

The background of the entire page is a vibrant green with a fine, vertical ribbed texture. Ten hands of various skin tones are arranged in a circle, with their index and middle fingers extended to form a ring around the central text. The hands are positioned at approximately the 12, 1, 2, 3, 4, 5, 6, 7, 8, and 9 o'clock positions.

25

Years of Values
& Trust



**GEOJIT
BNP PARIBAS**

ANNUAL REPORT 2011-12



New Corporate Office

Computer generated image of the new corporate office building which is nearing its completion.

GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

18TH ANNUAL REPORT 2011-12

Board of Directors

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

Registered Office

5th Floor, Finance Tower, Kaloor,
Kochi – 682017, 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	: Executive Director
A. Balakrishnan	: Chief Technology Officer
Martin Zachmeier	: Director (Planning and Control)
Jaya Jacob Alexander	: Chief of Human Resources
Renjith R G	: National Head – Distribution

Registrar & Share Transfer Agents

S.K.D.C. Consultants 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 SA
Citibank NA

Company Secretary

Liju K. Johnson

Listed at

National Stock Exchange of India Limited
Bombay Stock Exchange Limited



**GEOJIT
BNP PARIBAS**

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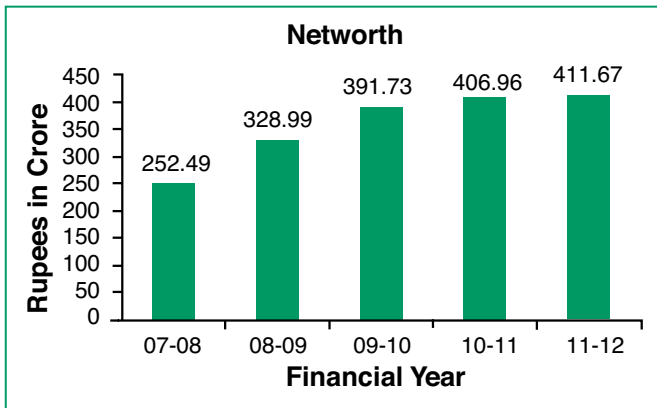
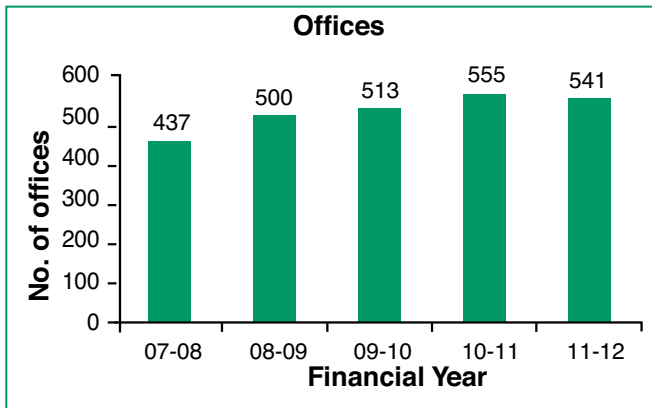
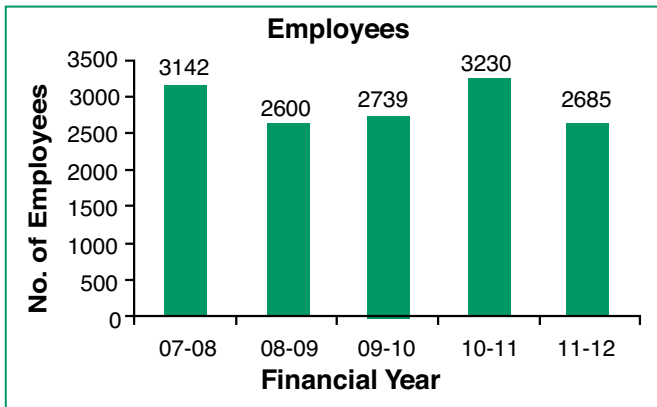
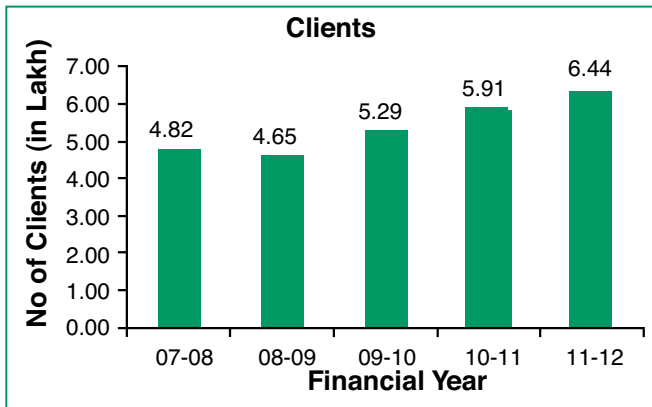
FIVE YEARS REVIEW

CONSOLIDATED FINANCIAL SUMMARY

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Income from Operations	22,659	25,729	28,011	17,497	22,719
Other Income	3,055	2,400	2,400	1,700	1,729
Total Income	25,714	28,129	30,411	19,197	24,448
Total Expenditure	20,955	23,104	22,731	18,042	15,698
Profit Before Tax	4,759	5,025	7,680	1,155	8,750
Tax	2,427	1,880	2,842	1,048	2,760
Profit After Tax	2,332	3,145	4,838	107	5,990
Add: Extraordinary Item	-	-	-	4,001	-
Less: Pre-acquisition Profit on increase in stake in subsidiary	-	-	-	24	-
Less: Minority Interest	387	243	220	82	124
Net Profit after Tax	1,945	2,902	4,618	4,002	5,866
Equity	2,284	2,284	2,253	2,234	2,090
Reserves	38,883	38,413	36,920	30,664	23,159
Net Worth	41,167	40,697	39,173	32,898	25,249
Face Value	1	1	1	1	1
Book Value	18.02	17.82	17.39	14.73	12.08
EPS	0.85	1.28	2.06	-	2.81
Dividend	75%	75%	75%	50%	70%
Return on Networth	5%	7%	12%	12%	23%



FIVE YEARS REVIEW



FROM THE CHAIRMAN'S DESK



I take great pleasure in welcoming you to this 18th Annual General Meeting. This year, is special for us, as it is in fact our 25th year of operations as a business concern, it is the silver jubilee year. During our journey in the last quarter of a century, we have set several milestones and received recognition and Awards. We remember

with gratitude, the support and encouragement received from regulatory authorities, the vision and leadership of the Managing Director, Mr. C J George and contributions made by employees in helping the company grow to its current status.

The last year, 2011-12, was eventful and challenging. A combination of factors such as high inflation, a depreciating rupee, Investor fears about the Euro Zone debt contagion, sluggish industrial and investment activities acted in concert to significantly lower the growth of the economy. In fact, GDP growth rate has decelerated to 6.5% in fiscal 2011 from 8.4% in the previous year.

All this has taken a toll on both Investor sentiment and market movements. In fact Net FII inflows into the country declined from ₹ 1,10,000 crore in 2010 to ₹ 47,935 crores in 2011 a fall of 56%. Further, the RBI's cycle of aggressive monetary tightening, to reign in surging inflation, also caused a liquidity crunch, which further weighed down the markets. Overall the markets came down by around 22% from January to December, 2011.

The beginning of this year, however, saw a significant, short-term recovery, with the Nifty moving by 12.43%. FII inflows, from the beginning of January, also surged considerably with more than ₹ 26,000 crores (5.08 bn. \$) flowing into the country in that month alone. This, along with signs of inflation subsiding, gave the markets considerable buoyancy which in turn shaped a sharp appreciation in stock valuations. However, from the latter half of February Markets have once again become very volatile and have seen a prolonged spell of correction.

The overall trend, therefore, being bearish, total market turnover in NSE has come down by 21.43% from ₹ 35.77 lakh Crores in 2010-11 to ₹ 28.10 lakh Crores in 2011-12.

As a financial services intermediary, we cannot remain immune to the ebb and flow of market activity. The financial results FY11-12 reflect this reality. While the annual turnover for the year under review declined by 8.59% from 281.29 Crores to 257.14 Crores, profit after tax registered a sharp decline by nearly 33 percent from 28.02 Crores to 19.45 Crores.

Despite fall in net profits, taking in to account our funds position and financial strength, the Board has decided to maintain last year's dividend for this year as well at 75%. This is in keeping with our tradition of enhancing share holder value.

Despite the short term market movement's, our future growth will depend on our business strategy and our operational efficiency. With our focus on retail business we have added 53,000 new clients taking the total clients to 6,44,000. We continue to reach out to new geographical markets in the Middle East and Gulf regions. We already have joint ventures viz, Barjeel Geojit Securities LLC in Dubai and Aloula Geojit Capital Company in Saudi Arabia. We are in the process of setting up joint ventures in Oman and Kuwait which are expected to be operational in the current financial year.

Technology plays an important role in our business and we continue to spearhead new innovations through Geojit Technologies Private Limited, our subsidiary Company in order to retain the technological edge. We were one of the first to launch mobile trading and it is fast picking up. Over 70,000 clients enrolled for Mobile Trading and Mobile Trading system also extended to variety of devices. During last year we enhanced our trading systems with rich features and functionalities, such as trading facility for BSE derivatives and MCX – SX currency contracts, comprehensive charting solutions for clients and dealers, Real-time alerts on market data through SMS and other messaging solutions.

Looking forward, in the context of domestic as well as international trends - particularly of the Euro zone, we should be prepared to face challenging times and extreme volatility. We will take it in its stride and assure you to do our best to ensure our growth.

Let me conclude by conveying our appreciation and thanks to the Government, Regulators, our shareholders, our business associates and our employees for their support and encouragement.

Thanking you and wish you all the Best.

A. P. Kurian



**GEOJIT
BNP PARIBAS**

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Company will be held on Thursday, the 12th day of July 2012 at 4.00 PM at Hotel International, Veekshanam Road, Kochi-682035 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March 2012 and Profit and Loss Account for the year ended 31st March 2012 together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend on equity shares for the year 2011-12.
3. To appoint a Director in place of Mr. Mahesh Vyas, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Olivier Le Grand, 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 – 682016, (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 – 682016, (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.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**

"RESOLVED THAT Mr. Jean Christophe Gougeon, who was appointed by the Board of Directors as an Additional Director with effect from 19th March 2012 under Article 86 of the Articles of Association of the Company and who by virtue of the provisions of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notices in writing under section 257 of the Companies Act, 1956, from certain members proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board of Directors

Place: Kochi
Date: 29th May 2012

Sd/-
Liju K Johnson
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 9th July 2012 to 12th July 2012 (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 31st March 2012, when declared at the Meeting, will be paid on or before 10th August 2012:
 - (i) to those members whose names appear on the Company's Register of Members as on 12th July 2012, 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 9th July 2012.
 - (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 8th July 2012.

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- 641006 (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 2003-04 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 2004-05 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 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.

ANNEXURE TO NOTICE**Explanatory Statement relating to the special item pursuant to Section 173(2) of the Companies Act, 1956.****Item No. 6**

BNP Paribas has nominated Mr. Jean Christophe Gougeon as its representative on the Board of Directors of the Company in place of Mr. Pierre Rousseau who resigned as the Director of the Company w.e.f. February 22, 2012. The Board of Directors appointed Mr. Jean Christophe Gougeon as an additional director as per Article 86 of the Articles of Association of the Company with effect from 19th March 2012. He would hold office till the date of this Annual General Meeting. Notice in writing along with requisite deposit proposing his appointment as a director has been received, in compliance of Section 257 of the Companies Act, 1956.

The Board recommend passing of the Resolution contained in item No.6 of the accompanying Notice.

Except Mr. Jean Christophe Gougeon, no other Director is interested in the resolution.

By Order of the Board of Directors

Place : Kochi
Date : 29th May 2012

Sd/-
Liju K Johnson
Company Secretary



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

Name of the Director	Mahesh Vyas	Olivier Le Grand	Jean Christophe Gougeon
Date of Birth	20.05.1957	07.01.1953	22.03.1963
Nationality	Indian	French	French
Date of appointment	30.07.2003	17.02.2009	19.03.2012
Qualifications	B.Sc (Science, Economics & Statistics)	Graduated in Statistics & Economics. Also holds a University Degree in Mathematical methods of Economy	Graduate (French Graduate School of Management)
Shareholding in Geojit BNP Paribas Financial Services Ltd.	Nil	Nil	Nil
Expertise in specific functional area	Mr. Mahesh Vyas is the Managing Director and CEO of Centre for Monitoring Indian Economy Pvt. Ltd. (CMIE), India's premier economic research organization.	Mr. Olivier Le Grand is the Head of BNP Paribas- Personal Investors. He is also a member of BNP Paribas Domestic Markets Executive Committee.	Mr. Jean Christophe Gougeon is currently Managing Director, BNP Paribas Personal Investors South East Asia and Head of Business Development Asia/Middle East.
Chairman / Director of other Indian Companies	(a) Centre for Monitoring Indian Economy Pvt. Ltd. (b) Soltirx India Pvt. Ltd.	(a) Geojit Credits Pvt. Ltd. (b) Geojit Financial Management Services Pvt. Ltd. (c) Geojit Financial Distribution Pvt. Ltd. (d) Geojit Investment Services Ltd.	(a) Geojit Credits Pvt. Ltd.
Chairman / Member of Committees of the Boards of other Indian Companies of which he is a Director	Nil	Audit Committee Member (a) Geojit Credits Pvt. Ltd. (b) Geojit Financial Management Services Pvt. Ltd.	Audit Committee Member (a) Geojit Credits Pvt. Ltd.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report of your Company for the financial year ended 31st March 2012.

FINANCIAL HIGHLIGHTS

(₹ in crore)

Particulars	Standalone			Consolidated		
	2011-12	2010-11	Change	2011-12	2010-11	Change
Total Income	235.50	271.40	(13.2%)	257.14	281.29	(8.6%)
Profit Before Tax	50.24	63.81	(21.3%)	47.60	50.25	(5.3%)
Provision for Tax	10.52	15.08	(30.2%)	24.28	18.80	29.2%
Profit After Tax	39.72	48.73	(18.5%)	19.45	29.02	(32.9%)

REVIEW OF PERFORMANCE

On a standalone basis, your Company has recorded a total income from ₹ 235.50. crore for the financial year ended 31st March 2012, a decrease of 13.2% compared to last year's figure of ₹ 271.40 crore. The operating profit is ₹ 50.24 crore and the net profit after tax is ₹ 39.72 crore. The profit after tax decreased by 18.5%. Basic earnings per share work out to ₹ 1.74 compared to ₹ 2.16 in the previous year.

On a consolidated basis your company earned a total income of ₹ 257.14 crore for the financial year, a decrease of 8.6% over the previous year's figures of ₹ 281.29 crore, an operating profit of ₹ 47.60 crore and a net profit of ₹ 19.45 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 31st March 2012 taking into account the performance of the Company. The payment of dividend together with tax thereon will absorb ₹ 19.91 crore.

DIRECTORS

The Board of Directors appointed Mr. Jean Christophe Gougeon as an Additional Director w.e.f 19.03.2012 in place of Mr. Pierre Rousseau who resigned from the Board of Directors w.e.f 22.02.2012. Mr. Jean Christophe Gougeon will hold office till the date of the forthcoming Annual General Meeting. Resolution

seeking his appointment as Director has been included in the agenda of the Annual General Meeting. The Company has received notices in writing under section 257 of the Companies Act, 1956, along with requisite fee from certain members proposing the candidature as Director of the Company. The Board recommends his appointment.

The Board of Directors place on record its sincere appreciation and gratitude for the valuable contribution and guidance received from Mr. Pierre Rousseau during his tenure as a member of the Board.

In accordance with Article 80 of the Articles of Association of the Company, Mr. Mahesh Vyas and Mr. Olivier Le Grand, Non-Executive 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%), 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 Aloula Geojit Capital Company, Saudi Arabia (28% held) prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India.



GEOJIT
BNP PARIBAS

SUBSIDIARIES

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual

Financial Highlights of Subsidiary Companies

(₹ in Crore)

Sl. No.	Name of the Subsidiary Company	Percentage of holding	Total Income	Profit Before Tax	Provision for Tax	Profit After Tax
1	Geojit Investment Services Limited	100%	3.56	2.92	10.22	(7.30)
2	Geojit Financial Management Services Private Ltd	100%	-	(0.006)	-	(0.006)
3	Geojit Financial Distribution Private Limited	100%	0.31	0.22	0.068	0.15
4	Geojit Credits Private Limited	65%	6.19	4.78	1.52	3.26
5	Geojit Technologies Private Limited	65%	16.27	10.41	1.94	8.47

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.

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 ₹ 4.98 crore (Previous year ₹ 9.31. crore) of which Geojit's share is ₹ 1.49 crore.

Aloula Geojit Capital Company, the joint venture in Saudi Arabia with Al Johar Group in which Geojit holds 28%, reported a net loss of ₹ 6.42 crore (Previous year ₹ 10.09 crore) of which Geojit's share is ₹ 1.80 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 ₹ 12.80 crores (Previous year loss of ₹ 16.97 crores) of which Geojit BNP Paribas's share is ₹ 6.40 crores. Geojit BNP Paribas has in principle agreed to divest its stake in the said Joint Venture to BNP Paribas SA and the divestment process is going on and is expected to be completed in 2012-2013.

Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be published on the website of the Company and kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

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 31st March 2012, the Company had a total head count of 2685. Your Company takes significant effort in training all employees at various levels and conducted 700 training programmes during the year, which covered 7000 participants.

EMPLOYEE STOCK OPTION PLAN

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.

The Company had obtained the approval of members for issuing 1,12,00,000 (One Crore Twelve lakh only) stock options under Employee Stock Option Plan 2010 (ESOP 2010) in the Annual General Meeting held on 2010.



PARTICULARS OF EMPLOYEES

Particulars of the employees 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 – 682016, (ICAI Registration No. 008072S) were appointed as statutory auditors of your company to conduct the audit of accounts for the year ended 31st March 2012. 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 & 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.

By Order of the Board of Directors

Sd/-

Place : Kochi
Date : 29th May 2012

A.P. Kurian
Chairman



ANNEXURES TO THE DIRECTORS' REPORT 2012

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 (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	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	At market price as on the date of grant (i.e, ₹ 22.20 per option)
3	Options vested up to 31.03.2012	440,228*	549,260	Nil
4	Options exercised up to 31.03.2012	75,320	Nil	Nil
5	The total number of shares arising as a result of exercise of option	75,320	Nil	Nil
6	Options lapsed (as at 31 March 2012)	510,272	302,960	283,385
7	Variation of terms of options	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.	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.	NA
8	Money realised by exercise of options	Nil	Nil	NA
9	Total number of options in force as at 31.03.2012	364,908	2,197,040	2,503,410



10	Employee wise details of options granted to:-	As per Note 3	As per Note 3	As per Note 3
	(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	As per Note 3	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
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.	₹ 1.74		
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.	₹ -32.98 lakhs	₹ 18.63 lakhs	₹ 77.27 lakhs
	(iii) The impact of this difference on profits and on EPS of the Company.	Profit After Tax as reported ₹ 3,972.19 lakhs Add Intrinsic Value Compensation Cost ₹ 1.55 lakhs Less Fair value Compensation (Black Scholes Model) ₹ 64.47 lakhs Adjusted Profit After Tax ₹ 3909.27 lakhs Earnings per share (Basic) As reported ₹ 1.74 As adjusted ₹ 1.71 Earnings per share (Diluted) As reported ₹ 1.74 As adjusted ₹ 1.71		



13	(i) weighted average exercise price of options (As on 31.03.2012)	For Options issued to:	₹ 25.50	₹ 22.20
		Directors - ₹ 25.50		
		Sr. Managers & above - ₹ 25.50		
		Other employees - ₹ 25.50		
	(ii) weighted average fair values of options (As on 31.03.2012)	For Options issued to:	₹ 61.67	₹ 6.94
		Directors - ₹ 56.60		
		Sr. Managers & above - ₹ 56.60		
		Other employees - ₹ 56.61		
14	Fair value of options based on Black Scholes methodology – Assumptions used:			
	(i) risk –free interest rate	7.00%	7.00%	8.00%
	(ii) expected life of options	2 to 4 years	4 to 7 years	2 years
	(iii) expected volatility	170%	170%	52%
	(iv) expected dividends (dividend yield)	0.60%	0.60%	2.30%
	(v) Closing market price of share on the date of option grant	₹ 66.55	₹ 66.55	₹ 22.20

* Represents vested portion of total options in force as on 31.03.2012

Note 1: 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 and 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 2: 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 3: Options granted to Directors & Senior Managerial Personnel:

Name	Designation	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. R. Bupathy	Non-executive Director	60,000	Nil	Nil
Mr. Satish Menon	Executive Director	Nil	5,08,982*	11,920
Mr. A. Balakrishnan	Chief Technology Officer	Nil	5,59,603*	13,360
Mr. Binoy Varghese Samuel	Chief Financial Officer	Nil	3,97,810*	7,200
Mrs. Jaya Jacob Alexander	Chief Human Resources	Nil	2,55,645*	4,320
Mr. Krishnan Ramachandran	Chief Executive Officer – Barjeel Geojit Securities	Nil	2,00,000*	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 31st MARCH, 2012.

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	53	Managing Director	10,199,327	27	24.11.1994	Proprietor, Geojit & Co.

Annexure III

STATEMENT OF FOREIGN EXCHANGE EARNING AND OUTGO

Particulars	2011-12	2010-11
Foreign Exchange earnings	10,726,391	9,222,823
Foreign Exchange outgo	3,161,937	1,411,195

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

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 31st March 2012, 8 Board Meetings were held on 12th April 2011, 06th June 2011, 12th July 2011, 15th September 2011, 14th October 2011, 08th November 2011, 8th December 2011 and 12th January 2012.

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 31.03.2012	Attendance at		Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31.03.2012		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
Mr.A.P.Kurian	C, NE & I	3,76,900	8 [*]	Yes	4	3	Nil
Mr.C.J.George	MD & P	4,11,62,000	8 [^]	Yes	5	2	2
Mr.R.Bupathy	NE & I	18,000	8 [^]	Yes	2	Nil	1
Mr.Alkeshkumar Sharma	N, NE & I	Nil	1 [#]	No	14	2	Nil
Mr.Mahesh Vyas	NE & I	Nil	5 ^{\$}	No	Nil	Nil	Nil
Mr. Olivier Le Grand	NE	Nil	7 [%]	Yes	4	2	Nil
Mr. Jean Christophe Gougeon **	NE	Nil	Nil	No	1	1	Nil
Mr.Punnoose George	NE	91,20,000	6 ^{\$}	No	1	Nil	Nil
Mr.Rakesh Jhunjhunwala	NE	1,80,00,000	1 [#]	No	9	Nil	Nil
Mr.Pierre Rousseau**	NE	Nil	3 [!]	No	NA	NA	NA

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

** Mr.Pierre Rousseau resigned from the Board of Directors w.e.f 22.02.2012 and Mr. Jean Christophe Gougeon was appointed as an Additional Director w.e.f 19.03.2012.

* Out of eight, one board meeting was attended through video-conference.

^ Out of eight, two board meetings were attended through video-conference.

Attended through tele-conference.

\$ Out of five, three board meetings were attended through video-conference and one board meeting attended through tele-conference.

% Out of seven, one board meeting was attended through video-conference and four board meetings were attended through tele-conference.

& Out of six, one board meeting was attended through video-conference.

! Out of three, two board meetings were attended through tele-conference and one board meeting attended through video-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.Mahesh Vyas and Mr.Olivier Le Grand 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 31st March 2012, the Committee met 5 times on 12th April 2011, 06th June 2011, 11th July 2011, 13th October 2011 & 11th January 2012.

The Audit Committee Meetings are attended by invitation by the Managing Director, Chief Financial Officer, Executive Director, 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	2
Mr. Olivier Le Grand	Member, Non- Executive Director	5 [^]
Mr. Jean Christophe Gougeon**	Member, Non- Executive Director	Nil
Mr. Pierre Rousseau**	Member, Non- Executive Director	Nil

** The Audit Committee has been reconstituted w.e.f 19.03.2012 by including Mr.Jean Christophe Gougeon in place of Mr.Pierre Rousseau as a member of the Committee.

* Out of five, one audit committee meeting was attended through video conference.

Attended through video-conference.

[^] Out of five, one audit committee meeting was attended through video conference and two meetings through tele conference.

4. SUB-COMMITTEE

The Company constituted a sub-committee for discussions on divesting the stake in BNP Paribas Securities India Pvt. Ltd. consisting of Mr.R Bupathy and Mr.C J George as its members. During the year ended 31st March 2012, the sub-committee met on 14th November 2011.

Name of Members of Sub-Committee	Designation	No. of meetings attended
Mr.R.Bupathy	Non – Executive Independent Director	1
Mr. C J George	Member, Managing Director	1

5. 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 on 13th October 2011.

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

** The Compensation Committee has been reconstituted w.e.f 19.03.2012 by including Mr.Jean Christophe Gougeon in place of Mr.Pierre Rousseau as a member of the Committee.

Committee meeting was attended through video-conference.

[^] Committee meeting was 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 2011-12 is given below –

a) Salaries	-	₹ 4, 470,950
b) Perquisites	-	₹ 169,377

c) Commission - ₹ 5,559,000

d) Stock option - Nil

6. 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 ₹ 20000/- for each meeting of the Board and ₹ 15000/- for each meeting of the Audit Committee, subcommittee on divestment and ₹ 7500/- for other Board Committees attended by them[#]. The total amount of sitting fees paid during the year was ₹ 8,32,500/- 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	For Sub-Committee
Mr.A.P.Kurian	Nil	1,45,000	75,000	NA	NA	NA
Mr.Mahesh Vyas	Nil	70,000	15,000	7,500	NA	NA
Mr.Rakesh Jhunhunwala	Nil	Nil	NA	NA	NA	NA
Mr.R.Bupathy	60,000*	1,45,000	75,000	7,500	7,500	15,000
Mr.Punnoose George	Nil	1,05,000	NA	NA	Nil	NA
Mr.Alkeshkumar Sharma	Nil	Nil	30,000	NA	NA	NA
Mr. Olivier Le Grand	Nil	55,000	45,000	7,500	7,500	NA
Mr. Jean Christophe Gougeon	Nil	Nil	Nil	Nil	NA	NA
Mr.Pierre Rousseau	Nil	20,000	Nil	Nil	NA	NA
Total		5,40,000	2,40,000	22,500	15,000	15,000

[#] Sitting fee payable to Non Executive Directors of the Company was increased to ₹ 20000/- for each meeting of the Board with effect from 15.09.2011.

[^] 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.

7. 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 2011-12 :



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 31.03.2012	Nil
Other letters received from shareholders and replied	49

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.

99.40% of shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation / transfer during 2011-12 is given below –

	Transfers		Demats	
	No. of requests	No. of shares	No. of requests	No. of shares
Lodged	Nil	Nil	4	7050
Processed	Nil	Nil	4	7050
Objections	Nil	Nil	Nil	Nil
Pending as on 31.03.2012	Nil	Nil	Nil	Nil

8. 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
2010-11	Hotel International, Veekshanam Road, Kochi - 35	12.07.2011	4.00 p.m	Nil
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

No Extra- Ordinary General Meeting was held during the year 2011-12.

9. DISCLOSURES

Related party disclosures are provided in Note 35 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 website.

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 29.05.2012 noted that the said CEO/CFO certificate was as per the format given under Clause 49(v) of Listing Agreement.

10. 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.

11. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date and time : 12th July 2012 – 4.00 p.m.
 Venue : Hotel International,
 Veekshanam Road,
 Kochi- 682035



**GEOJIT
BNP PARIBAS**

Financial Calendar 2012-13

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 : 9th July 2012 to 12th July 2012
(Both days inclusive)

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

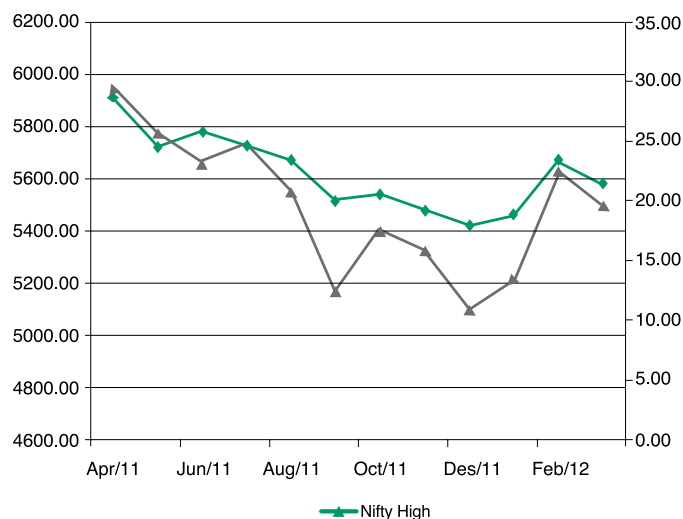
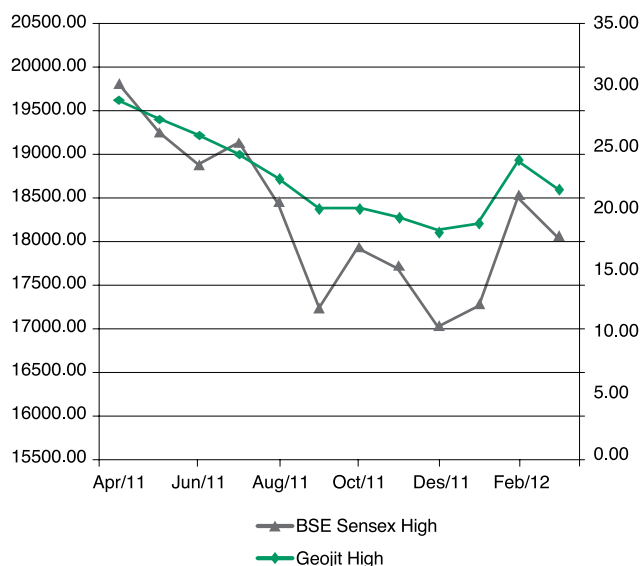
Listing on Stock Exchanges : Bombay Stock Exchange Limited & National Stock Exchange of India Limited

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 2011-12 is given in the table below:

	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2011	28.75	22.20	28.75	22.30
May 2011	24.55	21.20	27.20	22.00
June 2011	25.90	20.05	25.90	21.50
July 2011	24.70	21.45	24.35	21.80
August 2011	23.50	17.20	22.40	17.70
September 2011	20.00	18.25	19.95	18.20
October 2011	20.60	18.00	19.95	17.25
November 2011	19.20	15.65	19.20	15.65
December 2011	18.00	15.10	18.05	14.05
January 2012	18.90	14.50	18.75	15.00
February 2012	23.50	18.00	23.90	18.05
March 2012	21.45	18.55	21.50	18.40



Distribution of the shareholding on the basis of categories of shareholders as on 31st March 2012 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	46,200,000	20.23
(b)	Bodies Corporate	1	20,000,000	8.76
	Sub-Total (A)(1)	3	66,200,000	28.99
(2)	Foreign			
(a)	Bodies Corporate	1	76,688,959	33.58
	Sub-Total (A)(2)	1	76,688,959	33.58
	Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	4	142,888,959	62.57
(B)	Public Shareholding			
(1)	Institutions			
(a)	Financial Institutions/ Banks	1	8,900	0.00
(b)	Foreign Institutional Investors	10	5,709,385	2.50
	Sub-Total (B)(1)	11	5,718,285	2.50
(2)	Non-Institutions			
(a)	Bodies Corporate	494	5,770,552	2.53
(b)	Individuals			
	i. Individual shareholders holding nominal share capital upto ₹1 Lakh.	45,069	28,925,792	12.67
	ii. Individual shareholders holding nominal share capital in excess of ₹1 Lakh.	18	7,618,206	3.34
(c)	Trust	1	400	0.00
(d)	Directors & their relatives	6	29,514,900	12.92
(e)	Non resident Indians	967	6,836,796	2.99
(f)	Clearing members	116	333,669	0.15
(g)	Hindu undivided families	548	752,545	0.33
	Sub-Total (B)(2)	47,219	79,752,860	34.93
	Total Public Shareholding (B) = (B)(1) + (B)(2)	47,230	85,471,145	37.43
	TOTAL (A) + (B)	47,234	228,360,104	100.00

Distribution of shareholding as on 31st March 2012, 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	46,208	97.83	18,951,402	8.30
5,001 – 10,000	511	1.08	3,860,667	1.69
10,001 – 20,000	259	0.55	3,750,841	1.64
20,001 – 30,000	81	0.18	2,097,384	0.92
30,001 – 40,000	54	0.11	2,009,808	0.88
40,001 – 50,000	23	0.05	1,090,535	0.48
50,001 – 100,000	49	0.10	3,532,439	1.55
100,001 and above	49	0.10	193,067,028	84.54
Total	47,234	100.00	228,360,104	100.00

Registrar and Transfer Agents	:	S.K.D.C. Consultants Limited, Kanapathy Towers, 3 rd 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	:	99.40% of the Company's paid-up equity share capital has been dematerialised upto 31 st March, 2012. 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 general correspondence, contact: <ol style="list-style-type: none"> 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 - 682017 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.

Place: Kochi
Date: 29th May 2012

C.J. George
Managing Director



GEOJIT
BNP PARIBAS

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 2012, 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, 29th May 2012



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Economy Overview

The FY 11-12, saw the Indian economy suffer its slowest rate of growth in many years. This deceleration in economic growth was caused by a multiplicity of factors. Unlike the situation a few years ago, the Indian Economy is now largely integrated into the World Economy. As a result, the deteriorating International Economic environment exerted significant downward pressure on the economy. The European debt crisis and the resultant uncertainty amongst International investors negatively affected, for most part of the year, foreign investment flows into the country. Domestically too the situation was far from satisfactory. Surging inflation led the RBI to embark upon increasing the REPO rate which was 6.75% at the beginning of the financial year to 8.5% by the end of the financial year. It was only after inflation showed signs of moderating, did the central bank tentatively swing back in favour of monetary easing.

Industry overview

As one of the most reliable barometer's of Economic Health, the equity markets are extremely sensitive to the prevailing economic environment. Consequently with FY 11-12, being a difficult year for Indian Economy, the Indian markets too, for a large part of the period, suffered in the form of steady erosion in valuations, waning investor enthusiasm and significant FII outflows. Net investment by foreign institutional investors (FIIs) in the stock market during 2011-12 was the lowest in the last three years, at ₹ 47,935 crore which is way below ₹ 1.1 lakh crore in 2010-11 and ₹ 96,857 crore during 2009-10. Fears of a global economic slowdown and domestic troubles with inflation, interest rates, lack of reforms and the falling rupee all collaborated to make foreign investors cautious in 2011-12. From the beginning of January 2012, however, markets staged a remarkable rally, witnessing surging foreign inflows and increased trading activity. But this buoyancy was short lived and lasted until the third week of February. To try and address the problem of excess volatility, the Govt. of India has, among others, introduced Rajiv Gandhi Equity Saving Scheme which seeks to deepen the market by incentivizing long term investment by retail investors through tax breaks. This groundbreaking initiative is modeled along the successful experience of certain western countries in catalyzing stability and priming long term growth potential, of the capital markets. As such this scheme is likely to contribute to increased retail participation in the equity capital markets when implemented.

Review of Operations

a) Brokerage Services

Brokerage services which continue to provide a bulk of the company's revenue showed a mixed picture overall in the period. At the strategic level, much progress has been made in two critical aspects of our brokerage services model. The number of clients, even in a difficult year as this, has increased significantly from 5,91,000 to

6,44,000; i.e. a net increase of around 53,000 clients. On the other hand as a part of rationalizing our operations we have reduced the number of offices from 555 offices to 541 offices this year. These twin measures should lead to greater profitability in the coming years.

The average equity volume per day showed a decrease of 12% compared to ₹ 430 Crores in 2010-11. In futures and Options, however, the comparable increase was 25%. On the whole total brokerage recorded last year witnessed a decrease of 17%.

Internet trading is one of the bright spots with 40% of the total retail trading volume. We have also introduced Mobile Trading with encouraging results.

b) Depository services

In line with the increase in the number of clients, the number of depository accounts increased by 5.3% during the year, which is 44,000 new accounts bringing the total number of depository clients to 3.95 lakhs. Consequently income from this activity also increased by 15.4% to 12.44 Crores. The value of assets under custody decreased by 4.1% to 10849 Crores.

c) Distribution of financial products

With our aim of becoming a One Stop Shop of Financial Services, we had diversified our products and services from pure equity trading to Mutual funds, IPOs, Bonds, Life Insurance, General Insurance, Portfolio Management Services etc. This as a part of our strategy of offsetting, in some part, declining brokerage income by diversifying and enhancing the bouquet of ancillary products and services being offered to our clients. Diversification among various products and through them to various asset class gives our clients option of choosing their preferred investment avenue.

Through the distribution of these diversified products and services we are able to not only acquire additional revenue stream but also being able to connect to a wider client base. A wider client base distributed among various asset class gives ample scope for cross sell that helps in further increasing the penetration of these products to a larger audience. In the current scenario, with the equity market going through difficult times, the same has shown an impact on the business and subsequent income as well. These are cycles through which every product has to go through and looking at the past, we are sure of a rebound in the business. Currently the total income from distribution decreased by 15.5%, from ₹ 7.24 crores to ₹ 6.12 crores. The mutual funds asset under management handled by the Company as on 31.03.2012 stood at ₹ 736.7 Crores



d) Portfolio Management Services.

We continue to strengthen our PMS model as we feel that in the coming years it will be able to generate significant revenues. Effect from 10th Feb, 2012, SEBI has increased the minimum investment amount in PMS from ₹ 5 lac to ₹ 25 lakh. In this context, we plan to reach out to not only high net worth resident investors but also to NRI's as well. During the financial year we have introduced one more portfolio type to give more option to clients. The number of clients has increased from 1424 to 1457.

e) Financing

Geojit Credits, which is our NBFC subsidiary, continues to expand financing for capital market and commodity market operations. Loans against shares and Loans against Commodities are popular with our clients. The development of electronic spot exchanges for commodity trade expected to provide additional avenues for lending against commodities in the coming years.

Total revenue was ₹ 6.2 crore, Net profit earned this year was ₹ 3.3 crore as against ₹ 2.5 Crore for the last year, an increase of 30%

f) Software Services and products

Geojit Technologies, (GTPL) subsidiary engaged in Software application development, not only provides IT support to Geojit BNP Paribas, but also has managed to secure Software development and maintenance projects from Financial Intermediaries and other Organisations in India and abroad. The company is also a Global Sourcing Partner for BNP Paribas Personal Investors. GTPL- "a CMMI L3 company" -has started offices at Infopark, Cochin and Sharjah Airport Freezone (UAE) during the year under review. The mobile trading application developed by the Company has been received well by clients and is now regarded as an Industry benchmark.

FY 11-12 saw revenue at ₹ 16.3 Crores and Net profit of ₹ 8.5 Crores which is higher by 53.5% and 99.4% respectively than the previous year.

Joint ventures**i) Barjeel Geojit Securities, Dubai**

Barjeel Geojit Securities, our Joint Venture for the UAE and Oman continued to expand its operations in two more emirates and attracting greater NRI clientele. The JV, in which Geojit BNP Paribas owns 30%, recorded consolidated revenues of ₹ 23.1 Crore, an increase of 23.2% over the previous year. The Mutual Funds assets under management by Barjeel Geojit now stands at ₹ 1015 Crore, while total assets under management, including equities, as on 31.03.2012 is ₹ 1673 Crore.

ii) Al-Oula Geojit Capital Company, Saudi Arabia

Aloula Geojit Capital, in which Geojit BNP Paribas owns a 28% stake, provides comprehensive financial advisory and Investment solutions to its clients. The Joint Venture now has two offices in Riyadh and Dammam and is focused on providing top of the line products and services to its growing clientele. It recorded consolidated revenues of ₹ 9.6 crore as against ₹ 4.6 crore for the previous year.

iii). BNP Paribas Securities India, Mumbai

Geojit BNP Paribas has in principle decided to divest its 50% stake in JV, with BNP Paribas SA, agreeing to purchase the stake for ₹ 40.5 crore against the original investment of ₹ 27.5 crore. The divestment process is going on and is expected to be completed in 2012-2013.

Outlook 2012-13

The outlook for the coming year is somewhat mixed with Investors foreseeing significant headwinds for the economy in the coming months. Inflation remains a challenge, giving the RBI very little elbow room for continued monetary easing after reduction in rate on April. The steady depreciation of the rupee is another yet more serious worry. FII's and FDI Investment is likely to be negatively affected if this trend continues. On the other hand, new schemes like the RGESS could give the markets some degree of much needed buoyancy. Global events such as debt crises in certain European countries will determine the risk appetite of global fund managers. The situation calls for strategies to reduce cost and improve business to the extent possible.

Opportunities and Threats

As a financial services intermediary, the company's growth and profitability are, to a large part, dependent on the stable growth and functioning of the Capital markets. As far as the Indian capital markets go, there is overwhelming consensus on its two crucial aspects. Firstly that the near term performance of the capital markets is clouded by many Economic and regulatory issues. Secondly, the sustained commitment to capital markets reform and the broader stimulus given to it by economic development, will, over a period of time, enable its robust, long term development. Indeed, more than quarterly corporate figures or PMI number's, the markets health and vitality is inextricably linked to Macro economic development. In India's case, the fundamentals are still perceived to be good and the country, as a whole, is primed for sustained development in the years to come.

The company on its part is well poised to surmount emerging challenges and seize new opportunities as they come by. Anticipating a gradual decline in brokerage rates, we have decided to proactively respond to this development, by offering more value added services, expanding our bouquet of products like Mutual Funds, Insurance and exploring other revenue enhancing activities.



Risks and Concerns

The spectrum of risk faced by Geojit BNP Paribas ranges from structural risk to emergent risks. As far as the former is concerned, the very nature of capital market is heavily regulated and as a result, any change in the regulatory environment could either strengthen or weaken market performance and returns. We, however, have in place stringent internal control systems to ensure the strictest possible adherence to regulations.

As far as the latter is concerned, it emerges from the fact that market activity is cyclical in nature and, consequently, trading activity too tends to have its high's and low's. As a financial services intermediary with stock broking at our core, the company may therefore see phases of increased profitability and times of straitened margins.

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. The Company has in place an effective internal audit department which plans and execute variety of audits with own staff as well as external professionals. Post audit reviews are also carried out to ensure follow up. The Audit Committee of the Board reviews the scope and observations of the internal audit on a regular basis.

Human Resources

The company places significant importance to its human capital. Geojit BNP Paribas has a very young workforce of 2,685 at the end of the year. The company believes in sharing, based on

performance & potential. Hence the company has been declaring incentives to its employees to ensure commitment through financial motivation. The Company's remuneration structure includes a significant component of variable pay, which is based on performance. The Company also granted ESOPs to its Key Employees in recognition of their performance and as a measure of retention. ESOPs were also granted to employees of the Company based on their performance and continued service to 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 incentivized to get themselves certified in relevant industry standard certifications such as CFP, NCFM, BSEC & AMFI. Majority of the employees have obtained such certifications.

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 realized. The actual results may be different from those expressed or implied since the Company's operations are affected by 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 2012, Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012;
 - (ii) in the case of the Statement of Profit and Loss, 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, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 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, 29th May 2012



**GEOJIT
BNP PARIBAS**

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), (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 ₹ 200,000,000/- to one party during the year. At the year-end, the outstanding balance of such loans aggregated to ₹ 125,000,000/- and the maximum amount involved during the year was ₹ 125,000,000/-.
- (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 explanation 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.
- (vi) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management and the Internal Audit Department of the Company 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, 2012 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, 2012 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹)
Income Tax Act, 1961	Income Tax	High Court of Kerala	2002-03	303,205
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2004-05	1,424,185
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2005-06	3,682,781
Income Tax Act, 1961	Income Tax and Penalty	Commissioner of Income Tax (Appeals)	2007-08	148,137,039
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2008-09	59,953,490
Finance Act, 1994	Service Tax and Penalty	Service Tax Appellate Tribunal	01.07.03 to 30.06.04	448,298

- (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) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares and other securities.
- (xi) 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.

- (xii) 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.
- (xiii) 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.
- (xiv) 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.
- (xv) 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, 29th May 2012



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information

Geojit BNP Paribas Financial Services Ltd. ('the Company') is engaged in the business of share broking and related services in India for the last 25 years. The Company offers complete spectrum of financial services including online broking for equities, derivatives and currency futures, custody accounts, financial products distribution, portfolio management services, margin funding, etc. It has operations outside the country through joint ventures in UAE & Saudi Arabia. The shares of the Company are listed in National Stock Exchange and Bombay Stock Exchange.

2. Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation and amortisation

Fixed assets, other than improvements to leasehold premises, capitalised upto 31st March 2007 are depreciated 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, 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)
Buildings	40
Furniture & fixtures,	5
Electrical equipments,	5
Office equipments,	5
V-sat equipments and Data centre equipments	5
Computers (other than data centre equipments)	3
Vehicles	5

Improvements to leasehold 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 5 years period, the un-amortised leasehold improvement costs are fully written off in the year of vacation.

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation.

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

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.6 Revenue recognition

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.



2.7 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive the income is established.

2.8 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes cost of purchase and other incidental expenses incurred up to the date the asset is ready for its intended use. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value, and are disclosed separately in the Balance Sheet.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

2.9 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.10 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

Defined contribution plan

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plan

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in 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, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.



Long-term employee benefits

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

2.13 Employee share based payments

The Company has formulated Employee Stock Option Plans (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines and the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOP over the exercise price is amortised on a straight-line basis over the vesting period under the 'Intrinsic Value Method'.

2.14 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

2.15 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary

items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.



2.18 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.20 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.



BALANCE SHEET AS AT 31 MARCH, 2012

Particulars	Note No.	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
A. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	228,360,104	228,360,104
(b) Reserves and Surplus	4	3,555,631,254	3,336,761,029
		3,783,991,358	3,565,121,133
2. Non-Current Liabilities			
(a) Long-Term Liabilities	5	18,346,042	18,588,522
(b) Long-Term Provisions	6	3,386,301	1,435,821
		21,732,343	20,024,343
3. Current Liabilities			
(a) Trade Payables	7	146,563,694	140,185,263
(b) Other Current Liabilities	8	1,075,301,528	1,507,943,802
(c) Short-Term Provisions	9	200,265,608	205,412,187
		1,422,130,830	1,853,541,252
TOTAL		5,227,854,531	5,438,686,728
B. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10A	242,612,720	300,043,824
(ii) Intangible Assets	10B	54,615,389	50,480,425
(iii) Capital Work-In-Progress - Tangible Assets		152,787,214	81,957,831
(iv) Capital Work-In-Progress - Intangible Assets		16,661,472	-
		466,676,795	432,482,080
(b) Non-Current Investments	11	756,673,674	756,673,674
(c) Deferred Tax Assets (Net)	12	31,177,000	21,197,000
(d) Long-Term Loans and Advances	13	661,253,074	758,761,390
(e) Other Non-Current Assets	14	11,330,535	1,129,575
		1,927,111,078	1,970,243,719
2. Current Assets			
(a) Current Investments	15	328,971,630	445,315,112
(b) Trade Receivables	16	728,456,405	799,844,299
(c) Cash and Cash Equivalents	17	1,476,348,355	1,877,834,831
(d) Short-Term Loans and Advances	18	278,062,867	199,249,282
(e) Other Current Assets	19	488,904,196	146,199,485
		3,300,743,453	3,468,443,009
TOTAL		5,227,854,531	5,438,686,728

See Accompanying Notes Forming Part of the Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

M. Ramachandran
Partner

Place: Kochi
Date: 29th May 2012

For and on behalf of the Board of Directors

A.P. Kurian
Chairman

Place: Kochi
Date: 29th May 2012

C. J. George
Managing Director

Liju K Johnson
Company Secretary



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BNP PARIBAS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

Particulars	Note No.	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
1. Revenue from Operations	20	2,010,059,224	2,347,153,750
2. Other Income	21	344,996,853	366,866,465
3. Total Revenues (1+2)		2,355,056,077	2,714,020,215
4. Expenses:			
(a) Operating Expenses	22	810,819,949	961,735,379
(b) Employee Benefit Expenses	23	509,044,518	545,119,594
(c) Finance Costs	24	10,318,756	6,512,125
(d) Depreciation and Amortisation Expenses	10	115,239,623	127,857,030
(e) Other Expenses	25	407,194,278	434,723,017
Total Expenses		1,852,617,124	2,075,947,145
5. Profit/(Loss) Before Tax (3-4)		502,438,953	638,073,070
6. Tax Expense:			
(a) Current Tax Expense for Current Year		119,300,000	163,900,000
(b) Current Tax Expense/(Credit) Relating to Prior Years		(4,100,000)	462,970
(c) Net Current Tax Expense		115,200,000	164,362,970
(d) Deferred Tax		(9,980,000)	(13,582,000)
Total Tax Expense		105,220,000	150,780,970
7. Profit/(Loss) for the Year (5-6)		397,218,953	487,292,100
8. Earnings Per Equity Share (of ₹ 1/- each)	38		
(a) Basic		1.74	2.16
(b) Diluted		1.74	2.16

See Accompanying Notes Forming Part of the Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

M. Ramachandran
Partner

Place: Kochi
Date: 29th May 2012

For and on behalf of the Board of Directors

A.P. Kurian
Chairman

Place: Kochi
Date: 29th May 2012

C. J. George
Managing Director

Liju K Johnson
Company Secretary



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CASH FLOW STATEMENT

Particulars	2011-12 ₹	2010- 2011 ₹
A. Cash Flow from Operating Activities		
Net Profit /(Loss) before Tax	502,438,953	638,073,070
<i>Adjustments for:</i>		
Depreciation and Amortisation	115,239,623	127,857,030
(Profit)/Loss on Sale / Write off of Assets	1,177,731	2,339,724
Expense on Employee Stock Option Scheme	155,545	3,230,005
Finance Costs	10,318,756	6,512,125
Interest Income	(97,744,417)	(74,613,771)
Dividend Income	(173,742,203)	(200,085,275)
Net (Gain)/Loss on Sale of Investments	-	(255,688)
Provision for Doubtful Trade and Other Receivables, Loans and Advances	1,272,830	8,991,587
	(143,322,135)	(126,024,263)
Operating Profit/(Loss) Before Working Capital Changes	359,116,818	512,048,807
Changes in Working Capital:		
Adjustments for (Increase)/Decrease in Operating Assets:		
Trade Receivables	72,409,632	(63,776,388)
Short-Term Loans and Advances	43,891,847	16,025,687
Long-Term Loans and Advances	123,652,525	352,005,451
Other Current Assets	(345,960,338)	60,124,700
	(106,006,334)	364,379,450
Adjustments for Increase/(Decrease) in Operating Liabilities:		
Trade Payables	6,378,431	(127,778,320)
Other Current Liabilities	(437,206,969)	(833,897,606)
Other Long-Term Liabilities	(242,480)	2,506,840
Short-Term Provisions	(5,146,579)	3,606,333
Long-Term Provisions	1,950,480	(1,287,566)
	(434,267,117)	(956,850,319)
Cash Generated from Operations	(181,156,633)	(80,422,062)
Net Income Tax (Paid)/Refunds	(128,033,106)	(175,384,150)
Net Cash Flow from/(used in) Operating Activities (A)	(309,189,739)	(255,806,212)
B. Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets, Including Capital Advances	(136,152,417)	(150,926,150)
Proceeds From Sale of Fixed Assets	2,701,315	2,832,482
Current Investments Not Considered as Cash and Cash Equivalents:		
- Purchased	(2,760,200,583)	(2,434,189,863)
- Proceeds from Sale	2,876,544,065	2,601,311,863
Loans to Subsidiaries :		
- Given	(200,000,000)	(460,000,000)
- Realised	75,000,000	522,500,000



CASH FLOW STATEMENT

Particulars	2011-2012 ₹	2010- 2011 ₹
Advance for Investment	(26,550,000)	-
Investment in a Subsidiary Company	-	(116,000,000)
(Increase)/Decrease in Fixed Deposit with Banks Not Considered as Cash and Cash Equivalents	(70,967,615)	143,249,225
Interest Received on Fixed Deposits	98,988,894	51,388,708
Interest Received from Subsidiary Company on Loans Given	2,040,863	8,265,832
Dividend Received from Subsidiaries, Joint Ventures and Others	136,266,073	179,268,427
Dividend Received from Mutual Fund Investments	37,476,130	20,816,848
Net Cash Flow from / (used in) Investing Activities (B)	35,146,725	368,517,372
C. Cash Flow from Financing Activities		
Proceeds from issue of shares under ESOP incld. Share Premium	-	55,440,357
Finance Costs	(10,318,756)	(6,512,125)
Dividends Paid	(170,633,490)	(167,860,857)
Tax on Dividend	(7,228,158)	-
Net Cash Flow from / (used in) Financing Activities (C)	(188,180,404)	(118,932,625)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(462,223,418)	(6,221,465)
Cash and Cash Equivalents at the Beginning of the Year	1,505,252,982	1,511,474,447
Cash and Cash Equivalents at the End of the Year	1,043,029,564	1,505,252,982
Cash and Cash Equivalents as per Balance Sheet (Refer Note 17)	1,476,348,355	1,877,834,831
Less: Lien Marked Deposits with Banks not considered as 'Cash and Cash Equivalents', as Defined in AS 3 Cash Flow Statements (Refer Note 17)	(433,318,791)	(372,581,849)
Cash and Cash Equivalents at the End of the Year*	1,043,029,564	1,505,252,982
* Comprises:		
a. Cash on hand	670,535	657,871
b. Balances with banks		
In Current Accounts:		
Clients	561,675,011	619,432,689
Others	38,415,341	65,907,067
In Deposit Accounts	437,620,363	815,249,666
In Earmarked Accounts:		
Unpaid Dividend Accounts	4,648,314	4,005,689
	1,043,029,564	1,505,252,982

See Accompanying Notes Forming Part of the Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

M. Ramachandran
Partner

Place: Kochi
Date: 29th May 2012

For and on behalf of the Board of Directors

A.P. Kurian
Chairman

Place: Kochi
Date: 29th May 2012

C. J. George
Managing Director

Liju K Johnson
Company Secretary



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3: Share Capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised:				
Equity shares of ₹ 1/- each with voting rights	250,000,000	250,000,000	250,000,000	250,000,000
	250,000,000	250,000,000	250,000,000	250,000,000
(b) Issued, Subscribed and Fully Paid-up:				
Equity shares of ₹ 1/- each with voting rights	228,360,104	228,360,104	228,360,104	228,360,104
	228,360,104	228,360,104	228,360,104	228,360,104

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	ESOP	Closing Balance
Equity shares with voting rights:			
Year ended 31 March, 2012			
- Number of shares	228,360,104	-	228,360,104
- Amount (₹)	228,360,104	-	228,360,104
Year ended 31 March, 2011			
- Number of shares	225,253,625	3,106,479	228,360,104
- Amount (₹)	225,253,625	3,106,479	228,360,104

(ii) Rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2012, the amount of per share dividend recommended for distribution to equity shareholders is ₹ 0.75 (31 March 2011: ₹ 0.75).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
- BNP Paribas SA	76,688,959	33.58%	76,688,959	33.58%
- C. J. George	41,162,000	18.03%	40,606,760	17.78%
- Kerala State Industrial Development Corporation	20,000,000	8.76%	20,000,000	8.76%
- Rakesh Jhunjunwala	18,000,000	7.88%	18,000,000	7.88%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

- (iv) As at 31 March, 2012, 5,065,358 equity shares (As at 31 March, 2011: 5,686,906 equity shares) of ₹1 each are reserved towards outstanding employee stock options granted. (Refer Note 38)
- (v) The Company has issued total of 5,458,720 shares (31 March, 2011: 5,458,720 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the Employee Stock Option Plan (ESOP) wherein part consideration was received in the form of employee services.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 4: Reserves and Surplus

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Capital Reserve		
Balance as per last Financial Statements	33,345,030	33,345,030
Closing balance	33,345,030	33,345,030
(b) Securities Premium Account		
Balance as per last Financial Statements	1,865,711,441	1,802,506,123
Add : Premium on shares issued under ESOP during the year	-	52,333,878
Add : Transfer from Employee Stock Options Outstanding	-	10,871,440
Closing balance	1,865,711,441	1,865,711,441
(c) Share Options Outstanding Account		
Balance as per last Financial Statements	17,179,744	28,203,199
Add: Amounts recorded on grants/modifications/cancellations during the year	(3,437,001)	-
Less: Transferred to Securities Premium Account	-	(10,871,440)
Transferred to General Reserve	-	(152,015)
	13,742,743	17,179,744
Less: Deferred Stock Compensation Expense	(2,545,349)	(6,137,895)
Closing balance	11,197,394	11,041,849
(d) General Reserve		
Balance as per last Financial Statements	275,836,872	225,684,857
Add: Transferred from surplus in Statement of Profit and Loss	50,000,000	50,000,000
Add: Transferred from Employee Stock Options Outstanding	-	152,015
Closing balance	325,836,872	275,836,872
(e) Surplus in Statement of Profit and Loss		
Balance as per last Financial Statements	1,150,825,837	884,722,710
Add: Profit for the year	397,218,953	487,292,100
Corporate Dividend Tax Credit	20,556,130	28,058,859
Less: Transferred to General Reserve	(50,000,000)	(50,000,000)
Dividend proposed to be distributed to Equity Shareholders (₹ 0.75 per share)	(171,270,078)	(171,270,078)
Tax on Dividend	(27,784,288)	(27,784,288)
Dividend on Equity Shares allotted under ESOPs/Rounding off adjustments for Previous Year	(6,037)	(193,466)
Closing balance	1,319,540,517	1,150,825,837
	3,555,631,254	3,336,761,029



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 5: Long-Term Liabilities

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Payable to Gratuity Fund	3,841,153	2,491,179
(b) Security Deposit taken from Business Associates	14,504,889	16,097,343
	18,346,042	18,588,522

Note 6: Long-Term Provisions

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Provision for Compensated Absences	3,386,301	1,435,821
	3,386,301	1,435,821

Note 7: Trade Payables

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Trade Payables	146,563,694	140,185,263
	146,563,694	140,185,263

Note 8: Other Current Liabilities

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Unpaid Dividends (Unpresented dividend warrants)	4,648,314	4,005,689
(b) Payable to Clients	1,044,975,946	1,436,130,277
(c) Security Deposit taken from Business Associates	230,000	150,000
(d) Other Payables		
(i) Statutory Remittances	17,903,664	24,500,008
(ii) Payable on Purchase of Fixed Assets	4,269,411	347,341
(iii) Stock Exchanges	290,006	39,894,645
(iv) Employee Welfare Fund	2,408,011	2,230,583
(v) Employee Recoveries	576,176	685,259
	1,075,301,528	1,507,943,802



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 9: Short-Term Provisions

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Provision for Employee Benefits		
(i) Provision for Compensated Absences	1,204,842	6,333,921
	1,204,842	6,333,921
(b) Other Provisions		
(i) Provision for Wealth Tax	6,400	23,900
(ii) Provision for Proposed Equity Dividend	171,270,078	171,270,078
(iii) Provision for Tax on Proposed Dividend	27,784,288	27,784,288
	199,060,766	199,078,266
	200,265,608	205,412,187



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 10: Fixed Assets

Particulars	Gross Block			Accumulated Depreciation & Impairment			Net Block	
	Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Depreciation / Amortisation expense for the Year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	₹	₹	₹	₹	₹	₹	₹	₹
A. Tangible Assets								
(a) Land - Freehold	73,799,836	-	-	73,799,836	-	-	73,799,836	73,799,836
(b) Buildings								
- Own Use (Refer Note Below)	348,850	-	-	348,850	40,022	-	303,142	308,828
(c) Furniture and Fixtures - Owned	60,334,174	5,941,950	1,509,927	64,766,197	38,248,873	1,109,254	47,762,011	22,085,301
(d) Leasehold Improvements - Owned	140,072,492	5,556,760	6,760,057	138,869,195	89,366,919	4,802,635	105,948,202	50,105,573
(e) Computers & Accessories - Owned	261,623,712	25,288,489	2,854,655	284,057,546	172,269,045	2,421,458	217,129,221	89,354,667
(f) Office Equipments - Owned	98,561,102	6,137,165	1,742,181	102,956,086	43,836,384	863,875	57,994,393	54,724,718
(g) Electrical and VSAT Equipments - Owned	23,130,292	41,133	637,461	22,533,964	18,853,131	455,418	19,481,987	4,277,161
(h) Vehicles - Owned	8,766,837	-	-	8,766,837	3,379,097	-	5,124,269	5,387,740
Total	666,637,295	42,965,497	13,504,281	696,098,511	366,593,471	9,652,640	453,485,791	300,043,824
Previous Year	614,617,679	71,983,712	19,964,096	666,637,295	273,034,255	15,093,572	366,593,471	341,583,424
B. Intangible Assets								
(a) Computer Software	109,090,859	22,857,032	103,547	131,844,344	58,610,434	76,142	77,228,955	50,480,425
Total	109,090,859	22,857,032	103,547	131,844,344	58,610,434	76,142	77,228,955	50,480,425
Previous Year	100,341,036	10,602,982	1,853,159	109,090,859	40,957,669	1,551,477	58,610,434	59,383,367
Grand Total	775,728,154	65,822,529	13,607,828	827,942,855	425,203,905	9,728,782	530,714,746	350,524,249
Previous Year	714,958,715	82,586,694	21,817,255	775,728,154	313,991,924	16,645,049	425,203,905	400,966,791

Note: A small portion of the building is given on cancellable lease to M/s Geojit Comtrade Limited.



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 11: Non-Current Investments

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Investments (At cost)		
A. Trade		
(a) Investments in Equity Instruments - Unquoted:		
(i) <u>Of Wholly Owned Subsidiaries</u>		
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: 27,700,000) Equity Shares of ₹ 10/- each, fully paid-up, in Geojit Financial Management Services Private Limited	276,971,000	276,971,000
(ii) <u>Of Other Subsidiary</u>		
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
(iii) <u>Of Joint Ventures</u>		
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 Capital Company, Saudi Arabia	301,990,457	301,990,457
	756,468,797	756,468,797
B. Other Investments		
(a) Investments in Equity Instruments - Unquoted:		
400 (Previous Year: 400) 'C' class shares of ₹ 500/- each, fully paid-up, 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
	201,877	201,877
(b) Investments in Government Securities - Quoted:		
10.71% Govt of India Securities - 2016	3,000	3,000
	3,000	3,000
	756,673,674	756,673,674
Aggregate amount of quoted investments	-	-
Aggregate market value of listed and quoted investments	-	-
Aggregate value of listed but not quoted investments	3,000	3,000
Aggregate amount of unquoted investments	756,670,674	756,670,674



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 12: Deferred Tax Assets (Net)

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	-	2,067,000
Tax effect of items constituting deferred tax liability (A)	-	2,067,000
Tax effect of items constituting deferred tax asset		
On difference between book balance and tax balance of fixed assets	10,356,000	-
Provision for doubtful debts / advances	19,167,000	21,604,000
Provision for gratuity, compensated absences and other employee benefits	1,654,000	1,660,000
Tax effect of items constituting deferred tax asset (B)	31,177,000	23,264,000
Deferred Tax Assets (Net) (B-A)	31,177,000	21,197,000

Note 13: Long-Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Capital Advances	1,402,499	14,641,396
(b) Security Deposits		
(i) Deposits & Margins given to Stock Exchanges / Depositories / Clearing Corporation	551,055,458	650,755,455
(ii) Others	54,766,142	78,880,843
	605,821,600	729,636,298
(c) Advance to Employees	95,000	-
(d) Prepaid Expenses	704,481	107,552
(e) Balances With Government Authorities		
(i) Service Tax credit receivable	1,354,614	1,884,370
(f) Advance Income Tax (Net of Provisions)	25,324,880	12,491,774
(g) Advance for Investments	26,550,000	-
	661,253,074	758,761,390



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 14: Other Non-Current Assets

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Fixed Deposits with Banks - In Earmarked Accounts (Refer note (i) below)	11,230,673	1,000,000
(b) Accruals		
(i) Interest accrued on fixed deposits with banks	99,862	129,575
	11,330,535	1,129,575

Note:

- (i) Fixed Deposits in earmarked accounts with bank represent security margin for guarantees issued by banks in favour of Stock Exchanges and working capital facility provided by a bank.

Note 15: Current Investments

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Investments in Mutual Funds (At lower of cost and Net Asset Value) - Unquoted, Non-Trade		
(i) SBI Ultra Short Term Fund	22,988,214	21,459,157
(ii) ICICI Prudential Flexible Income Plan	-	10,070,221
(iii) Reliance Money Manager Fund	-	137,922,317
(iv) Sundaram BNP Paribas Ultra Short Term Fund	-	50,770,766
(v) IDFC Money Manager Fund - Treasury Plan C	-	9,712,082
(vi) UTI Treasury Advantage Fund	-	74,025,853
(vii) SBI SHF Ultra Short Term Fund	-	22,762,290
(viii) Canara Robeco Treasury Advantage Fund	-	118,592,426
(ix) BNP Paribas Overnight Fund	305,983,416	-
	328,971,630	445,315,112
Aggregate Amount of Unquoted Investments	328,971,630	445,315,112



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 16: Trade Receivables

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Trade Receivables outstanding for a period exceeding Six Months from the date they were Due for Payment		
- Secured, Considered Good	65,270,817	45,325,182
- Unsecured, Considered Good (Refer Note (b) Below)	44,503,970	44,588,470
- Doubtful	54,190,616	62,308,973
	163,965,403	152,222,625
- Less: Provision For Doubtful Trade Receivables	54,190,616	62,308,973
	109,774,787	89,913,652
Other Trade Receivables		
- Secured, Considered Good	18,042,633	9,320,401
- Unsecured, Considered Good	600,638,985	700,610,246
- Doubtful	1,972,020	3,659,930
	620,653,638	713,590,577
- Less: Provision For Doubtful Trade Receivables	1,972,020	3,659,930
	618,681,618	709,930,647
	728,456,405	799,844,299

Note: (a) Trade receivables include debts due from:

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	28,086,948
	-	28,086,948

- (b) This represents amounts due from clients withheld by a stock exchange pending completion of investigation by Securities Exchange Board of India (SEBI) on those transactions. SEBI is expected to issue the release order in favour of the company in the near future and hence no provision is considered necessary at this stage.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 17: Cash and Cash Equivalents

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Cash on Hand	670,535	657,871
(b) Balances with Banks		
(i) In Current Accounts:		
- Clients	561,675,011	619,432,689
- Others	38,415,341	65,907,067
(ii) In Deposit Accounts (Refer Note (i) & (iii) Below)	437,620,363	815,249,666
(iii) In Earmarked Accounts:		
- In Deposit Accounts (Refer Note (i) & (ii) Below)	433,318,791	372,581,849
- Unpaid Dividend Accounts	4,648,314	4,005,689
	1,476,348,355	1,877,834,831
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is	1,043,029,564	1,505,252,982

Notes:

- (i) Balances with banks include deposits amounting to ₹ 2,447,699/- (As at 31 March, 2011 ₹ 629,432,655/-) which have an original maturity of more than 12 months.
- (ii) Balance with Banks in Deposit Accounts include ₹ 433,318,791/- (As at 31 March, 2011: ₹ 372,581,849/-) maintained as security margin for guarantees issued by banks in favour of Stock Exchanges and working capital facility provided by a bank.
- (iii) Balance with Banks in Deposit Accounts include ₹ 432,620,363/- (As at 31 March, 2011: ₹ 515,249,666) for which fixed deposit receipts 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 (Previous Year: ₹ Nil).



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 18: Short-Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Loans and Advances to Related Parties (Refer Note 35)		
(i) Aloula Geojit Capital Company	1,522,762	1,047,951
(ii) Geojit Comtrade Limited	2,170,434	4,200,168
(iii) Geojit Credits Private Limited	125,000,000	-
	128,693,196	5,248,119
(b) Loans and Advances to Clients		
(i) Margin Funding Loans - Secured	97,980,148	152,074,120
(c) Security Deposits		
(i) Deposits with Stock Exchanges	199,997	350,000
(ii) Other Deposits:		
- Considered Good	23,019,084	9,375,542
- Considered Doubtful	1,252,287	468,400
	24,271,371	9,843,942
- Less: Provision For Doubtful Deposits	1,252,287	468,400
	23,019,084	9,375,542
	23,219,081	9,725,542
(d) Loans and Advances to Employees		
- Considered Good	1,375,490	644,948
- Considered Doubtful	148,704	148,704
	1,524,194	793,652
- Less: Provision For Doubtful Advances	148,704	148,704
	1,375,490	644,948
(e) Prepaid Expenses	20,319,656	16,493,497
(f) Balances with Government Authorities		
(i) Service Tax credit receivable	4,551,271	2,224,803
(g) Other Advances		
- Considered Good	1,924,025	12,838,253
- Considered Doubtful	1,510,681	-
	3,434,706	12,838,253
- Less: Provision For Doubtful Advances	1,510,681	-
	1,924,025	12,838,253
	278,062,867	199,249,282

Note 19: Other Current Assets

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Accruals		
(i) Interest accrued on fixed deposits with banks	41,230,190	44,485,817
(b) Receivable from Stock Exchanges	447,674,006	101,713,668
	488,904,196	146,199,485



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 20: Revenue from Operations

Particulars	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
(a) Stock Broking Services		
(i) Brokerage	1,706,421,281	2,030,149,578
(ii) Depository	124,436,821	107,845,649
(iii) Financial Product Distribution	44,093,324	43,123,284
(iv) Portfolio Management Services	24,925,208	39,149,825
(v) Interest Income from Margin Funding	27,391,314	32,828,385
	1,927,267,948	2,253,096,721
(b) Other Operating Revenues		
(i) Overdue Fees collected from Clients	72,399,218	83,032,171
(ii) Miscellaneous Income	10,392,058	11,024,858
	82,791,276	94,057,029
	2,010,059,224	2,347,153,750

Note 21: Other Income

Particulars	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
(a) Interest Income		
(i) From Banks on Fixed Deposits	95,703,554	66,347,939
(ii) From a Subsidiary Company on Loans Given	2,040,863	8,265,832
(iii) On Income Tax Refunds	713,925	-
(b) Dividend Income		
(i) From Current Investments		
Mutual Funds	37,476,130	20,816,848
(ii) From Long-Term Investments		
Subsidiaries	126,719,742	170,000,000
Joint Ventures	9,500,727	9,222,823
Others	45,604	45,604
(c) Net gain on sale of		
(i) Current Investments	-	255,688
(d) Other Non-Operating Income		
(i) Cost Recovery For Shared Services	32,303,881	30,043,920
(ii) Royalty	16,632,710	11,892,226
(iii) Infrastructure Usage Fees	19,764,279	39,664,551
(iv) Miscellaneous Income	4,095,438	10,311,034
	344,996,853	366,866,465



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 22: Operating Expenses

Particulars	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
(a) Commission to Business Associates (Equity)	602,722,541	708,145,477
(b) Marketing Fees	63,975,000	85,644,000
(c) Marketing Incentive	10,954,164	12,258,794
(d) Commission to Business Associates (Distribution)	2,576,125	3,309,748
(e) Connectivity Charges	76,202,886	81,349,043
(f) Depository Charges	18,329,251	22,723,946
(g) Research Expense	14,255,613	18,770,160
(h) Postage Charges - Contract Note	8,060,390	12,866,256
(i) Loss on Sale of Stock-in-Error	6,580,937	7,615,047
(j) Transaction Charges	3,076,299	98,611
(k) Insurance (NSE, BSE, NSDL)	623,061	2,675,164
(l) Registration & Renewal Charges	807,376	2,054,694
(m) Miscellaneous Expenses	2,656,306	4,224,439
	810,819,949	961,735,379

Note 23: Employee Benefit Expenses

Particulars	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
(a) Salaries and Wages	462,031,462	485,917,995
(b) Contribution to Provident and Other Funds	12,622,025	13,601,208
(c) Expense on Employee Stock Option Plans (ESOP) (Refer Note 38)	155,545	3,230,005
(d) Staff Welfare Expenses	34,235,486	42,370,386
	509,044,518	545,119,594

Note 24: Finance Costs

Particulars	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
(a) Interest Expense on:		
(i) Temporary Overdrafts availed from Banks	291,293	742,097
(ii) Delayed / Deferred payment of Income Tax	842,614	-
(b) Other Borrowing Costs:		
(i) Bank Guarantee Charges	9,184,849	5,770,028
	10,318,756	6,512,125



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25: Other Expenses

Particulars	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
(a) Rent	135,252,658	126,794,730
(b) Advertisement	34,484,444	30,272,611
(c) Telephone	35,108,683	42,478,922
(d) Postage	18,225,563	25,678,023
(e) Power and Fuel	37,830,649	36,894,042
(f) Software Charges	17,805,168	15,913,611
(g) Repairs & Maintenance:		
- Leasehold Building	3,253,935	3,941,364
- Others	33,480,281	35,821,834
(h) Printing & Stationery	14,885,256	21,021,487
(i) Travelling & Conveyance	17,598,473	20,208,015
(j) Legal & Professional	8,139,839	5,338,673
(k) Payments to Auditors (Refer Note below)	4,715,899	6,279,902
(l) Office Expenses	9,450,984	10,114,398
(m) Provision For Doubtful Trade & Other Receivables, Loans & Advances	1,272,830	8,991,587
(n) Bad Trade & Other Receivables, Loans & Advances written off	621,879	107,754
(o) Business Promotion	7,939,484	8,792,563
(p) Rates & Taxes	16,127,197	15,830,620
(q) Loss on Fixed Assets Sold / Scrapped / Written Off	1,177,731	2,339,724
(r) Donations and Contributions	1,141,970	1,720,301
(s) Miscellaneous Expenses	8,681,355	16,182,856
	407,194,278	434,723,017

Note: Include Payments to Statutory Auditors towards (net of service tax input credit, where applicable):

Particulars	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
(i) Statutory Audit Fees	1,200,000	1,200,000
(ii) Limited Review Fees	480,000	360,000
(iii) Taxation Matters	125,000	125,000
(iv) Certifications	45,000	55,943
(v) Out-of-Pocket Expenses	43,110	37,615
	1,893,110	1,778,558



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26. Contingent Liabilities and Commitments (To the Extent Not Provided For)

(i) Contingent Liabilities:

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Claims against the company not acknowledged as debts: - Legal suits filed against the Company/Matters under Arbitration	37,851,460	35,668,403
(b) Income Tax demands, pending in appeal	238,024,801	72,572,892
(c) Service Tax demands, pending in appeal	448,298	448,298

(ii) Commitments:

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Tangible assets	155,285,930	225,201,932
- Intangible assets	774,133	7,816,109

27. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28. Disclosure as per Clause 32 of the Listing Agreement with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the Party	Relationship	Amount outstanding as at 31 March, 2012 ₹	Maximum balance outstanding during the year ₹
Geojit Credits Private Ltd.	Subsidiary	125,000,000	125,000,000
		-	(335,017,736)
Geojit Investment Services Ltd.	Subsidiary	-	-
		-	(192,454)
Geojit Technologies Private Ltd.	Subsidiary	-	-
		-	(199,813)
Geojit Financial Manangement Services Ltd.	Subsidiary	-	-
		-	(116,000,000)

Note: Figures in bracket relate to the previous year.

29. Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for Preferential Issues of SEBI (Disclosure and Investor Protection) Guidelines, 2000:

Particulars	2011-12 ₹	2010-11 ₹
Amount pending utilisation as on 1st April 2011 (1st April 2010)	54,809,225	338,882,363
Less: Utilisation during the year:		
- For Business Expansion	54,809,225	168,073,138
- For Investment in Subsidiaries	-	116,000,000
Balance pending utilization as on 31st March 2012 (31st March 2011)	-	54,809,225
Unutilised moneys is invested as follows:		
In Mutual Funds	-	54,809,225

30. Expenditure in Foreign Currency

Particulars	2011-12 ₹	2010-11 ₹
Foreign Travel	32,625	158,440
Software Charges	152,446	142,077
Annual Maintenance Charges	638,643	555,864
Website Charges	2,709,307	554,814
Total	3,533,021	1,411,195

Note: The above disclosure excludes expenses incurred in Indian Rupees and remitted in foreign currency.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. Earnings in Foreign Exchange

Particulars	2011-12 ₹	2010-11 ₹
Dividend from a Joint Venture	9,500,727	9,222,823
Advisory Fees	1,225,664	-
Total	10,726,391	9,222,823

32 The Company has deposited the dividends payable to non-resident shareholders into their Rupee account with various banks in India and hence the disclosure of amounts remitted in foreign currency during the year to non-resident shareholders on account of dividend is not applicable.

33. Employee Benefit Plans

(i) Defined Contribution Plan – Provident Fund:

The Company makes Provident Fund contributions to a defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised during the year ₹ 3,291,471/- (Year ended 31 March, 2011: ₹ 3,503,406/-) towards Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to this plan by the Company is at rates specified in the rules of the scheme.

(ii) Defined Benefit Plan – Gratuity

The Company provides gratuity benefit to its employees, which is funded with Life Insurance Corporation of India.

The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements:

Particulars	2011-12 ₹	2010-11 ₹
Components Of Employer Expense:		
Current Service Cost	2,706,353	2,474,238
Interest Cost	1,235,598	1,000,484
Expected Return On Plan Assets	(1,173,832)	(955,499)
Past Service Cost	-	525,938
Actuarial Losses/(Gains)	(1,093,422)	(881,370)
Total Expense Recognised in the Statement of Profit and Loss	1,674,697	2,163,791
Actual Contribution and Benefit Payments for the Year:		
Actual Benefit Payments	931,457	817,068
Actual Contributions	324,723	183,952
Net Asset/(Liability) Recognised in the Balance Sheet:		
Present Value of Defined Benefit Obligation (DBO)	15,985,249	14,192,255
Fair Value of Plan Assets	(12,144,096)	(11,701,076)
Funded Status [Surplus/(Deficit)]	(3,841,153)	(2,491,179)
Unrecognised Past Service Costs	(3,841,153)	(2,491,179)
Net Asset/(Liability) Recognised In The Balance Sheet	-	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	2011-12 ₹	2010-11 ₹
Change In Defined Benefit Obligations (DBO) During the Year		
Present Value of DBO at the beginning of the Year	14,192,255	11,852,687
Current Service Cost	2,706,353	2,474,238
Interest Cost	1,235,598	1,000,484
Actuarial (Gains)/Losses	(1,217,500)	(844,024)
Past Service Cost	-	525,938
Benefits Paid	(931,457)	(817,068)
Present Value of DBO at the end of the Year	15,985,249	14,192,255
Change In Fair Value of Assets During the Year		
Plan Assets at the beginning of the Year	11,701,076	11,341,347
Expected Return on Plan Assets	1,173,832	955,499
Actual Company Contributions	324,723	183,952
Actuarial Gain/(Loss)	(124,078)	37,346
Benefits Paid	(931,457)	(817,068)
Plan Assets at the end of the Year	12,144,096	11,701,076
Actual Return on Plan Assets	1,049,754	992,845
Composition of Plan Assets is as follows:		
Government Bonds	-	-
PSU Bonds	-	-
Equity Mutual Funds	-	-
Others - Insurer Managed Assets	12,144,096	11,701,076
Actuarial Assumptions:		
Discount Rate	8.65%	7.85%
Expected Return on Plan Assets	9.00%	9.00%
Salary Escalation	5.00%	5.00%
Attrition rate range over difference age bracket	1% to 25%	1% to 25%
Mortality Table	LIC 1994-96	LIC 1994-96
Performance Percentage Considered	NA	NA
Estimate of amount of Contribution in the immediate Next Year	6,000,000	5,000,000

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Experience adjustments

Gratuity	For the Year				
	2011-12 ₹	2010-11 ₹	2009-10 ₹	2008-09 ₹	2007-08 ₹
Present Value of DBO	15,985,249	14,192,255	11,852,687	10,688,396	7,534,519
Fair Value of Plan Assets	12,144,096	11,701,076	11,341,347	7,714,870	5,823,111
Funded Status [Surplus/(Deficit)]	(3,841,153)	(2,491,179)	(511,340)	(2,973,526)	(1,711,408)
Exp Adj On Plan Liabilities	(1,630,070)	(435,622)	(1,130,978)	30,113	146,876
Exp Adj On Plan Assets	(124,078)	37,346	(49,169)	135,108	113,846

Actuarial assumptions for long-term compensated absences

Particulars	2011-12	2010-11
Discount Rate	8.65%	7.85%
Salary Escalation	5.00%	5.00%
Attrition rate range over difference age brackets	1% to 25%	1% to 25%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The Estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

34. 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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. Related Party Disclosures

Nature of Relationship	Name of Related Party	Nature of Transaction	Amount ₹	Receivable / (Payable) on	Amount ₹	Receivable / (Payable) on
			2011-12	31.03.2012	2010-11	31.03.2011
Subsidiary	Geojit Investment Services Ltd.	Expenses Recovered	297,375	-	192,454	-
		Dividend Received	120,000,000		170,000,000	
Subsidiary	Geojit Credits (P) Ltd	Loan Given	200,000,000	125,000,000	460,000,000	-
		Loan Repaid	75,000,000		522,500,000	
		Expenses Reimbursed	140,665		102,125	
		Expenses Recovered	10,595		345,225	
		Cost recovery for shared services	891,346		-	
		Interest Received	2,040,863		8,265,832	
		Dividend Received	6,719,742		-	
Subsidiary	Geojit Technologies (P) Ltd	Software Service Availed	11,100,000	-	11,100,000	-
		SMS services	690,312		-	
		AMC Paid	4,106,166		3,684,500	
		Software Purchased	2,281,648		8,621,261	
		Cost recovery for shared services	1,224,000		1,443,797	
		Expense Recovered	505,173		181,154	
		Expenses Reimbursed	1,510,823		844,528	
Subsidiary	Geojit Financial Management Services (P) Ltd.	Investment	-	-	116,000,000	-
Subsidiary	Geojit Financial Distribution (P) Ltd.	No Transactions	-	-	-	-
Joint Venture	Barjeel Geojit Securities L.L.C	Marketing Fee	63,975,000	(46,163,025)	85,644,000	(40,057,078)
		Expenses Reimbursed	1,065,585		214,805	
		Expenses Recovered	1,676,637		800,740	
		Dividend Received	9,500,727		9,222,823	
Joint Venture	Al-oula Geojit Capital Company	Expenses Recovered	474,811	1,522,762	467,831	1,047,951
Joint Venture	BNP Paribas Securities India Pvt. Ltd	Commission	399,878,774	(16,356,948)	375,290,465	(8,005,917)
		Expenses Recovered	867,559		3,033,754	
		Cost recovery for shared services	7,160,648		7,148,367	
Entity having substantial interest in the Company	BNP Paribas S.A	Bank Charges	17,596	20,792,762	13,343	20,906,684
		Dividend Paid	57,516,719		57,516,719	
Subsidiary of the entity having substantial interest in the Company	BNP Paribas Arbitrage	Brokerage Income	36,463,825	4,360,342	21,332,575	3,150,629
Subsidiary of the entity having substantial interest in the Company	BNP Paribas Investment Services India Pvt Ltd.	Business Associate Commission	14,478,501	(1,880,710)	9,980,532	(2,588,778)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Nature of Relationship	Name of Related Party	Nature of Transaction	Amount ₹	Receivable / (Payable) on 31.03.2012	Amount ₹	Receivable / (Payable) on 31.03.2011
			2011-12		2010-11	
Subsidiary of the entity having substantial interest in the Company	Arval India Private Limited	Vehicle Rental Paid	525,564	-	424,864	-
Subsidiary of the entity having substantial interest in the Company	BNP Paribas Asset Management India Pvt Ltd.	Mutual Fund Investments	868,225,630	305,983,416	-	-
		Mutual Fund Redemptions	570,625,630		-	
		Dividend Income	8,383,416		-	
Entity over which relative of key management person has control	Geojit Comtrade Limited	Expenses Reimbursed	794,603	2,170,434	76,262	4,200,168
		Deposit Accepted	100,000		-	
		Expenses Recovered	2,634,375		2,718,891	
		Cost recovery for shared services	22,630,473		20,051,756	
		Royalty	16,604,704		11,892,226	
		Referral Fees	10,604,518		8,397,393	
		Rent Received	1,159,225		1,807,884	
		Sale of fixed assets	1,942,824		-	
Key Management Personnel - Managing Director	Mr.C. J . George	Salary and Benefits	11,036,159	(73,918)	12,083,653	(3,283,906)
		Dividend Paid	30,455,070		30,455,070	
Relative of Key Management Personnel - Wife of Mr. C. J . George	Ms Shiny George	Dividend Paid	3,750,000	-	3,750,000	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36 Earnings Per Equity Share

Particulars	2011-12	2010-11
Basic:		
Net profit/(loss) for the year attributable to equity shareholders - ₹	397,218,953	487,292,100
Weighted average number of equity shares	228,360,104	226,011,781
Par value per equity share - ₹	1.00	1.00
Basic Earnings per equity share - ₹	1.74	2.16
Diluted:		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Stock Options for the respective periods.		
Net profit/(loss) for the year attributable to equity shareholders - ₹	397,218,953	487,292,100
Weighted average number of equity shares for Basic EPS	228,360,104	226,011,781
Add: Effect of ESOPs which are dilutive	-	107,513
Weighted average number of equity shares for diluted EPS	228,360,104	226,119,294
Par value per equity share - ₹	1.00	1.00
Diluted Earnings per equity share - ₹	1.74	2.16

37. Interest In Joint Ventures

The Company has interests in the following jointly controlled entities:

Name of Entities and Country of Incorporation	% of Shareholding	
	2011-12	2010-11
Barjeel Geojit Securities LLC, United Arab Emirates (Barjeel)	30%	30%
BNP Paribas Securities India Private Limited, India (BNPPSI)	50%	50%
Aloula Geojit Capital Company, Saudi Arabia (Aloula)	28%	28%

Particulars	Barjeel		BNPPSI		Aloula	
	2011-12 ₹	2010-11 ₹	2011-12 ₹	2010-11 ₹	2011-12 ₹	2010-11 ₹
Assets	118,251,714	102,612,163	381,331,950	121,628,400	250,536,153	236,269,169
Liabilities	27,284,331	27,482,281	466,010,609	142,284,533	6,456,639	5,991,317
Income	56,400,966	69,450,226	250,646,495	224,184,484	26,941,674	12,813,471
Expenditure	41,448,765	41,517,674	314,669,021	309,028,415	44,927,130	41,071,874
Contingent liabilities	587,124	511,830	13,723,000	-	-	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38. A) Employee Stock Option Plan

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

During 2007-08, the Company had issued 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. The issue of options was approved by the Shareholders through postal ballot on 5th December 2007 and by the Compensation Committee of Directors on 12th October 2007. The options vests over a period of 4 years from the date of grant, viz., 10th December 2007, in the proportion specified in the scheme. 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.

(b) 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 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, in the proportion specified in the scheme. 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.

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

During the previous year, the Company introduced Employees Stock Option Plan 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 commences 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:



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Plan	ESOP 2005 (Reissue-1)	ESOP 2007	ESOP 2010
Cumulative intrinsic value of the options granted net of expected forfeiture	₹ 447,213/- (₹ 551,181/-)	₹ 13,295,530/- (₹ 16,625,000/-)	Not Applicable (Not Applicable)
Expected forfeiture rate per annum	20% (20%)	4% (0%)	Not Applicable (Not Applicable)
Amount amortised during the year	₹ -72,067/- (₹ 73,234/-)	₹ 227,612/- (₹ 3,156,771/-)	Not Applicable (Not Applicable)
Additional charge under Fair Value method of accounting cost	₹ -3,298,070/- (₹ 3,784,271/-)	₹ 1,863,443/- (₹ 26,024,486/-)	₹ 7,726,868/- (₹ 75,533/-)

Note: Previous year figures are given in brackets.

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

Plan	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010
Date of Grant	10.12.2007	10.12.2007	29.03.2011
Number of Options Granted	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
Weighted average Exercise Price (₹)	25.50	25.50	22.20
No. of options outstanding as at 31.03.2011	400,111	2,500,000	2,786,795
Less: No. of options forfeited	35,203	302,960	283,385
Less: No. of options exercised	-	-	-
No. of options outstanding as at 31.3.2012	364,908	2,197,040	2,503,410
No. of options exercisable at year end	364,908	549,260	-

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

Plan	ESOP 2005 (Reissue-1)	ESOP 2007	ESOP 2010
Weighted average fair value per option (₹)	56.60	61.67	6.94
Market price relevant for grant (₹)	25.50	25.50	22.20
Annualised Volatility	170%	170%	52%
Dividend Yield	0.60%	0.60%	2.30%
Risk free interest rate	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 ₹(0.03) and ₹(0.03) respectively (Previous Year: ₹(0.13) and ₹ (0.13) respectively).

39. The Company has contracted fund based and non-fund based (viz. bank guarantee) working capital facilities of ₹ 30 crore (Previous Year: ₹ 30 crore) and ₹ 167 crore (Previous Year: ₹ 65 crore) respectively from banks, which are secured by a lien of Fixed Deposit and charge on the Trade Receivables 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 ₹ 121.38 crore (Previous Year: ₹ 65 crore) respectively.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	As at 31 March, 2012	As at 31 March, 2011
Number of clients	1,457	1,149
Original cost of assets under management – ₹	1,179,022,669	981,508,858
Represented by:		
(a) Bank balance – ₹	30,318,960	157,632,196
(b) Cost of portfolio holdings – ₹	1,148,703,709	823,876,662
Total	1,179,022,669	981,508,858
Net asset value of portfolio under management – ₹	1,151,243,334	1,109,132,066

41. 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 31 March, 2012, 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.
42. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.



AUDITORS' REPORT

To The Board of Directors

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, 2012, the Consolidated Statement of Profit and Loss 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
 - Barjeel Geojit Securities LLC, United Arab Emirates
 - Aloula Geojit Capital Company, Saudi Arabia
 - BNP Paribas Securities India Private Limited
4. We did not audit the financial statements of five subsidiaries and one joint venture, whose financial statements reflect total assets of ₹ 2,066,057,070/- as at 31st March 2012, total revenues of ₹ 450,125,987/- and net cash outflows amounting to ₹ 20,607,429/- 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 the joint venture is based solely on the reports of the other auditors.

5. The financial statements of two joint ventures, which reflect total assets of ₹ 1,664,559,706/- as at 31st March 2012, total revenues of ₹ 597,513,934/- and net cash outflows amounting to ₹ 188,060,435/- for the year ended on that date, as considered in the Consolidated 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 the joint venture, 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, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, 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
(Membership No. 16399)

Kochi, 29th May 2012



**GEOJIT
BNP PARIBAS**

1. Corporate Information

Geojit BNP Paribas Financial Services Ltd. ('the Company') is engaged in the business of share broking and related services in India for the last 25 years. The Company offers complete spectrum of financial services including online broking for equities, derivatives and currency futures, custody accounts, financial products distribution, portfolio management services, margin funding, etc. It has operations outside the country through joint ventures in UAE & Saudi Arabia. The shares of the Company are listed in National Stock Exchange and Bombay Stock Exchange.

2.A Significant Accounting Policies

2.A.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.A.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.A.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.A.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.A.5 Depreciation and amortisation

Fixed assets, other than improvements to leasehold premises, capitalised upto 31st March 2007 are depreciated 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, 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)
Buildings	40
Furniture & fixtures,	5
Electrical equipments,	5
Office equipments,	5
V-sat equipments and Data centre equipments	5
Computers (other than data centre equipments)	3
Vehicles	5

Improvements to leasehold 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 5 years period, the un-amortised leasehold improvement costs are fully written off in the year of vacation.

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation.

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

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.A.6 Revenue recognition

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. Software development revenue is recognised on completion of different stages of software development. Commission income from insurance business is recognised at agreed rate on intimation from the principal regarding completion of policy formalities.

2.A.7 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive the income is established.

2.A.8 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes cost of purchase and other incidental expenses incurred up to the date the asset is ready for its intended use. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.



Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value, and are disclosed separately in the Balance Sheet.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

2.A.9 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.A.10 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.A.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.A.12 Employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

Defined contribution plan

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plan

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in 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, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

2.A.13 Employee share based payments

The Company has formulated Employee Stock Option Plans (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines and the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOP over the exercise price is amortised on a straight-line basis over the vesting period under the 'Intrinsic Value Method'.

2.A.14 Segment reporting

The Company identifies primary segments based on the dominant



source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

2.A.15 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.A.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.A.17 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

2.A.18 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.A.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.A.20 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.B 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 2012 and 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.

2.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
		2011-12	2010-11	
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	Nil	100%	Geojit Technologies Private Limited

2.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	
		2011-12	2010-11
Barjeel Geojit Securities LLC	United Arab Emirates	30%	30%
Aloula Geojit Capital 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.



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2012

Particulars	Note No.	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
A. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	228,360,104	228,360,104
(b) Reserves and Surplus	4	3,888,318,901	3,852,314,999
		4,116,679,005	4,080,675,103
2. Minority Interests		391,504,124	357,518,470
3. Capital Reserve on Consolidation		482,094	482,094
4. Non-Current Liabilities			
(a) Long-Term Borrowings	5	250,000,000	-
(b) Deferred Tax Liabilities	14	489,282	2,943,445
(c) Long-Term Liabilities	6	22,081,470	19,516,612
(d) Long-Term Provisions	7	14,719,712	15,737,246
		287,290,464	38,197,303
5 Current Liabilities			
(a) Short-Term Borrowings	8	158,272,027	379,347,607
(b) Trade Payables	9	204,396,912	208,692,945
(c) Other Current Liabilities	10	1,094,243,563	1,533,219,093
(d) Short-Term Provisions	11	210,040,334	217,365,783
		1,666,952,836	2,338,625,428
TOTAL		6,462,908,523	6,815,498,398
B. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12A	264,672,537	331,267,122
(ii) Intangible Assets	12B	65,258,940	64,482,895
(iii) Capital Work-In-Progress - Tangible Assets		152,787,214	81,957,832
(iv) Capital Work-In-Progress - Intangible Assets		16,661,472	-
		499,380,163	477,707,849
(b) Goodwill on Consolidation		650,900	4,636,753



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2012

Particulars	Note No.	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(c) Non-Current Investments	13	279,877	279,877
(d) Deferred Tax Assets	14	33,147,108	25,183,830
(e) Long-Term Loans and Advances	15	771,040,972	818,532,202
(f) Other Non-Current Assets	16	11,330,535	1,129,575
		1,315,829,555	1,327,470,086
2. Current Assets			
(a) Current Investments	17	1,117,381,887	798,503,373
(b) Trade Receivables	18	791,857,399	828,071,151
(c) Cash and Cash Equivalents	19	2,099,847,046	2,615,289,192
(d) Short-Term Loans and Advances	20	644,273,209	987,951,320
(e) Other Current Assets	21	493,719,427	258,213,276
		5,147,078,968	5,488,028,312
TOTAL		6,462,908,523	6,815,498,398

See Accompanying Notes Forming Part of the Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

M. Ramachandran
Partner

Place: Kochi
Date: 29th May 2012

For and on behalf of the Board of Directors

A.P. Kurian
Chairman

Place: Kochi
Date: 29th May 2012

C. J. George
Managing Director

Liju K Johnson
Company Secretary



GEOJIT
BNP PARIBAS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

Particulars	Note No.	Year Ended 31 March, 2012	Year Ended 31 March, 2011
		₹	₹
1. Revenue from Operations	22	2,265,901,162	2,572,926,378
2. Other Income	23	305,505,882	239,960,239
3. Total Revenues (1+2)		2,571,407,044	2,812,886,617
4. Expenses:			
(a) Operating Expenses	24	611,012,798	755,615,480
(b) Employee Benefit Expenses	25	763,399,047	803,879,648
(c) Finance Costs	26	39,738,937	19,894,805
(d) Depreciation and Amortisation Expenses	12	141,634,972	156,731,703
(e) Other Expenses	27	539,669,391	574,294,012
Total Expenses		2,095,455,145	2,310,415,648
5. Profit/(Loss) Before Tax (3-4)		475,951,899	502,470,969
6. Tax Expense:			
(a) Current Tax Expense for Current Year		160,817,236	201,038,939
(b) Current Tax Expense Relating to Prior Years		92,338,325	474,372
(c) Net Current Tax Expense		253,155,561	201,513,311
(d) Deferred Tax		(10,417,441)	(13,528,675)
Total Tax Expense		242,738,120	187,984,636
7. Profit/(Loss) after Tax (5-6)		233,213,779	314,486,333
8. Less: Minority Interests		38,739,666	24,274,207
9. Profit/(Loss) for the Year (7-8)		194,474,113	290,212,126
10. Earnings Per Equity Share (of ₹ 1/- each):	31		
(a) Basic		0.85	1.28
(b) Diluted		0.85	1.28

See Accompanying Notes Forming Part of the Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

M. Ramachandran
Partner

Place: Kochi
Date: 29th May 2012

For and on behalf of the Board of Directors

A.P. Kurian
Chairman

Place: Kochi
Date: 29th May 2012

C. J. George
Managing Director

Liju K Johnson
Company Secretary



GEOJIT
BNP PARIBAS

CONSOLIDATED CASH FLOW STATEMENT

Particulars	2011-12 ₹	2010-11 ₹
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before Tax	475,951,899	502,470,969
Adjustments for:		
Depreciation and Amortisation	141,634,972	156,731,703
(Profit) / Loss on Sale / Write Off of Assets	1,177,731	2,457,575
Expense on Employee Stock Option Scheme	155,545	3,230,005
Finance Costs	39,738,937	19,894,805
Interest Income	(122,815,151)	(94,387,315)
Dividend Income	(75,913,191)	(41,614,280)
Net (Gain) / Loss on Sale of Investments	(15,725,805)	(278,061)
Provision for Doubtful Trade and Other Receivables, Loans and Advances	1,464,422	10,822,513
Provision for Warranty	302,088	-
	(29,980,452)	56,856,945
Operating Profit / (Loss) before Working Capital Changes	445,971,447	559,327,914
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Trade Receivables	37,161,937	122,314
Short-term Loans and Advances	341,265,505	(546,315,759)
Long-term Loans and Advances	107,328,795	346,288,007
Other Current Assets	(246,014,116)	60,124,700
	239,742,121	(139,780,738)
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	(4,296,033)	(114,601,466)
Other Current Liabilities	(443,538,595)	(832,704,603)
Other Long-term Liabilities	2,564,858	868,535
Short-term Provisions	(5,992,801)	6,578,431
Long-term Provisions	(1,017,534)	4,792,066
	(452,280,105)	(935,067,037)
Cash Generated from Operations	233,433,463	(515,519,861)
Net Income Tax (Paid) / Refunds	(301,316,759)	(203,706,244)
Net Cash Flow from / (used in) Operating Activities (A)	(67,883,296)	(719,226,105)
B. Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets, including Capital Advances	(147,590,849)	(158,453,535)
Proceeds from Sale of Fixed Assets	2,715,669	3,771,835
Current Investments not considered as Cash and Cash Equivalents:		
- Purchased	(5,743,298,913)	(3,211,653,282)
- Proceeds from Sale	5,440,146,205	3,788,001,390
Advance for Investment	(26,550,000)	-
(Increase)/Decrease in Fixed Deposit with Banks Not Considered as Cash and Cash Equivalents	(70,967,615)	143,249,225
Interest Received on Fixed Deposits	133,352,829	79,056,355
Dividend Income Received	75,913,191	41,614,280
Net Cash Flow from / (used in) Investing Activities (B)	(336,279,483)	685,586,268



CONSOLIDATED CASH FLOW STATEMENT

Particulars	2011-12 ₹	2010-11 ₹
C. Cash Flow from Financing Activities		
Proceeds from Issue of Shares under ESOP incld. Share Premium	-	55,440,357
Proceeds from /(Repayment of) Long Term Borrowings (Net)	250,000,000	-
Proceeds from / (Repayment of) Short Term Borrowings (Net)	(221,075,580)	273,764,607
Finance Costs	(39,738,937)	(19,894,805)
Dividends Paid	(170,633,490)	(167,860,857)
Tax on Dividend	(27,785,219)	(28,234,875)
Net Cash Flow from / (used in) Financing Activities (C)	(209,233,226)	113,214,427
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(613,396,005)	79,574,590
Add: Cash and Cash Equivalents at the Beginning of the Year	2,242,707,342	2,166,383,680
Add / (Less): Foreign Currency Translation Adjustments	37,216,918	(3,250,928)
Cash and Cash Equivalents at the End of the Year	1,666,528,255	2,242,707,342
Cash and Cash Equivalents as per Balance Sheet (Refer Note 19)	2,099,847,046	2,615,289,191
Less: Earmarked Deposits with Banks not considered as 'Cash and Cash Equivalents', as defined in AS 3 Cash Flow Statements (Refer Note 19)	(433,318,791)	(372,581,849)
Cash and Cash Equivalents at the End of the Year *	1,666,528,255	2,242,707,342
* Comprises:		
(a) Cash on hand	771,545	684,202
(b) Balances with banks		
(i) In Current Accounts:		
-Client	561,675,011	619,432,689
-Others	58,569,705	94,794,968
(ii) In Deposit Accounts	516,700,293	1,240,131,305
(iii) In Earmarked Accounts:		
- Unpaid Dividend Account	4,648,314	4,005,689
(c) Share in Joint Ventures	524,163,387	283,658,489
	1,666,528,255	2,242,707,342

See Accompanying Notes Forming Part of the Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

M. Ramachandran
Partner

Place: Kochi
Date: 29th May 2012

For and on behalf of the Board of Directors

A.P. Kurian
Chairman

Place: Kochi
Date: 29th May 2012

C. J. George
Managing Director

Liju K Johnson
Company Secretary



GEOJIT
BNP PARIBAS

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Share Capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised:				
Equity shares of ₹ 1/- each with voting rights	250,000,000	250,000,000	250,000,000	250,000,000
	250,000,000	250,000,000	250,000,000	250,000,000
(b) Issued, Subscribed and Fully Paid-up:				
Equity shares of ₹ 1/- each with voting rights	228,360,104	228,360,104	228,360,104	228,360,104
	228,360,104	228,360,104	228,360,104	228,360,104

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	ESOP	Closing Balance
Equity shares with voting rights:			
Year ended 31 March, 2012			
- Number of shares	228,360,104	-	228,360,104
- Amount (₹)	228,360,104	-	228,360,104
Year ended 31 March, 2011			
- Number of shares	225,253,625	3,106,479	228,360,104
- Amount (₹)	225,253,625	3,106,479	228,360,104

(ii) Rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2012, the amount of per share dividend recommended for distribution to equity shareholders is ₹ 0.75 (31 March 2011: ₹0.75).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
- BNP Paribas SA	76,688,959	33.58%	76,688,959	33.58%
- C. J. George	41,162,000	18.03%	40,606,760	17.78%
- Kerala State Industrial Development Corporation	20,000,000	8.76%	20,000,000	8.76%
- Rakesh Jhunjhunwala	18,000,000	7.88%	18,000,000	7.88%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(iv) As at 31 March, 2012, 5,065,358 equity shares (As at 31 March, 2011: 5,686,906 equity shares) of ₹1 each are reserved towards outstanding employee stock options granted / available for grant. (Refer Note 33)

(v) The Company has issued total of 5,458,720 shares (31 March, 2011: 5,458,720 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the Employee Stock Option Plan (ESOP) wherein part consideration was received in the form of employee services.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4: Reserves and Surplus

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Capital Reserve		
Balance as per last Financial Statements	33,345,030	33,345,030
Closing balance	33,345,030	33,345,030
(b) Securities Premium Account		
Balance as per last Financial Statements	2,253,086,442	2,189,881,124
Add : Premium on shares issued under ESOP during the year	-	52,333,878
Add : Transfer from Employee Stock Options Outstanding	-	10,871,440
Closing balance	2,253,086,442	2,253,086,442
(c) Statutory Reserve		
In Subsidiary		
Balance as per last Financial Statements	12,600,712	9,344,044
Add : Additions during the year	4,249,461	3,256,668
Closing balance	16,850,173	12,600,712
In Joint Venture		
Balance as per last Financial Statements	9,075,000	9,112,500
Add : Restatement of Opening Balance	1,335,000	(37,500)
Closing balance	10,410,000	9,075,000
	27,260,173	21,675,712
(d) Share Options Outstanding Account		
Balance as per last Financial Statements	17,179,744	28,203,199
Add: Amounts recorded on grants/modifications/cancellations during the year	(3,437,001)	-
Less: Transferred to Securities Premium Account	-	(10,871,440)
Transferred to General Reserve	-	(152,015)
	13,742,743	17,179,744
Less: Deferred Stock Compensation Expense	(2,545,349)	(6,137,895)
Closing balance	11,197,394	11,041,849
(e) General Reserve		
Balance as per last Financial Statements	285,724,920	230,072,905
Add: Transferred from surplus in Statement of Profit and Loss	50,000,000	55,500,000
Add: Transferred from Employee Stock Options Outstanding	-	152,015
Closing balance	335,724,920	285,724,920
(f) Foreign Currency Translation Reserve		
Balance as per last Financial Statements	31,223,371	35,298,384
Add: Effect of Foreign Exchange Rate Variation during the Year	46,804,804	(4,075,013)
Closing balance	78,028,175	31,223,371
(g) Surplus in Statement of Profit and Loss		
Balance as per last Financial Statements	1,216,217,675	1,184,946,519
Add: Profit for the year	194,474,113	290,212,126
Corporate Dividend Tax Credit /(Debit)	20,556,130	(176,016)
Less: Transferred to General Reserve/ Statutory Reserve	(54,249,461)	(58,756,668)
Dividend proposed to be distributed to Equity Shareholders (₹ 0.75 per share)	(171,270,078)	(171,270,078)
Tax on Dividend (including in a subsidiary)	(48,341,349)	(29,460,531)
Dividend and Equity Share allotted and ESOPs/Rounding off adjustments for previous years	(6,037)	(193,466)
Restatement of Opening Balance	(7,704,226)	915,789
Closing balance	1,149,676,767	1,216,217,675
	3,888,318,901	3,852,314,999



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5: Long-Term Borrowings

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Share in Joint Ventures	250,000,000	-
	250,000,000	-

Note 6: Long-Term Liabilities

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Payable to Gratuity Fund	4,991,495	3,372,602
(b) Security Deposit taken from Business Associates	14,504,889	16,097,343
(c) Share in Joint Ventures	2,585,086	46,667
	22,081,470	19,516,612

Note 7: Long-Term Provisions

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Provision for Compensated Absences	3,838,726	2,138,507
(b) Share in Joint Ventures	10,880,986	13,598,739
	14,719,712	15,737,246

Note 8: Short-Term Borrowings

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Loans Repayable on Demand		
(i) From Banks		
Secured		
- Axis Bank Ltd.	216,799	300,142,161
- Federal Bank Ltd.	-	14,989,235
- IndusInd Bank Ltd.	6,113,512	-
(b) Share in Joint Ventures	151,941,716	64,216,211
	158,272,027	379,347,607

Note 9: Trade Payables

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Trade Payables	141,901,847	138,797,109
(b) Share in Joint Ventures	62,495,065	69,895,836
	204,396,912	208,692,945



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10: Other Current Liabilities

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Unpaid Dividends (Unpresented dividend warrants)	4,648,314	4,005,689
(b) Payable to Clients	1,044,975,946	1,436,130,277
(c) Security Deposit taken from Business Associates	230,000	150,000
(d) Other Payables		
(i) Statutory Remittances	18,570,269	25,815,754
(ii) Payable on Purchase of Fixed Assets	4,335,681	415,241
(iii) Stock Exchanges	290,006	39,894,645
(iv) Employee Welfare Fund	2,408,011	2,230,583
(v) Employee Recoveries	576,176	685,259
(vi) Others	3,312,165	2,238,717
(e) Share in Joint Ventures	14,896,995	21,652,928
	1,094,243,563	1,533,219,093

Note 11: Short-Term Provisions

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Provision for Employee Benefits		
(i) Provision for Compensated Absences	1,398,260	6,486,756
	1,398,260	6,486,756
(b) Other Provisions		
(i) Provision for Income Tax (Net of Advance Tax)	576,209	2,210,945
(ii) Provision for Wealth Tax	6,400	23,900
(iii) Provision for Proposed Equity Dividend	171,270,078	171,270,078
(iv) Provision for Tax on Proposed Dividends	29,460,531	29,460,531
(v) Provision for Warranty	502,088	200,000
(vi) Provision for Non Performing Assets	1,631	-
(vii) Contingent Provision against Standard Assets	1,120,618	1,830,926
	202,937,555	204,996,380
(c) Share in Joint Ventures	5,704,519	5,882,647
	210,040,334	217,365,783



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12: Fixed Assets

Particulars	Gross Block			Accumulated Depreciation & Impairment				Net Block	
	Balance as at 1 April, 2011	Additions	Disposals	Effect of foreign currency exchange difference	Balance as at 31 March, 2012	Eliminated on disposal of assets	Effect of foreign currency exchange difference	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹
A. Tangible Assets									
(a) Land - Freehold	73,799,836	-	-	-	73,799,836	-	-	73,799,836	73,799,836
(b) Buildings									
- Own Use	348,850	-	-	-	348,850	40,022	-	45,708	308,828
(c) Furniture and Fixtures - Owned	63,787,475	8,501,830	1,517,267	-	70,772,038	40,178,778	1,115,860	50,460,526	23,608,697
(d) Leasehold Improvements - Owned	140,081,792	5,556,760	6,760,057	-	138,878,495	89,971,459	4,802,635	105,954,607	50,110,333
(e) Computers & Accessories - Owned	283,953,146	27,564,361	3,017,381	-	308,500,126	189,482,177	2,572,736	237,534,950	94,470,969
(f) Office Equipments - Owned	101,154,993	7,555,808	1,762,932	-	106,947,869	44,806,792	882,454	59,432,426	56,348,201
(g) Electrical and VSAT Equipments - Owned	27,297,223	53,324	637,461	-	26,713,086	21,959,793	455,418	22,710,117	5,337,430
(h) Vehicles - Owned	9,688,837	-	-	-	9,688,837	3,513,987	-	5,444,064	6,174,850
(i) Share in Joint Ventures	67,608,587	3,908,612	-	3,880,239	75,397,438	46,500,609	-	2,619,979	21,107,978
Total	767,720,739	53,140,695	13,695,098	3,880,239	811,046,575	436,453,617	9,829,103	2,619,979	264,672,537
<i>Previous Year</i>	<i>711,417,398</i>	<i>78,377,420</i>	<i>21,892,457</i>	<i>(181,622)</i>	<i>767,720,739</i>	<i>320,268,428</i>	<i>16,142,573</i>	<i>436,453,617</i>	<i>331,267,122</i>
B. Intangible Assets									
(a) Computer Software	110,772,920	22,950,670	103,547	-	133,620,043	59,097,463	76,142	78,329,475	51,675,457
(b) Share in Joint Ventures	23,319,265	1,167,966	-	2,214,396	26,701,627	10,511,827	-	16,733,255	12,807,438
Total	134,092,185	24,118,636	103,547	2,214,396	160,321,670	69,609,290	76,142	95,062,730	64,482,895
<i>Previous Year</i>	<i>124,333,439</i>	<i>11,736,658</i>	<i>1,853,159</i>	<i>(124,753)</i>	<i>134,092,185</i>	<i>46,885,357</i>	<i>1,551,477</i>	<i>69,609,290</i>	<i>77,448,082</i>
Grand Total	901,812,924	77,259,331	13,798,645	6,094,635	971,368,245	506,062,907	9,905,245	641,436,768	395,750,017
<i>Previous Year</i>	<i>835,750,837</i>	<i>90,114,078</i>	<i>23,745,616</i>	<i>(306,375)</i>	<i>901,812,924</i>	<i>367,153,785</i>	<i>17,694,050</i>	<i>506,062,907</i>	<i>468,597,052</i>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13: Non-Current Investments

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
A. Non-Trade		
(a) Investments in Equity Instruments - Unquoted		
400 (Previous Year: 400) 'C' class shares of ₹500/- each, fully paid-up, 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
5 (Previous Year: 5) Equity Shares of ₹10,000/- each, fully paid-up, in First Commodity Exchange of India Ltd.	75,000	75,000
	276,877	276,877
(b) Investments in Government Securities - Quoted:		
10.71% Govt of India Securities - 2016	3,000	3,000
	3,000	3,000
	279,877	279,877

Note 14: Deferred Tax Assets/Liabilities

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	489,282	2,943,445
Tax effect of items constituting deferred tax liability (A)	489,282	2,943,445
Tax effect of items constituting deferred tax asset		
On difference between book balance and tax balance of fixed assets	10,403,000	-
Provision for doubtful debts / advances	20,656,000	23,139,900
Provision for gratuity, compensated absences and other employee benefits	2,088,108	2,043,930
Tax effect of items constituting deferred tax asset (B)	33,147,108	25,183,830
Deferred Tax Assets (Net) (B-A)	32,657,826	22,240,385



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15: Long-Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Capital Advances	1,402,499	14,641,396
(b) Security Deposits		
(i) Deposits & Margins given to Stock Exchanges / Depositories / Clearing Corporation	551,055,458	650,755,455
(ii) Others	56,629,976	80,400,643
	607,685,434	731,156,098
(c) Advance to Employees	95,000	-
(d) Prepaid Expenses	719,854	115,720
(e) Balances with Government Authorities:		
(i) Service Tax credit receivable	1,354,614	1,884,370
(f) Advance Income Tax (Net of Provisions)	59,189,938	12,663,476
(g) Advance for Investments	26,550,000	-
(h) Share in Joint Ventures	74,043,633	58,071,142
	771,040,972	818,532,202

Note 16: Other Non-Current Assets

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Fixed Deposit with Banks-In Earmarked Accounts	11,230,673	1,000,000
(b) Accruals		
(i) Interest accrued on fixed deposits with banks	99,862	129,575
	11,330,535	1,129,575

Note 17: Current Investments

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Investment in Mutual Funds (At lower of cost and fair value) - Unquoted, Non -Trade	1,093,142,317	798,411,755
(b) Share in Joint Ventures	24,239,570	91,618
	1,117,381,887	798,503,373



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18: Trade Receivables

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
Trade Receivables outstanding for a period exceeding Six Months from the date they were Due for Payment		
- Secured, Considered Good	65,270,817	45,325,182
- Unsecured, Considered Good	48,482,816	49,255,681
- Doubtful	58,733,459	67,042,733
	172,487,092	161,623,596
- Less: Provision For Doubtful Trade Receivables	58,733,459	67,042,733
	113,753,633	94,580,863
Other Trade Receivables		
- Secured, Considered Good	21,660,655	14,297,442
- Unsecured, Considered Good	622,015,694	710,250,075
- Doubtful	1,972,020	3,659,930
	645,648,369	728,207,447
- Less: Provision For Doubtful Trade Receivables	1,972,020	3,659,930
	643,676,349	724,547,517
Share in Joint Ventures	34,427,417	8,942,771
	791,857,399	828,071,151

Note 19: Cash and Cash Equivalents

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Cash on Hand	771,545	684,202
(b) Balances with Banks		
(i) In Current Accounts:		
- Clients	561,675,011	619,432,689
- Others	58,569,705	94,794,968
(ii) In Deposit Accounts	516,700,293	1,240,131,305
(iii) In Earmarked Accounts:		
- In Deposit Accounts	433,318,791	372,581,849
- Unpaid Dividend Accounts	4,648,314	4,005,689
(c) Share in Joint Ventures	524,163,387	283,658,490
	2,099,847,046	2,615,289,192
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is	1,666,528,255	2,242,707,343



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 20: Short-Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Loans and Advances to Related Parties		
(i) Aloula Geojit Capital Company	1,096,389	1,047,951
(ii) Geojit Comtrade Ltd.	2,170,434	4,234,013
	3,266,823	5,281,964
(b) Loans and Advances to Clients		
(i) Margin Funding Loans - Secured	97,980,148	152,074,119
(ii) Loan against Shares & Commodities	440,437,391	726,623,145
	538,417,539	878,697,264
(c) Security Deposits		
(i) Deposits with Stock Exchanges	199,997	350,000
(ii) Other Deposits:		
- Considered Good	23,519,084	10,225,542
- Considered Doubtful	1,444,504	660,617
	24,963,588	10,886,159
- Less: Provision For Doubtful Deposits	1,444,504	660,617
	23,519,084	10,225,542
	23,719,081	10,575,542
(d) Loans and Advances to Employees		
- Considered Good	1,397,809	739,972
- Considered Doubtful	148,704	148,704
	1,546,513	888,676
- Less: Provision For Doubtful Advances	148,704	148,704
	1,397,809	739,972
(e) Prepaid Expenses	20,336,281	16,524,712
(f) Balances with Government Authorities		
(i) Service Tax credit receivable	4,672,590	3,141,099
(g) Other Advances		
- Considered Good	3,504,679	14,270,192
- Considered Doubtful	1,628,720	-
	5,133,399	14,270,192
- Less: Provision For Doubtful Advances	1,628,720	-
	3,504,679	14,270,192
(h) Share in Joint Ventures	48,958,407	58,720,575
	644,273,209	987,951,320

Note 21: Other Current Assets

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Unbilled Revenue	840,552	1,567,980
(b) Accruals		
(i) Interest accrued on fixed deposits with banks	44,891,016	55,398,981
(c) Receivable from Stock Exchanges	447,674,006	200,884,557
(d) Share in Joint Ventures	313,853	361,758
	493,719,427	258,213,276



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22: Revenue from Operations

Particulars	Year Ended 31 March, 2012	Year Ended 31 March, 2011
	₹	₹
(a) Sale of Services		
(i) Brokerage	1,706,421,281	2,030,149,578
(ii) Depository	124,436,821	107,845,649
(iii) Financial Product Distribution	61,235,004	72,411,967
(iv) Portfolio Management Services	24,925,208	39,149,825
(v) Software Consultancy and Development	88,579,968	59,813,098
(vi) Interest Income from Margin Funding Loans	85,797,148	88,723,744
	2,091,395,430	2,398,093,861
(b) Other Operating Revenues		
(i) Overdue Fees collected from Clients	72,399,218	83,032,171
(ii) Miscellaneous Income	12,927,394	11,024,858
	85,326,612	94,057,029
(c) Share in Joint Ventures	89,179,120	80,775,488
	2,265,901,162	2,572,926,378

Note 23: Other Income

Particulars	Year Ended 31 March, 2012	Year Ended 31 March, 2011
	₹	₹
(a) Interest Income		
(i) From Banks on Fixed Deposits	122,815,151	94,387,315
(ii) On Income Tax Refunds	744,364	-
(b) Dividend Income		
(i) From Current Investments: Mutual Funds	75,867,587	41,568,676
(ii) From Long-Term Investments: Non-Trade Investments	45,604	45,604
(c) Net gain on sale of		
(i) Current Investments	15,725,805	278,061
(d) Net Gain on Foreign Currency Transactions	498,679	-
(e) Other Non-Operating Income		
(i) Cost Recovery for Shared Services	23,012,689	21,671,553
(ii) Royalty	16,632,710	11,892,226
(iii) Infrastructure Usage Fees	19,764,279	39,664,551
(iv) Liabilities no Longer Payable Written Back	410,325	-
(v) Miscellaneous Income	4,310,561	18,844,683
(f) Share in Joint Ventures	25,678,128	11,607,570
	305,505,882	239,960,239



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 24: Operating Expenses

Particulars	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
(a) Commission to Business Associates (Equity)	402,783,154	520,500,244
(b) Marketing Fees	44,782,500	59,950,800
(c) Marketing Incentive	10,954,164	12,258,794
(d) Commission to Business Associates (Distribution)	3,367,175	7,047,301
(e) Connectivity Charges	76,202,886	81,862,430
(f) Depository Charges	18,329,251	22,723,946
(g) Research Expense	14,255,613	18,770,160
(h) Postage Charges - Contract Note	8,060,390	12,866,256
(i) Loss on Sale of Stock-in-Error	6,580,937	7,615,047
(j) Transaction Charges	3,076,299	98,611
(k) Insurance (NSE, BSE, NSDL)	623,061	2,675,164
(l) Registration & Renewal Charges	807,376	2,054,694
(m) Miscellaneous Expenses	2,656,306	4,894,239
(n) Share in Joint Ventures	18,533,686	2,297,794
	611,012,798	755,615,480

Note 25: Employee Benefit Expenses

Particulars	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
(a) Salaries and Wages	505,264,316	522,687,907
(b) Contribution to Provident and Other Funds	14,084,546	15,177,040
(c) Expense on Employee Stock Option Plans (ESOP)	155,545	3,230,005
(d) Staff Welfare Expenses	35,360,762	43,409,893
(e) Share in Joint Ventures	208,533,878	219,374,803
	763,399,047	803,879,648

Note 26: Finance Costs

Particulars	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
(a) Interest Expense on:		
- Temporary Overdrafts availed from Banks	4,705,325	7,941,030
- Delayed / Deferred payment of Income Tax	842,614	-
(b) Other Borrowing Costs:		
- Bank Guarantee Charges	9,184,849	5,770,028
(c) Net Loss on Foreign Currency Transaction	18,204	-
(d) Share in Joint Ventures	24,987,945	6,183,747
	39,738,937	19,894,805



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27: Other Expenses

Particulars	Year Ended	Year Ended
	31 March, 2012	31 March, 2011
	₹	₹
(a) Rent	137,954,098	129,423,758
(b) Advertisement	34,562,444	31,143,217
(c) Telephone	38,078,545	42,629,112
(d) Postage	18,210,733	25,678,038
(e) Power and Fuel	39,237,188	38,689,426
(f) Software Charges	3,822,696	2,707,018
(g) Repairs & Maintenance:		
- Leasehold Building	3,884,239	3,941,364
- Others	33,507,276	36,384,283
(h) Printing & Stationery	14,947,318	21,213,458
(i) Travelling & Conveyance	23,519,275	23,505,650
(j) Legal & Professional	9,267,612	6,153,963
(k) Payment to Auditors	5,263,273	6,877,292
(l) Office Expenses	9,668,731	10,226,840
(m) Provision For Doubtful Trade & Other Receivables, Loans & Advances	1,464,422	10,822,513
(n) Bad Trade & Other Receivables, Loans & Advances written off	1,515,222	151,023
(o) Business Promotion	9,930,664	9,842,546
(p) Rates & Taxes	16,836,859	16,229,037
(q) Loss on Fixed Assets Sold / Scrapped / Written Off	1,177,731	2,457,575
(r) Loss on Closure of Subsidiary	2,212,182	-
(s) Donations and Contributions	1,141,970	1,720,301
(t) Provision for Warranty	302,088	85,280
(u) Empanelment Fees	2,011,819	1,616,571
(v) Miscellaneous Expenses	10,349,107	19,679,082
(w) Share in Joint Ventures	120,803,899	133,116,665
	539,669,391	574,294,012



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

28. Contingent Liabilities and Commitments (To the Extent Not Provided For)

(i) Contingent Liabilities:

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Claims against the company not acknowledged as debts :		
- Legal suits filed against the Company / Matters under Arbitration	38,947,812	36,177,630
(b) Income Tax demands, pending in appeal	315,889,184	74,406,473
(c) Service Tax demands, pending in appeal	448,298	448,298

(ii) Commitments:

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Tangible assets	155,285,930	225,201,932
- Intangible assets	774,133	7,816,109
(b) Other Commitments	-	-

29. Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for Preferential Issues of SEBI (Disclosure and Investor Protection) Guidelines, 2000:

Particulars	2011-12 ₹	2010-11 ₹
Amount pending utilisation as on 1st April 2011 (1st April 2010)	54,809,225	338,882,363
Less: Utilisation during the year:		
- For Business Expansion	54,809,225	168,073,138
- For Investment in Subsidiaries	-	116,000,000
Balance pending utilization as on 31st March 2012 (31st March 2011)	-	54,809,225
Unutilised moneys is invested as follows:		
In Mutual Funds	-	54,809,225

- 30 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 predominantly in India and hence, separate secondary geographical segment information is not disclosed.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

31 Earnings Per Equity Share

Particulars	2011-12	2010-11
Basic:		
Net profit / (loss) for the year attributable to equity shareholders - ₹	194,474,113	290,212,126
Weighted average number of equity shares	228,360,104	226,011,781
Par value per equity share - ₹	1.00	1.00
Basic Earnings per equity share - ₹	0.85	1.28
Diluted:		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Stock Options for the respective periods.		
Net profit / (loss) for the year attributable to equity shareholders - ₹	194,474,113	290,212,126
Weighted average number of equity shares for Basic EPS	228,360,104	226,011,781
Add: Effect of ESOPs which are dilutive	-	107,513
Weighted average number of equity shares for diluted EPS	228,360,104	226,119,294
Par value per equity share - ₹	1.00	1.00
Diluted Earnings per equity share - ₹	0.85	1.28

32 Interest In Joint Ventures

The Company has interests in the following jointly controlled entities:

Name of Entities and Country of Incorporation	% of Shareholding	
	2011-12	2010-11
Barjeel Geojit Securities LLC, United Arab Emirates (Barjeel)	30%	30%
BNP Paribas Securities India Private Limited, India (BNPPSI)	50%	50%
Aloula Geojit Capital Company, Saudi Arabia (Aloula)	28%	28%

Particulars	Barjeel		BNPPSI		Aloula	
	2011-12 ₹	2010-11 ₹	2011-12 ₹	2010-11 ₹	2011-12 ₹	2010-11 ₹
Assets	118,251,714	102,612,163	381,331,950	121,628,400	250,536,153	236,269,169
Liabilities	27,284,331	27,482,281	466,010,609	142,284,533	6,456,639	5,991,317
Income	56,400,966	69,450,226	250,646,495	224,184,484	26,941,674	12,813,471
Expenditure	41,448,765	41,517,674	314,669,021	309,028,415	44,927,130	41,071,874
Contingent liabilities	587,124	511,830	13,723,000	-	-	-



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

33. A) Employee Stock Option Plans:

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

During 2007-08, the Company had issued 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. The issue of options was approved by the Shareholders through postal ballot on 5th December 2007 and by the Compensation Committee of Directors on 12th October 2007. The options vests over a period of 4 years from the date of grant, viz., 10th December 2007, in the proportion specified in the scheme. 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.

(b) 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 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, in the proportion specified in the scheme. 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.

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

During the previous year, the Company introduced Employees Stock Option Plan 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 commences 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 (Reissue-1)	ESOP 2007	ESOP 2010
Cumulative intrinsic value of the options granted net of expected forfeiture	₹ 447,213/- (₹ 551,181/-)	₹ 13,295,530/- (₹ 16,625,000/-)	Not Applicable (Not Applicable)
Expected forfeiture rate per annum	20% (20%)	4% (0%)	Not Applicable (Not Applicable)
Amount amortised during the year	₹ -72,067/- (₹ 73,234/-)	₹ 227,612/- (₹ 3,156,771/-)	Not Applicable (Not Applicable)
Additional charge under Fair Value method of accounting cost	₹ -3,298,070/- (₹ 3,784,271/-)	₹ 1,863,443/- (₹ 26,024,486/-)	₹ 7,726,868/- (₹ 75,533/-)

Note: Previous year figures are given in brackets.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Plan	ESOP 2005 (Reissue 1)	ESOP 2007	ESOP 2010
Date of Grant	10.12.2007	10.12.2007	29.03.2011
Number of Options Granted	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
Weighted average Exercise Price (₹)	25.50	25.50	22.20
No. of options outstanding as at 31.03.2011	400,111	2,500,000	2,786,795
Less: No. of options forfeited	35,203	302,960	283,385
Less: No. of options exercised	-	-	-
No. of options outstanding as at 31.3.2012	364,908	2,197,040	2,503,410
No. of options exercisable at year end	364,908	549,260	-

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

Plan	ESOP 2005 (Reissue-1)	ESOP 2007	ESOP 2010
Weighted average fair value per option (₹)	56.60	61.67	6.94
Market price relevant for grant (₹)	25.50	25.50	22.20
Annualised Volatility	170%	170%	52%
Dividend Yield	0.60%	0.60%	2.30%
Risk free interest rate	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 ₹ (0.03) and ₹ (0.03) respectively (Previous Year: ₹ (0.13) and ₹ (0.13) respectively).

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

Particulars	As at 31 March, 2012	As at 31 March, 2011
Number of clients	1,457	1,149
Original cost of assets under management – ₹	1,179,022,669	981,508,858
Represented by:		
(a) Bank balance – ₹	30,318,960	157,632,196
(b) Cost of portfolio holdings – ₹	1,148,703,709	823,876,662
Total	1,179,022,669	981,508,858
Net asset value of portfolio under management – ₹	1,151,243,334	1,109,132,066



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

35. 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.

2011-12

Particulars	Geojit Investment Services Ltd.	Geojit Credits (P) Ltd.	Geojit Financial Management Services (P) Ltd.	Geojit Technologies (P) Ltd.	Geojit Financial Distribution (P) Ltd.
	₹	₹	₹	₹	₹
Capital	40,000,000	206,656,550	277,000,000	11,538,460	500,000
Reserves & Surplus	50,231,890	96,580,133	(1,468,425)	792,095,872	30,518,876
Total Assets	95,174,257	449,206,739	275,577,605	819,896,352	33,563,955
Total Liabilities	4,942,367	145,970,056	46,030	16,262,020	2,545,079
Investments (Excl'd. Investment in subsidiaries)	44,480,183	-	274,999,990	717,961,705	1,803,799
Turnover	35,615,578	61,927,555	-	162,723,927	3,068,430
Profit Before Tax	29,286,256	47,786,713	(59,226)	104,193,262	2,232,126
Provision for Tax	102,223,936	15,115,113	-	19,499,411	679,660
Proposed Dividend	-	10,332,828	-	-	-

2010-11

Particulars	Geojit Investment Services Ltd.	Geojit Credits (P) Ltd.	Geojit Financial Management Services (P) Ltd.	Geojit Technologies (P) Ltd.	Geojit Financial Distribution (P) Ltd.
	₹	₹	₹	₹	₹
Capital	40,000,000	206,656,550	277,000,000	11,538,460	500,000
Reserves & Surplus	262,636,570	75,917,604	(1,409,199)	707,402,021	28,966,410
Total Assets	307,984,516	758,083,708	275,609,331	731,550,480	32,069,006
Total Liabilities	5,347,946	475,509,554	18,530	12,609,999	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	5,304,300
Profit Before Tax	32,099,682	38,814,876	(645,999)	55,519,640	2,723,283
Provision for Tax	10,002,173	13,776,272	-	13,054,962	370,259
Proposed Dividend	-	10,332,828	-	-	-

36. 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 31 March, 2012, 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.
37. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

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

ATTENDANCE SLIP

18TH ANNUAL GENERAL MEETING – 12TH JULY 2012

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 – 682035 at 4.00 p.m. on 12th July 2012.

.....
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,
Kaloor, 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
atas 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 2012 and at any adjournment thereof.

Signed this day of 2012.

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.



**GEOJIT
BNP PARIBAS**

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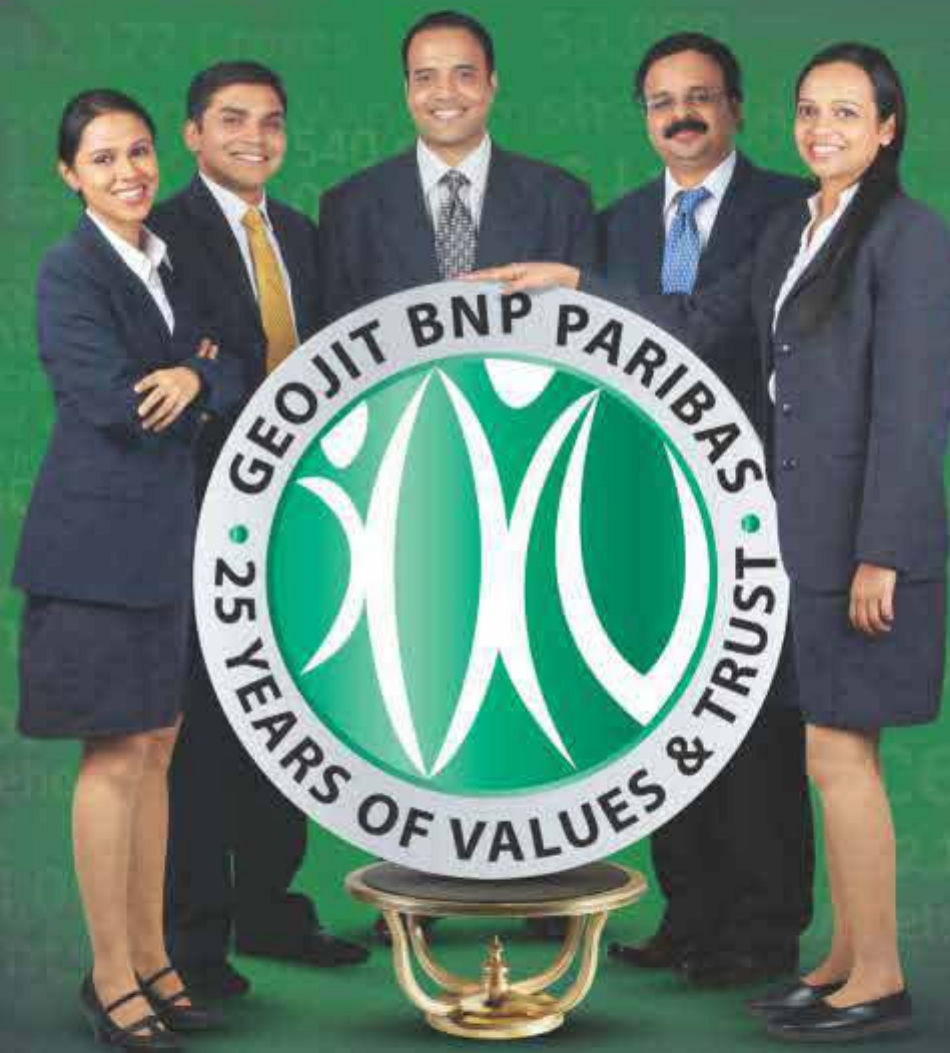
THANK YOU!

6,44,000 Clients

Over 12,172 Crores
of Assets Under
Management

50,000
shareholders

540 Offices



Join us as we celebrate 25 years of values and trust.



**GEOJIT
BNP PARIBAS**

Savings & Investments

GEOJIT BNP PARIBAS FINANCIAL SERVICES LTD.

Regd. Off: 5th Floor, Finance Tower, Kaloor, Kochi-682 017, Telephone: 0484 - 2405501/ 2405502. Fax: 2405618 Toll - free number: 1800 425 5501, 1800 103 5501 |
For investor queries: customercare@geojit.com, For grievances: grievances@geojit.com | SEBI Regn. Nos.: NSE INB/INF/INE 231337230, BSE INB1011337236,
INF011337237 NSDL: IN- DP- NSDL- 24-97, CDSL: IN-DP-CDSL-648-2012, Portfolio Manager INP 000003203

**Geojit BNP Paribas Financial Services Ltd., Registered Office: 5th Floor, Finance Tower,
Kaloor, Kochi -682017, Kerala. For investor queries: customercare@geojit.com, For grievances: grievances@geojit.com
SEBI Regn. Nos.: NSE: INB/INF/INE 231337230, BSE: INB 011337236 & INF 011337237,
NSDL: IN-DP-NSDL-24-97, Portfolio Manager: INP 000003203, CDSL Regn no: IN-DP-CDSL-648-2012**