, long term investments	(179,268,427)	(106,720,063)
Dividend from non-trade, current Investments	(20,816,848)	(19,951,677)
Profit on sale of non-trade current investments	(255,688)	(7,803)
Interest earned on Fixed Deposits	(66,347,939)	(60,604,158)
Cash flow before changes in Working Capital	514,544,611	770,787,591
Adjustments for changes in Working Capital:		
(Increase)/Decrease in Debtors	29,416,775	(690,051,909)
(Increase)/Decrease in Loans & Advances	397,438,227	(230,312,794)
Increase/(Decrease) in Current Liabilities	(960,957,392)	730,624,848
Increase/(Decrease) in Provisions	4,115,472	(275,045)
Cash generated from Operations	(15,442,307)	580,772,691
Income Tax paid (net of refunds)	(175,368,101)	(236,404,157)
Cash (used in) / flows from Operating Activities	(190,810,408)	344,368,534
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(82,586,694)	(73,648,337)
Sale of Fixed Assets	2,832,482	1,070,703
(Increase)/Decrease in Capital Work-in-Progress	(68,339,457)	(24,621,388)
Purchase of Investments	(2,434,189,863)	(2,471,534,421)
Investment in a Subsidiary Company	(116,000,000)	(500,000)
Sale of Investments	2,601,311,864	2,723,556,181
Dividend from non-trade, long term investments	179,268,427	106,720,063
Dividend from non-trade, current Investments	20,816,848	19,951,677
(Increase)/Decrease in Fixed Deposit with Banks	(437,697,559)	(237,238,860)
Interest Received on Fixed Deposits	51,388,708	41,628,027
Cash (used in) / flows from Investing Activities	(283,195,244)	85,383,645
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares under ESOP incld. Share Premium	55,440,357	33,348,454
Dividend paid on Equity Share Capital	(167,860,857)	(111,919,817)
Corporate Dividend Tax paid	-	(904,914)
Interest paid	(742,097)	(323,753)
Cash (used in) / flows from Financing Activities	(113,162,597)	(79,800,030)
Net Increase in Cash and Cash Equivalents	(587,168,249)	349,952,149
Opening Cash & Cash Equivalents #	1,277,171,565	927,219,416
Closing Cash & Cash Equivalents #	690,003,316	1,277,171,565
(Refer Note 11 of Schedule 18)		
# - Includes client's balances in current accounts with banks.		

Schedules 1 to 18 form an integral part of the Financial Statements.
In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

M. Ramachandran
Partner

A. P. Kurian
Chairman

C. J. George
Managing Director

Place : Kochi
Date : 6th June 2011

Place : Kochi
Date : 6th June 2011

T. Jayaraj
Company Secretary

SCHEDULES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Schedule 1: Share Capital		
Authorised:		
250,000,000 Equity Shares of ₹ 1/- each		
(Previous Year: 250,000,000 Equity Shares of ₹ 1/- each)	250,000,000	250,000,000
	250,000,000	250,000,000
Issued, Subscribed, Called-up and Paid-up:		
228,360,104 Equity Shares of ₹ 1/- each, fully paid-up		
Includes:		
(a) 106,093,000 equity shares issued as fully paid bonus share by capitalisation of General Reserve and Securities Premium		
(b) 3,106,479 shares were allotted under Employee Stock Option Plans during the year		
(Previous year: 225,253,625 Equity Shares of ₹ 1/- each)	228,360,104	225,253,625
	228,360,104	225,253,625
Schedule 2: Employee Stock Options Outstanding		
Employee stock options outstanding	28,203,199	28,217,194
Less: Deferred employee compensation expense 9,367,900		
Less: Employee compensation expense amortised (3,230,005)	(6,137,895)	(9,381,895)
Less: Transfer to Securities Premium on allotment of shares against options exercised	(10,871,440)	-
Less: Compensation cost on unexercised options under ESOP 2005 transferred to General Reserve	(152,015)	-
	11,041,849	18,835,299
Schedule 3: Reserves & Surplus		
Securities Premium		
As per last Balance Sheet	1,802,506,123	1,770,999,430
Add: Transfer from Employee Stock Options Outstanding	10,871,440	-
Add: Received on allotment of shares under ESOPs	52,333,878	31,506,693
	1,865,711,441	1,802,506,123
Capital Reserve		
As per last Balance Sheet	33,345,030	33,345,030
	33,345,030	33,345,030
General Reserve		
As per last Balance Sheet	225,684,857	168,484,857
Add: Transfer from Profit and Loss Account	50,000,000	57,200,000
Add: Transfer from Employee Stock Options Outstanding	152,015	-
	275,836,872	225,684,857
Profit and Loss Account		
	1,150,825,837	884,722,710
	3,325,719,180	2,946,258,720

SCHEDULES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

Schedule 4: Fixed Assets

(In ₹)

Particulars	Gross Block			Depreciation			Net Block	
	As at 1st April 2010	Additions	Deletions	As at 31st March 2011	Upto 31st March 2010	For the Year	Upto 31st March 2011	As at 31st March 2010
Tangible Assets:								
Land	73,799,836	-	-	73,799,836	-	-	-	73,799,836
	73,799,836	-	-	73,799,836	-	-	-	73,799,836
Buildings	348,850	-	-	348,850	34,336	5,686	40,022	314,514
	348,850	-	-	348,850	28,650	5,686	34,336	320,200
Improvements to Leasehold Premises	129,377,781	11,518,648	823,937	140,072,492	67,998,012	22,463,881	89,966,919	61,379,769
	123,459,389	7,403,124	1,484,732	129,377,781	47,046,147	22,192,634	67,998,012	76,413,242
Electrical Equipments	8,593,492	113,174	209,254	8,497,412	5,311,062	322,921	5,571,805	3,282,430
	8,540,573	201,390	148,471	8,593,492	4,938,709	420,243	5,311,062	3,601,864
Office Equipments	86,883,044	13,279,543	1,601,485	98,561,102	29,110,114	15,199,967	43,836,384	57,772,930
	80,131,716	7,333,178	581,850	86,883,044	17,162,670	12,149,668	29,110,114	62,969,046
Furniture & Fittings	54,321,988	6,349,144	336,958	60,334,174	29,934,691	8,478,530	38,248,873	24,387,297
	47,841,799	10,924,072	4,443,883	54,321,988	24,455,737	6,826,293	29,934,691	23,386,062
Computers & Accessories	238,760,993	37,560,081	14,697,362	261,623,712	126,123,435	59,066,110	172,269,045	112,637,558
	227,861,135	17,185,887	6,286,029	238,760,993	77,374,032	53,814,127	126,123,435	150,487,103
VSAT Equipments	14,905,280	-	272,400	14,632,880	11,866,441	1,662,565	13,281,326	3,038,839
	15,019,627	-	114,347	14,905,280	9,370,116	2,528,781	11,866,441	5,649,511
Vehicles - Motor Car	7,585,447	3,163,122	2,022,700	8,725,869	2,615,203	1,453,128	3,338,136	4,970,244
	7,657,606	1,563,900	1,636,059	7,585,447	1,988,676	1,243,591	2,615,203	5,668,930
Vehicles - Cycle	40,968	-	-	40,968	40,961	-	40,961	7
	40,968	-	-	40,968	40,961	-	40,961	7
Intangible Assets:								
Computer Softwares	100,341,036	10,602,982	1,853,159	109,090,859	40,957,669	19,204,242	58,610,434	59,383,367
	81,932,605	29,036,786	10,628,355	100,341,036	31,733,102	16,002,527	40,957,669	50,199,503
Grand Total	714,958,715	82,586,694	21,817,255	775,728,154	313,991,924	127,857,030	425,203,905	400,966,791
<i>Previous Year (2009-10)</i>	<i>666,634,104</i>	<i>73,648,337</i>	<i>25,323,726</i>	<i>714,958,715</i>	<i>214,138,800</i>	<i>115,183,550</i>	<i>313,991,924</i>	<i>452,495,304</i>

Note: Previous Year's figures are shown in italics.

SCHEDULES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Schedule 5: Investments		
Long Term Investments - At Cost		
In Wholly Owned Subsidiary Companies:-		
Unquoted, Non-trade		
4,000,000 (Previous Year: 4,000,000) Equity Shares of ₹ 10/- each, fully paid-up, in Geojit Investment Services Limited (Includes 2,400,000 bonus shares of ₹ 10/- each, fully paid-up)	16,000,000	16,000,000
27,700,000 (Previous Year: 16,100,000) Equity Shares of ₹ 10/- each, fully paid-up, in Geojit Financial Management Services Private Limited (11,600,000 shares were purchased during the year)	276,971,000	160,971,000
In a Subsidiary Company:-		
Unquoted, Non-trade		
67,197,420 (Previous Year: 67,197,420) Equity Shares of ₹ 2/- each, fully paid-up, in Geojit Credits Private Limited	142,368,780	142,368,780
In Joint Ventures:-		
Unquoted, Trade		
1,500 (Previous Year: 1,500) Equity Shares of Arab Emirates Dirham (AED) 1,000 each in Barjeel Geojit Securities LLC, United Arab Emirates	19,138,560	19,138,560
11,200,000 (Previous Year: 11,200,000) Equity Shares of Saudi Riyals (SR) 10 each in Aloula Geojit Brokerage Company, Saudi Arabia	301,990,457	301,990,457
In Others:-		
Unquoted, Non-trade		
400 (Previous Year: 400) 'C' class shares of ₹ 500/- each in Muvattupuzha Co-Operative Super Speciality Hospital Limited	200,000	200,000
11,401 (Previous Year: 11,401) Equity Shares of ₹ 1/- each, fully paid-up, in Bombay Stock Exchange Ltd.	877	877
100 (Previous Year: 100) Equity Shares of ₹ 10/- each, fully paid-up, in Cochin Stock Exchange Ltd.	1,000	1,000
	756,670,674	640,670,674
Current Investments - At lower of cost and net asset / fair value		
Unquoted, Non-trade		
In Mutual Funds & Government Securities (Refer Note 6 of Schedule 18)	445,318,111	612,184,425
	1,201,988,785	1,252,855,099
Aggregate cost of unquoted investments	1,201,988,785	1,252,855,099
Aggregate net asset / market value of mutual fund investments	445,316,131	612,202,727
Schedule 6: Sundry Debtors - Unsecured, unless stated otherwise (Refer Note 7(a) of Schedule 18)		
Considered Good:		
Client balances outstanding for a period exceeding six months - Secured	45,325,182	51,889,190
Client balances outstanding for a period exceeding six months	44,588,470	44,588,470
Other Client balances	706,264,921	647,964,734
Client balances - Margin Funding Loan Receivables - Secured	155,739,845	185,142,582
Dues from Stock Exchanges	101,713,668	161,838,368
	1,053,632,086	1,091,423,344
Considered Doubtful:		
Client balances outstanding for a period exceeding six months	62,308,973	60,546,640
Other Client Balances	3,659,930	6,059,291
	65,968,903	66,605,931
Less: Provision for Doubtful Debts (Refer Note 7(b) of Schedule 18)	65,968,903	66,605,931
	-	-
	1,053,632,086	1,091,423,344

SCHEDULES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Schedule 7: Cash & Bank Balances		
Cash in hand	657,871	679,990
Balances with Scheduled Banks:		
- in Current Accounts	65,907,067	71,257,704
- in Current Accounts - Clients	619,432,689	1,202,501,010
- in Current Accounts - Unclaimed Dividend	4,005,689	2,732,861
- in Fixed Deposit Accounts # \$	1,188,831,515	751,133,956
(# - Fixed deposits for ₹373,581,849/- (Previous Year: ₹516,831,074/-) are pledged with banks as security margin for (a) guarantees issued by them in favour of Stock Exchanges, and (b) working capital facility provided by a bank)		
(\$ - Includes fixed deposit receipts for ₹515,249,666/- which are kept in the safe custody of two banks for availing temporary overdrafts. The balance outstanding in the temporary overdraft facility as at the balance sheet date is ₹ Nil.)		
	1,878,834,831	2,028,305,521
Schedule 8: Other Current Assets		
Interest Accrued on Fixed Deposits	44,615,392	29,656,161
	44,615,392	29,656,161
Schedule 9: Loans & Advances - Unsecured and Considered Good, unless otherwise stated		
Advances recoverable in cash or in kind or for value to be received	39,004,054	27,981,065
Loan to a Subsidiary Company	-	62,500,000
Advances to Employees:		
- Considered good	437,489	446,465
- Considered doubtful	148,704	-
	586,193	446,465
Less: Provision for Doubtful Advances	148,704	-
	437,489	446,465
Income tax paid under protest, pending in appeal	26,313,214	22,813,214
	65,754,757	113,740,744
Deposits & Margins with Stock Exchanges	651,105,455	1,004,630,211
Deposits with Government Authorities	2,973,527	2,697,021
Other Deposits:		
- Considered good	85,282,858	78,603,952
- Considered doubtful	468,400	-
	85,751,258	78,603,952
Less: Provision for Doubtful Deposits	468,400	-
	85,282,858	78,603,952
	739,361,840	1,085,931,184
	805,116,597	1,199,671,928

SCHEDULES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Schedule 10: Current Liabilities		
Sundry Creditors (Refer Note 8 & 9 of Schedule 18):		
- Micro and Small Enterprises	-	-
- Clients	1,433,300,906	2,308,757,886
- Stock Exchanges	39,894,645	1,467,937
- Others	140,394,628	267,963,583
Security Deposits from Business Associates	16,247,343	15,378,808
Statutory Liabilities	24,500,008	22,400,802
Investor Education & Protection Fund shall be credited by:		
- Unpaid Dividend (Refer Note 10 of Schedule 18)	4,005,689	2,732,861
Other Liabilities	5,883,189	5,209,095
	1,664,226,408	2,623,910,972
Schedule 11: Provisions		
Employee Benefits (Refer Note 19(III) of Schedule 18)	10,260,921	6,149,649
Income Tax (Net of Advance Tax)	13,821,440	21,302,124
Fringe Benefit Tax (Net of Advance Tax)	-	24,448
Wealth Tax	23,900	19,700
Proposed Dividend on:		
- Equity Share Capital	171,270,078	168,940,219
- Corporate Dividend Tax	27,784,288	28,058,859
	223,160,627	224,494,999

SCHEDULES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
Schedule 12: Income from Operations		
Brokerage	2,028,632,338	2,319,804,510
Depository Services	107,845,649	101,913,821
Financial Products Distribution	43,123,284	41,118,900
Portfolio Management Services	39,149,825	14,983,601
Interest from Margin Funding	32,828,385	22,228,753
Overdue Fees collected from Clients	83,032,171	101,107,245
Brokerage - Real Estate Business	1,517,240	266,564
Miscellaneous Income	11,024,858	17,778,473
	2,347,153,750	2,619,201,867
Schedule 13: Other Income		
Dividend from long-term, non-trade investment (Includes dividend from a subsidiary & a joint venture company : ₹ 179,222,823/- (Previous Year: ₹ 106,719,742/-))	179,268,427	106,720,063
Interest earned on fixed deposits (Gross) (Tax Deducted at Source: ₹ 6,735,819/- (Previous Year: ₹ 6,973,776/-))	66,347,939	60,604,158
Dividend on current, non-trade investments	20,816,848	19,951,677
Profit on sale of current, non-trade investments	255,688	7,803
Cost Recovery for Shared Services	30,043,920	28,666,660
Royalty	11,892,226	11,128,899
Infrastructure Usage Fees	39,664,551	29,537,915
Miscellaneous Income	18,576,866	6,024,051
	366,866,465	262,641,226

SCHEDULES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
Schedule 14: Employee Costs		
Salaries, Allowances & Bonus (Refer Note 12 & 14 of Schedule 18)	489,148,000	472,782,591
Contribution to Provident & Other funds	13,601,208	11,278,066
Staff Welfare Expenses	42,370,386	26,871,160
	545,119,594	510,931,817
Schedule 15: Operating Expenses		
Business Associates' Commission (Equity)	708,145,477	722,906,532
Marketing Fees	85,644,000	126,516,000
Marketing Incentive	12,258,794	18,260,891
Business Associates' Commission (Distribution)	3,309,748	2,742,049
Connectivity Charges	81,862,430	75,447,229
Depository Expenses	22,723,946	26,078,601
Research Expenses	18,770,160	9,864,001
Postage Charges - Contract Note	12,866,256	14,198,140
Loss on Sale of Stock-in-Error	7,615,047	5,390,000
Transaction Charges	98,611	124,797
Insurance - NSE, BSE & NSDL	2,675,164	1,623,008
SEBI Registration Fees	486,269	60,000
Registration & Renewal Fees	1,568,425	1,264,861
Miscellaneous Expenses	4,224,439	7,127,045
	962,248,766	1,011,603,154

SCHEDULES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
Schedule 16: Establishment & Other Expenses		
Rent	126,794,730	113,858,991
Advertisement	30,272,611	48,642,440
Telephone Expenses	41,965,535	40,537,027
Postage	25,678,023	17,374,463
Electricity Charges	36,894,042	35,740,442
Software Charges	15,913,611	17,214,277
Repairs & Maintenance:		
- Leasehold Building	3,941,364	4,178,554
- Others	35,821,834	31,928,945
Printing & Stationery	21,021,487	17,005,923
Travel & Conveyance - Directors	1,853,251	1,427,337
- Others	18,354,764	13,979,984
Legal & Professional Fees (Refer Note 15 of Schedule 18)	11,159,575	16,171,737
Office Expenses	10,114,398	10,001,932
Provision for Doubtful Debts & Advances (Net of write off) (Refer Note 7(b) of Schedule 18)	8,991,587	12,363,229
Bad Debts	107,754	37,974
Business Promotion Expenses	8,792,563	11,644,988
Bank Guarantee Commission	5,770,028	4,603,684
Meetings & Seminars	6,701,866	4,567,037
Rates & Taxes	15,830,620	4,689,084
Subscriptions	3,155,478	3,958,513
Bank Charges	1,027,622	506,822
Loss on sale/write off of Fixed Assets	2,339,724	8,922,597
Insurance - Others	615,215	1,409,785
Sitting Fees to Directors	537,500	525,429
Charity	1,720,301	2,640,350
Listing Fees	102,280	110,750
Registrar & Transfer Expenses	224,129	162,243
Consultancy Fees	459,000	556,000
Miscellaneous Expenses	3,818,766	1,885,265
	439,979,658	426,645,802
Schedule 17: Interest		
On Loan from Subsidiaries	-	43,519
On Temporary Overdrafts	742,097	280,234
	742,097	323,753

Schedule 18: Significant Accounting Policies and Notes to Accounts

A. Significant Accounting Policies

Accounting Convention

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the Companies Act, 1956, and the Accounting Standards specified in Rule 3 of Companies (Accounting Standards) Rules, 2006.

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 and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes cost of purchase and other costs attributable to bringing the assets to working condition for intended use.

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

Asset	Useful Life (In years)
Building	40
Furniture and Fixtures	5
Electrical Equipments	5
Office Equipment	5
Computers - Data Center Equipments	5
Computers - Other than Data Center Equipments	3
Vehicles	5

Improvements to leased office premises are depreciated over a period of 5 years irrespective of the lease period, on the assumption that lease agreements will be renewed and the

premises will be occupied for a minimum period of five years. If the premises are vacated before the expiry of five-year period, the un-amortised leasehold improvement costs are fully written off in the year of vacation. V-Sat equipments are depreciated over a period of 5 years.

Additions to fixed assets are depreciated from the date of addition and deletions are depreciated upto the date of sale, on pro-rata basis.

Intangible Assets and Amortisation

Computer software is considered as intangible asset. Computer softwares capitalised upto 31st March 2007 are amortised over a period of 6 years and softwares capitalised on or after 1st April 2007 are amortised over a period of 5 years.

Investments

Investments are classified as long-term or current based on their nature and intended holding period. Long-term investments are stated at cost less provision for diminution, other than temporary, in value. Current investments are stated at lower of cost and market value / net asset value.

Income

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

Employee Benefits

Post-employment Benefit Plans

Contributions to defined contribution retirement benefit schemes are recognised as expense when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Actuarial

gains and losses are recognised in full in the profit and loss account of the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employees renders the service. These benefits include compensated absences such as paid annual leave and performance incentives.

Long-term employee benefits

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

Leases

Operating lease rentals are charged to Profit and Loss Account of the period to which they relate.

Taxes on Income

Current tax is determined on the taxable income for the year as per the provisions of the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such asset items can be realised.

Impairment of Assets

Impairment is ascertained at each Balance Sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated

future cash flows are discounted to their present value, based on an appropriate discount factor. Reversal of impairment loss is recognised as income in the Profit and Loss Account.

Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognized, in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' notified by the Companies (Accounting Standards) Rules, 2006, when there is a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, which can be reliably estimated. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognised in the financial statements.

Employee Stock Option

The employee share based compensation costs under the Employee Stock Option Schemes are accounted under the intrinsic value method, wherein the difference between the market price of the share on the grant date or as near thereto and exercise price is considered as intrinsic value of options and amortised on straight-line basis over the vesting period.

B. Notes on Accounts

1. Contingent Liability:

Particulars	As at 31-03-2011 (₹)	As at 31-03-2010 (₹)
Claims against the Company not acknowledged as debts: Legal suits filed against the Company / Matters under Arbitration	35,668,403	28,216,882
Income tax demands, pending in appeal	72,572,892	18,340,301
Service tax demands, pending in appeal	448,298	448,298

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): ₹ 233,018,041/- (Previous Year: ₹ 260,981,090/-).
3. Details of utilisation of the proceeds from the allotment of equity shares to BNP Paribas S.A. on preferential basis:

Particulars	2010-11 (₹)	2009-10 (₹)
Amount pending utilisation as on 1st April 2010 (1st April 2009)	338,882,363	441,097,787
Less: Utilisation during the year:		
For Business Expansion	168,073,138	101,715,424
For Investment in Subsidiaries	116,000,000	500,000
Balance pending utilization as on 31st March 2011 (31st March 2010)	54,809,225	338,882,363
Amount pending utilization as on 31st March 2011 (31st March 2010) has been invested as follows:		
In Mutual Funds	54,809,225	338,882,363

4. (A) Details of Employee Stock Option Plans:

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

The Company introduced Employee Stock Option Plan-2005 (ESOP-2005) during 2005-06, under which options for 6,989,400 equity shares of ₹1/- each were granted to eligible permanent employees and non-executive directors, including independent directors but excluding promoters, of the Company and its Subsidiaries. The scheme was approved by the Shareholders at the Extraordinary General Meeting held on 7th March 2006 and by the Compensation Committee of Directors on 7th March 2006. The options vested over a period of 4 years from the date of grant, viz., 7th March 2006, as follows:

End of Year	Date of Vesting	% of options granted
II	7 th March 2008	30%
III	7 th March 2009	30%
IV	7 th March 2010	40%

The exercise period commenced from the date of vesting and expired not later than 5 years from the date of grant, viz., 6th March 2011. The exercise price was computed by giving discounts, based on the grade and number of years of service rendered by the employees and directors, to the market price on the date prior to grant date.

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

During 2007-08, the Company reissued options for 950,500 equity shares of ₹1/- each to eligible permanent

employees and an independent non-executive director, whose is not a promoter, of the Company and its Subsidiaries, forfeited out of Employee Stock Option Plan - 2005 (ESOP-2005) on resignation of employees. The reissue of options forfeited was approved by the Shareholders through postal ballot, whose result was declared on 5th December 2007, and by the Compensation Committee at its meeting held on 12th October 2007. The options will vest over a period of 4 years from the date of grant, viz., 10th December 2007, as follows:

End of Year	Date of Vesting	% of options granted
II	10 th December 2009	30%
III	10 th December 2010	30%
IV	10 th December 2011	40%

The exercise period commenced from the date of vesting and will expire not later than 5 years from the date of grant, viz., 09th December 2012. The exercise price in the case of employees and directors has been computed by giving discounts, based on the grade of the employees and of fixed amount respectively, to the market price on the date prior to grant date. The Company had repriced the options on 11th April 2009 from ₹65.36 to ₹25.50 per option with the approval of the Compensation Committee and Shareholders.

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

The Company introduced Employees Stock Option Plan 2007 for Key Employees during the year 2007-08, under which options for 2,500,000 equity shares of Re. 1/- each were granted to eligible senior management employees of the Company. The scheme was approved by the Shareholders through postal ballot, whose result was declared on 5th December 2007, and by the Compensation Committee of Directors on 12th October 2007. The options will vest over a period of 7 years from the date of grant, viz., 10th December 2007, as follows:

End of Year	Date of Vesting	% of options granted
IV	10 th December 2011	25%
V	10 th December 2012	25%
VI	10 th December 2013	25%
VII	10 th December 2014	25%

The exercise period commenced from the date of vesting and will expire not later than 8 years from the date of grant, viz., 09th December 2015. The exercise price is at

10% discount to the market price on the date prior to grant date. The Company had repriced the options on 11th April 2009 from ₹ 59.90 to ₹ 25.50 per option with the approval of the Compensation Committee and Shareholders.

(d) Employees Stock Option Plan 2010 (ESOP 2010):

During the year, the Company introduced Employees Stock Option 2010 under which options for 2,786,795 equity shares of ₹ 1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on 12th July 2010, and by the Compensation Committee of Directors on 12th April 2010. The options will vest on the expiry of 2nd Anniversary from the date of grant, viz., 29th March 2011.

The exercise period commenced from the date of vesting and will expire not later than 4 years from the date of grant, viz., 28th March 2017. The exercise price of the

options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options, which has to be amortised over the vesting period.

B) Accounting of employee share based compensation cost:

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

Plan	ESOP 2005	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010
Cumulative intrinsic value of the options granted net of expected forfeiture	Nil (₹11,027,018/-)	₹ 551,181/- (₹565,176/-)	₹16,625,000/- (₹16,625,000/-)	Not Applicable (Not Applicable)
Expected forfeiture rate per annum	Nil (6%)	20% (20%)	0% (0%)	5% (Not Applicable)
Amount amortised during the year	Nil (₹ 809,050/-)	₹73,234/- (₹157,325/-)	₹3,156,771/- (₹3,156,771/-)	Not Applicable (Not Applicable)
Additional charge under Fair Value method of accounting cost	Nil (₹ 6,549,205/-)	₹3,784,271/- (₹9,399,002/-)	₹26,024,486/- (₹26,024,486/-)	₹75,533/- (Not Applicable)

Note: Previous year figures are given in brackets.

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

Plan	ESOP 2005	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010
Date of Grant	07-03-2006	10-12-2007	10-12-2007	29-03-2011
Number of Options Granted	6,989,400	950,500	2,500,000	2,786,795
Vesting Conditions	Continuation in the services of the Company and such other conditions as may be formulated by the Compensation Committee from time to time.			
Method of Settlement	In Cash	In Cash	In Cash	In Cash
Weighted average Exercise Price (₹)	17.90	65.36	59.90	22.20
No. of options outstanding as at 31-03-2010	3,323,390	496,726	2,500,000	2,786,795
Less: No. of options forfeited	226,240	87,286	-	-
Less: No. of options exercised	3,097,150	9,329	-	-
No. of options outstanding as at 31-3-2011	-	400,111	2,500,000	2,786,795
No. of options exercisable at year end	-	212,778	-	-

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

Plan	ESOP 2005	ESOP 2005 (Reissue-1)	ESOP 2007	ESOP 2010
Weighted average fair value per option (₹)	17.30	56.60	61.67	6.94
Market price relevant for grant (₹)	19.86	66.55	66.55	22.20
Annualised Volatility	199%	170%	170%	52%
Dividend Yield	1.76%	0.60%	0.60%	2.30%
Risk free interest rate	7%	7%	7%	8%

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

E) The impact on Basic and Diluted Earnings Per Share for the year, had the Company followed Fair Value Method of accounting for ESOP compensation cost, is ₹(0.13) and ₹(0.13) respectively (Previous Year: ₹(0.19) and ₹ (0.19) respectively).

5. The Company has contracted fund based and non-fund based (viz. bank guarantee) working capital facilities of ₹30 crores (Previous Year: ₹30 crores) and ₹65 crores (Previous Year: ₹51 crores) respectively from banks, which are secured by a charge on the current assets of the Company, both present and future, and counter guarantee of the Company. The balance outstanding in the fund based and non-fund based working capital facilities at the balance sheet date are ₹ Nil (Previous Year: ₹ Nil) and ₹65.13 crores (Previous Year: ₹48.75 crores) respectively.

6. a) Details of Current Investments – Unquoted & Non-trade (stated at lower of cost and market price / net asset value):

Security	No. of units as on 31-03-2011	Book Value as on 31-03-2011 ₹	No. of units as on 31-03-2010	Book Value as on 31-03-2010 ₹
In Government Securities:				
10.71% Government of India Securities – 2016	30	3,000	30	3,000
Total		3,000		3,000
In Mutual Funds:				
Canara Robeco Mutual Fund - Treasury Advantage Fund (23,945,966 units were purchased, 144,468 units were reinvested and 14,532,002 units were sold during the year)	9,558,432	118,592,426	-	-
SBI Mutual Fund - Ultra Short Term Fund (1,019,388 units were purchased and 86,706 units were reinvested during the year)	2,144,731	21,459,157	1,038,637	10,391,575
SBI Mutual Fund - SHF Liquid Plus (36,558,065 units were purchased, 336,216 units were reinvested and 34,619,417 units were sold during the year)	2,274,864	22,762,290	-	-
Reliance Mutual Fund - Money Manager Fund (259,517 units were purchased, 1,699 units were reinvested and 223,672 units were sold during the year)	137,734	137,922,317	100,190	100,303,853
Sundaram BNP Paribas Mutual Fund - Ultra Short Term Fund (20,484,208 units were purchased, 112,375 units were reinvested and 15,538,223 units were sold during the year)	5,058,360	50,770,766	-	-

Security	No. of units as on 31-03-2011	Book Value as on 31-03-2011 ₹	No. of units as on 31-03-2010	Book Value as on 31-03-2010 ₹
UTI Mutual Fund - Treasury Advantage Fund (73,784 units were purchased, 464 units were reinvested and 79,070 units were sold during the year)	74,009	74,025,853	78,831	78,848,459
IDFC Mutual Fund - Money Manager Fund (17,397,390 units were purchased, 103,998 units were reinvested and 25,576,116 units were sold during the year)	971,063	9,712,082	9,045,791	90,471,477
LIC Mutual Fund - Income Plus Fund (7,780,000 units were purchased, 203,719 units were reinvested and 21,299,190 units were sold during the year)	-	-	13,315,471	133,154,695
Birla Sunlife Mutual Fund - Savings Fund (26,402,046 units were purchased, 217,840 units were reinvested and 33,183,360 units were sold during the year)	-	-	6,563,474	65,679,364
ICICI Prudential Mutual Fund - Flexible Income Plan Premium (3,138,034 units were purchased, 15,636 units were reinvested and 3,058,430 units were sold during the year)	95,240	10,070,220	-	-
HDFC Mutual Fund - Cash Management Treasury Advantage Fund (17,634,451 units were purchased, 212,905 units were reinvested and 31,138,688 units were sold during the year)	-	-	13,291,332	133,332,002
Total		445,315,111		612,181,425
Grand Total		445,318,111		612,184,425

b) Details of securities purchased and sold during the year:

(Number of units)

Security	As on 31-03-2010	Purchased during the year (Incl. dividend reinvested)	Sold during the year	As on 31-03-2011
HDFC Mutual Fund - Short Term Opportunities Fund	-	5,046,457	5,046,457	-
Birla Sunlife Mutual Fund - Short Term FMP Series 2	-	12,630,000	12,630,000	-

7. a) Sundry Debtors include the following amounts due from firms/companies in which directors are interested:

(In ₹)

Particulars	As at 31-03-2011	Maximum Amount Outstanding	As at 31-03-2010	Maximum Amount Outstanding
Rare Enterprises	-	3,414,712	2,309,268	8,952,805
Inventurus Knowledge Services Private Ltd.	1,2051,325	36,983,625	-	-
Inventurus Knowledge Solutions Pvt. Ltd.	1,0044,874	35,631,268	2,941,993	19,394,143
JP Morgan Asset Management India Pvt. Ltd - A/c JP Morgan India Equity Fund	-	107,398	29,919	58,343

b) The movement in provision for doubtful debts during the year is as follows:

Particulars	2010-11 (₹)	2009-10 (₹)
Opening Balance	66,605,931	65,559,461
Add: Provision made during the year	8,374,483	12,363,229
Less: Bad debts written off against provision during the year	9,011,511	11,316,759
Closing Balance	65,968,903	66,605,931

8. Sundry Creditors – Others include:

Particulars	31-03-2011 (₹)	31-03-2010 (₹)
Amount payable to Managing Director	3,283,906	1,320,401
Maximum amount payable to Managing Director at any time during the year	6,376,906	3,483,401

9. The disclosure with regard to dues to Micro and Small Enterprises are as follows:

Particulars	2010-11 (₹)	2009-10 (₹)
Principal amount remaining unpaid to Micro and Small Enterprises as at the end of accounting year	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the Company along with the amount of the payment made to the supplier beyond the appointed day during the year	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid, but beyond the appointed day) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
Unpaid interest brought forward to current year	Nil	Nil

Note: The above information has been provided to the extent such parties have been identified by the Company based on information available with it and has been relied upon by the auditors.

10. The amount of unclaimed dividends lying in separate bank accounts as at the balance sheet date is ₹ 4,005,689/- (Previous Year: ₹ 2,732,861/-). There is no amount due and outstanding as at the balance sheet date to be credited to the Investor Education and Protection Fund.

11. Notes on Cash Flow Statement:

- The Cash Flow Statement has been prepared using the 'indirect method' specified in Accounting Standard – 3 "Cash Flow Statements".
- Cash and cash equivalents at the balance sheet date include unclaimed dividends lying in separate bank accounts amounting to ₹4,005,689/- (Previous Year : ₹2,732,861/-), not available for use by the Company.
- The closing cash and cash equivalents excludes fixed deposits amounting to ₹1,188,831,515/- (Previous Year: ₹751,133,956/-), which is considered as part of investing activity by the Company.

12. Remuneration to Managing Director:

Particulars	2010-11 (₹)	2009-10 (₹)
Salaries & Allowances	4,821,759	3,139,333
Perquisites	190,894	156,401
Commission	7,071,000	10,894,000
Total	12,083,653	14,189,734

Note: Provisions for / contributions to employee retirement benefits, which are based on actuarial valuations done for the Company as a whole, are excluded from the above.

13. Payments to other directors:

Particulars	2010-11 (₹)	2009-10 (₹)
Sitting fees	537,500	525,429

14. Computation of net profit under Section 309(5) of the Companies Act, 1956 and commission payable to the Managing Director:

Particulars	2010-11 (₹)	2009-10 (₹)
Profit before tax	638,073,070	817,155,017
Add: Managerial remuneration (Refer Note 12)	12,083,653	14,189,734
Sitting fees to directors (Refer Note 13)	537,500	565,429
Provision for doubtful debts / advances	8,991,587	12,363,229
Less: Bad debts / advances written off against provision	(9,011,511)	(11,316,759)
Dividend from long term investments	(179,268,427)	(106,720,063)
Adjusted Profit as per Sec. 309(5)	471,405,872	726,236,587
Maximum remuneration payable to Managing Director – 5% of Adjusted Profit	23,570,294	36,311,830
Commission payable @ 1.5% of Adjusted Profit	7,071,000	10,894,000

Note: The remuneration paid / payable to the Managing Director for the year is within the limits specified in Section 198 / 309 of the Companies Act, 1956.

15. Legal and professional fees include:

a) Remuneration to Statutory Auditors (excluding service tax):

Particulars	2010-11 (₹)	2009-10 (₹)
For Statutory Audit	1,200,000	1,000,000
For Tax Audit	125,000	125,000
For Certifications	55,943	42,500
For Quarterly Limited Reviews	360,000	300,000
For Transfer Pricing Certification	127,356	125,750
Out-of-pocket Expenses	37,615	29,498
Total	1,905,914	1,622,748

b) Remuneration to Internal Auditors (excluding service tax):

Particulars	2010-11 (₹)	2009-10 (₹)
For Audit	3,572,000	3,969,959
Out-of-pocket Expenses	956,009	764,286
Total	4,528,009	4,734,245

16. Expenditure in Foreign Currency:

Particulars	2010-11 (₹)	2009-10 (₹)
Foreign Travel	158,440	214,376
Software Charges	142,077	363,084
Annual Maintenance Charges	555,864	857,328
Website Charges	554,814	1,143,611
Professional Charges	-	306,203
Meetings & Seminars	-	108,150
Sitting Fees	25,000	130,429
Total	1,436,195	3,123,181

17. Earnings in Foreign Currency:

Particulars	2010-11 (₹)	2009-10 (₹)
Dividend	9,222,823	Nil

18. Advances due from companies under the same management, within the meaning of Section 370(1B) of the Companies Act, 1956:
(In ₹)

Particulars	As at 31-03.2011	Maximum Amount Outstanding	As at 31-03-2010	Maximum Amount Outstanding
Geojit Credits Private Limited	–	335,017,736	62,500,000	72,500,000
Geojit Investment Services Ltd.	–	192,454	–	15,000,000
Geojit Technologies Private Ltd.	–	199,813	–	3,364,042
Geojit Financial Management Services Pvt. Ltd.	–	116,000,000	–	–

19. Employee Benefits:

The details of benefits provided by the Company to its employees during the year are as follows:

I. **Defined Contribution Plan – Provident Fund:**

During the year, the Company has recognised the employer's contribution to Employees Provident Fund Organisation amounting to Rs.3,503,406/- (Previous Year: ₹ 3,573,049/-) in the Profit and Loss Account, included under the head Contribution to Provident & Other Funds in Schedule 14 – Employee Costs.

II. **State Plans:**

- Employer's contribution to Employees' State Insurance Scheme.
- Employer's contribution to Employees' Pension Scheme, 1995.

During the year, the Company has recognised the following amounts in the Profit and Loss Account, included in Schedule 14 – Employee Costs:

Particulars	2010-11 (₹)	2009-10 (₹)
Employer's contribution to Employees' State Insurance Scheme	9,884,594	5,232,361
Employer's contribution to Employees' Pension Scheme, 1995	7,951,874	6,631,081

III. **Defined Benefit Plan – Gratuity:**

The Company provides gratuity benefit to all eligible employees, which is funded with Life Insurance Corporation of India. In accordance with Accounting Standard 15, actuarial valuation was done using the following assumptions:

Particulars	2010-11	2009-10
Discount Rate (per annum)	7.85%	7.45%
Rate of increase in compensation levels (per annum)	5%	5%
Expected return on plan assets (per annum)	9%	8%
Expected average remaining working lives of employees (years)	5.35	5.44

The estimate of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Other disclosures required under revised Accounting Standard 15 are as follows:

(In ₹)

Particulars		2010-11	2009-10
(A)	Change in Present Value (PV) of obligation:		
	Opening PV of Obligation	11,852,687	10,688,396
	Current service cost	2,474,238	2,302,433
	Interest cost	1,000,484	834,037
	Actuarial (gain) / loss on obligation	(844,024)	(1,723,622)
	Benefits paid	(817,068)	(248,557)
	Past service cost	525,938	—
	Closing PV of Obligation	14,192,255	11,852,687
(B)	Change in the Fair Value (FV) Plan Asset:		
	Opening FV of Plan Asset	11,341,347	7,714,870
	Expected return on Plan Assets	955,499	759,143
	Actuarial gain / (loss)	37,346	(49,169)
	Contributions by the employer	183,952	3,165,060
	Benefits paid	(817,068)	(248,557)
	Closing FV of Plan Assets	11,701,076	11,341,347
(C)	Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
	Closing PV of Obligation	14,192,255	11,852,687
	Closing FV of Plan Assets	11,701,076	11,341,347
	Funded Status [Surplus/(Deficit)] *	(2,491,179)	(511,340)
	* - Included under the head "Employee Benefits" in Schedule 11 – Provisions.		
(D)	Amounts recognised in Profit and Loss Account:		
	Current service cost	2,474,238	2,302,433
	Interest cost	1,000,484	834,037
	Expected return on Plan Assets	(955,499)	(759,143)
	Actuarial (gains) / losses	(881,370)	(1,674,453)
	Past service cost	525,938	—
	Net amount recognised in Profit and Loss Account *	2,163,791	702,874
	* - Included in "Contribution to Provident & Other Funds" in Schedule 14 – Employee Costs.		
(E)	Constitution of Plan Assets:		
	Equity instruments	—	—
	Debt instruments	—	—
	Property	—	—
	Insurer managed asset *	11,701,076	11,341,347
	* - The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the aforesaid information.		

Particulars	Year Ended				
	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11
	(In ₹)				
Defined Benefit Obligation	5,431,929	7,534,519	10,688,396	11,852,687	14,192,255
Plan Asset	4,486,612	5,823,111	7,714,870	11,341,347	11,701,076
Surplus / (Deficit)	(945,317)	(1,711,408)	(2,973,526)	(511,340)	(2,491,179)
Exp. Adj. on Plan Liabilities	-	146,876	30,113	(1,130,978)	(435,622)
Exp. Adj. on Plan Assets	-	113,846	135,108	(49,169)	37,346

20. Related Party Disclosures:

(a) Disclosures under Accounting Standard 18 - Related Party Disclosures:

Nature of Relation-ship	Name of Related Party	Nature of Transaction	2010-11 (₹)	Receivable / (Payable) on 31-03-2011	2009-10 (₹)	Receivable / (Payable) on 31-03-2010
Subsidiary	Geojit Investment Services Ltd.	Expenses Recovered	192,454	-	-	-
		Expenses Reimbursed	-		2,584	
		Dividend Received	170,000,000		100,000,000	
		Loan Given	-		15,000,000	
		Loan Repaid	-		15,000,000	
Subsidiary	Geojit Credits (P) Ltd.	Loan Given	460,000,000	-	72,500,000	62,500,000
		Loan Repaid	522,500,000		10,000,000	
		Expenses Reimbursed	102,125		67,699	
		Expenses Recovered	345,225		482,747	
		Loan Taken	-		34,000,000	
		Loan Repaid	-		34,000,000	
		Interest Paid	-		32,747	
		Interest Received	8,265,832		241,644	
		Dividend Received	-		6,719,742	
Subsidiary	Geojit Technologies (P) Ltd.	Software Service Availed	11,100,000	-	13,458,580	-
		AMC Paid	36,84,500		1,729,500	
		Software Purchased	8,621,261		25,321,918	
		Cost Recovery for Shared Services	1,443,797		1,224,000	
		Loan Given	-		138,000	
		Loan Repaid	-		138,000	
		Loan Taken	-		142,046	
		Loan Repaid	-		142,046	
		Interest Paid	-		10,772	
		Interest Received	-		11,960	
		Expense Recovered	181,154		-	
		Expenses Reimbursed	844,528		1,501,290	
Subsidiary	Geojit Financial Management Services (P) Ltd.	Investment	116,000,000	-	500,000	-
		Expense Recovered	-		498,123	

Nature of Relation-ship	Name of Related Party	Nature of Transaction	2010-11 (₹)	Receivable / (Payable) on 31-03-2011	2009-10 (₹)	Receivable / (Payable) on 31-03-2010
Subsidiary	Geojit Financial Distribution (P) Ltd.	No transaction	-	-	-	-
Joint Venture	Barjeel Geojit Securities L.L.C.	Marketing Fee	85,644,000	(40,057,078)	126,516,000	(125,534,637)
		Expenses Reimbursed	214,805		73,893	
		Expenses Recovered	800,740		1,055,256	
		Dividend Received	9,222,823		-	
Joint Venture	Aloula Geojit Brokerage Company	Expenses Reimbursed	-	1,047,951	68,432	580,120
		Expenses Recovered	467,831		447,106	
Joint Venture	BNP Paribas Securities India Pvt. Ltd.	Commission	375,290,465	(8,005,917)	352,533,827	(3,274,270)
		Expenses Recovered	3,033,754		6,966,539	
		Asset Usage Charges	-		736,478	
		Cost Recovery for Shared Services	7,148,367		6,994,391	
Entity having substantial interest in the Company	BNP Paribas S.A.	Bank Charges	13,343	20,906,684	10,027	33,697,383
		Dividend Paid	57,516,719		38,344,480	
Key Management Personnel (KMP)	Mr. C. J. George (Managing Director)	Salary and Benefits	12,083,653	(3,283,906)	14,189,734	(1,320,401)
		Dividend Paid	30,455,070		20,303,380	
Relative of KMP	Ms. Shiny George, Wife of Mr. C. J. George	Dividend Paid	3,750,000		2,500,000	
Entity over which relative of KMP has control	Geojit Comtrade Limited	Expenses Reimbursed	76,262	4,200,168	155,374	5,562,100
		Expenses Recovered	27,18,891		952,495	
		Cost Recovery for Shared Services	20,051,756		20,597,163	
		Royalty	11,892,226		11,128,899	
		Referral Fees	8,397,393		-	
		Rent Received	1,807,884		1,050,354	

Notes: (a) As identified by the Management and relied upon by the Auditors.

(b) No amounts pertaining to related parties were written off or written back during the year.

B) Related Party Disclosures as per Listing Agreement entered into by the Company with Stock Exchanges:

(In ₹)

Particulars	As at 31-03-2011	As at 31-03-2010	Maximum amount outstanding during the year	
			2010-11	2009-10
Loans and Advances to Subsidiaries:				
Geojit Investment Services Limited	—	—	—	15,000,000
Geojit Credits Private Limited	—	62,500,000	335,000,000	72,500,000
Geojit Technologies Private Limited	—	—	—	138,000
Loans and advances in the nature of loans where there is:				
(i) no repayment schedule:				
Geojit Investment Services Limited	—	—	—	15,000,000
Geojit Credits Private Limited	—	62,500,000	335,000,000	72,500,000
Geojit Technologies Private Limited	—	—	—	138,000
(ii) no interest or interest below Section 372A of the Companies Act, 1956.	—	—	—	—
Loans and advances to companies/firms in which directors are interested	—	—	—	—
Investments by the loanee in the shares of the Company when there is an existing loan	—	—	—	—

21. Earnings per share is computed as follows:

Particulars	2010-11	2009-10
Net profit after tax – In ₹	487,292,100	571,542,602
Profit attributable to Equity Shareholders – In ₹ (A)	487,292,100	571,542,602
Total number of equity shares outstanding at balance sheet date	228,360,104	225,253,625
Weighted average number of equity shares outstanding, considered for the purpose of computing Basic EPS (B)	226,011,781	224,198,856
Add: Number of dilutive potential equity shares to be issued under Employee Stock Option Plans	107,513	1,792,747
Weighted average number of equity shares outstanding, considered for the purpose of computing Diluted EPS (C)	226,119,294	225,991,603
Basic Earnings Per Share – In ₹ (A/B)	2.16	2.55
Diluted Earnings Per Share – In ₹ (A/C)	2.16	2.53
Nominal value of Equity Shares – In ₹	1.00	1.00

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

(In ₹)

Particulars	As at 31-03-2010	For the Year	As at 31-03-2011
Liability Items:			
Depreciation	15,323,000	(13,256,000)	2,067,000
Asset Items:			
Provision for doubtful debts/advances	(813,000)	(20,791,000)	(21,604,000)
Provision for employee benefits	(22,125,000)	20,465,000	(1,660,000)
Deferred Tax Liability/(Asset) (Net)	(7,615,000)	(13,582,000)	(21,197,000)

23. (a) The details of Company's interest as a venturer in Jointly Controlled Entities:

Name	Country of Incorporation	Percentage of ownership interest	
		31-03-2011	31-03-2010
Barjeel Geojit Securities LLC ('Barjeel')	United Arab Emirates	30%	30%
Aloula Geojit Brokerage Company ('Aloula')	Saudi Arabia	28%	28%
BNP Paribas Securities India Private Limited ('BNPPSI')	India	50%	50%

(b) The Company's interest in the joint ventures is reported as long-term investments and is stated at cost. The Company's share in the assets and liabilities as at the Balance Sheet date and in the incomes and expenses (without elimination of the effect of transactions between the Company and the joint ventures) for the year are as follows:

(In ₹)

Particulars	2010-11			2009-10		
	Barjeel	Aloula	BNPPSI	Barjeel	Aloula	BNPPSI
ASSETS						
Fixed & Intangible Assets (Net Block)	1,486,166	15,806,366	16,622,884	2,335,399	21,344,856	30,727,353
Investments	-	91,618	-	-	71,184	-
Current Assets, Loans & Advances:						
Sundry Debtors	1,582,070	411,407	10,953,342	42,656,407	363,744	21,781,685
Cash & Bank	78,034,789	205,619,136	4,565	29,721,385	234,435,000	4,250
Loans & Advances	21,509,138	14,340,642	94,047,609	9,442,037	12,423,300	72,839,769
LIABILITIES						
Secured Loan	-	-	64,216,211	-	-	105,583,000
Current Liabilities & Provisions:						
Liabilities	23,785,329	4,117,626	64,157,593	23,823,107	6,583,956	59,969,467
Provisions	3,696,952	1,873,691	13,910,729	2,767,229	1,439,124	10,612,794
INCOME						
Income from Operations	67,097,142	3,558,985	224,184,484	63,849,270	1,418,248	196,266,695
Other Income	2,353,084	9,254,486	-	4,605,433	13,739,304	267,708
EXPENDITURE						
Employee Costs	25,926,965	19,515,378	173,932,460	29,587,442	19,993,738	131,697,377
Operating Expenses	958,056	1,339,738	-	1,092,116	2,634,721	-
Establishment & Other Expenses	13,045,283	14,195,322	113,024,427	13,605,988	15,265,300	120,617,010
Depreciation / Amortisation	1,587,370	6,021,436	15,887,781	1,779,617	8,597,328	10,775,332
Finance Charges	-	-	6,183,747	-	-	7,656,172
CONTINGENT LIABILITY						
	Nil	Nil	Nil	Nil	Nil	Nil

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

Particulars	As at 31-03-2011	As at 31-03-2010
Number of clients	1,149	333
Original cost of assets under management – ₹	981,508,858	453,146,680
Represented by:		
(a) Bank balance – ₹	157,632,196	99,054,787
(b) Cost of portfolio holdings – ₹	823,876,662	354,091,893
Total	981,508,858	453,146,680
Net asset value of portfolio under management – ₹	1,109,132,066	590,116,027

25. The Company may allot shares between the balance sheet date and record date for the declaration of dividend pursuant to the exercise of any employee stock options. These shares will be eligible for full dividend for the year ended 31st March 2011, if approved at the ensuing Annual General Meeting. Dividend relating to these shares has not been recorded in the current year and will be considered in the appropriation for the next year. However, current year appropriation includes dividend paid on options exercised upto the record date for dividend declaration during the current year.
26. The Company's operations predominantly relate to one segment, viz., broking and financial services, which constitutes more than 75% of the total revenues / results / assets of all segments combined. Other activities which are not related to the main business of broking and financial services do not individually constitute 10% or more of the total revenues or results or assets of the Company. Therefore, separate business segment information is not disclosed. Besides, the Company's operations are located only in India and hence, separate secondary geographical segment information is not disclosed.
27. Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification.

Schedules 1 to 18 form an integral part of the Financial Statements.

Signatures to Schedules 1 to 18.

For and on behalf of the Board of Directors

T. Jayaraj
Company Secretary

A. P. Kurian
Chairman

C. J. George
Managing Director

Place : Kochi

Date : 6th June 2011

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE**01: REGISTRATION DETAILS**

Registration No:	L67120KL1994PLC008403
State Code :	9
Balance Sheet Date :	31-03-2011

02: CAPITAL RAISED DURING THE YEAR

(AMOUNT IN ₹ THOUSANDS)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	3,106

03: POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(AMOUNT IN ₹ THOUSANDS)

Total Liabilities	5,452,508
Total Assets	5,452,508

SOURCES OF FUNDS

Paid-up Capital	228,360
Reserves and Surplus	3,325,719
Employee Stock Option Outstanding	11,042

APPLICATION OF FUNDS

Net Fixed Assets	350,524
Investments	1,201,989
Capital Work-in-Progress	96,599
Net Current Assets	1,894,812
Deferred Income Tax Asset	21,197

04: PERFORMANCE OF THE COMPANY

(AMOUNT IN ₹ THOUSANDS)

Turnover/Other Income	2,714,020
Total Expenditure	2,075,947
Profit before Tax	638,073
Profit after Tax	487,292
Earnings Per Share (₹)	2.16
Dividend Rate	75%

05: GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code) :	80803
Product Description :	Stock & Share Broking, Depository Services Portfolio Management

AUDITORS' REPORT

To The Board of Directors of

Geojit BNP Paribas Financial Services Limited

1. We have audited the attached Consolidated Balance Sheet of **Geojit BNP Paribas Financial Services Limited** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures), as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Consolidated Financial Statements includes the financial statements of the following entities:
Geojit BNP Paribas Financial Services Limited
Geojit Investment Services Limited
Geojit Financial Management Services Private Limited
Geojit Technologies Private Limited
Geojit Financial Distribution Private Limited
Geojit Credits Private Limited
Geojit Technologies FZ LLC, United Arab Emirates
Barjeel Geojit Securities LLC, United Arab Emirates
Aloula Geojit Brokerage Company, Saudi Arabia
BNP Paribas Securities India Private Limited
4. We did not audit the financial statements of four subsidiaries and two joint ventures, whose financial statements reflect total assets of ₹2,381,748,763/- as at 31st March, 2011, total revenues of ₹851,498,992/- and net cash inflows amounting to ₹235,600,009/-

for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors.

5. The financial statements of one subsidiary, which reflect total assets of ₹7,294,052/- as at 31st March, 2011, total revenues of ₹10,899,412/- and net cash outflows amounting to ₹1,315,362/- for the year ended on that date, and the financial statements of one joint venture, which reflect total assets of ₹842,291,401/- as at 31st March, 2011, total revenues of ₹45,762,394/- and net cash inflows amounting to ₹185,479,750/- for the year ended on that date, as considered in these financial statements have been compiled by the Management and have not been subject to audit by the other auditors.
6. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures), as notified under the Companies (Accounting Standards) Rules, 2006.
7. Based on our audit, and read with our comments in paragraph 4 above and subject to our comments in paragraph 5 above, and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and joint ventures, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 008072S)

M. Ramachandran
Partner

Kochi, 6th June, 2011

(Membership No. 16399)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

(In ₹)

Particulars	Sch. No.	As at 31st March 2011	As at 31st March 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	228,360,104	225,253,625
Employee Stock Options Outstanding	2	11,041,849	18,835,299
Reserves & Surplus	3	3,841,273,150	3,692,000,506
		4,080,675,103	3,936,089,430
Loan Funds			
Secured Loans	4	379,347,607	105,583,000
Capital Reserve on Consolidation of Subsidiary		482,094	482,094
Minority Interests		357,518,470	333,254,930
Total		4,818,023,274	4,375,409,454
APPLICATION OF FUNDS			
Goodwill on Consolidation of Joint Venture		2,309,061	2,262,486
Goodwill on Consolidation of Foreign Subsidiary		2,327,692	2,330,730
Fixed Assets	5		
Gross Block		901,812,924	835,750,837
Less: Accumulated Depreciation		506,062,907	367,153,785
		395,750,017	468,597,052
Capital Work-in-Progress		96,599,228	28,259,771
Net Block		492,349,245	496,856,823
Investments	6	798,783,250	1,374,853,297
Deferred Tax Asset (Net)		22,240,385	8,711,710
Current Assets, Loans & Advances			
Sundry Debtors	7	1,076,882,986	1,176,738,147
Cash & Bank Balances	8	2,616,289,192	2,683,214,754
Other Current Assets	9	55,528,556	40,197,596
Loans & Advances	10	1,760,437,399	1,534,725,268
		5,509,138,133	5,434,875,765
Less: Current Liabilities & Provisions			
Liabilities	11	1,758,827,435	2,703,992,141
Provisions	12	250,297,057	240,489,216
		2,009,124,492	2,944,481,357
Net Current Assets		3,500,013,641	2,490,394,408
Total		4,818,023,274	4,375,409,454
Significant Accounting Policies and Notes to Accounts	19		

Schedules 1 to 19 form an integral part of the Consolidated Financial Statements.
In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

M. Ramachandran
Partner

A. P. Kurian
Chairman

C. J. George
Managing Director

Place : Kochi
Date : 6th June 2011

Place : Kochi
Date : 6th June 2011

T. Jayaraj
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(In ₹)

Particulars	Sch. No.	Year Ended 31st March 2011	Year Ended 31st March 2010
Income			
Income from Operations	13	2,572,926,378	2,802,395,587
Other Income	14	239,960,239	240,011,434
		2,812,886,617	3,042,407,021
Expenditure			
Employee Costs	15	803,879,648	729,069,691
Operating Expenses	16	755,615,480	813,714,727
Establishment & Other Expenses	17	580,064,040	581,905,736
Interest	18	14,124,777	8,106,623
Depreciation	5	156,731,703	141,594,608
		2,310,415,648	2,274,391,385
Profit Before Tax		502,470,969	768,015,636
Provision for Tax:			
– Current		201,038,939	282,539,096
– Deferred (Refer Note 7 of Schedule 19)		(13,528,675)	(6,049,076)
– Income Tax & FBT relating to Earlier Years		474,372	7,768,798
		187,984,636	284,258,818
Profit After Tax		314,486,333	483,756,818
Less: Minority Interests		24,274,207	21,989,018
Net Profit		290,212,126	461,767,800
Balance brought forward from Previous Year		1,184,946,519	996,811,748
Consolidation Adjustments		915,789	(18,093,442)
Profit Available for Appropriation		1,476,074,434	1,440,486,106
Less: Appropriations			
Transfer to General Reserve		55,500,000	57,200,000
Proposed Dividend on Equity Share Capital		171,270,078	168,940,219
Corporate Dividend Tax		27,784,288	28,058,859
Corporate Dividend Tax Credit		(28,058,859)	(18,079,509)
Corporate Dividend Tax on interim dividend in a Subsidiary		28,234,875	16,995,000
Corporate Dividend Tax on proposed dividend in a Subsidiary		1,676,243	-
Transfer to Statutory Reserve - NBFC		3,256,668	2,086,619
Dividend paid on shares allotted under ESOP Schemes		193,466	338,399
		259,856,759	255,539,587
Balance Carried to Balance Sheet - Schedule 3		1,216,217,675	1,184,946,519
Earnings Per Share (Equity shares of face value ₹ 1/- each)			
(Refer Note 6 of Schedule 19):			
Basic		1.28	2.06
Diluted		1.28	2.04
Significant Accounting Policies and Notes to Accounts	19		

Schedules 1 to 19 form an integral part of the Consolidated Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

M. Ramachandran
Partner

A. P. Kurian
Chairman

C. J. George
Managing Director

Place : Kochi
Date : 6th June 2011

Place : Kochi
Date : 6th June 2011

T. Jayaraj
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

(In ₹)

Particulars	2010 -11	2009-10
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	502,470,969	768,015,636
Add/(Less):		
Depreciation / Amortisation	156,731,703	141,594,608
Provision for Doubtful Debts & Advances	10,822,513	12,363,229
Deferred Employee Compensation written off	3,230,005	4,123,146
Interest Expense	14,124,777	8,106,623
Loss on sale / write off of Fixed Assets	2,457,575	8,937,558
Dividend from Non-trade Current Investments	(41,568,676)	(47,818,445)
(Profit)/Loss on sale of Non-trade Current Investments	(278,061)	(7,803)
Interest earned on Fixed Deposits	(94,387,315)	(94,870,306)
Dividend from Non-trade Long-term Investments	(45,604)	(321)
Cash flow before changes in Working Capital	553,557,886	800,443,925
Adjustments for changes in Working Capital:		
(Increase)/Decrease in Debtors	89,649,752	(736,966,326)
(Increase)/Decrease in Loans & Advances	(229,430,489)	(283,550,554)
Increase/(Decrease) in Current Liabilities	(946,437,534)	727,689,689
Increase/(Decrease) in Provisions	11,370,497	10,291,075
Cash generated from Operations	(521,289,888)	517,907,809
Income Tax (Net of refunds)	(203,706,244)	(374,528,632)
Cash flows from / (used in) Operating Activities	(724,996,132)	143,379,177
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(90,114,078)	(83,123,413)
Sale of Fixed Assets	3,771,835	5,817,328
(Increase)/Decrease in Capital Work-in-Progress	(68,339,457)	(24,621,388)
Purchase of Investments	(3,211,653,282)	(4,109,584,981)
(Increase)/Decrease in Fixed Deposits with banks	(496,874,682)	(221,168,943)
Sale of Investments	3,788,001,390	3,938,662,934
Dividend from Non-trade Current Investments	41,568,676	47,818,445
Dividend from Non-trade Long-term Investments	45,604	321
Interest received on Fixed Deposits	79,056,355	73,438,151
Cash flows from / (used in) Investing Activities	45,462,361	(372,761,546)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to minority shareholders in a Subsidiary	-	(4,227,130)
Proceeds from further issue of shares by a Subsidiary	-	600,000,000
Proceeds from allotment of shares under ESOPs	55,440,357	33,348,454
Dividend paid on Equity Share Capital	(167,860,857)	(111,919,817)
Corporate Dividend Tax paid	(28,234,875)	(19,041,934)
Increase in Secured Loans	273,764,607	60,711,176
Interest paid	(14,124,777)	(8,106,623)
Cash flows from / (used in) Financing Activities	118,984,455	550,764,126
Net Increase in Cash and Cash Equivalents	(560,549,316)	321,381,757
Add: Opening Cash & Cash Equivalents # \$	1,566,376,282	1,295,610,029
Add / (Less): Foreign Currency Translation Adjustments	(3,250,928)	(50,615,504)
Closing Cash & Cash Equivalents # \$	1,002,576,038	1,566,376,282
Significant Accounting Policies and Notes to Accounts - Schedule 19		
# - Includes clients' balances in current accounts with banks.		
\$ - Refer Note 4 of Schedule 19		

Schedules 1 to 19 form an integral part of the Consolidated Financial Statements.
In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

M. Ramachandran
Partner

Place : Kochi
Date : 6th June 2011

For and on behalf of the Board of Directors

A. P. Kurian
Chairman

Place : Kochi
Date : 6th June 2011

C. J. George
Managing Director

T. Jayaraj
Company Secretary

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(In ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Schedule 1 : Share Capital		
Authorised		
250,000,000 Equity Shares of ₹ 1/each (Previous Year: 250,000,000 Equity Shares of ₹ 1/- each)	250,000,000	250,000,000
	250,000,000	250,000,000
Issued, Subscribed, Called-up and Paid-up		
228,360,104 Equity Shares of ₹ 1/- each, fully paid-up (Previous Year: 225,253,625 Equity Shares of ₹ 1/- each)	228,360,104	225,253,625
	228,360,104	225,253,625
Schedule 2: Employee Stock Options Outstanding		
Employee Stock Options Outstanding	28,203,199	28,217,194
Less: Deferred Employee Compensation Expense	9,367,900	13,505,041
Less: Employee Compensation Expense Amortised	(3,230,005)	(4,123,146)
	(6,137,895)	(9,381,895)
Less: Transfer to Securities Premium on Allotment of Shares against Options Exercised	(10,871,440)	-
Less: Compensation cost on unexercised options under ESOP 2005 transferred to General Reserve	(152,015)	-
	11,041,849	18,835,299
Schedule 3: Reserves & Surplus		
Securities Premium		
As per last Balance Sheet	2,189,881,124	1,770,999,430
Add: Transfer from Employee Stock Options Outstanding	10,871,440	387,375,001
Add: Received on allotment of shares under ESOPs	52,333,878	31,506,693
	2,253,086,442	2,189,881,124
Capital Reserve		
As per last Balance Sheet	33,345,030	33,345,030
	33,345,030	33,345,030
Statutory Reserve		
A) In a Subsidiary:		
As per last Balance Sheet	9,344,044	7,257,425
Add: Transfer from Profit and Loss Account	3,256,668	2,086,619
	12,600,712	9,344,044
B) Share in a Joint Venture:		
As per last Balance Sheet	9,112,500	10,635,000
Add: Adjustment on restatement of Opening Balance	(37,500)	(1,522,500)
	9,075,000	9,112,500
	21,675,712	18,456,544
Foreign Currency Translation Reserve		
As per last balance sheet	35,298,384	74,526,063
Translation adjustment for the year	(4,075,013)	(39,227,679)
	31,223,371	35,298,384
General Reserve		
As per last Balance Sheet	230,072,905	172,872,905
Add: Transfer from Profit and Loss Account	55,500,000	-
Add: Transfer from Employee Stock Options Outstanding	152,015	57,200,000
	285,724,920	230,072,905
Profit and Loss Account	1,216,217,675	1,184,946,519
	3,841,273,150	3,692,000,506
Schedule 4: Secured Loans		
From Banks	315,131,396	-
Share in Joint Venture	64,216,211	105,583,000
	379,347,607	105,583,000

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Schedule 5: Fixed Assets

(In ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st April 2010	Additions	Deletions	As at 31st March 2011	Upto 31st March 2010	For the Year	Deletions	Upto 31st March 2011	As at 31st March 2011	As at 31st March 2010
Tangible Assets:										
Land	73,799,836	-	-	73,799,836	-	-	-	-	73,799,836	73,799,836
	73,799,836	-	-	73,799,836	-	-	-	-	73,799,836	73,799,836
Buildings	348,850	-	-	348,850	34,336	5,686	-	40,022	308,828	314,514
	348,850	-	-	348,850	28,650	5,686	-	34,336	314,514	320,200
Improvements to Leasehold Premises	129,387,081	11,518,648	823,937	140,081,792	68,000,692	22,465,741	494,974	89,971,459	50,110,333	61,386,389
	124,759,231	7,403,124	2,775,274	129,387,081	48,307,593	22,209,449	2,516,350	68,000,692	61,386,389	76,451,638
Electrical Equipments	9,925,932	187,129	215,754	9,897,307	5,628,638	387,290	63,335	5,952,593	3,944,714	4,297,294
	9,871,486	202,917	148,471	9,925,932	5,193,803	482,725	47,890	5,628,638	4,297,294	4,677,683
Office Equipments	89,404,250	13,474,404	1,723,661	101,154,993	29,926,247	15,384,408	503,863	44,806,792	56,348,201	59,478,003
	82,388,136	7,601,446	585,332	89,404,250	17,838,729	12,308,632	221,114	29,926,247	59,478,003	64,549,407
Furniture & Fittings	57,741,819	6,429,604	383,948	63,787,475	31,586,935	8,777,222	185,379	40,178,778	23,608,697	26,154,884
	51,233,512	10,953,422	4,445,115	57,741,819	25,778,938	7,138,405	1,330,408	31,586,935	26,154,884	25,454,574
Computers & Accessories	258,929,643	40,204,894	15,181,391	283,953,146	139,687,402	63,056,896	13,262,121	189,482,177	94,470,969	119,242,241
	247,883,389	17,359,584	6,313,330	258,929,643	86,990,388	57,773,992	5,076,978	139,687,402	119,242,241	160,893,001
VSAT Equipments	17,925,776	-	525,860	17,399,916	14,760,112	1,748,228	501,140	16,007,200	1,392,716	3,165,664
	18,040,123	-	114,347	17,925,776	11,860,470	2,932,098	32,456	14,760,112	3,165,664	6,179,653
Vehicles - Motor Car	8,333,447	4,085,122	2,770,700	9,647,869	2,869,851	1,602,619	999,444	3,473,026	6,174,843	5,463,596
	8,405,606	1,563,900	1,636,059	8,333,447	2,172,264	1,314,651	617,064	2,869,851	5,463,596	6,233,342
Vehicles - Cycle	40,968	-	-	40,968	40,961	-	-	40,961	7	7
	40,968	-	-	40,968	40,961	-	-	40,961	7	7
Intangible Assets:										
Computer Softwares	101,728,930	10,897,149	1,853,159	110,772,920	40,841,914	19,807,026	1,551,477	59,097,463	51,675,457	60,887,016
	81,275,737	31,081,548	10,628,355	101,728,930	31,343,184	16,276,690	6,777,960	40,841,914	60,887,016	49,932,553
Share in Joint Venture	88,184,305	3,317,128	573,581	90,927,852	33,776,697	23,496,587	260,848	57,012,436	33,915,416	54,407,608
	88,865,035	6,957,472	7,638,202	88,184,305	15,533,796	21,152,280	2,909,379	33,776,697	54,407,608	73,331,239
Grand Total	835,750,837	90,114,078	24,051,991	901,812,924	367,153,785	156,731,703	17,822,581	506,062,907	395,750,017	468,597,052
<i>Previous Year</i>	<i>786,911,909</i>	<i>83,123,413</i>	<i>34,284,485</i>	<i>835,750,837</i>	<i>245,088,776</i>	<i>141,594,608</i>	<i>19,529,599</i>	<i>367,153,785</i>	<i>468,597,052</i>	<i>541,823,133</i>

Note: Previous Year's figures are shown in italics.

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(In ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Schedule 6: Investments		
Long Term Investments - At cost		
Unquoted, Non-trade		
400 (Previous Year: 400) 'C' class shares of ₹ 500/- each in Muvattupuzha Co-operative Super Speciality Hospital Limited	200,000	200,000
5 (Previous Year: 5) shares of ₹ 10,000/- each in First Commodities Exchange of India Ltd.	75,000	75,000
11,401 (Previous Year: 11,401) Equity Shares of ₹ 1/- each, fully paid-up, in Bombay Stock Exchange Ltd.	877	877
100 (Previous Year: 100) Equity Shares of ₹ 10/- each, fully paid-up, in Cochin Stock Exchange Ltd.	1,000	1,000
	276,877	276,877
Current Investments - At lower of Cost and Net Asset / Fair Value		
Unquoted, Non-trade		
In Mutual Funds & Government Securities	798,414,755	1,374,505,236
Share in Joint Venture	91,618	71,184
	798,506,373	1,374,576,420
	798,783,250	1,374,853,297
Schedule 7: Sundry Debtors - Unsecured, unless stated otherwise		
Considered Good		
Client balances outstanding for a period exceeding six months - Secured	48,479,041	60,905,166
Client balances outstanding for a period exceeding six months	46,101,822	44,588,470
Other Client balances	715,904,750	661,099,084
Client balances - Margin Funding Loan Receivables - Secured	155,739,845	185,142,582
Dues from Stock Exchanges	101,713,668	161,838,368
	1,067,939,126	1,113,573,670
Considered Doubtful		
Client balances outstanding for a period exceeding six months	67,042,733	67,026,631
Other Client Balances	3,659,930	6,059,291
	70,702,663	73,085,922
Less: Provision for Doubtful Debts	70,702,663	73,085,922
	-	-
Share in Joint Venture	8,943,860	63,164,477
	1,076,882,986	1,176,738,147
Schedule 8: Cash & Bank Balances		
Cash in hand	684,202	708,190
Balances with Scheduled Banks:		
- in Current Accounts	83,780,388	90,601,715
- in Current Accounts - Clients	624,785,802	1,203,757,759
- in Current Accounts - Unclaimed Dividend	4,005,689	2,732,861
- on Fixed Deposit Accounts	1,613,713,154	1,116,838,472
Balances with Other Banks: Emirates Bank International	5,661,467	4,415,122
(Maximum balance any time during the year: ₹ 12,208,710/- (Previous Year: 4,415,122/-))		
Share in Joint Venture	283,658,490	264,160,635
	2,616,289,192	2,683,214,754

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(In ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Schedule 9: Other Current Assets		
Interest accrued on fixed deposits	55,528,556	40,197,596
	55,528,556	40,197,596
Schedule 10: Loans & Advances - Unsecured & Considered Good, unless stated otherwise		
Loans - Secured	732,370,365	234,316,507
Advances recoverable in cash or in kind or for value to be received	42,779,209	28,386,935
Advance to Staff:		
- Considered Good	437,489	446,863
- Considered Doubtful	148,704	-
	586,193	446,863
Less: Provision for Doubtful Advances	148,704	-
	437,489	446,863
Advance Income Tax (Net of Provisions)	81,887,790	84,525,472
Advance Fringe Benefit Tax (Net of Provisions)	-	14,773
Income tax paid under protest, pending in appeal	26,313,214	22,813,214
	883,788,067	370,503,764
Deposits & Margins with Stock & Commodity Exchanges:		
- Considered Good	651,455,455	1,005,480,711
- Considered Doubtful	192,217	192,217
	651,647,672	1,005,672,928
Less: Provision for Doubtful Deposits	192,217	192,217
	651,455,455	1,005,480,711
Deposits with Government Authorities	2,996,702	3,158,767
Other Deposits:		
- Considered Good	87,588,797	80,157,883
- Considered Doubtful	468,400	-
	88,057,197	80,157,883
Less: Provision for Doubtful Deposits	468,400	-
	87,588,797	80,157,883
MAT Credit Entitlement	17,454,802	21,403,601
Share in Joint Venture	117,153,576	54,020,542
	1,760,437,399	1,534,725,268
Schedule 11: Current Liabilities		
Sundry Creditors:		
- Micro and Small Enterprises	-	-
- Clients	1,433,300,906	2,308,456,130
- Stock/Commodity Exchanges	39,894,645	1,467,937
- Others	139,537,067	257,906,193
Security Deposits from Business Associates	17,377,241	16,508,706
Statutory Liabilities	24,662,819	22,608,869
Investor Education & Protection Fund shall be credited by the following amounts:		
- Unpaid Dividend	4,005,689	2,732,861
Other Liabilities	8,452,583	6,482,620
Share in Joint Venture	91,596,485	87,828,825
	1,758,827,435	2,703,992,141
Schedule 12: Provisions		
Employee Benefits	11,997,865	7,209,999
Warranties	200,000	114,720
Income Tax (Net of Advance Tax)	16,032,385	21,302,124
Fringe Benefit Tax (Net of Advance Tax)	-	24,448
Wealth Tax	23,900	19,700
Proposed Dividend on:		
- Equity Share Capital	171,270,078	168,940,219
- Corporate Dividend Tax	29,460,531	28,058,859
Provision Against Standard Assets	1,830,926	-
Share in Joint Venture	19,481,372	14,819,147
	250,297,057	240,489,216

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(In ₹)

Particulars	Year Ended 31st March 2011	Year Ended 31st March 2010
Schedule 13: Income from Operations		
Brokerage (Equity & Derivatives)	2,028,632,338	2,319,804,510
Financial Products Distribution	72,411,967	96,227,251
Depository Services	107,845,649	101,913,821
Interest Income - NBFC	55,895,359	17,914,818
Portfolio Management Services	39,149,825	14,983,601
Software Consultancy & Development	59,813,098	65,882,222
Interest from Margin Funding	32,828,385	22,228,755
Overdue Fees from Clients	83,032,171	101,107,245
Brokerage (Property)	1,517,240	266,564
Other Operational Income	11,024,858	17,778,473
Share in Joint Venture	80,775,488	44,288,327
	2,572,926,378	2,802,395,587
Schedule 14: Other Income		
Dividend (Non-trade, long-term investments)	45,604	321
Dividend (Non-trade, current investments)	41,568,676	47,818,445
Profit on sale of investments (Non-trade, current)	278,061	7,803
Interest earned on Fixed Deposits	94,387,315	94,870,306
Cost Recovery for Shared Services	21,671,553	28,666,660
Royalty	11,892,226	11,128,899
Infrastructure Usage Fees	39,664,551	29,537,915
Miscellaneous Income	18,844,683	9,368,639
Share in Joint Venture	11,607,570	18,612,446
	239,960,239	240,011,434
Schedule 15: Employee Costs		
Salaries, Allowances & Bonus	525,917,912	507,487,938
Contribution to Provident & Other Funds	15,177,040	12,452,160
Staff Welfare Expenses	43,409,893	27,851,036
Share in Joint Venture	219,374,803	181,278,557
	803,879,648	729,069,691
Schedule 16: Operating Expenses		
Business Associates' Commission (Equity)	520,500,244	546,639,619
Marketing Incentive	12,258,794	18,260,891
Marketing Fees	59,950,800	88,561,200
Business Associates' Commission (Distribution)	7,047,301	14,886,268
Depository Charges	22,723,946	26,078,601
Connectivity Charges	81,862,430	75,447,229
Research Expenses	18,770,160	9,864,001
Loss on sale / revaluation of stock-in-error	7,615,047	5,390,000
Postage Charges - Contract Note	12,866,256	14,198,140
Transaction Charges	98,611	124,797
Insurance - NSE, BSE & NSDL	2,675,164	1,623,008
Registration Fees - SEBI	486,269	60,000
Registration & Renewal fees	1,568,425	1,264,861
Miscellaneous Expenses	4,894,239	7,589,275
Share in Joint Venture	2,297,794	3,726,837
	755,615,480	813,714,727

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(In ₹)

Particulars	Year Ended 31st March 2011	Year Ended 31st March 2010
Schedule 17: Establishment & Other Expenses		
Rent	129,423,758	116,256,523
Advertisement	31,143,217	48,801,943
Telephone Expenses	42,629,112	41,220,217
Electricity Charges	38,689,426	37,607,694
Postage	25,678,038	17,387,299
Software Charges	2,707,018	3,732,320
Repairs & Maintenance: - Leasehold Buildings	3,941,364	4,781,861
- Others	36,384,283	31,982,790
Printing & Stationary	21,213,458	17,170,847
Travel & Conveyance Expenses - Directors	1,853,251	4,437,455
- Others	21,652,399	14,186,024
Legal & Professional Fees	12,572,255	19,074,965
Office Expenses	10,226,840	10,050,297
Provision for Doubtful Debts & Advances (Net)	10,822,513	12,363,229
Bad Debts	151,023	399,099
Business Promotion Expenses	9,842,546	12,717,411
Bank Guarantee Commission	5,770,028	4,603,684
Meetings & Seminar Expenses	6,706,866	4,567,537
Rates & Taxes	16,229,037	5,260,747
Subscriptions	3,257,549	4,111,472
Bank Charges	1,575,597	580,063
Loss on sale / write off of Fixed Assets	2,457,575	8,937,558
Insurance - Others	683,937	1,598,014
Sitting Fees to Directors	817,500	735,429
Charity	1,720,301	2,640,350
Listing fees	102,280	110,750
Registrar & Transfer Expenses	819,719	162,243
Consultancy Fees	459,000	556,000
Miscellaneous Expenses	7,417,485	7,024,229
Share in Joint Venture	133,116,665	148,847,686
	580,064,040	581,905,736
Schedule 18: Interest		
Interest on Loans other than Fixed Loans	7,941,030	450,451
Share in Joint Venture	6,183,747	7,656,172
	14,124,777	8,106,623

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011

Schedule 19: Significant Accounting Policies and Notes to Accounts

A. Principles of Consolidation

Consolidated Financial Statements of Geojit BNP Paribas Financial Services Limited Group (hereinafter referred to as “the Group”) have been prepared in accordance with Accounting Standard 21 (AS 21) “Consolidated Financial Statements” and Accounting Standard 27 (AS 27) “Financial Reporting of Interests in Joint Ventures”, as notified under the Companies (Accounting Standards) Rules, 2006.

The financial statements of the subsidiaries and joint ventures used in the consolidation are drawn upto the same reporting dates as that of the Company, viz., 31st March, 2011.

The consolidated financial statements have been prepared by applying uniform accounting policies for like transactions and events in similar circumstances and appropriate adjustments are made if the differences in accounting policies have a material impact.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and transactions resulting in unrealized profit / loss. Distributions received from the investee are reduced from the carrying amount of investment. The interest of the Company in jointly controlled entities have been consolidated using ‘proportionate consolidation’ method, which requires the venturer’s share of assets and liabilities, and incomes and expenses in such entities to be included in the Consolidated Balance Sheet and Consolidated Profit and Loss Account respectively as separate line items.

The excess of cost of investment over the Company’s share in the net assets of the subsidiary or jointly controlled entity at the date on which investment is made is recognised as ‘goodwill’ and the excess of Company’s share in the net assets of the subsidiary or jointly controlled entity over the cost of investment at the date on which investment is made is recognised as ‘capital reserve’, and is separately disclosed in the consolidated financial statements.

B. Significant Accounting Policies

Accounting Convention

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the Companies Act, 1956, and the Accounting Standards

specified in Rule 3 of Companies (Accounting Standards) Rules, 2006.

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 and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes cost of purchase and other costs attributable to bringing the assets to working condition for intended use.

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

Asset	Useful Life (In years)
Building	40
Furniture and Fixtures	5
Electrical Equipments	5
Office Equipment	5
Computers - Data Center Equipments	5
Computers - Other than Data Center Equipments	3
Vehicles	5

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

Additions to fixed assets are depreciated from the date of addition and deletions are depreciated upto the date of sale, on pro-rata basis.

Intangible Assets and Amortisation

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

Investments

Investments are classified as long-term or current based on their nature and intended holding period. Long-term investments are stated at cost less provision for diminution, other than temporary, in value. Current investments are stated at lower of cost and market value / net asset value.

Income

Brokerage income is recognised on the trade date of transaction, upon confirmation of the transactions by stock / commodity exchanges and clients. Income from depository services, penal charges and portfolio management services are recognised on the basis of agreements entered into with clients and when the right to receive the income is established. Commission income from financial products distribution is recognised on the basis of agreement entered with principals and when the right to receive the income is established. Interest income from margin funding business is recognised on loans given to clients on time proportion basis. Other interest incomes are recognised on time proportion basis. Dividend income is recognised when the right to receive the income is established. Software development revenue is recognised on completion of different stages of software development.

Employee Benefits

Post-employment Benefit Plans

Contributions to defined contribution retirement benefit schemes are recognised as expense when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account of the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employees renders the service. These benefits include compensated absences such as paid annual leave and performance incentives.

Long-term employee benefits

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

Leases

Operating lease rentals are charged to Profit and Loss Account of the period to which they relate.

Taxes on Income

Current tax is determined on the taxable income for the year as per the provisions of the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such asset items can be realised.

Impairment of Assets

Impairment is ascertained at each Balance Sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discount factor. Reversal of impairment loss is recognised as income in the Profit and Loss Account.

Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognised, in terms of Accounting Standard 29 – ‘Provisions, Contingent Liabilities and Contingent Assets’ notified by the Companies (Accounting Standards) Rules, 2006, when there is a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, which can be reliably estimated. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly

within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognised in the financial statements.

Employee Stock Option

The employee share based compensation costs under the Employee Stock Option Schemes are accounted under the intrinsic value method, wherein the difference between the market price of the share on the grant date or as near thereto and exercise price is considered as intrinsic value of options and amortised on straight-line basis over the vesting period.

C. Details of Subsidiaries included in the consolidated financial statements:

Name of Subsidiary Company	Country of Incorporation	Share in ownership & voting power		Shares held by
		2010-11	2009-10	
Geojit Investment Services Limited	India	100 %	100 %	Geojit BNP Paribas Financial Services Limited
Geojit Technologies Private Limited	India	65 %	65 %	Geojit Investment Services Limited
Geojit Financial Distribution Private Limited	India	100 %	100 %	Geojit Investment Services Limited
Geojit Financial Management Services Private Limited	India	100%	100%	Geojit BNP Paribas Financial Services Limited
Geojit Credits Private Limited	India	65.03%	65.03%	Geojit BNP Paribas Financial Services Limited
Geojit Technologies FZ LLC	United Arab Emirates	100%	100%	Geojit Technologies Private Limited

D. Details of Joint Ventures included in the consolidated financial statements:

(a) Company's interest in Joint Ventures:

Name of Joint Venture	Country of Incorporation	Share in ownership & voting power	
		2010-11	2009-10
Barjeel Geojit Securities LLC	United Arab Emirates	30%	30%
Aloula Geojit Brokerage Company	Saudi Arabia	28%	28%
BNP Paribas Securities India Private Limited	India	50%	50%

(b) The Company's interest in the joint ventures are reported as long-term investment and stated at cost in the standalone financial statements.

(c) The joint venture company, Barjeel Geojit Securities LLC ('Barjeel Geojit'), has entered into a joint venture agreement with Global Financial Investments S.A.O.G., Muscat, Sultanate of Oman, on 20th July 2004, wherein Barjeel Geojit has 65% interest. The Profit and Loss Account of Barjeel Geojit includes the results of operation of the said joint venture. The "Share of profit to Co-venturer in a Joint Venture" in the Consolidated Profit and Loss Account represents the 35% interest of Global Financial Investments S.A.O.G. in the results of operation of the said joint venture during the year.

E. Notes to Accounts

1. Contingent Liability:

Particulars	As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
Claims against the Company not acknowledged as debts: Legal suits filed against the Company/ Matters under Arbitration	36,177,630	29,015,320
Income tax demands, pending in appeal	74,406,473	18,538,052
Service tax demands, pending in appeal	448,298	486,523

2. Details of utilisation of the proceeds from the allotment of equity shares to BNP Paribas S.A. on preferential basis:

Particulars	2010-11 (₹)	2009-10 (₹)
Amount pending utilisation as on 1st April, 2010 (1st April, 2009)	338,882,363	441,097,787
Less: Utilisation during the year:		
For Business Expansion	168,073,138	101,715,424
For Investment in Subsidiaries	116,000,000	500,000
Balance pending utilization as on 31st March, 2011 (31st March 2010)	54,809,225	338,882,363
Amount pending utilization as on 31st March, 2011 (31st March 2010) has been invested as follows:		
In Mutual Funds	54,809,225	338,882,363

3. A) Details of Employee Stock Option Plans:

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

The Company introduced Employee Stock Option Plan-2005 (ESOP-2005) during 2005-06, under which options for 6,989,400 equity shares of ₹1/- each were granted to eligible permanent employees and non-executive directors, including independent directors but excluding promoters, of the Company and its Subsidiaries. The scheme was approved by the Shareholders at the Extra-ordinary General Meeting held on 7th March, 2006 and by the Compensation Committee of Directors on 7th March, 2006. The options vested over a period of 4 years from the date of grant, viz., 7th March 2006, as follows:

End of Year	Date of Vesting	% of options granted
II	7 th March, 2008	30%
III	7 th March, 2009	30%
IV	7 th March, 2010	40%

The exercise period commenced from the date of vesting and expired not later than 5 years from the date of grant, viz., 6th March, 2011. The exercise price was computed by giving discounts, based on the grade and number of years of service rendered by the employees and directors, to the market price on the date prior to grant date.

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

During 2007-08, the Company reissued options for 950,500 equity shares of ₹ 1/- each to eligible permanent employees and an independent non-executive director, whose is not a promoter, of the Company and its Subsidiaries, forfeited out of Employee Stock Option Plan - 2005 (ESOP-2005) on resignation of employees. The reissue of options forfeited was approved by the Shareholders through postal ballot, whose result was declared on 5th December 2007, and by the Compensation Committee at its meeting held on 12th October, 2007. The options will vest over a period of 4 years from the date of grant, viz., 10th December 2007, as follows:

End of Year	Date of Vesting	% of options granted
II	10 th December, 2009	30%
III	10 th December, 2010	30%
IV	10 th December, 2011	40%

The exercise period commenced from the date of vesting and will expire not later than 5 years from the date of grant, viz., 09th December 2012. The exercise price in the case of employees and directors has been computed by giving discounts, based on the grade of the employees and of fixed amount respectively, to the market price on the date prior to grant date. The Company had repriced the options on 11th April 2009 from ₹65.36 to ₹25.50 per option with the approval of the Compensation Committee and Shareholders.

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

The Company introduced Employees Stock Option Plan 2007 for Key Employees during the year 2007-08, under which options for 2,500,000 equity shares of ₹1/- each were granted to eligible senior management employees of the Company. The scheme was approved by the Shareholders through postal ballot, whose result was declared on 5th December, 2007, and by the Compensation Committee of Directors on 12th October, 2007. The options will vest over a period of 7 years

from the date of grant, viz., 10th December 2007, as follows:

End of Year	Date of Vesting	% of options granted
IV	10 th December, 2011	25%
V	10 th December, 2012	25%
VI	10 th December, 2013	25%
VII	10 th December, 2014	25%

The exercise period commenced from the date of vesting and will expire not later than 8 years from the date of grant, viz., 09th December 2015. The exercise price is at 10% discount to the market price on the date prior to grant date. The Company had repriced the options on 11th April 2009 from ₹59.90 to ₹25.50 per option with the approval of the Compensation Committee and Shareholders.

(d) Employees Stock Option Plan 2010 (ESOP 2010):

During the year, the Company introduced Employees Stock Option 2010 under which options for 2,786,795 equity shares of ₹1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on

12th July, 2010, and by the Compensation Committee of Directors on 12th April, 2010. The options will vest on the expiry of 2nd Anniversary from the date of grant, viz., 29th March, 2011.

The exercise period commenced from the date of vesting and will expire not later than 4 years from the date of grant, viz., 28th March, 2017. The exercise price of the options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options, which has to be amortised over the vesting period.

B) Accounting of employee share based compensation cost:

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

Plan	ESOP 2005	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010
Cumulative intrinsic value of the options granted net of expected forfeiture	Nil (₹11,027,018/-)	₹ 551,181/- (₹565,176/-)	₹16,625,000/- (₹16,625,000/-)	Not Applicable (Not Applicable)
Expected forfeiture rate per annum	Nil (6%)	20% (20%)	0% (0%)	5% (Not Applicable)
Amount amortised during the year	Nil (₹ 809,050/-)	₹73,234/- (₹157,325/-)	₹3,156,771/- (₹3,156,771/-)	Not Applicable (Not Applicable)
Additional charge under Fair Value method of accounting cost	Nil (₹ 6,549,205/-)	₹3,784,271/- (₹9,399,002/-)	₹26,024,486/- (₹26,024,486/-)	₹75,533/- (Not Applicable)

Note: Previous year figures are given in brackets.

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

Plan	ESOP 2005	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010
Date of Grant	07.03.2006	10.12.2007	10.12.2007	29.03.2011
Number of Options Granted	6,989,400	950,500	2,500,000	2,786,795
Vesting Conditions	Continuation in the services of the Company and such other conditions as may be formulated by the Compensation Committee from time to time.			
Method of Settlement	In Cash	In Cash	In Cash	In Cash
Weighted average Exercise Price (₹)	17.90	65.36	59.90	22.20
No. of options outstanding as at 31.03.2010	3,323,390	496,726	2,500,000	2,786,795
Less: No. of options forfeited	226,240	87,286	-	-
Less: No. of options exercised	3,097,150	9,329	-	-
No. of options outstanding as at 31.3.2011	-	400,111	2,500,000	2,786,795
No. of options exercisable at year end	-	212,778	-	-

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

Plan	ESOP 2005	ESOP 2005 (Reissue-1)	ESOP 2007	ESOP 2010
Weighted average fair value per option (₹)	17.30	56.60	61.67	6.94
Market price relevant for grant (₹)	19.86	66.55	66.55	22.20
Annualised Volatility	199%	170%	170%	52%
Dividend Yield	1.76%	0.60%	0.60%	2.30%
Risk free interest rate	7%	7%	7%	8%

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

E) The impact on Basic and Diluted Earnings Per Share for the year, had the Company followed Fair Value Method of accounting for ESOP compensation cost, is ₹(0.13) and ₹(0.13) respectively (Previous Year: ₹(0.19) and ₹ (0.19) respectively).

4. Notes on Cash Flow Statement:

- The Cash Flow Statement has been prepared using the indirect method specified in Accounting Standard – 3 “Cash Flow Statements”.
- Cash and cash equivalents at the balance sheet date include unclaimed dividends lying in separate bank accounts amounting to ₹4,005,689/- (Previous Year: ₹2,732,861/-), not available for use by the Company.
- The closing cash and cash equivalents excludes fixed deposits amounting to ₹1,613,713,154/- (Previous Year: ₹1,116,838,472/-), which is considered as part of investing activity by the Company.

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

6. Earnings per share are computed as follows:

Particulars	2010-11	2009-10
Net Profit as per Consolidated Profit and Loss Account – In ₹	290,212,126	461,767,800
Profit attributable to Equity Shareholders – In ₹ (A)	290,212,126	461,767,800
Total number of equity shares outstanding at balance sheet date	228,360,104	225,253,625
Weighted average number of equity shares outstanding, considered for the purpose of computing Basic EPS (B)	226,011,781	224,198,856
Add: Number of potential equity shares to be issued under Employee Stock Option Plans	107,513	1,792,747
Weighted average number of equity shares outstanding, considered for the purpose of computing Diluted EPS (C)	226,119,294	225,991,603
Basic Earnings Per Share – In ₹ (A/B)	1.28	2.06
Diluted Earnings Per Share – In ₹ (A/C)	1.28	2.04
Nominal Value of Equity Shares – In ₹	1.00	1.00

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

Particulars	As at 31-03-2010	For the Year	As at 31-03-2011
Deferred Tax Liability			
Depreciation	16,590,223	(13,646,778)	2,943,445
Deferred Tax Asset			
Provision for bad & doubtful debts	(2,965,500)	(20,174,400)	(23,139,900)
Provision for employee benefits	(22,336,433)	20,292,503	(2,043,930)
Total	(25,301,933)	118,103	(25,183,830)
Net	(8,711,710)	(13,528,675)	(22,240,385)

8. Disclosure under General Circular No. 2/2011 (No. 51/12/2007-CL-III) dated 8th February, 2011 issued by Ministry of Corporate Affairs, Government of India:

Particulars	Geojit Investment Services Ltd.	Geojit Credits (P) Ltd.	Geojit Financial Management Services (P) Ltd.	Geojit Technologies (P) Ltd.	Geojit Technologies FZ LLC	Geojit Financials Distribution (P) Ltd.
Capital	40,000,000	206,656,550	277,000,000	11,538,460	857,500	500,000
Reserves & Surplus	262,636,570	75,917,604	(1,409,199)	707,402,021	5,903,591	28,966,410
Total Assets	307,984,516	758,083,708	275,609,331	731,550,480	7,294,052	32,069,006
Total Liabilities	5,347,946	475,509,554	18,530	12,609,999	532,961	2,602,596
Investments (excl'd. investment in subsidiaries)	92,915,333	-	274,999,990	260,256,311	-	-
Turnover	41,482,640	61,865,225	-	106,020,060	10,899,412	5,304,300
Profit Before Tax	32,099,682	38,814,876	(645,999)	55,519,640	279,021	2,723,283
Provision for Tax	10,002,173	13,776,272	-	13,054,962	-	370,259
Proposed Dividend	-	10,332,828	-	-	-	-

9. (a) One of the Subsidiary Companies was engaged in insurance referral business. A recent notification issued by the Insurance Regulatory and Development Authority negatively impacted the business model and the Subsidiary Company is presently exploring alternative business opportunities. If such opportunities are not identified, it may affect the 'going concern' status of the Subsidiary Company. However, in the opinion of the Subsidiary Company's Management, the current assets, loans & advances have the values at which they are stated in the accounts and are considered sufficient to discharge all liabilities in the normal course of business, in the event the Company is unable to continue as a 'going concern'.

- (b) The Accounts of a Joint Venture Company have been prepared as a 'going concern' based on the commitment and financial support provided by the Company (through its subsidiary Geojit Financial Management Services Private Limited, which holds the investment in the joint venture company) and BNP Paribas SA (the ultimate holding company of the joint venture company) regarding the amounts due from it and other liabilities, as and when they fall due for payment.

10. Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification.

Schedules 1 to 19 form an integral part of the Consolidated Financial Statements.

Signatures to Schedules 1 to 19.

For and on behalf of the Board of Directors

T. Jayaraj
Company Secretary

A. P. Kurian
Chairman

C. J. George
Managing Director

Place : Kochi

Date : 6th June 2011

GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

Registered Office: 5th Floor, Finance Towers,
Kaloore, Kochi – 682 017

ATTENDANCE SLIP

17TH ANNUAL GENERAL MEETING – 12TH JULY 2011

For shares held in Dematerialised Form : DP ID Client ID No.

For shares held in Physical Form : Reg. Folio No.

No. of shares

I/We hereby record my/our presence at the Annual General Meeting of the Company at Hotel International, Veekshanam Road, Kochi – 682 035 at 4.00 p.m. on 12th July 2011.

.....
Name of Member/Proxy (In block letters)

.....
Signature of Member/Proxy

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

GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

Registered Office: 5th Floor, Finance Towers,
Kaloore, Kochi – 682 017

PROXY FORM

For shares held in Dematerialised Form : DP ID Client ID No.

For shares held in Physical Form : Reg. Folio No.

No. of shares

I/We..... residing at being a Member / Members
of GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED hereby appoint Mr./Ms.
residing ator failing him/her, Mr./Ms.residing
at as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual
General Meeting of the Company, to be held on 12th day of July 2011 and at any adjournment thereof.

Signed this day of 2011.

Signature of the Shareholder(s)

Affix
One Rupee
Revenue
Stamp

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

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins or other markings visible.