

annual2011

R E P O R T

Our Vision

To be the most favored financial services provider for all categories of investors by offering them comprehensive "Wealth Care" service.



GROWTH & SECURITIES LTD.
Enhancing Fortunes. Enriching Lives.

www.inventuregrowth.com

Inventure Growth & Securities Limited

Board of Directors:

- | | |
|-----------------------------------|--------------------------------|
| 1. Shri Nagji K. Rita | - Chairman & Managing Director |
| 2. Shri Virendra D. Singh | - Whole Time Director |
| 3. Shri Kanji B. Rita | - Director |
| 4. Shri Vinod K. Shah | - Director |
| 5. Shri Pravin N. Gala | - Director |
| 6. Shri Srinivasaiyer Jambunathan | - Independent Director |
| 7. Shri Harshawardhan M. Gajbhiye | - Independent Director |
| 8. Shri Arun N. Joshi | - Independent Director |
| 9. Shri Deepak M. Vaishnav | - Independent Director |
| 10. Shri Ajay K. Khera | - Independent Director |

Company Secretary & Compliance Officer

Mrs. Bhavi R Gandhi

Business Heads

- | | |
|---------------------------|--|
| 1. Mrs. Asha M. Darji | - President |
| 2. Shri Arvind J. Gala | - Chief Financial Officer |
| 3. Shri Ravindra Kasliwal | - Head- Institutional Broking & Research |
| 4. Shri Avinash Bhosale | - Head- Compliance- DP Operation |
| 5. Shri Amit Pandey | - Head- Retail Broking |
| 6. Shri Jitesh Shah | - Head- Risk Management |
| 7. Shri Jatin Shah | - Head- Compliance |

Bankers

1. Bank of India
2. HDFC Bank Ltd.
3. Kotak Mahindra Bank Ltd.
4. Axis Bank Ltd.
5. Punjab National Bank
6. Syndicate Bank
7. State Bank of India
8. ICICI Bank Ltd.
9. Canara Bank

Statutory Auditor

M/s. PHD & Associates
Chartered Accountants

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Registered Office

Viraj Towers, 201, 2nd Floor,
Near Landmark, Andheri Flyover,
Western Express Highway,
Andheri - East, Mumbai - 400 069
Tel. : (022) 39548500/ (022) 40751500
Fax : (022) 40751535
Website : www.inventuregrowth.com

Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai- 400 078.

FROM THE CHAIRMAN'S DESK

Letter to the shareholder



Dear Shareholder,

My association with Inventure goes back 16 years, from the birth of Inventure. From the day of incorporation, we are committed to give our clients and investors top most priority, and since then we have never compromised on what is best for them. Fiscal 2011 was a moderate year for the industry, yet Inventure out performed. This has happened because of dedicated team of employees and active guidance and support of all the stake holders of Inventure.

The economic environment became challenging in all the major securities markets where we operated. However the growth rate of the Indian economy saw some headwinds with rising input costs and high interest rates. The Indian markets delivered a moderate performance in FY11, as compared to the high returns last year. Although strong FII inflows boosted the markets, the DIIs remained net sellers. Average daily market volumes were `1.33 lakh crores in FY11, up 40% YoY. However, this was attributable to the disproportionate growth in the low-yield options segment of the market, while the high-yield cash segment saw year on year decline.

Lack of a sustained, directional trend in the markets resulted in muted retail participation, which saw some traction only during a few PSU public issues. Thus, the growth in overall market volumes did not result in a corresponding growth in the overall brokerage revenue pool.

Total consolidated revenues for 2011 were 4257.62 Lacs & Profit after tax was 621.21 Lacs for 2011 relatively less as compared to 2010 due to some macroeconomic factors. Such as Increase in commodity and food prices leads to inflation which forced reserve bank of India to raise interest rates and adopt a tight monetary policy. Raising Interest rates from RBI affects the Short term liquidity as well as cost of capital of short term funds. The economic environment became challenging in all the major securities markets where we operated.

Our Company is going for an Initial Public Offering (IPO) in the month of July 2011 with an object of investing in long term working capital and our subsidiary, which will be helpful to strengthen company cliental base and enhance our reach across the Pan India network.

Having at glance at future, we foresee tremendous opportunities, offered by our booming economy. Going forward, our efforts would be to help you tap these opportunities and meet your financial needs. Financial Services industry is growing by leaps and bounds. Your Company has also identified various areas and focussed on the growing segments within the financial Services Industry. The necessary steps in terms of identification of business verticals and development of the dedicated focussed team on the vertical has been developed by your Company.

Closing a challenging year, I am grateful to our Board of Directors for their support & guidance. I am also thankful to our stakeholders Customers, employees, clients, bankers, business associates, vendors, shareholders and a government of India, who have reposed their trust and given us constant support.



Nagji K. Rita
Chairman & Managing Director

Inventure Growth & Securities Limited

Registered Office: Viraj Towers, 201, 2nd Floor, Near Landmark, Andheri Flyover, Western Express Highway,
Andheri - East, Mumbai - 400 069

Notice

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of Inventure Growth & Securities Limited will be held on Thursday, 7th July 2011, at 2nd Floor, Viraj Towers, Western Express Highway, Andheri - East, Mumbai - 400 069 at 5.00 pm. to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011, the Profit & Loss Account for the year ended as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a director in place of Shri Srinivasaiyer Jambunathan, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Vinod K. Shah, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To re-appoint M/s PHD and Associates, Chartered Accountants, Mumbai, having ICAI registration no. 111236W as the Auditors of the company and to authorise the Board of Directors to fix their remuneration.

By order of the Board of Directors

For Inventure Growth & Securities Limited

Bhavi Gandhi

Company Secretary

Date: 06th July, 2011

Place: Mumbai

Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
- 2) Company has fixed 7th July 2011 (Date of AGM) as the 'Record Date' for ascertaining entitlement to the dividend for the year ended 31st March, 2011.
- 3) Members are requested to notify any change in their address.
- 4) Members/Proxies are requested to bring their attendance slips duly completed for attending the Meeting.
- 5) Members desiring any information as regards to accounts are requested to write to Company at an early date so as to enable to management to keep the information ready at the meeting.

Directors' Report

To,
The Members,

Your Directors have pleasure in presenting the Sixteenth annual report together with the audited accounts of your Company for the year ended March 31, 2011.

FINANCIAL RESULTS

Particulars	(Rs. In Lacs)	
	For the year ended	
	March 31, 2011	March 31, 2010
Gross Income	3614.70	4040.72
Profit Before Depreciation, Interest & Tax	1415.79	2013.62
Less: Depreciation	121.95	114.35
Interest	477.59	375.28
Profit Before Tax	816.25	1523.99
Provision for Tax	265.00	498.00
Deferred Tax	(2.63)	15.64
Net Profit	553.88	1010.35
Add: Profit brought forward from earlier years	171.26	222.83
Profit available for appropriation	725.14	1233.18
Appropriations		
Proposed Dividend	140.00	140.00
Dividend Tax	22.71	21.92
General Reserve	300.00	900.00
Balance carried to Balance sheet	262.43	171.26
Basic and Diluted Earning Per Share	3.96	7.22

- Figures regrouped where necessary.

Share Capital

During the year, Authorised Share Capital of the Company is Rs. 25 Crores.

Dividend

Your Directors recommend dividend of Re. 1/- (Rupee One only) per share of face value Rs.10/- each for the year ended 31st March 2011.

Initial Public Offer (IPO)

The Company has decided to make Public Issue of 70,00,000 Equity Shares of Rs. 10/- each for cash through 100% Book Building Process, at a price to be determined by the Book Building Process. The Issue constitutes 33.33% of the fully diluted post-issue paid-up capital of our Company.

The Draft Red Herring Prospectus (DRHP) was approved by the Board in their Meeting held on 1st July 2011. The same will be filed by our Merchant Banker - Intensive Fiscal Services Private Limited with Securities and Exchange Board of India (SEBI).

Review of Operations

During the year, the Company has achieved a Turnover of Rs. 93,290.78 Crores in terms of volume in the Capital Market, Future & Option and Currency Derivatives Segments of Bombay Stock Exchanges Ltd., National Stock Exchange of India Ltd. and MCX Stock Exchange Ltd.

Gross Brokerage and Commission Income decreased by at 3.69 % to Rs.2,331.56 Lacs. Total Income from Operations decreased by 25.57% to Rs. 2,429.20 Lacs.

Profit after Tax (PAT) for the year was Rs.553.88 Lacs as against Rs. 1010.36 Lacs in previous year.

Detailed information on operational and financial performance is given in the Management Discussion and Analysis Report, which is annexed to the Directors Report.

Future Outlook

In July 2011, the sensex has reached 19000 level. The future trend for the Capital Market is Positive.

The key risks for our markets are higher interest rates triggered by rise in inflation and global uncertainties on monetary and fiscal tightening. Any sharp interest rate hike in U.S and in India, could trigger the anticipated correction.

Hence the rally is likely to continue, optimism needs to be backed by higher earnings visibility for the year 2011 and also earnings upgrades. We can expect market gains to be moderate after a strong 2010.

New Lines of Business

In view of the current financial scenario and assuming the same scenario extrapolates in the future, The Company intends to launch a Merchant Banking Division which will be independent of the current operations of the Company and will be headed and managed by Industry experts.

The Company has received Certificate of Registration as a Portfolio Manager from Securities and Exchange Board of India on 30th April, 2010.

The Company has also got Membership in the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

The Company has recently started Training Centre for imparting training to the students on different Segments of Capital Market.

Deposits

During the period under review, your Company has not accepted/renewed any deposits within the meaning of Section 58A of the Companies Act, 1956, and the rules thereunder.

Subsidiary Companies

As at March 31, 2011, the Company has following Subsidiary Companies:

Inventure Finance Private Limited	- Non- Banking Financial Company registered with Reserve Bank of India (RBI) and classified as Investment Company
Inventure Commodities Limited	- Registered member of MCX, NCDEX, NSEL and NMCE - dealing in commodities. The Company undertakes commodity broking activities.
Inventure Wealth Management Limited	- The Company deals into providing investment advisory services, financial planning and distribution of structured products, debt products, fixed deposits and mutual funds to HNI and retail clients.
Inventure Insurance Broking Private Limited	- The Company has a team of IRDA certified advisors who cater the varied needs of customers in both life and general insurance space offered by major insurance companies in India.

Financial Statements of Subsidiary Companies

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. The Company will make available the Annual 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 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.

Directors

Shri Srinivasaiyer Jambunathan and Shri Kanji B. Rita retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Committees of the Directors of the Company

The Company has formed following Committees of the Directors in pursuance of the provisions of Corporate Governance:-

(1) Audit Committee (2) Remuneration/ Compensation Committee (3) Shareholders' / Investors' Grievance Committee (4) IPO Committee

The details of their constitution and other particulars are detailed in the portion of "Corporate Governance" forming part of this Annual Report.

Directors' Responsibility Statement

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

- (a) In the preparation of the annual accounts for the year ended March 31, 2011, the applicable accounting standards read with requirements set out under Schedule VI of the Companies Act, 1956, have been followed and there are no material departures from the same;
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of March 31, 2011 and of the profit or loss of the Company for the year ended on that date;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) The directors have prepared the annual accounts of the Company on a going concern basis.

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

The requirement of disclosure, in terms of Sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to the steps taken for conservation of energy and technology absorption is not applicable to the Company as the Company does not own any manufacturing facility.

Foreign Exchange Earning and Outgo

(Rupees in Lacs)

		Current year	Previous year
1	Foreign Exchange earned	NIL	NIL
2	Foreign Exchange outgo	NIL	NIL

For and on Behalf of the Board of Directors

Nagji K. Rita

Chairman & Managing Director

Date:

Place: Mumbai

Registered Office:

201, 2nd Floor, Viraj Towers,
Near Landmark,
Western Express Highway,
Andheri – East,
Mumbai – 400 069.

Brief particulars of Directors who will be retiring by rotation at the Annual General Meeting:

Name	Shri Vinod K. Shah	Shri Srinivasaiyer Jambunathan
Date of Birth	28 th February 1958	5 th January 1938
Date of Appointment	27 th June, 1995	29 th July, 2008
Qualifications	Chartered Accountant	IAS (Retired)
Directorship held in other Companies	<ul style="list-style-type: none"> • Inventure Wealth Management Limited; • Nirmal Ploy Plast Private Limited; • Bob Berry Fashion Private Limited; • Euro Multi Vision Limited; and • Inventure Insurance Broking Private Limited. <p><i>Partnership Firms</i></p> <ul style="list-style-type: none"> • M/s. Ratan Poly Plast; • M/s. Parshawa Associates; and • M/s. Platinum Reality 	<ul style="list-style-type: none"> • Calyx Chemicals and Pharmaceuticals Limited • First Policy Insurance Advisory Private Limited • Halios & Matheson, North America, New York • Patel
Brief Profile covering experience achievements etc.	<p>Mr. Vinod K. Shah, 53 years, is the Non Executive Director of our Company. He is one of the founder members of our Company and has been with us as a Director since the time of incorporation. He started his career as a director with Nirmal Poly Plast Private Limited which is engaged in the business of manufacture and export of plastic house-ware. He has diversified business interests in the areas of polymers, textiles, plastic multi-products and realty. He looks after overall management of Nirmal Poly Plast Private Limited which involves accounting, finances, marketing and exports.</p>	<p>Mr. Srinivasaiyer Jambunathan, 73 years, is a Non Executive and Independent Director of our Company. He is a gold medallist in Mathematics from Madras University. He is an officer of Indian Administrative Service, 1960 Batch. He has been a member of the Board of Directors of the Bombay Stock Exchange Limited for a period of six years and has further served as a Non Executive Chairman for three years.</p>
Shares held in the Company	7,20,000 Equity Shares of Rs.10/- each	Nil

Annexure 'A' to the Directors' Report

CEO/CFO CERTIFICATION

To,
The Board of Directors,
Inventure Growth & Securities Limited

We, Nagji K. Rita, Chairman & Managing Director, and Arvind J. Gala, Chief Financial Officer, responsible for the finance function, certify that:

- (a) We have reviewed the financial statements, read with the cash flow Statement of Inventure Growth & Securities Limited for the year ended 31st March, 2011 and that to the best of our knowledge and belief, we state that;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations including provisions of Companies Act, 1956.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have not noticed any deficiency that needs to be rectified or disclosed to the Auditors and the Audit Committee.
- (d) During the year under reference-
- (i) there were no significant changes in the internal control over financial reporting
 - (ii) no significant changes in accounting policies were made that require disclosure in the notes to the financial statement; and
 - (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Mumbai,
Date: 30th June 2011

Arvind J. Gala Nagji K. Rita
Chief Financial Officer Chairman & Managing Director

Management Discussion and Analysis

The Management of Inventure Growth & Securities Ltd. ("IGSL") is pleased to present its Analysis Report. The Report contains expectations of Company's business based on the current environment. However, the unforeseen and uncontrollable external factors may alter the expectations.

Industries Overview

Economic Overview:-

In the past year, the Indian as well as the global economy has witnessed a very high degree of uncertainty and volatility due to the subprime crisis that emerged in the USA and snowballed into Global Recession. Despite sound fundamentals and no direct exposure to the sub-prime assets, India was affected by global financial crisis reflecting increasing globalisation of the Indian economy. However, there is some inherent strength within the Indian economy, which has spawned the idea of recovery from the global economic crises. The presence of a large domestic population, along with the increase in its per capita income on the back of sustained economic growth over the past few years has provided enough of a demand stimulus to ensure continued economic growth for India. Further, a strong saving and investment rate contributed towards shortening the length and severity of the current slowdown, and also towards a faster revival. The policy response by the Government has been swift. While fiscal stimulus cushioned the deficiency in demand, monetary policy augmented both domestic and foreign exchange liquidity. At present, the focus around the world and also in India has shifted from managing the crisis to managing the recovery. The key challenge relates to the exit strategy that needs to be designed, considering that the recovery is as yet fragile but there is an uptick in inflation, though largely from the supply side, which could engender inflationary expectations.

OPPORTUNITIES

In the coming years, the Company foresees consolidation as inevitable in all segments across the industry in order to achieve economies of scale and capture all potential revenues. This consolidation shall weed out weaker players and help emerge large to medium sized companies. Exploring this possibility, the Company is in the process of expansion.

The Company has also started a training division to impart the training to the students in the subjects relating to Capital and Financial Market. This will also have a positive impact on the Company's revenue in future.

The Company has embarked upon the process to strengthen its business with the objective to protect existing revenue, create new ones and project higher profit margins. Adding new high net worth clients would be the main aim of the Company.

To hedge against the growing competition in the industry, our Company is planning to set up new business locations all over India and register more Business Associates.

The Company's vision in the business is to meet the expectations of its clients and to deliver best services to them. With expansion process, our Company shall have a broad based position in the broking and finance industry which will continue to grow and add value to the Company.

The Company's quality processing, strategic location, prompt and professional service standards and unflinching dependability enables its clients to add value by saving on time, costs and opportunities. Besides, its strengthened relationship, focused service culture and organizational strength are some means to manage the risks effectively.

We accept, attract and retain the best talent through the ongoing initiatives. The talent utilization is supplemented by a shared responsibility which leads to accuracy in performance.

**Business Outlook:-
Our business streams**

Business Stream	Primary products and services
Broking & Distribution Wealth Management	<ul style="list-style-type: none"> • Equity (cash and derivatives) and commodity broking • Distribution of financial products like Mutual Funds, PMS, IPO and Insurance • Financing • Depository services
Institutional Broking	<ul style="list-style-type: none"> • Equity (cash and derivatives) broking • Advisory
Asset Management	Portfolio Management Services

Institutional Broking

We offer Institutional Broking services in cash and derivatives segment to a large institutional clientele in India and abroad. These clients include mutual funds, banks, financial institutions, insurance companies, and FIIs. Our Company provides research services on both fundamental and technical side. Our Company employs a blend of chartered accountants and management graduates who track economy, industries and companies on a regular basis. The purpose of our research is to identify money-making opportunities for the clients without exposing them to unwarranted risk. We focus on providing in-depth insightful research that is timely and valuable to clients. Our support team provides robust research deliverables that are in many cases serve as the basis for buy-hold-sell decisions. Our research team comprises of Head Institutional Sales, Research Analysts and Technical Analysts. Our research team covers companies in various sectors and analyses the Indian and global economy in order to identify potentially wealth-creating equity investment ideas. Our research desk offers reports to our Institutional Clients.

Despite the global crisis and fall in foreign investments, India is still one of the favored destinations for equity investments with an increasing number of FII registrations year-on-year. We believe that the two key differentiators for players competing in this space would be the strength of research and advisory support coupled with best execution platforms.

Our strong clientele base spread across the globe and our constant endeavor to provide best in-class research, advice and execution support will also help us to tap emerging opportunities and gain higher market share across all the institutional client segments.

Our Company provides research services on both fundamental and technical side. Our Company employs a blend of chartered accountants and management graduates who track economy, industries and companies on a regular basis. The purpose of our research is to identify money-making opportunities for the clients without exposing them to unwarranted risk. We focus on providing in-depth insightful research that is timely and valuable to clients. Our support team provides robust research deliverables that are in many cases serve as the basis for buy-hold-sell decisions. Our research team comprises of Head Institutional Sales, Research Analysts and Technical Analysts. Our research team covers companies in various sectors and analyses the Indian and global economy in order to identify potentially wealth-creating equity investment ideas. Our research desk offers reports to our Institutional Clients

Risk Management:

The Company is bound to undertake risks as it capitalizes on several new opportunities. The Company ensures that the risks it assumes are commensurate with returns. For this purpose, we manage the risks associated with our broking operations through the fully automated risk management software which allows us to view the online Mark to Market (MTM) losses of the clients.

The Company has created a dedicated Surveillance Department which is being monitored by Chairman and Managing Director along with other professional manpower to further strengthen the Risk Management System of the company.

Besides this other risk identified by the company are as follows

Competition Risk

This risk arises from more players wanting a share in the same pie. Competition, despite an unprecedented bear market last year, has further intensified with new entrants and some incumbents opportunistically expanding their presence while the larger ones went into consolidation. Inventure has generated considerable goodwill in the market.

Regulatory Risk

A violation of, or non-compliance with regulatory norms, which change frequently to keep pace with the dynamic external environment, could stagger the Company's growth and tarnish its goodwill. Inventure is very serious about its compliance commitment and maintains the highest level of compliance, recognizing that business must not only serve the interest of the customer but also function well within the established guidelines of the various regulatory authorities for responsible and profitable growth.

Human Resource Risk

This risk arises from being exposed to the vagaries of the work force. Staff attrition and the rising demand for experienced and qualified personnel puts upward pressure on employee costs. Attracting, training and retaining the best talent are thus, one of the primary objectives of the Company. Inventure is putting unremitting efforts to employ professionally qualified personnel at different levels of the administration and has implemented several policies to motivate its employees.

Technology Risk

In this technology intensive environment, the speed of trade execution, reliability of access and delivery of service are critical. Any disruption of service could affect clients and the Company.

Over the years, the Company has invested significantly in state-of-the-art technology to enhance existing systems and networks. Inventure has strong IT operations and support systems and highly qualified IT professionals. The Company believes in using the best available technology to provide superior front-end systems and strong back-end platforms. Servers and IT support centres are geographically well distributed to provide instant customer support and enhance risk management in trading networks. To achieve the least down time, Inventure ensures redundancy at all possible levels.

External attacks like virus, spyware, malware, spoofing, intrusion as well as hardware, firmware and operating system related bugs are a concern for the Company but are taken care of on a regular basis. Inventure ensures multiple backups of data and each activity logs in the front-end as well as the back-end system applications for better and faster resolution of errors and reduction of risk.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Keeping in mind, the important role of internal audit, the Company has appointed M/s. Shah & Ramaiya, Chartered Accountants as Internal Auditors to examine the adequacy and the compliance with statutory requirements. It also evaluates the Company's risk management system and suggests risk mitigation measures for all key operations of the Company. The Internal auditors are submitting their reports periodically which are placed before the Audit Committee. The suggestions given by the Internal Auditors are implemented by the Company for the improvement of systems and procedures.

The Company has in place adequate internal controls which are capable of providing assurance regarding the effectiveness and efficiency of operations. The internal controls also ensure the adequacy of safeguards for assets, the reliability of financial controls and compliances with applicable laws and regulations.

The Company has implemented sufficient systems to ensure that assets are safeguarded against loss from unauthorized use of disposition and that transactions are authorized, recorded and are properly reported. The Company continuously upgrades its systems in line with the best available practices.

RESULTS OF OPERATIONS

The following tables set forth, for the periods indicated, IGSL's profit and loss account, both in absolute terms and with each line item represented as a percentage of total income.

Particulars	Year ended 31 st March, 2011		Year ended 31 st March, 2010		Increase/ (Decrease) %
	(Rs. in Lacs)	% of Total Income	(Rs. in Lacs)	% of Total Income	
Income					
Income from Operations	2,429.20	67.20%	3,263.95	80.78%	(25.57%)
Other Income	1,185.50	32.80%	776.77	19.22%	52.62%
Total Income	3614.70		4,040.72		(10.54%)
Expenditure					
Personnel Expenditure	661.23	18.29%	475.79	11.77%	38.98%
Operating Expenditure	1,537.67	42.54%	1,551.30	38.39%	(0.88%)
Interest & Financial Charges	477.59	13.21%	375.28	9.29%	27.26%
Depreciation/Amortization	121.95	3.37%	114.35	2.83%	6.65%
Total Expenditure	2,798.45	77.42%	2,516.73	62.28%	11.19%
Profit Before Tax (PBT)	816.25	22.58%	1,523.99	37.72%	(46.44%)
Current Tax	265.00	7.33%	546.87	13.53%	(51.54)
Deferred Tax Liability/(Asset)	(2.63)	0.07%	15.64	0.39%	(83.18%)
Fringe Benefit Tax	-	-	-	-	-
Tax Adjustment of earlier Years	-	-	-	-	-
Profit After Tax (PAT)	553.88	15.32%	1,010.35	25.00%	(45.18%)

During the current year PAT has decreased by nearly 45% compared to previous year due to the volatile conditions in stock market, which affected arbitrage income and overall trading volumes across the stock exchanges, resulting into a fall in PAT.

Revenue:

IGSL's income from operations consists mainly of brokerage income, arbitrage income and Depository income. The income from operations in the current year has fallen by 25% from corresponding previous year. The following table illustrates the break-up of IGSL's income from operations for the years ended March 31, 2011 and 2010, both in absolute terms and with each line item represented as a percentage of the total income.

Particulars	Year Ended 31 st March, 2011		Year Ended 31 st March, 2010		Increase/ (Decrease) %
	(Rs. in Lacs)	% of Total Income	(Rs. in Lacs)	% of Total Income	
Income From Operational Activities					
Brokerage and Commission Income	2,331.56	64.50%	2,420.95	59.91%	(3.65%)
Arbitrage Income	(9.75)	(0.27%)	757.79	18.75%	(98.71%)
Depository Income	107.39	2.97%	85.20	2.11%	26.04%
Total Income From Operational Activities	2429.20	67.20%	3,263.95	80.78%	(25.57%)

Brokerage and Commission Income:

Income from stock broking business is one of its principal sources of income for IGSL, which comprises revenues earned from equities and derivatives traded on the stock exchanges. Income from brokerage and commission constituted 64.50% of total income for the year ended March 31, 2011 and 59.91% for the year ended March 31, 2010.

The income from brokerage services is driven principally by the number of active clients, market volume and underlying share price movement. Client growth has been a significant driver of revenue growth in IGSL's broking business. Growth in total client numbers has been driven primarily by increased geographical presence, enhanced online services and enhanced trade and execution teams. However the volatile and adverse stock market conditions have resulted in lower Brokerage and Commission Income for the current year.

Arbitrage Income:

IGSL's income from its Arbitrage is another of its principal source of income and comprises revenues earned from equities traded on the exchanges. Income from Arbitrage constituted (0.27%) of total income for the year ended March 31, 2011, 18.75% for the year ended March 31, 2010. The marginal loss of Rs. 9.75 lacs from arbitrage activities was sustained on account of volatile stock market conditions, especially in the F&O segment, prevailing during FY 2011.

Depository Income:

IGSL is a depository participant with CDSL and offers depository services to its retail broking clients as a value-added service. This income constitutes an annual maintenance fee and a transaction-based charge for transactions undertaken by IGSL's depository clients. The increase of 26% in Depository Income y-o-y is primarily due to increase in the client base.

Other Income:

Other income is comprised primarily of interest income and profit on sale of investments. Interest income is derived principally from interest earned on bank deposits made for Overdraft Facility from various banks and to support bank guarantee facilities required in connection with IGSL's activity on the stock exchanges.

IGSL makes short-term investments as a part of its working capital management by deploying surplus funds in mutual funds. Further, IGSL has also investments in equity shares. IGSL derives income from dividends and profit on sale of investments in the mutual funds and equity shares.

The following table sets out IGSL's other income for the years ended March 31, 2011 and 2010, both in absolute terms and with each line item represented as a percentage of total income:

Particulars	Year Ended 31 st March, 2010		Year Ended 31 st March, 2009	
	(Rs. in Lacs)	% of Total Income	(Rs. in Lacs)	% of Total Income
Profit on Sale of Investment	-	-	6.31	0.16%
Dividend Income	14.82	0.41%	8.50	0.21%
Interest Income	597.28	16.52%	456.91	11.31%
Other Misc. Income	573.40	15.86%	305.05	7.55%
Total other Income	1185.50	32.80%	776.77	19.22%

Expenditure

IGSL's expenses consist of Personnel expenses and operating and administrative expenses.

Personnel Expenditure

Personnel Expenditure includes salaries, bonus, ex-gratia payments, directors' remuneration and contributions to provident, ESIC and other funds. Personnel expenditure has increased due to due to rationalisation of salaries and benefits and recruitment of new employees at various levels in the organisation to strengthen the expansion plans of the company. Staff costs have grown as a percentage of total revenue, being 18.29% for the year ended March 31, 2011 and 11.77% for the year ended March 31, 2010.

Operating & Administrative Expenditure

The principal components of IGSL's operating expenses are transaction charges, Securities Transaction Tax, stamp duty, Stock Exchange Expenses, Contribution to Exchange Funds and Depository Charges. These expenses pertain directly to the number and size of transactions carried out by IGSL on behalf of its clients.

The principal components of administrative expenses relate to costs associated with marketing and branding, leasing Business Locations, legal and professional charges and other administrative expenditure.

Comparison of Results for the Year Ended March 31, 2011 and for the Year Ended March 31, 2010

Operating Income

Our operating income decreased by 25.57% from Rs. 3,263.95 lakhs in the year 2009-10 to Rs. 2429.20 lakhs in the year 2010-11 primarily due to market inflation which affected the overall trading volumes across the stock exchanges resulting into a rise in our operating income.

Other Income

Our other income increased by 52.62% from Rs. 776.77 lakhs in the year 2009-10 to Rs. 1185.50 lakhs in the year 2010-11 mainly on account of increase in interest on fixed deposits with banks, delayed payment charges received from clients and addition of new revenue stream from training and web designing activities.

Personnel Expenses

Our personnel expenses increased by 38.98% from Rs. 475.79 lakhs in the year 2009-10 to Rs. 661.23 lakhs in the year 2010-11 primarily due to rationalisation of salaries and benefits and recruitment of new employees at various levels in the organisation to strengthen the expansion plans of the company.

Operating and other Expenses

Our operating and other expenses decreased by 0.88% from Rs. 1,551.30 lakhs in the year 2009-10 to Rs. 1,537.67 lakhs in the year 2009-10. Our direct operating expenses such as payment to Business Associates, stock exchange expenses, SEBI turnover charges, STT, depository charges etc. decreased in line with our decrease in operating income.

Interest and Finance Charges

Our interest and financial charges increased by 27.26% from Rs. 375.28 lakhs in the year 2009-10 to Rs. 477.59 lakhs in the year 2010-2011 primarily due increase in banking facilities availed, bank charges and commission paid for bank guarantees for margin with stock exchanges.

Depreciation

Our depreciation expenses increased by 6.65% from Rs. 114.35 lakhs in the year 2009-10 to Rs. 121.95 lakhs in the year 2010-11 primarily due to additions of fixed assets such as furniture, office equipments and computers at our corporate office.

Taxation

Our provision for taxation had decreased by 51.54% from Rs. 546.87 lakhs in the year 2009-10 to Rs. 265.00 lakhs in the year 2010-2011 primarily due to decrease in operating income and consequent decrease in net profit.

Net profit after tax

Principally due to reasons described above, net profit after extraordinary items, as restated decreased by 45.18% from ` 1,010.35 lakhs in the year 2010 to ` 553.89 lakhs in the year 2011

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

IGSL's primary requirements have been to finance its working capital needs and capital expenditure. IGSL requires working capital to meet its requirement for funds in connection with payments to be made in the ordinary-course of its business. The major portion of IGSL's working capital is deployed in fixed deposits placed with banks to obtain guarantees so that IGSL can obtain appropriate levels of trading exposure on the exchanges. This requirement fluctuates on a regular basis depending on trading volumes. To fund these requirements, IGSL currently relies principally on cash flows from operations. In the past, IGSL has also relied on short-term credit or overdraft facilities from banks to meet such margin requirements.

Cash Flows

The following table summarizes IGSL's cash flows for the years ended March 31, 2010 and 2009:
(Rs. in Lacs)

Particulars	Year Ended 31 st March, 2011	Year Ended 31 st March, 2010
Net Cash From/ (Used) from Operating Activity	(1,523.52)	3,713.70
Net Cash From/ (Used) from Investing Activity	120.27	(2,621.35)
Net Cash From/ (Used) from Financing Activity	651.98	(539.54)
Net Increases / (Decrease) in Cash & Cash equivalent	(751.27)	552.40
Cash and Cash Equivalents as at beginning	822.28	269.86
Cash and Cash Equivalents as at end	71.01	822.28

Review of Assets and Liabilities

Fixed Assets

Fixed assets include:

- Gross block, which is mainly comprising of office premises, equipment and related assets.

The following table illustrates IGSL's fixed assets as at March 31, 2010 and March 31, 2009:

(Rs. in Lacs)

Particulars	As at 31 st March, 2011	As at 31 st March, 2010
Gross Block	2,022.24	1,950.17
Less: Depreciation /Amortization	665.29	543.34
Net Block	1,356.95	1,406.83

IGSL's fixed assets have decreased from 1,406.83 lakhs at March 31, 2010 to 1,356.95 lakhs at March 31, 2011.

Investments

Investments principally comprise:

- Long-term investments, in fully paid up equity shares of various quoted and unquoted companies and Debt and Equity Schemes of various Mutual Funds.
- Current investments, in Liquid Fund Schemes of various Mutual Funds related to investment of short-term surplus working capital.

Investments are classified as either current or long term based on management's intention at the time of purchase:

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2011	As at 31 st March, 2010
Long Term investments	2,782.32	782.32
Short Term Investments	-	-
TOTAL	2,782.32	782.32

Current Assets, Loans and Advances

Current assets, loans and advances typically fluctuate on a day-to-day basis, depending, inter alia, on our trading volumes.

Current assets, loans and advances mainly comprise of:

- Sundry debtors, which relate to amounts receivable from the clients on whose behalf we undertake the trade as well as amounts receivable from the exchanges.
- Stock-in-trade, which represents shares held by IGSL in connection with its arbitrage business.
- Cash, bank and Fixed Deposit balances.
- Loans and advances, deposits, loans given to subsidiaries and advance tax.

The following table sets out details of IGSL's sundry debtors as at March 31, 2011 and March 31, 2010:

Particulars	(Rs. in Lacs)	
	As at 31 st March, 2011	As at 31 st March, 2010
Debts Outstanding for a period exceeding six months		
Considered good	662.73	208.37
Doubtful debts	-	-
Less: Provision for doubtful debts	-	-
Other Debts	5,657.16	4,394.60
Total Debtors	6,319.89	4,602.97

As at March 31, 2010, IGSL's cash and bank balances were Rs. 5,366.27 Lacs, of which Rs. 5,295.26 Lacs were in fixed deposits and Rs. 65.99 Lacs in current accounts with banks. The fixed deposits are the deposits placed with banks in connection with guarantees issued to the exchanges and overdraft facilities granted by these banks.

The following table sets out the details of IGSL's Loans & Advances as at March 31, 2011, and March 31, 2010:

(Rs. In Lacs)

Particulars	As at 31 st March, 2011	As At 31 st March, 2010
Advances to Subsidiary	22.31	1,985.75
Loans, advances and deposits recoverable in cash or in-kind or for value to be received	217.08	329.81
Deposits	393.66	242.76
Advance and prepaid taxes (Net)	245.69	248.31
Total	878.74	2,806.63

Current Liabilities and Provisions

Current liabilities and provisions principally consist of margin monies deposited by the clients with IGSL to facilitate trading on their behalf and amounts payable to the clients on whose behalf IGSL undertakes trades as well as amounts payable to the exchanges. Provisions include provisions for Defined Benefit (Gratuity) to employees, Proposed Dividend and Corporate Dividend Tax payable thereon.

The following table sets out the details of IGSL's current liabilities and provisions as at March 31, 2011 and March 31, 2010:

(Rs. in Lacs)

Particulars	As at 31 st March, 2011	As At 31 st March, 2010
A) Current liabilities		
Bank overdraft accounts	1,763.79	353.70
Sundry creditors	19.84	15.45
Due to clients	2,089.15	1,519.25
Security deposits	4,409.45	5,342.34
Other liabilities	41.67	53.06
Total (A)	8,323.90	7,283.80
B) Provisions		
Proposed dividend	140.00	140.00
Corporate dividend tax	22.71	21.92
Employees defined benefit (Gratuity)	25.62	21.11
Total (B)	188.33	183.03
TOTAL (A+B)	8,512.23	7,466.83

Secured Loans

Secured loans consist of loans taken from Banks/Financial Institutions for purchasing the office premise and Motor Vehicles. As at March 31, 2011, the outstanding secured loans of IGSL were Rs. 903.92 lacs.

Contingent Obligations:

As at March 31, 2010, IGSL had contingent obligations not provided for on account of the following accounts:

(Rs. in Lacs)

Particulars	As at 31 st March, 2011	As at 31 st March, 2010
Guarantees given by banks in respect of capital adequacy, daily margin and other contractual commitments for which IGSL has given counter-guarantees	5,515.00	7,150.00
Demand in respect of taxation under appeal	58.56	58.56
Bank Guarantee given for Subsidiary, Inventure Commodities Ltd.	250.00	250.00
Total	5,823.56	7,458.56

IGSL's principal contingent obligations relate to guarantees given by banks to exchanges in the ordinary course of business in respect of IGSL's capital adequacy, daily margin and other contractual commitments for which IGSL has provided counter-guarantees. The level of guarantees fluctuates on a regular basis in connection with IGSL's trading and broking activity and the related requirements in respect thereof.

RISKS AND CONCERNS

In the course of conducting business operations, the Company is exposed to a variety of risks that are inherent to the industry it operates in.

The major risk involved in the Capital and Financial Markets is the global financial crisis which affects the overall trading volumes across the stock exchanges. Any slowdown in the economy, in India or in other major countries will have an inevitable impact on the Company's prospects for growth. The risks and uncertainties could affect the Company's ability to achieve its targeted growth.

RISK MANAGEMENT SYSTEM

We manage the risks associated with our broking operations through the fully automated risk management software which allows us to view the online Mark to Market (MTM) losses of the clients.

The Company has created a dedicated Surveillance Department with professionals to further strengthen the Risk Management System of the company.

OPPORTUNITIES

In the coming years, the Company foresees consolidation as inevitable in all segments across the industry in order to achieve economies of scale and capture all potential revenues. This consolidation shall weed out weaker players and help large to medium sized companies to emerge. Exploring this possibility, the Company is in the process of expansion.

The Company has already provided on-line trading system to its clients through internet. Recently, the Company has got certificate of registration as a Portfolio Managers from SEBI. The Company has also got membership in the Wholesale Debt Market Segment of The National Stock Exchange of India Limited. This will strengthen the Company's ability to compete with other dominant players in the Capital Market.

The Company has also started a training division to impart the training to the students in the subjects relating to Capital and Financial Markets. This will also have a positive impact on the Company's revenue going forward.

The Company has embarked upon the process to strengthen its business with the objective to protect existing revenue, create new ones and project higher profit margins. Adding new high net worth clients would be the main aim of the Company.

To hedge against the growing competition in the industry, our Company is planning to set up new business locations all over India and register more Business Associates.

The Company's vision in the business is to meet the expectations of its clients and to deliver best services to them. With expansion process, our Company shall have a broad based position in the broking and finance industry which will continue to grow and add value to the Company.

The Company's quality processing, strategic location, prompt and professional service standards and unfailing dependability enables its clients to add value by saving on time, costs and opportunities. Besides, its strengthened relationship, focused service culture and organizational strength are some means to manage the risks effectively.

We accept, attract and retain the best talent through the ongoing initiatives. The talent utilization is supplemented by a shared responsibility which leads to accuracy in performance.

Industry data

The financial services sector in India has witnessed a fundamental transformation since the country was liberalised. India, in the last few years, has emerged as the one of the most rapidly growing economies across the globe. The financial services market is growing rapidly, and there is significant potential for further growth. The financial services sector includes broking firms, investment services, national banks, private banks, mutual funds, car and home loans, and equity market

Financial Services in India - Key Drivers

- India's high savings rate offers significant opportunity to put resources into the financial markets. The country has a favourable demographic profile with a large segment of the population under 30 years. The Census 2011 shows that 56.9 per cent of India's total population comes in the age group 15-59 years. The country will witness a sharp decline in the dependency ratio over the next thirty years – which will be a great dividend. As the dividend begins to pay off, with the working age-group population rising disproportionately over the next two decades, the savings rate is likely to rise further
- A large, untapped domestic market, with a huge growth potential
- Presence of financial and capital market mechanisms
- A large and continuously growing intellectual capital
- Healthy rate of economic growth

Stock Markets

- The Indian equity markets are among the most deep and active markets across the globe.
- The country's market capitalisation (cap)-to-GDP ratio, an indicator of the total listed wealth of a country as a percentage of its GDP, reached a record level of 132.47 per cent in financial year 2010-11 from 23.28 per cent in 2002-03.
- The country's market capitalisation as a proportion of the world market cap was 2.8 per cent as on June 28, 2011.

Financial Services - Road Ahead

Demand for financial services in India is taking off. Noteworthy is the fact that International financial institutions are playing an increasing role in the expansion of India's large corporations. Great opportunity lies in the SME segment, which remains largely untapped. On the retail side, India already has more middle-class people on a purchasing power parity basis than the entire population of the US, and a consumer credit market that is rising by more than 40 per cent per annum. The sector has huge growth potential, and with government considering steps to liberalise it further, the sector can be one of the most significant ones for the growth of the Indian economy.

A Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

Transparency, integrity, professionalism and accountability are the cornerstones of Inventure Growth & Securities Limited value system. These guide the Company's management in all respect of business conduct, and in creating value for all its stakeholders, including its shareholders, customers, employees and the community in which it operates.

The Company believes that sound Corporate Governance Policy is critical to enhance and retain investors' trust.

Composition of the Board of Directors

The Board is headed by the Executive Chairman. As on the date, the Board of Directors of the Company consists of ten directors.

Name of the Director	Category of Directorship	No. of Equity Shares of Rs. 10 each held
Shri Nagji K. Rita	Chairman & Managing Director	42,01,940
Shri Virendra Singh	Whole Time Director	10,65,000
Shri Kanji B. Rita	Non-executive Director	16,30,000
Shri Pravin N. Gala	Non-executive Director	11,20,000
Shri Vinod K. Shah	Non-executive Director	7,20,000
Shri Harshawardhan M. Gajbhiye	Independent Director	-
Shri Srinivasaiyer Jambunathan	Independent Director	-
Shri Arun N. Joshi	Independent Director	-
Shri Ajay Khera	Independent Director	-
Shri Deepak M. Vaishnav	Independent Director	-

Meetings of the Board

The Board met Five times during the year under review on 12th April 2010, 28th June 2010, 17th September 2010, 18th December 2010 and 4th March 2011.

The attendance of each Director at the Board Meetings held during the year under review and last Annual General Meeting held on 7th July 2011 is as under:-

Name of the Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 24 th July, 2010	Directorship in Other Companies
Shri Nagji K. Rita	5	Yes	6
Shri Virendra Singh	5	Yes	5
Shri Kanji B. Rita	4	Yes	8
Shri Vinod K. Shah	3	Yes	5
Shri Pravin N. Gala	4	Yes	5
Shri H.M. Gajbhiye	4	No	3
Shri S Jambunathan	4	No	5
Shri Arun N. Joshi	5	No	-
Shri Ajay K. Khera	3	No	3
Shri Deepak M. Vaishanav	2	Yes	-

The Agenda papers for the consideration of the Board Meeting are circulated to the Directors in advance. The Managing Director, at the Board Meetings, keeps the Board apprised of the overall performance of the Company.

Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board Members and Senior Management Personnel of the Company.

Audit Committee

The Audit Committee Meetings were held three times during the year under review on 28th June 2010, 17th September 2010 and 18th December 2010

The attendance of each Director at the Audit Committee Meeting held during the period under review is as under:

Name of the Directors	Audit Committee Meetings Attended
Shri Harshawardhan M. Gajbhiye	3
Shri Srinivasaiyer Jambunathan	3
Shri Nagji K. Rita	3

The constitution, terms of reference and powers of the Audit Committee are in compliance with Clause 49 of the Listing Agreement relating to Corporate Governance and the provisions of the Companies Act, 1956. Major terms include overseeing the financial reporting process, reviews of financial statements and review of internal control systems. The Committee reviews internal audit reports and findings of the statutory auditors. The Committee also oversees major accounting policies, practices and transactions, compliances with accounting standards and other legal requirements concerning financial statements and related party transactions.

The Committee reviews the quarterly, half-yearly and annual financial statements before they are submitted to the Board of Directors for their consideration and approval.

Remuneration / Compensation Committee

The Remuneration / Compensation Committee has been constituted to formulate and recommend to the Board all elements of the remuneration package of the Managing Director and Whole time Director.

The attendance of each Director at the Remuneration / Compensation Committee Meeting is as under:-
Remuneration Committee Meeting was not held during the Financial Year.

Name of the Directors	Remuneration Committee Meeting Attended
Shri Srinivasaiyer Jambunathan	-
Shri Harshawardhan M. Gajbhiye	-
Shri Vinod K. Shah	-

Remuneration of Directors

Name of the Director	Sitting Fees (Rupees)	Remuneration (Rupees)
Shri Nagji K. Rita	-	18,00,000
Shri Virendra Singh	-	3,60,000
Shri Kanji B. Rita	10,000	-
Shri Vinod K. Shah	7,500	-
Shri Pravin N. Gala	10,000	-
Shri H.M. Gajbhiye	17,500	-
Shri S Jambunathan	17,500	-
Shri Arun N. Joshi	12,500	-
Shri Ajay K. Khera	7,500	-
Shri Deepak M. Vaishanav	5,000	-
Total Rs.	72,500	21,60,000

Shareholders' / Investors' Grievance Committee

The Committee was constituted on 24th December, 2009. There was no Meeting of Shareholders' / Investors' Grievance Committee during the year ended 31st March, 2011. The Shareholders' / Investors' Grievances Committee consists of following Director:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Ajay Khera	Chairman	Independent Director
Mr. Arun Joshi	Member	Independent Director
Mr. Nagji K Rita	Member	Chairman and Managing Director

The Shareholders'/Investors' Grievances Committee is formed with a purpose to oversee and review all matters connected with the securities transfers and also look into redressing of shareholders complaints like transfer of shares, non- receipt of annual reports/ dividends etc. The Committee will also oversee the performance of the Registrar and Transfer Agents and will recommend the measures for overall improvement in the quality of investor services.

Internal Auditors

M/s. Shah & Ramaiya, Chartered Accountants, Mumbai have been appointed as Internal Auditors of the Company for the year 2010-11.

General Body Meetings

The Details of the date, location and time of the last three Annual General Meetings held are as under.

Financial year	Date	Venue	Time
2009-10	24 th September, 2010	Viraj Towers, W.E. highway, Andheri (East), Mumbai- 400069	5.30 p.m.
2008-09	30 th September, 2009	Viraj Towers, W.E. highway, Andheri (East), Mumbai- 400069	5.30 p.m
2007-08	6 th September, 2008	Viraj Towers, W.E. highway, Andheri (East), Mumbai- 400069	3.00 p.m.

Special Resolution passed during the previous three Annual General Meetings

The Company has not passed any special resolution in the previous three Annual General Meetings described above.

Annual General Meeting

Day and Date : Thursday, 07th July, 2011
Time : 5.00 P.M.
Venue : Viraj Towers, Western Express Highway, Andheri (East),
Mumbai- 400 069.
Record Date : 7th July, 2011
Dividend Payment Date : 14th July, 2011

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai- 400 078.

Disclosures

The particulars of transactions between the Company and its related parties, as per the Accounting Standard 18 “Related Party Disclosures”, notified pursuant to Companies (Accounting Standard) Rules, 2006 (as amended), are set out in the Annual Report. However, these transactions are not likely to have conflict with the Company’s interest.

No strictures/penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years.

In the preparation of the Financial Statements, the Company has followed the Accounting Standard notified, pursuant to Companies (Accounting Standard), Rules, 2006 (as amended). The significant accounting policies which are consistently applied have been set out in the notes to the accounts.

For and on Behalf of the Board of Directors

Nagji K. Rita
Chairman & Managing Director

Date: 06th July, 2011
Place: Mumbai

Registered Office:
201, 2nd Floor, Viraj Towers,
Near Landmark,
Western Express Highway,
Andheri – East,
Mumbai – 400 069.

Auditor's Report to the Members of Inventure Growth & Securities Ltd.

- 1) We have audited the attached Balance Sheet of **Inventure Growth & Securities Ltd.** as at **31st March, 2011** and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the

- directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and 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:
- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) in the case of the profit and loss account, of the **Profit** for the year ended on that date;
 - (c) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date

For PHD & Associates
Chartered Accountants
(Firm Registration No. 111236W)

(D. V. Vakharia)
Partner
Membership No.: 46115
Place: Mumbai
Date : 6 July 2011.

**Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of
Inventure Growth & Securities Ltd.
on the accounts for the year ended 31st March, 2011**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets in respect of major items of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of its fixed assets.
- (ii) (a) The inventory being stock-in-trade of securities (all held in dematerialized form) has been verified during the year by the management with the holding certificates from the respective depositories. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the depository certificates and the book records.
- (iii) (a) The Company has granted loans and advances to two subsidiary companies, being the companies covered in the register maintained under section 301 of the Companies Act, 1956. The year end outstanding balance was Rs.23,55,000/- and the maximum amount outstanding during the year was Rs. 39,23,55,000/-.
- (b) As per the information & explanations given to us, the rate of interest & other terms & conditions of the loans are *prima facie* not prejudicial to the interest of the company.
- (c) The loans are repayable on demand basis and as such there is no specific stipulation for repayment.
- (d) The Company has taken Loans/ Security Deposits from eight parties covered in the register maintained under Section 301 of the Companies Act, 1956. The year end balance of the aforesaid loans was Rs. 61,00,000 - and the aggregate of the maximum amount due in respect of each of the aforesaid parties was Rs. 2,14,00,000/-.
- (e) In our opinion, the rate of interest and other terms and conditions of the loans referred to in paragraph (d) above are not, *prima facie*, prejudicial to the interest of the Company.

- (f) The loans are repayable on demand basis and as such there is no specific stipulation for repayment. The Company has been regular in the payment of interest.

- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of securities, fixed assets and for the sale of securities and services. In the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices.

- (vi) According to the information and explanations given to us, the Company has not accepted any public deposit within the meaning of Section 58 A of the Companies Act read with the Companies (Acceptance of Deposits) Rules 1975.

- (vii) The Company has an internal audit system commensurate with the size of the Company and nature of business.

- (viii) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.

- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Cess and other material statutory dues applicable to it.

(b) According to information and explanations given to us, there are no dues of Income Tax, Service Tax, and Cess which have not been deposited on account of any dispute.

- (x) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year and does not have accumulated losses.
- (xi) The Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (xii) The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities and as such the requirement for maintenance of records in respect thereof does not arise.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Hence, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In respect of Company's dealing in shares and securities, proper records have been maintained of these transactions and contracts and timely entries have been made therein. The investment in shares and securities are held by the Company in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the Company has given guarantees for loans taken by its subsidiary , in the overall business interest. The terms & conditions of the guarantees given are *prima facie*, not prejudicial to the interest of the Company.
- (xvi) The Company has applied the term loans for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made preferential allotment of shares to parties and / or companies covered in the register maintained under section 301 of the Act.

- (xix) The Company has not issued any debentures. As such, the question of creation of security in respect thereof does not arise.
- (xx) The Company has not raised any money by way of issue of shares to public and as such the question of disclosure and verification of end use thereof does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For PHD & Associates
Chartered Accountants
(Firm Registration No.111236W)

(D. V. Vakharia)
Partner
Membership No.: 46115
Place: Mumbai
Date: 6 July 2011.

INVENTURE GROWTH & SECURITIES LTD
BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
SOURCES OF FUNDS			
1 Shareholders' Fund			
Share Capital	1	140,000,000	140,000,000
Reserves & Surplus	2	575,590,279	536,472,983
2 Loan Funds			
Secured Loans	3	90,391,883	99,034,952
Unsecured Loans	4	2,400,000	17,500,000
3 Deferred Tax Liability		11,020,305	11,283,628
TOTAL		819,402,467	804,291,563
APPLICATION OF FUNDS			
1 Fixed Assets			
Gross Block	5	202,224,498	195,017,084
Less: Depreciation /Amortization		66,528,539	54,333,827
Net Block		135,695,959	140,683,257
2 Investments	6	278,231,954	78,231,954
3 Current Assets, Loans & Advances	7	1,256,698,014	1,332,059,731
Less: Current Liabilities & Provisions	8	851,223,460	746,683,379
Net Current Assets		405,474,554	585,376,352
TOTAL		819,402,467	#REF!
Significant Accounting Policies	14		
Notes to Accounts	15		

As Per Our Attached Report Of Even Date

For PHD & Associates

Chartered Accountants

Firm Registration No. 111236W

(D.V.Vakharia)

Partner

Membership No. 46115

For and On Behalf Of The Board

Nagji K. Rita

Chariman &

Managind Director

Virendra D. Singh

Wholetime Director

Kanji B. Rita

Director

Pravin N. Gala

Director

Vinod K. Shah

Director

H. M. Gajbhiye

Director

S. Jambunathan

Director

Ajay Khera

Director

Arun N. Joshi

Director

Deepak M. Vaishnav

Director

Arvind J. Gala

Chief Financial Officer

Bhavi R Gandhi

Place : Mumbai

Company Secretary

Date: 6th July, 2011

INVENTURE GROWTH & SECURITIES LTD.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule	Year Ended	Year Ended
		31.03.2011	31.03.2010
		Rs.	Rs.
INCOME			
Income from Operations	9	242,919,625	326,394,572
Profit on Sale of Investments (Net)		-	631,365
Interest Income (TDS Rs. 60,24,551/-) (Previous Year TDS Rs. 46,30,169)		59,728,195	45,690,845
Other Income	10	58,821,825	31,354,959
TOTAL		361,469,645	404,071,741
EXPENDITURE			
Personnel Expenses	11	66,123,394	47,579,218
Operating & Establishment Expenses	12	153,767,339	155,130,451
Interest & Other Financial Charges	13	47,759,078	37,528,164
Depreciation / Amortization		12,194,711	11,435,001
TOTAL		279,844,522	251,672,834
Profit For The Year Before Taxation		81,625,123	152,398,907
Less : Provision for Taxation			
- Current Tax		26,500,000	49,800,000
- Deferred Tax Adjustments		(263,323)	1,564,050
- Fringe Benefit Tax		-	-
		26,236,677	51,364,050
Net Profit For The Year		55,388,446	101,034,857
Add : Balance Brought Forward		17,126,106	22,283,604
Profit Available For Appropriation		72,514,552	123,318,461
Appropriations :			
Proposed Dividend		14,000,000	14,000,000
Corporate Dividend Tax		2,271,150	2,192,355
Transfer to General Reserve		30,000,000	90,000,000
Balance Carried to Balance Sheet		26,243,402	17,126,106
		72,514,552	123,318,461
Basic and Diluted Earning Per Share (Face Value of Rs.10/- per Share) (Refer Note - 6 of Schedule 15)		3.96	7.22
Significant Accounting Policies	14		
Notes to Accounts	15		

As Per Our Attached Report Of Even Date

For PHD & Associates
Chartered Accountants
Firm Registration No. 111236W

(D.V.Vakharia)
Partner
Membership No. 46115

Place : Mumbai
Date: 6th July, 2011

Bhavi R Gandhi
Company Secretary

For and On Behalf Of The Board

Nagji K. Rita	Chariman & Managind Director
Virendra D. Singh	Wholetime Director
Kanji B. Rita	Director
Pravin N. Gala	Director
Vinod K. Shah	Director
H. M. Gajbhiye	Director
S. Jambunathan	Director
Ajay Khera	Director
Arun N. Joshi	Director
Deepak M. Vaishnav	Director
Arvind J. Gala	Chief Financial Officer

INVENTURE GROWTH & SECURITIES LTD
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<u>SCHEDULE - 1</u>		
<u>Share Capital</u>		
Authorised Capital :		
24,500,000 Equity Shares of Rs. 10/- each	245,000,000	245,000,000
500,000 Preference Shares of Rs.10/- each	5,000,000	5,000,000
TOTAL	250,000,000	250,000,000
Issued, subscribed & paid up :		
14,000,000 Equity Shares of Rs. 10/- each fully paid up	140,000,000	140,000,000
TOTAL	140,000,000	140,000,000
<u>SCHEDULE - 2</u>		
<u>Reserves & Surplus</u>		
<u>Capital Redemption Reserve</u>		
Balance Brought Forward	-	5,000,000
Less : Capitalised for issue of Bonus Shares	-	(5,000,000)
	-	-
<u>Securities Premium Account</u>		
Balance Brought Forward	-	2,375,000
Less : Capitalised for issue of Bonus Shares	-	(2,375,000)
	-	-
<u>Capital Reserve</u>		
Balance Brought Forward	2,025,000	2,025,000
	2,025,000	2,025,000
<u>Taxation Reserve</u>		
Balance Brought Forward	12,500,000	12,500,000
	12,500,000	12,500,000
<u>General Reserve</u>		
Balance Brought Forward	504,821,877	477,446,877
<u>Add</u> : Transfer During the Year	30,000,000	90,000,000
Less : Capitalised for issue of Bonus Shares	-	(62,625,000)
	534,821,877	504,821,877
Profit & Loss Account Balance	26,243,402	17,126,106
TOTAL	575,590,279	536,472,983

INVENTURE GROWTH & SECURITIES LTD
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH. 2011

Particulars	As At 31.03.2011	As At 31.03.2010
	Rs.	Rs.
<u>SCHEDULE - 3</u>		
<u>Secured Loans</u>		
Term Loan from ICICI Bank Ltd. (Secured against the Mortgage of Office Premises at Andheri)	75,506,610	82,189,505
Term Loan From ICICI Home Finance Company Ltd (Secured against the Mortgage of Office Premises at Andheri)	14,056,878	14,865,069
Loan from HDFC Bank Ltd. (Secured against the Hypothecation of Motor Car)	-	1,324,425
Loan from Kotak Mahindra Prime Ltd. (Secured against the Hypothecation of Motor Car)	828,395	655,953
TOTAL	90,391,883	99,034,952
<u>SCHEDULE - 4</u>		
<u>Unsecured Loans</u>		
Loan From Director	2,000,000	1,000,000
Loans from Other Companies	400,000	16,500,000
TOTAL	2,400,000	17,500,000

INVENTURE GROWTH & SECURITIES LTD
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE - 5

Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK		
	As At 01.04.2010	Additions	Deductions	As At 31.03.2011	Upto 31.03.2010	For the year	Deductions	Upto 31.03.2011	As At 31.03.2011	As At 31.03.2010
A) Intangible Assets :	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Membership of Bombay Stock Exchange Ltd.	18,100,000	-	-	18,100,000	16,893,335	1,206,665	-	18,100,000	-	1,206,665
Computer Softwares	9,684,404	809,328	-	10,493,732	3,246,752	2,132,581	-	5,379,333	5,114,399	6,437,652
Total (A)	27,784,404	809,328	-	28,593,732	20,140,087	3,339,246	-	23,479,333	5,114,399	7,644,317
B) Tangible Assets :										
Office Premises	80,601,443	-	-	80,601,443	3,344,075	1,313,801	-	4,657,876	75,943,567	77,257,368
Office Equipments	8,346,563	629,079	-	8,975,642	1,594,965	409,340	-	2,004,305	6,971,337	6,751,598
Air Conditioners	3,016,753	482,893	-	3,499,646	460,481	150,901	-	611,382	2,888,264	2,556,272
Furniture & Fixtures	31,746,578	2,574,191	-	34,320,769	5,196,928	2,061,168	-	7,258,096	27,062,673	26,549,651
Computers	33,380,382	2,711,923	-	36,092,305	20,871,676	3,959,928	-	24,831,604	11,260,701	12,508,706
Motor Cars	10,140,961	-	-	10,140,961	2,725,616	960,327	-	3,685,943	6,455,018	7,415,345
Total (B)	167,232,680	6,398,086	-	173,630,766	34,193,741	8,855,465	-	43,049,206	130,581,560	133,038,940
T O T A L (Rs.)	195,017,084	7,207,414	-	202,224,498	54,333,828	12,194,711	-	66,528,539	135,695,959	140,683,257
Previous Year (Rs.)	179,245,530	16,296,555	525,000	195,017,084	42,996,508	11,435,001	97,682	54,333,827	140,683,257	136,249,022

INVENTURE GROWTH & SECURITIES LTD
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

Name of the Company	Face Value	Nos.	As At 31.03.2011	Nos.	As At 31.03.2010
	Rs.		Rs.		Rs.
SCHEDULE - 6					
Investments (Long Term - At Cost)					
(Fully Paid-up)					
(I) Trade Investments (Unquoted)					
Equity Shares of Subsidiaries					
Inventure Finance Pvt. Ltd.	10	2,800,000	251,129,000	800,000	51,129,000
Inventure Commodities Limited	10	2,190,100	21,901,000	2,190,100	21,901,000
Inventure Wealth Management Limited	10	519,994	5,199,940	519,994	5,199,940
(A)			278,229,940		78,229,940
(II) Other Investments					
Equity Shares : (Unquoted)					
Bombay Stock Exchange Ltd.	1	26,182	2,014	26,182	2,014
(B)			2,014		2,014
TOTAL (A) + (B)			278,231,954		78,231,954
Book Value of quoted Investments			-		-
Book Value of unquoted Investments			278,231,954		78,231,954
Aggregate market value of quoted Investments			-		-

INVENTURE GROWTH & SECURITIES LTD
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
SCHEDULE - 7		
<u>Current Assets, Loans & Advances</u>		
<u>A) Current Assets :</u>		
Stock - in - trade		
Shares and other Securities (As taken, valued & certified by director - - At lower of cost or market value)	208,145	96,235
Sundry Debtors : (Unsecured & considered Good)		
<u>Due for more than Six months</u>		
- Considered Good	66,272,690	20,837,265
- Considered Doubtful	-	-
	66,272,690	20,837,265
<u>Other Debts</u>		
- Considered Good	565,716,324	439,459,495
	631,989,015	460,296,760
Cash in hand	502,413	125,716
Balance with Scheduled Banks :		
In Current Accounts	6,598,841	82,102,005
In Fixed Deposits (Of the above, deposits aggregating Rs.51,95,26,000 /- (Previous year Rs. 50,80,26,000/-) pledged with Stock Exchanges/Banks/Others)	529,526,000	508,776,000
(A)	1,168,824,414	1,051,396,716
<u>B) Loans And Advances :</u>		
(Unsecured - Considered Good)		
Advances to Subsidiaries	2,231,024	198,575,000
Advances recoverable in cash or in kind or for value to be received	21,708,035	32,980,862
Deposits	39,365,973	24,275,804
Advance and Prepaid Taxes (Net of Provision for Taxation)	24,568,568	24,831,349
(B)	87,873,600	280,663,015
TOTAL (A) + (B)	1,256,698,014	1,332,059,731

INVENTURE GROWTH & SECURITIES LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	As At	As At
	31.03.2011	31.03.2010
	Rs.	Rs.
<u>SCHEDULE - 8</u>		
<u>Current Liabilities & Provisions</u>		
<u>Current Liabilities :</u>		
Bank Overdraft Accounts	176,379,185	35,370,200
Sundry Creditors	1,983,620	1,544,983
Due to Clients	208,915,454	151,924,671
Security Deposits	440,944,793	534,234,484
Other Liabilities	4,167,170	5,305,684
	832,390,222	728,380,022
<u>Provisions :</u>		
Proposed Dividend	14,000,000	14,000,000
Corporate Dividend Tax	2,271,150	2,192,355
Employees Defined Benefit (Gratuity)	2,562,088	2,111,002
	18,833,238	18,303,357
TOTAL	851,223,460	746,683,379

INVENTURE GROWTH & SECURITIES LTD

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
	Rs.	Rs.
<u>SCHEDULE - 9</u>		
<u>Income from Operations</u>		
<u>Brokerage (Gross)</u>		
- Secondary Market	232,493,875	239,467,053
- Primary Market	22,571	54,628
- Mutual Funds	72,620	288,356
- Others (Fixed Deposits etc.) (TDS Rs. 1,921/-, Previous Year Rs. 1,39,826/-)	25,277	1,390,469
<u>Commission (Gross)</u>		
- Insurance Products (TDS Rs.45,095/-, Previous Year Rs. 98,600/-)	541,804	894,674
	233,156,147	242,095,180
<u>Arbitrage/Securities Trading</u>		
Arbitrage Operations & Securities Trading (Net)	(1,086,966)	76,002,368
Increase / (Decrease) in Stock-In- Trade	111,910	(222,948)
	(975,056)	75,779,420
Depository Operations	10,738,534	8,519,972
TOTAL	242,919,625	326,394,572
<u>SCHEDULE - 10</u>		
<u>Other Income</u>		
Dividends	1,481,758	850,111
Miscellaneous Income	57,340,067	30,504,848
TOTAL	58,821,825	31,354,959

INVENTURE GROWTH & SECURITIES LTD

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
	Rs.	Rs.
<u>SCHEDULE - 11</u>		
<u>Personnel Expenses</u>		
Salaries, Bonus & Allowances	62,951,106	45,117,727
Contribution to Provident Funds etc.	697,934	635,160
Employee Benefit (Gratuity) Expenses	451,086	54,400
Staff welfare Expenses	2,023,268	1,771,931
TOTAL	66,123,394	47,579,218
<u>SCHEDULE - 12</u>		
<u>Operating & Establishment Expenses</u>		
Sub-brokerage / Commission	86,204,705	94,274,081
Payment to Franchisees	5,764,481	5,853,024
Securities Transaction Tax	14,297,052	17,594,488
Stock Exchange Expenses & Contribution to Stock Ex. Funds	1,660,879	1,627,678
SEBI Turnover/Registration Charges	1,346,899	1,399,248
Depository Charges paid to Depository	1,882,751	2,249,415
Demat Charges Paid to Depository Participants	477,017	441,205
Rent	5,460,744	3,740,626
Electricity Expenses	4,063,885	4,474,015
Printing & Stationery	2,462,707	1,539,081
Telephone Expenses	8,226,672	6,637,955
Repairs & Maintenance	4,736,705	5,545,254
Software Expenses	1,044,034	110,598
Advertisement & Publicity	4,796,087	2,636,334
Legal & Stamping Charges	835,431	1,220,105
Legal & Professional fees	5,732,120	1,505,760
Directors Sitting Fees	95,000	112,500
Keyman Insurance Premium	447,365	447,365
Other Insurance Expenses	161,187	141,721
Conveyance & Travelling Expenses	617,739	431,979
Client Compensation	-	633,125
Donations	789,501	46,903
Loss On Sale Of Motor Car	-	27,318
Miscellaneous Expenses	2,664,378	2,440,673
TOTAL	153,767,339	155,130,451
<u>SCHEDULE - 13</u>		
<u>Interest & Other Financial Charges</u>		
Bank Interest on Overdraft	11,884,176	7,092,100
Bank Interest on Term Loan	11,125,870	11,471,867
Bank Charges and Commission	11,374,509	8,369,800
Other Interest & Financial Charges	13,374,523	10,594,397
TOTAL	47,759,078	37,528,164

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INVENTURE GROWTH & SECURITIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR 2010-2011

SCHEDULE - 14

SIGNIFICANT ACCOUNTING POLICIES

1 System of Accounting

The financial statements have been prepared on a going concern and on accrual basis, under the historical cost convention and in accordance with the generally accepted accounting principles, the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government and relevant provisions of the Companies Act 1956, to the extent applicable.

2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumption that affect the reported amount of assets, liabilities, revenues & expenses and disclosure of contingent assets & liabilities. The estimates & assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements. Actual results may differ from the estimates & assumptions used in preparing the accompanying Financial Statements. Any differences of actual results to such estimates are recognised in the year in which the results are known / materialised.

3 Revenue recognition

- (a) Income from brokerage activities is recognized as income on the trade date of the transaction.
- (b) Income from arbitrage operations is stated net of commission expenses, if any, incurred against it and without deduction of Securities Transaction Tax.
- (c) Profit / Loss on sale of investments is recognized on the trade date of the transaction and is stated net of Securities Transaction Tax incurred.

4 Fixed Assets

Fixed assets are stated at cost less depreciation/amortization. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use

5 Depreciation / Amortization

Tangible fixed assets are depreciated on straight line basis in accordance with the rates prescribed under Schedule XIV of the Companies Act, 1956.

Intangible assets are amortized on a straight line basis over a period having regard to their useful economic life and estimated residual value in accordance with Accounting Standard (AS) 26 "Intangible Assets".

Computer Softwares are amortized over a period of 4 years.

Bombay Stock Exchange Membership is amortized over a period of 15 years, having regard to the nature and long term economic life of the asset.

6 Stock - in - trade

Shares and Securities acquired for sale in the ordinary course of business are considered as stock - in - trade, and are valued at lower of cost or market value as at the year end.

7 Investments

Investments of long term nature are valued at cost. Provision is made to recognize a decline, other than temporary, in the value of such investments. Current Investments are valued at cost or market value, whichever is lower.

8 Securities Transaction Tax

Securities Transaction Tax related to the company's own transactions in shares & securities are charged to Profit & Loss account.

9 Borrowing costs

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue.

10 Keyman Insurance

Keyman Insurance premium paid during the financial year is written off as expenditure in the profit and loss account.

Employees Retirement Benefits

11

(a) Provident Fund

The Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the profit and loss account.

(b) Gratuity

The employees of the Company are eligible for Gratuity in accordance with the Payment of Gratuity Act, and is a Defined Employee Benefit. The above benefit is not funded but provision is made in the accounts.

The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value.

The present value of the obligation under such benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to built up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognized immediately in the profit and loss account

(c) Compensated Leave

Unutilized leave of staff lapses as at the year end and is not encashable. Accordingly, no provision is made for compensated absences.

12 Equity Index/Stock – Futures :

Equity Index/Stock Futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and advances or Current liabilities, respectively, in the “Mark-to-Market Margin – Equity Index/Stock Futures Account”, represents the net amount paid or received on the basis of movement in the prices of Index/Stock Futures till the balance sheet date.

As on the Balance Sheet date, the profit/ loss on open position in Index/Stock futures are accounted for as follows:

- a. Credit balance in the “Mark-to-Market Margin-Equity Index/Stock Futures Account”, being anticipated profit, is ignored and no credit is taken in the profit & loss account.
- b. Debit balance in the “Mark-to-Market Margin-Equity Index/Stock Futures Account”, being anticipated loss, is recognized in the profit & loss account.

On final settlement or squaring up of contracts for equity index/stock futures, the profit or loss is calculated as difference between settlement/squaring up price and contract price. Accordingly, debit or credit balance pertaining to the settlement/squared up contract in “Mark-to-Market Margin Equity Index/Stock Futures Account” is recognized in the profit & loss account upon expiry of the contracts.

“Initial Margin – Equity Index/Stock Futures Account”, representing initial margin paid, for entering into contracts for Equity Index/Stock Futures, which are released on final settlement/squaring-up of underlying contracts, is disclosed as under Loans and advances.

13 Equity Index/Stock – Options :

“Equity Index/Stock Option Premium Account” represents premium paid or received for buying or selling the options, respectively.

14 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Deferred taxation

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

15 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generated unit to which the asset belongs, is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

16 Provisions, contingent Liabilities & Contingent Assets

Contingent liabilities, if material, are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements. A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.

INVENTURE GROWTH & SECURITIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR 2010-2011

SCHEDULE - 15

NOTES FORMING PART OF ACCOUNTS

1) Previous year's figures have been regrouped and / or rearranged wherever necessary to make them comparable.

2) **Contingent Liabilities**

Particulars	As At	As At
	31.03.2011	31.03.2010
	Rs.	Rs.
Claims against the Company not acknowledged as debts	Nil	Nil
Disputed Income Tax Demands (excluding interest, if any)	5,855,601	5,855,601
Bank Guarantees given for subsidiary Inventure Commodities Ltd.	25,000,000	25,000,000
	-	

3) The Company has given counter guarantees in respect of guarantees aggregating Rs.5,515 lacs (Previous year Rs.7,150 lacs) given by the bank on behalf of the Company to the Stock Exchanges towards Base Capital, Margin Deposits etc. required to be maintained by the Company with the Stock Exchanges. The Company has pledged fixed deposits of Rs. 3,115 lacs (Previous year Rs.3,575 lacs) with the bank against the above bank guarantees.

4) **Details of Directors' Remuneration**

Particulars	Managing	Wholtime
	Director	Directors
Salaries	1,800,000 (1,800,000)	360,000 (360,000)
Contribution to Provident Fund	129,600 (129,600)	- -
Perquisites	14,400 (14,400)	- -

Figures stated in bracket are for previous year

5) **Details of Auditor's Remuneration (Excluding Service Tax)**

Particulars	Year Ended	Year Ended
	31.03.2011	31.03.2010
	Rs.	Rs.
Audit Fees	100,000	100,000
Tax Audit Fees	20,000	20,000
Total	120,000	120,000

6) **Computation of Earnings Per Share**

Particulars	Year Ended	Year Ended
	31.03.2011	31.03.2010
	Rs.	Rs.
a) Net Profit After Tax Available to Equity Shareholders	55,388,446	101,034,857
b) Weighted Average Number Of Equity Shares	14,000,000	14,000,000
c) Basic and Diluted Earning Per Share	3.96	7.22
(Appropriately adjusted for Bonus Shares issued during the year ended 31.03.2010, as per Accounting Standard "Earnings Per Share" (AS-20))		

- 7) Pursuant to Accounting Standard "Accounting for Taxes on Income" (AS 22), the Company has accounted for Deferred Tax adjustments representing tax effect of timing differences in respect of the undermentioned items.

The Components of Deferred Tax Liabilities / (Assets) are as follows:

Particulars	As At	As At
	31.03.2011	31.03.2010
Depreciation/Amortization of Fixed Assets	11,851,446	11,703,158
Provision for Retirement Benefits	(831,141)	(717,530)
Others	-	298,000
Net Deferred Tax Liabilities / (Assets)	11,020,305	11,283,628

- 8) In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- 9) The company's operations predominantly consist of "Broking of shares/securities & other related activities ". Hence there are no reportable segments under Accounting Standard -17. During the year under report the company was engaged in its business only within India. The conditions prevailing in India being uniform no separate geographical disclosures are considered necessary.
- 10) The company has incurred various expenditure in connection with proposed initial public offering(IPO) aggregating Rs. 56,43,640/- till the balance sheet date, which has been shown under the head "Loans & Advances ". Upon completion of the IPO process the said expenditure will be dealt with appropriately in accordance with the accounting policy to be framed in this regard.

INVENTURE GROWTH & SECURITIES LIMITED

11) Closing Stock Valuation as on 31st March, 2011

Security	Opening Stock		Closing Stock	
	Op. Qty	Amount Rs.	N. Qty	Valuation Rs.
JK Pharma Ltd.	500	895	500	895
Reliance Capital Ltd.	-	-	2	1,164
R. K. Forge Ltd.	50	1,350	50	1,350
State Bank of India	-	-	40	110,746
Sistema Shyam Tele Ltd.	15,880	93,990	15,880	93,990
Total	16,430	96,235	16,472	208,145

12) Retirement Benefit - Gratuity

The employees of the Company are eligible for gratuity in accordance with the Payment of Gratuity Act, and is a Defined Employee Benefit. The above benefit is not funded but provision is made in the accounts for accrued gratuity under Projected Unit Credit Method of actuarial valuation.

The following table summaries the components of the employee benefit expenses recognised in the Profit & Loss account and the amount recognised in the Balance sheet for the gratuity provision made under actuarial method.

Profit and Loss account

Net employee benefit expenses (recognised in employee cost) Schedule No 11

Particulars	Year ended
	31.03.2011
Current service cost	557,622
Interest on defined benefit obligation	168,880
Net actuarial losses/(gains) recognised in the year	(275,416)
Past service cost	-
Total included in "employee benefit expenses"	451,086

Balance Sheet

Details of provision for gratuity

	As At
	31.03.2011
Discounted Present value of accrued gratuity liability as at the year end determined as per Actuarial valuation (Schedule No 8)	2,562,088
Amount in balance Sheet	2,562,088

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended
	31.03.2011
Provision at the beginning of the year	2,111,002
Interest cost	168,880
Current Service Cost	557,622
Past service cost (non vested benefit)	-
Past service cost (vested benefit)	-
Benefits paid	-
Actuarial (gain)/losses	(275,416)
Provision at the end of the year	2,562,088

Principal actuarial assumptions as at the balance sheet date:

Particulars	Year ended
	31.03.2011
Discount rate	8.25%
Salary escalation	5%
Employee attrition rate	2%

13) Related Party Disclosures.

The following details give the information pursuant to Accounting Standard (AS) 18 " Related Party Disclosures".

A) Name of the Related Parties and the Nature of Relationship

Name of the Related Parties	Nature of Relationship
Inventure Finance Private Limited	Subsidiary Company
Inventure Insurance Broking Private Limited	Step down Subsidiary Company
Inventure Commodities Limited	Subsidiary Company
Inventure Wealth Management Limited	Subsidiary Company
Nagji Keshavji Rita	Director and Key Management Personnel
Virendra Dudhnath Singh	Director and Key Management Personnel
Amrutben Kanji Shah	Relative of Director
Jayshree Nagji Rita	Relative of Director
Khimaiben Keshavji Rita	Relative of Director
Kiran Virendra Singh	Relative of Director
Ratan Vinod Shah	Relative of Director
Shraddha V. Singh	Relative of Director
Shweta Virendra Singh	Relative of Director
Varsha P. Shah	Relative of Director
Sejal N. Shah	Relative of Director
Gulavati Singh	Relative of Director
Padmaben S. Rita	Relative of Director
Vaibhav N. Rita	Relative of Director
Suyojana Impex Pvt. Ltd	Enterprises significantly influenced by the Director
Keshavji M. Rita HUF	Enterprises significantly influenced by the Director
Nagji K. Rita HUF	Enterprises significantly influenced by the Director
Virendra Dudhnath Singh HUF	Enterprises significantly influenced by the Director

B) Details of Related Party transactions during the year ended 31.03.2011

Particulars	Subsidiaries	Directors & Key Management Personnel	Relatives of Directors & Key Management Personnel	Enterprises significantly influenced by the Directors / Relatives	Total (Rs.)
Investment in Equity Shares	200,000,000	-	-	-	200,000,000
Salary/Remuneration paid	-	2,160,000	2,140,000	-	4,300,000
Loans & Advances given	872,965,000	-	-	-	872,965,000
Loans & Advances received back	1,069,185,000	-	-	-	1,069,185,000
Security Deposit Received	-	-	-	3,000,000	3,000,000
Security Deposit Repaid	-	-	1,300,000	-	1,300,000
Loans Received	-	11,000,000	-	-	11,000,000
Loans Repaid	-	10,000,000	-	5,000,000	15,000,000
Interest Paid	-	199,315	550,201	8,219	757,735
Interest Received	19,353,728	-	-	-	19,353,728
Rent Received	240,000	-	-	-	240,000
Rent Paid	-	-	2,035,000	1,560,000	3,595,000
Commission Paid	641,240	-	-	-	641,240
Administrative Expenses incurred	46,359	-	-	-	46,359
Administrative Expenses Recovered	46,359	-	-	-	46,359
Outstanding Credit/(Debit) Balance	(2,358,050)	2,000,000	1,100,000	3,000,000	3,741,950

INVENTURE GROWTH & SECURITIES LIMITED

14) Balance Sheet Abstract and Company's General Business Profile (Part IV)

I	<u>Registration Details :</u>	(Rupees in '000)
	Registration No.	L65990MH1995PLC089838
	State Code	11
	Balance Sheet Date	31.03.2011
II.	<u>Capital Raised During The Year :</u>	
	Public Issue	-
	Rights Issue	-
	Bonus Issue	-
	Private Placement	-
III.	<u>Position Of Mobilisation And Deployment Of Funds :</u>	
	Total Liabilities	819,402
	Total Assets	819,402
	<u>Sources Of Funds :</u>	
	Paid -up Capital	140,000
	Reserves & Surplus	575,590
	Secured Loans	90,392
	Unsecured Loans	2,400
	Deferred Tax Liability	11,020
		819,402
	<u>Application Of Funds :</u>	
	Net Fixed Assets	135,696
	Investments	278,232
	Net Current Assets	405,475
	Miscellaneous Expenditure	-
		819,402

Contd..

		(Rupees in '000)
IV.	<u>Performance Of The Company For the year ended 31st March, 2011</u>	
	Turnover	361,470
	Total Expenditure	279,845
	Profit Before Tax	81,625
	Profit After Tax	55,388
	Earning Per Share in Rupees (Face Value Rs. 10/-)	3.96
	Dividend Rate (%)	10%
V.	<u>Products Of The Company :</u>	
	<u>Item Code No.</u>	N. A.
	(ITC Code)	N. A.
	Product Description	N. A.

As Per Our Attached Report Of Even Date

For PHD & Associates

Chartered Accountants

Firm Registration No. 111236W

(D.V.Vakharia)

Partner

Membership No. 46115

For and On Behalf Of The Board

Nagji K. Rita

Charirman &

Managind Director

Virendra D. Singh

Wholetime Director

Kanji B. Rita

Director

Pravin N. Gala

Director

Vinod K. Shah

Director

H. M. Gajbhiye

Director

S. Jambunathan

Director

Ajay Khera

Director

Arun N. Joshi

Director

Deepak M. Vaishnav

Director

Arvind J. Gala

Chief Financial Officer

Bhavi R Gandhi

Company Secretary

Place : Mumbai

Date: 6th July, 2011

INVENTURE GROWTH & SECURITIES LTD

Cash Flow Statement For The Year Ended 31st March, 2011

Particulars	Year Ended	Year Ended
	31.03.2011	31.03.2010
	Rs.	Rs.
A) <u>Cash Flow From Operating Activities</u>		
Net profit before taxation and exceptional items	81,625,123	152,398,907
<u>Adjustments for :</u>		
Profit on Sale of Investments	-	(631,365)
Loss on Sale of fixed Asset	-	27,318
Dividend Income	(1,481,758)	(850,111)
Interest Received	(59,728,195)	(45,690,845)
Depreciation	12,194,711	11,435,001
Interest and Other Financial Charges	47,759,078	37,528,164
Provision for Defined Employees Benefit	451,086	54,400
Operating Profit Before Working Capital Changes	80,820,045	154,271,469
<u>Adjustments for :</u>		
Stock in Trade	(111,910)	222,948
Trade and Other Receivables	(169,823,749)	40,326,528
Trade Payables	(36,998,785)	227,732,898
Income Taxes Paid/ Refunds (Net)	(26,237,219)	(51,224,106)
Net Cash From Operating Activities (A)	(152,351,618)	371,329,737
B) <u>Cash Flow From Investing Activities :</u>		
Purchase of fixed assets	(7,207,414)	(16,271,670)
Disposal of fixed assets	-	400,000
Purchase of Investments	(200,000,000)	-
Sale of Investments	-	1,305,891
Interest received	54,042,348	30,755,694
Dividend received	1,481,758	850,111
Advances to Subsidiaries	196,343,976	(68,383,000)
Term Deposits with Banks (Net)	(20,750,000)	(203,698,000)
Net Cash From Investing Activities (B)	23,910,668	(255,040,974)

Particulars	Year Ended	Year Ended
	31.03.2011	31.03.2010
	Rs.	Rs.
C) Cash Flow From Financing Activities :		
Dividend Paid	(14,000,000)	(7,000,000)
Corporate Dividend Tax paid	(2,192,355)	(1,189,650)
Redemption of Preference Share Capital	-	-
Loans From Banks/Financial Institution	2,500,000	15,000,000
Loans Repaid to Banks/Financial Institution	(11,143,069)	(7,583,989)
Loans From others	11,400,000	29,900,000
Loans From others-Repaid	(26,500,000)	(14,500,000)
Interest and Other Financial Charges	(47,759,078)	(37,528,164)
Bank Overdraft (Net)	141,008,985	(38,145,147)
Net Cash Used In Financing Activities (C)	53,314,483	(61,046,950)
Net Increase in Cash and Cash Equivalents (A+B+C)	(75,126,467)	55,241,813
Cash and Cash Equivalents as at beginning	82,227,721	26,985,908
Cash and Cash Equivalents as at end	7,101,254	82,227,721

Notes:

1 Cash and Cash Equivalents are as under:

Particulars	As on 31st March,	As on 31st March,
	2011	2010
	Rs.	Rs.
Cash in hand	502,413	125,716
In Current Accounts	6,598,841	82,102,005
	7,101,254	82,227,721

2 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard -3 on "Cash Flow Statements" issued by the Institute of Chartered accountants of india.

3

Previous year's figures have been regrouped/rearranged wherever necessary to conform to the current year's presentation.

As Per Our Attached Report Of Even Date

For PHD & Associates

Chartered Accountants

Firm Registration No. 111236W

(D.V.Vakharia)

Partner

Membership No. 46115

For and On Behalf Of The Board

Nagji K. Rita

Chairman &

Managing Director

Virendra D. Singh

Wholetime Director

Kanji B. Rita

Director

Pravin N. Gala

Director

Vinod K. Shah

Director

H. M. Gajbhiye

Director

S. Jambunathan

Director

Ajay Khera

Director

Arun N. Joshi

Director

Deepak M. Vaishnav

Director

Arvind J. Gala

Chief Financial Officer

Bhavi R Gandhi

Company Secretary

Place : Mumbai

Date: 6th July, 2011

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

Name of the Subsidiary Company	Inventure Finance Pvt. Ltd.	Inventure Commodities Ltd.	Inventure Wealth Management Ltd.	Inventure Insurance Broking Pvt. Ltd. (#)
Relevant Financial year of the Subsidiary ended on	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011
Number of Equity Shares held in Subsidiary	2,800,000	2,190,100	519,994	600,200
Total Issued Equity Share Capital of the Subsidiary Company	28,000,000	21,907,000	6,500,000	6,000,200
Percentage of Equity Shares held in the Subscribed Capital of the subsidiary	100.00%	99.97%	80.00%	100.00%
The net aggregate of Profit/(Loss) of the Subsidiary Company for its financial period so far as they concern the member of Inventure Growth & Securities Ltd.				
a) Dealt with in the accounts of Inventure Growth & Securities Ltd. for the year ended 31st March, 2011	NIL	NIL	NIL	NIL
b) Not dealt with in the accounts of Inventure Growth & Securities Ltd. for the year ended 31st March, 2011	4,095,791	9,890,943	(1,008,545)	(163,347)
The net aggregate of Profit/ (Loss) of the Subsidiary Company for its previous financial periods so far as they concern the member of Inventure Growth & Securities Ltd.				
a) Dealt with in the accounts of Inventure Growth & Securities Ltd. for the year ended 31st March, 2011	NIL	NIL	NIL	NIL
b) Not dealt with in the accounts of Inventure Growth & Securities Ltd. for the year ended 31st March, 2011	16,819,621	30,071,636	404,905	(1,460,722)

(#) Wholly owned Subsidiary Company of Inventure Wealth Management Ltd.

For and on behalf of the Board

Place : Mumbai
Date : 06th July, 2010

(Nagji K. Rita)
Managing Director

INVENTURE GROWTH & SECURITIES LTD
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	Schedule	As At 31.03.2011	As At 31.03.2010
SOURCES OF FUNDS		Rs.	Rs.
1 Shareholders' Fund			
Share Capital	1	140,000,000	140,000,000
Reserves & Surplus	2	664,552,687	618,702,448
2 Minority Interest		618,844	852,640
3 Loan Funds			
Secured Loans	3	431,555,820	188,634,952
Unsecured Loans	4	14,900,000	17,500,000
4 Deferred Tax Liability		11,664,518	11,942,147
TOTAL		1,263,291,869	977,632,187
APPLICATION OF FUNDS			
1 Fixed Assets			
Gross Block	5	204,211,971	196,128,883
Less : Depreciation		67,602,176	55,150,460
Net Block		136,609,795	140,978,423
2 Goodwill on Consolidation		15,007,600	15,007,600
3 Investments	6	158,883,905	114,393,025
4 Current Assets, Loans & Advances	7	1,823,436,875	1,467,902,439
Less : Current Liabilities & Provisions	8	870,646,306	760,649,300
Net Current Assets		952,790,569	707,253,139
TOTAL		1,263,291,869	977,632,187
Significant Accounting Policies	14		
Notes to Consolidated Financial Statements	15		

As Per Our Attached Report Of Even Date
For PHD & Associates
Chartered Accountants
Firm Registration No. 111236W

(D.V.Vakharia)
Partner
Membership No. 46115

For and On Behalf Of The Board

Nagji K. Rita	Charirman & Managind Director
Virendra D. Singh	Wholetime Director
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Vinod K. Shah	Director
H. M. Gajbhiye	Director
S. Jambunathan	Director
Ajay Khera	Director
Arun N. Joshi	Director
Deepak M Vaishnav	Director
Arvind J. Gala	Chief Financial Officer

Bhavi R Gandhi
Company Secretary

Place : Mumbai
Date : 6th July, 2011

INVENTURE GROWTH & SECURITIES LTD.
CONSOLIDATED PROFIT & LOSS ACCOUNT

Particulars	Schedule	Year Ended	Year Ended
		31.03.2011	31.03.2010
		Rs.	Rs.
INCOME			
Income from Operations	9	311,641,577	392,549,760
Profit / (Loss) on Sale of Investments (Net)		11,696,604	9,797,459
Interest (Gross) (TDS Rs. 62,15,241/-)		42,418,443	35,525,254
(Previous Year T.D.S. Rs.47,54,337/-)			
Other Income	10	60,005,170	32,000,172
TOTAL		425,761,794	469,872,645
EXPENDITURE			
Personnel Expenses	11	73,342,803	55,340,526
Operation and Establishment Expenses	12	163,482,287	156,250,261
Interest & Other Financial Charges	13	82,845,023	43,396,243
Depreciation		12,451,715	11,568,449
TOTAL		332,121,828	266,555,479
Profit for the year before taxation		93,639,966	203,317,166
Less : <u>Provision for taxation</u>			
-Current Tax		32,030,000	54,687,000
-Deferred Tax Adjustments		(277,629)	1,690,871
-Fringe Benefit Tax		-	-
-Tax Adjustment For Earlier Years		-	-
		31,752,371	56,377,871
Net Profit for the year after taxation before minority interest		61,887,595	146,939,295
Less: Share of minority interest for the year		(233,794)	(189,137)
Net Profit for the year after minority interest		62,121,389	147,128,432
Add: Balance Brought Forward		74,760,447	47,957,252
Add: adjustment arising on consolidation		-	(12)
Adjusted Balance Brought Forward		74,760,447	47,957,240
Profit Available For Appropriation		136,881,836	195,085,672
Appropriations:			
Proposed Dividend		14,000,000	14,000,000
Interim Dividend		-	-
Corporate Dividend Tax		2,271,150	2,325,225
Transfer to General Reserve		30,000,000	100,000,000
Transfer to Statutory Reserve:		-	-
Transfer to Statutory Reserve:		550,000	4,000,000
- In respect of earlier period's/year's Profit		-	-
Balance Carried to Balance Sheet		90,060,686	74,760,447
		136,881,836	195,085,672
Basic and Diluted Earnings Per Share		4.44	10.51
Significant Accounting Policies	14		
Notes to Consolidated Financial Statements	15		

As Per Our Attached Report Of Even Date

For PHD & Associates

Chartered Accountants

Firm Registration No. 111236W

(D.V.Vakharia)

Partner

Membership No. 46115

For and On Behalf Of The Board

Nagji K. Rita

Chairman &

Managing Director

Virendra D. Singh

Wholtime Director

Kanji B. Rita

Director

Pravin N. Gala

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Vinod K. Shah

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H. M. Gajbhiye

Director

S. Jambunathan

Director

Ajay Khara

Director

Arun N. Joshi

Director

Deepak M Vaishnav

Director

Arvind J. Gala

Chief Financial Officer

Bhavi R Gandhi
Company Secretary

Place : Mumbai

Date: 6th July, 2011

INVENTURE GROWTH & SECURITIES LTD

SCHEDULES FORMING PART OF THE CONSOLIDATED

BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As At 31.03.2011	As At 31.03.2010
<u>SCHEDULE - 1</u>		
<u>Share Capital</u>		
Authorised Capital :		
24,500,000 Equity Shares of Rs. 10/- each	245,000,000	245,000,000
Previous Year 1,05,00,000 Equity Shares of Rs. 10/- each		
500,000 Preference Shares of Rs.10/- each	5,000,000	5,000,000
TOTAL	250,000,000	250,000,000
Issued, subscribed & paid up :		
14,000,000 Equity Shares of Rs. 10/- each fully paid up	140,000,000	140,000,000
Previous Year 1,40,00,000 Equity Shares of Rs. 10/- each		
TOTAL	140,000,000	140,000,000
<u>SCHEDULE - 2</u>		
<u>Reserves & Surplus</u>		
<u>Capital Redemption Reserve</u>		
Balance Brought Forward	-	5,000,000
Less : Capitalised for issue of Bonus Shares	-	(5,000,000)
	-	-
<u>Securities Premium</u>		
Balance Brought Forward	9,652,500	12,027,500
Less : Capitalised for issue of Bonus Shares	-	(2,375,000)
	9,652,500	9,652,500
<u>Capital Reserve</u>		
Balance Brought Forward	2,025,000	2,025,000
	2,025,000	2,025,000
<u>Taxation Reserve</u>		
Balance Brought Forward	12,500,000	12,500,000
	12,500,000	12,500,000
<u>General Reserve</u>		
Balance Brought Forward	514,821,877	477,446,877
Add : Transfer During The Year	30,000,000	100,000,000
Less : Capitalised for issue of Bonus Shares	-	(62,625,000)
	544,821,877	514,821,877
<u>Statutory Reserve</u>		
Balance Brought Forward	4,942,625	942,625
Add : Transfer from Profit & Loss Account	550,000	4,000,000
	5,492,625	4,942,625
Profit & Loss Account Balance	90,060,685	74,760,446
TOTAL	664,552,687	618,702,448

INVENTURE GROWTH & SECURITIES LTD.

SCHEDULES FORMING PART OF THE CONSOLIDATED

BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As At 31.03.2011	As At 31.03.2010
<u>SCHEDULE - 3</u>		
<u>Secured Loans</u>		
Term Loan from ICICI Bank Ltd. (Secured against the Mortgage of Office Premises at Andheri)	75,506,610	82,189,505
Term Loan from ICICI Bank Ltd. (Secured against the Mortgage of Office Premises at Andheri)	14,056,878	14,865,069
Loan from HDFC Bank Ltd. (Secured against the Hypothecation of Motor Car)	-	1,324,425
Loan from Kotak Mahindra Prime Ltd. (Secured against the Hypothecation of Motor Car)	828,395	655,953
Kotak Mahindra Prime Ltd (Secured, pursuant to an agreement with the lender against collateral securities of the client held by the company as pledgee.)	80,865,000	4,000,000
ECL Finance Ltd (Secured, pursuant to an agreement with the lender against collateral securities of the client held by the company as pledgee.)	61,098,937	85,600,000
Aditya Birla Finance Ltd. (Secured, pursuant to an agreement with the lender against collateral securities of the client held by the company as pledgee.)	60,600,000	-
Investsmart Financial Services Ltd. (Secured, pursuant to an agreement with the lender against collateral securities of the client held by the company as pledgee.)	105,600,000	-
Morgan Stanley India Capital Pvt. Ltd. (Secured, pursuant to an agreement with the lender against collateral securities of the client held by the company as pledgee.)	33,000,000	-
TOTAL	431,555,820	188,634,952
<u>SCHEDULE - 4</u>		
<u>Unsecured Loans</u>		
Loan from Director	2,000,000	1,000,000
Loans from Other Companies	12,900,000	16,500,000
TOTAL	14,900,000	17,500,000

INVENTURE GROWTH & SECURITIES LTD
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

SCHEDULE - 5

Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION					
	As At 01.04.2010	Addition on Consolidation	Additions	Deductions	As At 31.03.2011	Upto 31.03.2010	Addition on Consolidation	For the Year	Adjustme Rs.	Upto 31.03.2011
A) Intangible Assets :	Rs.		Rs.	Rs.	Rs.	Rs.		Rs.		Rs.
Membership of Bombay Stock Exchange Ltd.	18,100,000	-	-	-	18,100,000	16,893,335	-	1,206,665	-	18,100,000
Computer Softwares	9,814,403	-	1,494,453	-	11,308,856	3,376,751	-	2,247,081	-	5,623,832
Total (A)	27,914,403	-	1,494,453	-	29,408,856	20,270,086	-	3,453,746	-	23,723,832
B) Tangible Assets :										
Office Premises	80,601,443	-	-	-	80,601,443	3,344,075	-	1,313,801	-	4,657,876
Office Equipments	8,346,563	-	732,429	-	9,078,992	1,594,965	-	412,596	-	2,007,561
Air Conditioners	3,065,153	-	482,893	-	3,548,046	471,477	-	153,200	-	624,677
Furniture & Fixtures	31,746,579	-	2,661,390	-	34,407,969	5,196,928	-	2,065,024	-	7,261,952
Computers	34,313,781	-	2,711,923	-	37,025,704	21,547,313	-	4,093,021	-	25,640,334
Motor Cars	10,140,961	-	-	-	10,140,961	2,725,616	-	960,327	-	3,685,943
Total (B)	168,214,480	-	6,588,635	-	174,803,115	34,880,374	-	8,997,969	-	43,878,343
TOTAL (Rs.)	196,128,883	-	8,083,088	-	204,211,971	55,150,460	-	12,451,715	-	67,602,175
Previous Year (Rs.)	180,325,373	-	16,328,510	525,000	196,128,883	43,679,693	-	11,568,449	97,682	55,150,460

INVENTURE GROWTH & SECURITIES LTD.

**SCHEDULES FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AS AT 31st MARCH, 2011**

Name of the Company	Face Value	Nos.	As At 31.03.2011	Nos.	As At 31.03.2010
	Rs.		Rs.		Rs.
SCHEDULE - 6					
Investments (Long Term - At Cost)					
(Fully Paid-up)					
Trade Investments (Unquoted)					
Equity Shares : (Unquoted)					
Bombay Stock Exchange Ltd. (15,000 Equity shares acquired and sold during the year)	1	26,182	2,014	26,182	2,014
Units of Mutual Funds (un-quoted)					
LIC Mutual Fund(CMF Top Hundred Fund)	10	-	-	388,236	3,882,361
(A)			2,014		3,884,375
Equity Shares : (Quoted)					
Euro Ceramics Limited	10	1,600,679	133,443,106	611,660	92,766,208
Sejal Architectural Glass Ltd.	10	1,755,000	9,704,486	399,981	17,742,442
Sundaram Multipap Limited	10	325,000	15,734,299	-	-
(B)			158,881,891		110,508,650
TOTAL (A+B)			158,883,905		114,393,025
Book Value of quoted Investments			158,881,891		110,508,650
Book Value of unquoted Investments			2,014		3,884,375
Aggregate market value of quoted Investments			58,461,836		54,214,010

INVENTURE GROWTH & SECURITIES LTD

SCHEDULES FORMING PART OF THE CONSOLIDATED

BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As At 31.03.2011	As At 31.03.2010
	Rs.	Rs.
<u>SCHEDULE - 7</u>		
<u>Current Assets, Loans & Advances</u>		
<u>A) Current Assets :</u>		
Stock - in - trade		
Shares And Other Securities (As taken, valued & certified by director - - At lower of cost or market value)	1,492,555	96,235
Sundry Debtors : (Unsecured)		
<u>Due for more than Six months</u>		
- Considered Good	74,095,728	28,161,544
- Considered Doubtful	-	-
	74,095,728	28,161,544
<u>Other Debts</u>		
- Considered Good	570,396,576	442,180,538
	644,492,304	470,342,082
Less : Provision for Doubtful Debts	-	-
	644,492,304	470,342,082
Cash in hand	541,838	174,704
Balance with Scheduled Banks :		
In Current Accounts	52,025,680	138,133,489
In Fixed Deposits (Of the above, Deposits aggregating Rs. 55,82,76,000/- (Previous year 52,20,26,000/-) pledged with Stock Exchanges/Banks/Others)	613,676,000	526,876,000
(A)	1,312,228,377	1,135,622,510
<u>B) Loans And Advances :</u>		
(Unsecured - Considered Good)		
Advances to others	405,706,843	253,170,410
Prepaid Expenses	8,280,691	10,112,066
Advances recoverable in cash or in kind or for value to be received	16,106,286	6,523,447
Services Tax Input Credit	111,073	885,255
Deposits	46,823,022	31,732,028
Advance and Prepaid Taxes (Net of Provision for Taxation)	34,180,585	29,856,723
(B)	511,208,500	332,279,929
TOTAL (A+B)	1,823,436,877	1,467,902,439

INVENTURE GROWTH & SECURITIES LTD.
SCHEDULES FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As At	As At
	31.03.2011	31.03.2010
	Rs.	Rs.
<u>SCHEDULE - 8</u>		
<u>Current Liabilities & Provisions</u>		
<u>Current Liabilities:</u>		
Bank Overdraft Accounts	176,396,981	35,555,944
Sundry Creditors	1,983,620	1,549,761
Due to Clients	218,505,365	156,185,695
Security Deposits	445,542,812	541,502,247
Other Liabilities	8,370,048	7,419,426
	850,798,826	742,213,073
<u>Provisions :</u>		
Proposed Dividend	14,000,000	14,000,000
Corporate Dividend Tax	2,271,150	2,325,225
Contingent Provisions against Standard Assets	1,014,242	-
Employees Defined Benefit (Gratuity)	2,562,088	2,111,002
	19,847,480	18,436,227
TOTAL	870,646,306	760,649,300

INVENTURE GROWTH & SECURITIES LTD

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
	Rs.	Rs.
<u>SCHEDULE - 9</u>		
<u>Income from Operations</u>		
<u>Brokerage (Gross)</u>		
- Secondary Market	242,318,843	241,855,054
- Primary Market	21,032	54,628
- Mutual Funds	2,482,802	1,361,564
- Others	34,300	1,212,294
<u>Commission (Gross)</u>		
- Insurance Products	989,984	1,420,596
	245,846,961	245,904,136
<u>Arbitrage/Securities Trading</u>		
Arbitrage Operations & Securities Trading (Net)	(23,801,414)	110,515,878
Increase / (Decrease) in Stock-In- Trade	111,910	(222,948)
	(23,689,504)	110,292,930
Interest Income	71,020,761	23,461,764
Loan processing fee	296,875	-
Income from Govt. Securities	1,623,313	-
Depository Operations	10,730,305	8,429,830
Profit from Commodity Trading	5,812,866	4,461,100
TOTAL	311,641,577	392,549,760
<u>SCHEDULE - 10</u>		
<u>Other Income</u>		
Dividends	1,264,615	1,026,360
Miscellaneous Income	58,740,555	30,973,812
TOTAL	60,005,170	32,000,172

INVENTURE GROWTH & SECURITIES LTD

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Year Ended	Year Ended
	31.03.2011	31.03.2010
	Rs.	Rs.
SCHEDULE - 11		
Personnel Expenses		
Salaries, Bonus & Allowances	67,230,068	49,793,659
Contribution to Provident Funds etc.	697,934	635,160
Employee Benefit (Gratuity) Expenses	451,086	54,400
Director Remuneration	2,910,000	3,060,000
Staff welfare Expenses	2,053,714	1,797,306
TOTAL	73,342,802	55,340,525
SCHEDULE - 12		
Operating & Establishment Expenses		
Sub-brokerage / Commission	91,672,959	92,132,939
Payment to Franchisees	5,764,481	5,853,024
Securities Transaction Tax	15,266,678	19,687,811
Stock Exchange Expenses & Contribution to Stock Ex. Funds	1,660,879	1,627,678
Commodity Exchange Expenses	169,100	219,340
SEBI Turnover/Registration Charges	1,346,899	1,399,248
Depository Charges	1,882,751	2,249,415
Demat Expenses	562,704	459,867
Stamp Duty & Transaction charges	-	-
Rent	5,700,744	3,740,626
Electricity Expenses	4,084,129	4,502,705
Printing & Stationery	2,620,656	1,592,736
Telephone Expenses	8,656,798	6,829,699
Repairs & Maintenance	4,823,653	5,607,450
Software Charges	1,044,034	134,101
Advertisement & Publicity	4,796,087	2,641,697
Legal & Stamping Charges	1,063,041	1,226,670
Legal & Professional fees	6,109,520	1,757,735
Professional Tax	12,500	17,040
Directors Sitting Fees	95,000	112,500
Keyman Insurance Premium	447,365	447,365
Other Insurance Expenses	163,951	155,045
Conveyance & Travelling Expenses	735,982	538,193
Bad Debts Written Off	-	-
Less: transfer from Provision for doubtful debts	-	-
Client Compensation	-	633,125
Donations	789,501	46,903
ROC Filling Fees	10,850	14,100
Securities Transaction Tax on Investment	205,599	94,620
Preliminary Expenses Written Off	-	-
Loss on sale of Motor Car	-	27,318
Contingent Provisions against Standard Assets	1,014,242	-
Miscellaneous Expenses	2,782,184	2,501,311
Share Issue Expenses	-	-
IPO Issue Expenses	-	-
Service Tax Expenses	-	-
TOTAL	163,482,287	156,250,261
SCHEDULE - 13		
Interest & Other Financial Charges		
Bank Interest on Overdraft	12,257,924	7,201,924
Bank Interest on Term Loan	11,125,870	11,471,867
Bank Charges and Commission	11,734,860	8,525,242
Other Interest & Financial Charges	47,726,369	16,197,210
TOTAL	82,845,023	43,396,243

INVENTURE GROWTH & SECURITIES LIMITED

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

SCHEDULE - 14

SIGNIFICANT ACCOUNTING POLICIES

1 System of Accounting

The financial statements are prepared under the historical cost convention and on accrual basis of accounting. The financial statements have been prepared in compliance with all material aspects with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2 Principles of consolidation

The consolidated financial statements relate to Inventure Growth & Securities Limited (the company) and its subsidiaries (together 'the group'). The consolidated financial statements have been prepared on the following basis:

- a. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'.
- b. The Consolidated Financial Statements are based on the audited financial statements of the company & its subsidiary companies for the year ended 31st March, 2011.
- c. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the holding company's financial statements.
- d. The Financial Statement of the holding company and its subsidiaries have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. On consolidation all intra company balances and transactions have been eliminated as far as possible.
- e. The excess of cost over the company's investments in the subsidiary company is recognised in the consolidated financial statements as goodwill. The excess of company's share in equity and reserves of the subsidiary company over the cost of acquisition is treated as capital reserve.
- f. Minority interest in the net income and net assets of the Subsidiary Companies is computed and disclosed separately.
- g. The subsidiaries considered in the preparation of these financial statements are as follows:

Particulars	Inventure Commodities Limited	Inventure Wealth Management Limited	Inventure Finance Private Limited	Inventure Insurance Broking Private Limited
(a) Country of Incorporation	India	India	India	India
(b) % of ownership interest as at 31st March, 2011	99.97%	80.00%	100%	80.00%
(c) Period included in consolidation	01/04/2010 to 31/03/2011	01/04/2010 to 31/03/2011	01/04/2010 to 31/03/2011	01/04/2010 to 31/03/2011

3 Use of Estimates

The preparation of the Financial Statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumption that affect the reported amount of assets, liabilities, revenues & expenses and discloser of contingent assets & liabilities. The estimates & assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may defer from the estimates & assumptions used in preparing the accompanying Financial Statements. Any differences of actual results to such estimates are recognised in the period in which the results are known / materialised.

4 Revenue recognition

- (a) Income from brokerage activities is recognized as income on the trade date of the transaction.
- (b) Income from arbitrage operations is stated net of commission expenses, if any, incurred against it and without deduction of Securities Transaction Tax.
- (c) Profit / Loss on sale of investments is recognized on the trade date of the transaction and is stated net of Securities Transaction Tax incurred.
- (d) Transactions in Shares and Securities are accounted on Trade Dates.

5 Fixed Assets

Fixed assets are stated at cost less depreciation/amortization.

6 Depreciation / Amortization

Tangible fixed assets are depreciated on straight line basis in accordance with the rates prescribed under Schedule XIV of the Companies Act, 1956.

Intangible assets are amortized on a straight line basis over a period having regard to their useful economic life and estimated residual value in accordance with Accounting Standard (AS) 26 "Intangible Assets".

Computer Softwares are amortized over a period of 4 years.

Bombay Stock Exchange Membership is amortized over a period of 15 years, having regard to the nature and long term economic life of the asset.

7 Stock - in - trade

Shares and Securities acquired for sale in the ordinary course of business are considered as stock-in-trade, and are valued at lower of cost or market value as at the year end.

8 Investments

- (a) Investments of long term nature are valued at cost. Provision is made to recognize a decline, other than temporary, in the value of such investments. Current Investments are valued at cost or market value, whichever is lower.
- (b) Investments are accounted at cost inclusive of brokerage, stamp duty and incidental expenses but excluding Securities Transaction Tax, which are written off as expenses. Long Term Investments are valued at cost. Provision is made for diminution in the value of investments where the diminution is other than temporary.

9 Securities Transaction Tax

Securities Transaction Tax related to the group's own transactions in shares & securities are charged to Profit & Loss account.

10 Borrowing costs

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue.

11 Keyman Insurance

Keyman Insurance premium paid during the financial year is written off as expenditure in the profit and loss account.

12 Employees Retirement Benefits

(a) Provident Fund

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the profit and loss account.

(b) Gratuity

The employees of the Company are eligible for Gratuity in accordance with the Payment of Gratuity Act, and is a Defined Employee Benefit. The above benefit is not funded but provision is made in the accounts.

The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value.

The present value of the obligation under such benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to built up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the profit and loss account.

(c) Compensated Leave

Unutilised leave of staff lapses as at the year end and is not encashable. Accordingly, no provision is made for compensated absences.

13 Equity Index/Stock – Futures :

Equity Index/Stock Futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and advances or Current liabilities, respectively, in the "Mark-to-Market Margin – Equity Index/Stock Futures Account", represents the net amount paid or received on the basis of movement in the prices of Index/Stock Futures till the balance sheet date.

As on the Balance Sheet date, the profit/ loss on open position in Index/Stock futures are accounted for as follows:

- a. Credit balance in the "Mark-to-Market Margin-Equity Index/Stock Futures Account", being anticipated profit, is ignored and no credit is taken in the profit & loss account.
- b. Debit balance in the "Mark-to-Market Margin-Equity Index/Stock Futures Account", being anticipated loss, is recognized in the profit & loss account.

On final settlement or squaring up of contracts for equity index/stock futures, the profit or loss is calculated as difference between settlement/squaring up price and contract price. Accordingly, debit or credit balance pertaining to the settlement/squared up contract in "Mark-to-Market Margin Equity Index/Stock Futures Account" is recognized in the profit & loss account upon expiry of the contracts.

"Initial Margin – Equity Index/Stock Futures Account", representing initial margin paid, for entering into contracts for Equity Index/Stock Futures, which are released on final settlement/squaring-up of underlying contracts, is disclosed as under Loans and advances.

14 Equity Index/Stock – Options :

“Equity Index/Stock Option Premium Account” represents premium paid or received for buying or selling the options, respectively.

15 Commodity Stock – Futures :

Commodity Futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and advances or Current liabilities, respectively, in the “Mark-to-Market Margin – Commodities Stock Futures Account”, represents the net amount paid or received on the basis of movement in the prices of Stock Futures till the balance sheet date.

As on the Balance Sheet date, the profit/ loss on open position in Commodity futures are accounted for as follows:

- a. Credit balance in the “Mark-to-Market Margin- Commodities Stock Futures Account”, being anticipated profit, is ignored and no credit is taken in the profit & loss account.
- b. Debit balance in the “Mark-to-Market Margin- Commodities Stock Futures Account”, being anticipated loss, is recognized in the profit & loss account

On final settlement or squaring up of contracts for commodities stock futures, the profit or loss is calculated as difference between settlement/squaring up price and contract price. Accordingly, debit or credit balance pertaining to the settlement/squared up contract in “Mark-to-Market Margin Commodities Stock Futures Account” is recognized in the profit & loss account upon expiry of the contracts.

16 Provisions, contingent Liabilities & Contingent Assets

Contingent liabilities, if material, are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements. A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.

17 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generated unit to which the asset belongs, is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

18 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period) and fringe benefit tax.

Deferred taxation

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

INVENTURE GROWTH & SECURITIES LIMITED

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

SCHEDULE - 15

NOTES FORMING PART OF ACCOUNTS

1) Previous year's figures have been regrouped and / or rearranged wherever necessary to make them comparable.

2) Contingent Liabilities

Particulars	As At	As At
	31.03.2011	31.03.2010
	Rs.	Rs.
Claims against the Group not acknowledged as debts	Nil	Nil
Disputed Income Tax Demands (excluding interest, if any)	5,855,601	5,855,601
Bank Guarantees given	25,000,000	25,000,000

3) The Company has given counter guarantees in respect of guarantees aggregating Rs. 5,515 lacs (Previous year Rs.7,150 lacs) given by the bank on behalf of the Company to the Stock Exchanges towards Base Capital, Margin Deposits etc. required to be maintained by the Company with the Stock Exchanges. The Company has pledged fixed deposits of Rs.3,115 lacs (Previous year Rs.3,575 lacs) with the bank against the above bank guarantees.

4) Details of Directors' Remuneration

Particulars	Managing	Wholetime
	Director	Directors
Salaries	1,800,000 (1,800,000)	1,110,000 (1,260,000)
Contribution to Provident Fund	129,600 (129,600)	- -
Perquisites	14,400 (14,400)	- -

Figures stated in bracket are for previous year

5) Details of Auditor's Remuneration (Excluding Service Tax)

Particulars	Year Ended	Year Ended
	31.03.2011	31.03.2010
	Rs.	Rs.
Audit Fees	157,000	150,000
Tax Audit Fees	33,000	33,000
Other Services	-	7,000
Total	190,000	190,000

6) **Computation of Earnings Per Share**

Particulars	Year Ended	Year Ended
	31.03.2011	31.03.2010
	Rs.	Rs.
a) Net Profit After Tax Available to Equity Shareholders	62,121,389	147,128,432
b) Weighted Average Number Of Equity Shares	14,000,000	14,000,000
c) Basic and Diluted Earnings Per Share	4.44	10.51

- 7) Pursuant to Accounting Standard "Accounting for Taxes on Income" (AS 22), the Group has accounted for Deferred Tax adjustments representing tax effect of timing differences in respect of the undermentioned items.

The Components of Deferred Tax Liabilities / (Assets) are as follows:

Particulars	As At	As At
	31.03.2011	31.03.2010
Depreciation/Amortization of Fixed Assets	11,900,410	11,778,534
Provision for Retirement Benefits	(831,141)	(717,530)
Profit on sale of Investments	595,250	583,143
Others	-	298,000
Net Deferred Tax Liabilities / (Assets)	11,664,519	11,942,147

- 8) In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- 9) The Group's operations predominantly consists of " Broking of shares/securities/Commodities & other related activities ". Hence there are no reportable segments under Accounting Standard -17. During the year under report the Group was engaged in its business only within India. The conditions prevailing in India being uniform no separate geographical disclosures are considered necessary.
- 10) The company (Inventure Growth & Securities Limited) has incurred various expenditure in connection with proposed initial public offering(IPO) aggregating Rs. 56,43,640/- till the balance sheet date, which has been shown under the head "Loans & Advances ". Upon completion of the IPO process the said expenditure will be dealt with appropriately in accordance with the accounting policy to be framed in this regard.

11) Retirement Benefit - Gratuity

The employees of the Company are eligible for gratuity in accordance with the Payment of Gratuity Act, and is a Defined Employee Benefit. The above benefit is not funded but provision is made in the accounts for accrued gratuity under Projected Unit Credit Method of actuarial valuation.

The following table summaries the components of the employee benefit expenses recognised in the Profit & Loss account and the amount recognised in the Consolidated Balance sheet for the gratuity provision made under actuarial method.

Profit and Loss account

Net employee benefit expenses (recognised in employee cost) Schedule No 11

Particulars	Year ended 31.03.2011
Current service cost	557,622
Interest on defined benefit obligation	168,880
Net actuarial losses/(gains) recognised in the year	(275,416)
Past service cost	-
Total included in "employee benefit expenses"	451,086

Balance Sheet

Details of provision for gratuity

	As At 31.03.2011
Discounted Present value of accrued gratuity liability as at the year end determined as per Actuarial valuation (Schedule No 8)	2,562,088
Amount in balance Sheet	2,562,088

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended 31.03.2011
Provision at the beginning of the year	2,111,002
Interest cost	168,880
Current Service Cost	557,622
Past service cost (non vested benefit)	-
Past service cost (vested benefit)	-
Benefits paid	-
Actuarial (gain)/losses	(275,416)
Provision at the end of the year	2,562,088

Principal actuarial assumptions as at the balance sheet date:

Particulars	Year ended 31.03.2011
Discount rate	8.25%
Salary escalation	5%
Employee attrition rate	2%

12) Related Party Disclosures.

The following details give the information pursuant to Accounting Standard (AS) 18 " Related Party Disclosures".

A) Name of the Related Parties and the Nature of Relationship

Name of the Related Parties	Nature of Relationship
Nagji Keshavji Rita	Director and Key Management Personnel
Virendra Dudhnath Singh	Director and Key Management Personnel
Nishit Vinod Shah	Director and Key Management Personnel
Amrutben Kanji Shah	Relative of Director
Jayshree Nagji Rita	Relative of Director
Khimaiben Keshavji Rita	Relative of Director
Kiran Virendra Singh	Relative of Director
Ratan Vinod Shah	Relative of Director
Shraddha V. Singh	Relative of Director
Shweta Virendra Singh	Relative of Director
Varsha P. Shah	Relative of Director
Sejal N. Shah	Relative of Director
Gulavati Singh	Relative of Director
Padmaben S. Rita	Relative of Director
Vaibhav N. Rita	Relative of Director
Euro Multivision Ltd	Company of Key Management Personnel
Suyojana Impex Pvt. Ltd	Company of Key Management Personnel

B) Details of Related Party transactions during the year ended 31.03.2011

Particulars	Directors & Key Management Personnel	Relatives of Directors & Key Management Personnel	Enterprises significantly influenced by the Directors / Relatives	Total (Rs.)
Salary/Remuneration paid	2,910,000	2,140,000	-	5,050,000
Security Deposit Received	-	3,000,000	-	3,000,000
Security Deposit Repaid	-	1,300,000	-	1,300,000
Loans Received	11,000,000	-	-	11,000,000
Loans Repaid	10,000,000	-	5,000,000	15,000,000
Interest Paid	199,315	550,201	8,219	757,735
Rent Paid	-	2,275,000	1,560,000	3,835,000
Outstanding Credit/(Debit) Balance	2,000,000	1,100,000	3,000,000	6,100,000

13) Balance Sheet Abstract and Company's General Business Profile (Part IV)

I	<u>Registration Details :</u>	(Rupees in '000)
	Registration No.	L65990MH1995PLC089838
	State Code	11
	Balance Sheet Date	31.03.2011
II.	<u>Capital Raised During The Year :</u>	
	Public Issue	-
	Rights Issue	-
	Bonus Issue	-
	Private Placement	-
III.	<u>Position Of Mobilisation And Deployment Of Funds :</u>	
	Total Liabilities	1,263,292
	Total Assets	1,263,292
	<u>Sources Of Funds :</u>	
	Paid -up Capital	140,000
	Reserves & Surplus	664,553
	Minority Interest	619
	Secured Loans	431,556
	Unsecured Loans	14,900
	Deferred Tax Liability	11,665
		1,263,292
	<u>Application Of Funds :</u>	
	Goodwill as per AS 21	15,008
	Net Fixed Assets	136,610
	Investments	158,884
	Net Current Assets	952,791
		1,263,292

Contd..

		(Rupees in '000)
IV.	<u>Performance Of The Company For the year ended 31st March, 2011</u>	
	Turnover	425,762
	Total Expenditure	332,122
	Profit Before Tax	93,640
	Profit After Tax	62,121
	Earning Per Share in Rupees (Face Value Rs. 10/-)	4.44
	Dividend Rate (%)	
V.	<u>Products Of The Company :</u>	
	<u>Item Code No</u>	N. A.
	(ITC Code)	N. A.
	Product Description	N. A.

As Per Our Attached Report Of Even Date

For PHD & Associates

Chartered Accountants

Firm Registration No. 111236W

(D.V.Vakharia)

Partner

Membership No. 46115

For and On Behalf Of The Board

Nagji K. Rita

Charirman &

Managind Director

Virendra D. Singh

Wholetime Director

Kanji B. Rita

Director

Pravin N. Gala

Director

Vinod K. Shah

Director

H. M. Gajbhiye

Director

S. Jambunathan

Director

Ajay Khera

Director

Arun N. Joshi

Director

Deepak M Vaishnav

Director

Arvind J. Gala

Chief Financial Officer

Bhavi R Gandhi

Company Secretary

Place : Mumbai

Date: 6th July, 2011

INVENTURE GROWTH & SECURITIES LTD

Consolidated Cash Flow Statement For The Year Ended 31st March, 2011

Particulars	Year Ended	Year Ended
	31.03.2011	31.03.2010
A) Cash Flow From Operating Activities		
Net profit before taxation and exceptional items	93,639,966	203,317,166
Adjustments for :		
(Profit) on Sale of Investments	(11,696,604)	(9,797,459)
Loss on sale of fixed asset	-	27,318
Dividend Income	(1,264,615)	(1,026,360)
Interest Received	(42,418,443)	(35,525,254)
Depreciation	12,451,715	11,568,449
Interest and Other Financial Charges	82,845,023	43,396,243
Contingent Provisions against Standard Assets	1,014,242	-
Provision for Defined Employees Benefit	451,086	54,400
Operating Profit Before Working Capital Changes	135,022,370	212,014,503
Adjustments for :		
Stock in Trade	(1,396,320)	222,948
Trade and Other Receivables	(342,741,961)	(121,570,916)
Trade Payables	(32,255,284)	202,136,657
Income Taxes Paid	(36,353,862)	(59,491,577)
Net Cash From Operating Activities (A)	(277,725,057)	233,311,615
B) Cash Flow From Investing Activities :		
Purchase of fixed assets	(8,083,088)	(16,328,510)
Disposal of Fixed Assets	-	400,000
Purchase of Investments	(56,411,197)	-
Sale of Investments	23,616,921	40,428,595
Interest received	36,405,475	31,098,489
Dividend received	1,264,615	1,026,360
Term Deposits with Banks (Net)	(86,800,000)	(207,724,093)
Net Cash From Investing Activities (B)	(90,007,274)	(151,099,159)
C) Cash Flow From Financing Activities :		
Change in Minority Interest	-	(200)
Dividend Paid	(14,000,000)	(7,000,000)
Corporate Dividend Tax paid	(2,325,225)	(1,189,650)
Loans From Banks/Financial Institutions	1,080,613,866	278,600,000
Loans Repaid - Banks/Financial Institutions	(837,692,999)	(181,583,989)
Loans from others	33,900,000	34,900,000
Loans Repaid - others	(36,500,000)	(19,500,000)
Interest and Other Financial Charges	(82,845,023)	(43,396,243)
Bank Overdraft (Net)	140,841,037	(38,131,858)
Net Cash Used In Financing Activities (C)	281,991,656	22,698,060
Net Increase in Cash and Cash Equivalents (A+B+C)	(85,740,675)	104,910,516
Cash and Cash Equivalents as at beginning	138,308,193	33,397,677
Cash and Cash Equivalents as at end	52,567,518	138,308,193

Notes:

Cash and Cash Equivalents are as under:

Particulars	As on 31st	As on 31st March,
	March, 2011	2010
	Rs.	Rs.
Cash in hand	541,838	174,704
In Current Accounts	52,025,680	138,133,489
	52,567,518	138,308,193

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard -3 on "Cash Flow Statements" issued by the Institute of Chartered accountants of india.

2 Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

As Per Our Attached Report Of Even Date

For PHD & Associates
Chartered Accountants
Firm Registration No. 111236W

(D.V.Vakharia)
Partner
Membership No. 46115

Bhavi R Gandhi
Company Secretary

Place : Mumbai
Date: 6th July, 2011

For and On Behalf Of The Board

Nagji K. Rita	Charirman & Managind Director
Virendra D. Singh	Wholetime Director
Kanji B. Rita	Director
Pravin N. Gala	Director
Vinod K. Shah	Director
H. M. Gajbhiye	Director
S. Jambunathan	Director
Ajay Khera	Director
Arun N. Joshi	Director
Deepak M Vaishnav	Director
Arvind J. Gala	Chief Financial Officer

Inventure Growth & Securities Limited

SUMMARY OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(8) OF COMPANIES ACT, 1956

(Rs. In Lakhs)

Subsidiary Name	Accounting Period		Capital		Reserves		Total Liabilities		Total Assets		Investment (Other than in Subsidiaries)		Turnover /Income		PBT		Tax provision		PAT		Dividends Proposed/Paid	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Inventure Finance Pvt. Ltd.	01.04.10 to 31.03.11	01.04.09 to 31.03.10	280.00	80.00	2,398.95	580.15	6,221.58	3,631.51	6,221.58	3,631.51	1,313.04	1,143.91	625.78	405.07	40.96	199.07	22.16	30.87	18.80	168.20	-	8.00
Inventure Commodities Ltd.	01.04.10 to 31.03.11	01.04.09 to 31.03.10	219.07	219.07	603.95	537.98	823.36	757.75	823.36	757.75	275.78	-	189.62	363.64	98.91	319.93	32.94	19.22	65.97	300.72	-	-
Inventure Wealth Management Limited	01.04.10 to 31.03.11	01.04.09 to 31.03.10	65.00	65.00	-	-	88.60	85.00	88.60	85.00	-	-	35.07	39.94	(10.09)	4.74	0.05	-	(10.14)	4.74	-	-
Inventure Insurance Broking Private Limited	01.04.10 to 31.03.11	01.04.09 to 31.03.10	60.00	60.00	-	-	60.06	60.05	60.06	60.05	-	-	2.88	0.58	(1.63)	(14.56)	0.01	0.05	(1.64)	(14.61)	-	-



GROWTH & SECURITIES LTD.
Enhancing Fortunes. Enriching Lives.

Corporate Office:

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