

## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of Geojit BNP Paribas Financial Services Limited will be held on Tuesday, 15<sup>th</sup> day of July, 2014 at 4.00 p.m. at The Renai Cochin, Palarivattom, Kochi, Kerala – 682 024 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt Financial Statements for the year ended 31<sup>st</sup> March, 2014 including audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the statement of profit and loss for the year ended on that date and the report of the Board of Directors and Auditors thereon.
2. To declare final dividend for the Financial Year 2013-14.
3. To appoint a director in place of Mr. Jean Christophe Gougeon (holding DIN 02561258), who retires by rotation and being eligible seeks reappointment.
4. To appoint M/s Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration No. 008072S) as statutory auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and such other applicable provisions of Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. A P Kurian (holding DIN 00008022) who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto July 14, 2019.”

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and such other applicable provisions of Companies Act, 2013 and the rules made there under

(including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Ramanathan Bupathy (holding DIN 00022911) who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto July 14, 2019.”

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and such other applicable provisions of Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Mahesh Vyas (holding DIN 00338749) whose period of office is liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto July 14, 2019.”

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

“RESOLVED THAT Ms. Franciska Maria Godelieve Decuyper (holding DIN 06869435) who was appointed as Additional Director of the Company with effect from May 14, 2014 in terms of Section 161(1) of the Companies Act, 2013 and Article 86(1) of Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

By Order of the Board  
Sd/-

Place : Kochi  
Date : 12.06.2014

**Liju K Johnson**  
Company Secretary



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BNP PARIBAS**

## IMPORTANT NOTES

1. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, 11<sup>th</sup> July, 2014 to Tuesday, 15<sup>th</sup> July, 2014 (both days inclusive) for purpose of payment of final dividend for the financial year ended March 31, 2014 and the AGM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration to those members whose name appears on the register of members as on the date of AGM and in the records of the depositories as beneficial owners of the shares as at the closing hours of 10th July, 2014.  
  
The Company will use the bank account details furnished by the Depositories for distributing the dividends to the Members holding shares in the electronic form through Electronic Clearing Services (ECS) facility.
5. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank accounts to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing Systems (ECS) for receiving dividend.
6. Members are requested to address all correspondences, including dividend matters, to the Registrar & Share

Transfer Agents M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore, Tamil Nadu – 641 006 (Email: info@skdc-consultants.com).

7. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹209,459/- and ₹404,603/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend, 2005-06 & Interim Dividend, 2006-07 to the Investor Education and Protection Fund of the Central Government. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2006, as on the date of the 19<sup>th</sup> Annual General Meeting (AGM) held on 12<sup>th</sup> July, 2013, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in). Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.
8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
9. Members holding shares in physical form are requested to dematerialize their shares. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they



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are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the RTA. Members holding shares in physical form are also requested to quote their PAN details on the share transfer deed submitted for transfer of their shares.

10. Members are requested to intimate change in their bank account details, address, etc. to the Registrar & Share Transfer Agents M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006 (Email: info@skdc consultants.com), in respect of shares held in physical form.
11. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board Resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting.
12. Members are requested to bring their copy of Annual Report and Attendance Slip duly completed when attending the Meeting.
13. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
14. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
15. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
16. Electronic copy of the Notice of the 20th Annual General Meeting of the Company along with Attendance Slip

and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 20th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode.

17. The Certificate from Auditors of the Company as stipulated under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 for Employees Stock Option Plan 2007 for Key Employees and Employees Stock Option Plan 2010 (ESOP 2010) will be available for inspection at the Annual General Meeting.
18. The register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
19. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
20. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.geojitbnpparibas.com](http://www.geojitbnpparibas.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kochi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [companysecretary@geojit.com](mailto:companysecretary@geojit.com).
21. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
22. In view of the recent MCA Circular, we are not providing e-Voting facility for this AGM.



## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5

Mr. A P Kurian is a Non-Executive Independent Director & the Chairman of the Company. He joined the Board of Directors of the Company in February, 1995. Mr. A P Kurian is a member of the Audit Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company.

Mr. A P Kurian, Chairman of Geojit BNP Paribas Financial Services Ltd. is the former Executive Trustee of Unit Trust of India. He has been closely associated and took an active part in building up the Unit Trust of India. Since then he served as the Chairman of the Association of Mutual Funds in India (AMFI), the apex body of all the registered Asset Management Companies from July, 1998 to September 2010. He is on the Board of Granules India Limited, JP Morgan Asset Management India Pvt. Ltd., Muthoot Capital Services Limited and Muthoot Fincorp Limited. He was also an Advisor to the Economic Department of Reserve Bank of India.

Mr. A P Kurian was awarded the Marketing Man of the year 1987 instituted by Tata Sons for his contribution in the field of marketing of financial instruments. As an effective Manager, having contributed substantially to the growth of the Unit Trust of India, the IIM awarded him in 1993 the Best Professional Manager Award instituted by LIC.

Mr. A P Kurian retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. A P Kurian being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 14<sup>th</sup> July, 2019. A notice has been received from a member proposing Mr. A P Kurian as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Kurian fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Kurian as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kurian as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. A P Kurian as an Independent

Director, for the approval by the shareholders of the Company. Mr. A P Kurian holds 376,900 equity shares of the Company.

Except Mr. A P Kurian, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommend passing of the Resolution contained in item No.5 for the approval of the members.

### Item No. 6

Mr. Ramanathan Bupathy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January 2006. Mr. R Bupathy is a member of the Audit Committee, Nomination and Remuneration Committee and Shareholders/Investors Grievance Committee of the Board of Directors of the Company.

Mr. R Bupathy is a well-known Practicing Chartered Accountant. He was a member of Central Council of Institute of Chartered Accountants of India for a period of nine years from 1995 to 2004. He was the President of Institute of Chartered Accountants of India during 2003-04 and the Vice President of the Institute for the year 2002-03.

He was a Member of the Group constituted by World Bank for undertaking a study of the system of Corporate Governance in India, Central Board of Advisory Committee constituted by the Central Board of Direct Taxes, Ministry of Finance, Government of India, Reserve Bank of India Sub-committee (Audit) of the Board for Financial Supervision, Primary Market Advisory Committee of the Securities Exchange Board of India, Audit Advisory Board constituted by the office of the Comptroller Auditor General of India, Accounting Standards Committee of the Securities Exchange Board of India and National Advisory Committee on Accounting Standards constituted by the Department of Company Affairs, Ministry of Finance, Government of India.

Mr. R Bupathy retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. R Bupathy being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 14<sup>th</sup> July, 2019. A notice has been received from a member proposing Mr. R Bupathy as a candidate for the office of Director of the Company. In the





opinion of the Board, Mr. Bupathy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Bupathy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Bupathy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. R Bupathy as an Independent Director, for the approval by the shareholders of the Company. Mr. R Bupathy holds 18,000 equity shares of the Company.

Except Mr. R Bupathy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommend passing of the Resolution contained in Item No. 6 for the approval of the members.

#### Item No. 7

Mr. Mahesh Vyas is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in July 2003. Mr. Mahesh Vyas is a member of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. Mahesh Vyas is the Managing Director and CEO of the Centre for Monitoring Indian Economy Private Limited. (CMIE). CMIE is India's leading private sector and independent think tank. It provides economic and business information, analysis and forecasts. Mahesh Vyas joined CMIE in 1980. During his over-30 years at the CMIE, he has worked in most departments ranging from macro-economics to firm-level studies. Most of the research work focussed on integration of micro-economic observations with a macro-economic forecasting framework.

Mr. Mahesh Vyas has been a regular commentator on the Indian economy through CMIE's subscription services and occasionally through the media, presentations to government and consulting for corporate.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Mahesh Vyas as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mahesh Vyas as

an Independent Director, for the approval by the shareholders of the Company. Mr. Mahesh Vyas does not hold any shares in the Company.

Except Mr. Mahesh Vyas, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommend passing of the Resolution contained in Item No. 7 for the approval of the members.

#### Item No. 8

BNP Paribas S A, the major shareholder of the Company has the right to nominate directors in the Board of Directors of the Company in terms of Article 72A of the Articles of Association of the Company. Mr. Olivier Le Grand, BNP Paribas representative had resigned from the Board w.e.f. 31<sup>st</sup> March, 2014. Consequent to the resignation of Mr. Olivier Le Grand, BNP Paribas S A nominated Ms. Franciska Decuypere as Investor Director to the Board of Directors of the Company.

Accordingly, the Board of Directors appointed Ms. Franciska Decuypere as an Additional Director as per Article 86 of the Articles of Association of the Company. She would hold office till the date of this Annual General Meeting. Notice in writing along with requisite deposit proposing her appointment as a director has been received, in compliance with the Companies Act, 2013.

Ms. Franciska Decuypere is the Head of BNP Paribas Personal Investors and is a member of the G100 and the Domestic Markets Executive Committee of BNP Paribas S A. Ms. Franciska has solid banking experience in strategic marketing, business development and distribution which she gained with ING from 1984 to 1999, and then with Atos Origin (Banksys) where she worked until 2007. Between 2007 and 2012, she was a member of the BNP Paribas Fortis Retail and Private Banking Belgium management team. Ms. Franciska Decuypere does not hold any equity shares of the Company.

Except Ms. Franciska Decuypere, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

The Board recommend passing of the Resolution contained in Item No. 8 for the approval of the members.

By Order of the Board  
Sd/-

Place : Kochi  
Date : 12.06.2014

**Liju K Johnson**  
Company Secretary



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

<b>Name of the Director</b>	<b>Jean Christophe Gougeon</b>
<b>Date of Birth</b>	22.03.1963
<b>Nationality</b>	French
<b>Date of Appointment</b>	19.03.2012
<b>Qualifications</b>	Graduate (French Graduate School of Management)
<b>Shareholding in Geojit BNP Paribas Financial Services Ltd.</b>	Nil
<b>Expertise in specific functional area</b>	Jean Christophe Gougeon is currently Managing Director, BNP Paribas Personal Investors South East Asia and Head of Business Development Asia/Middle East. From April 2007 to June 2009, he was Marketing Director of Geojit BNP Paribas Financial Services Ltd.
<b>Chairman / Director of other Indian Companies</b>	(a) Geojit Credits Pvt. Ltd.
<b>Chairman / Member of Committees of the Boards of other Indian Companies of which he is a Director</b>	(a) Geojit Credits Pvt. Ltd. – Corporate Social Responsibility Committee



## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

### Geojit BNP Paribas Financial Services Limited

CIN : L67120KL1994PLC008403

Registered Office : 34/659-P, Civil Line Road, Padivattom, Kochi – 682 024

Tel: 0484-2901000, Fax: 0484-2979695 mailus@geojit.com | www.geojitbnpparibas.com

#### 20th Annual General Meeting – July 15, 2014

Name of the Member(s)	
Registered Address	
Email	
Folio No. / Client ID	
DP ID	

I / We, being the member(s) of ..... shares of the above mentioned Company, hereby appoint

1. Name : .....  
 Address : .....  
 E-mail ID : .....  
 Signature : .....,

or failing him/her

2. Name : .....  
 Address : .....  
 E-mail ID : .....  
 Signature : .....,

or failing him/her

3. Name : .....  
 Address : .....  
 E-mail ID : .....  
 Signature : .....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Tuesday, 15<sup>th</sup> July, 2014 at 4.00 p.m. at Renai Cochin, Palarivattom, Kochi, Kerala – 682 025 and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Resolution Number	Resolution	Vote (optional see note 2) (Please mention No. of shares)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2014			
2	Declare final dividend for the FY 2013-14			
3	Reappointment of Mr. Jean Christophe Gougeon, who retires by rotation			
4	Reappoint of M/s. Deloitte Haskins & Sells, Chartered Accountants as Auditors and fixing their remuneration			
Special Business				
5	Appointment of Mr. A P Kurian as an Independent Director			
6	Appointment of Mr. R Bupathy as an Independent Director			
7	Appointment of Mr. Mahesh Vyas as an Independent Director			
8	Appointment of Ms. Franciska Decuypere as a Director			

Signed this ..... day of ..... 2014

Signature of Shareholder .....

Signature of Proxy Holder(s) .....

Affix  
Revenue  
Stamp

- Notes:**
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  - It is optional to indicate your preference. If you leave the for, against, abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem applicable.



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## ATTENDANCE SLIP

### Geojit BNP Paribas Financial Services Limited

CIN : L67120KL1994PLC008403

Registered Office : 34/659-P, Civil Line Road, Padivattom, Kochi – 682 024

Tel: 0484-2901000, Fax: 0484-2979695

mailus@geojit.com | www.geojitbnpparibas.com

### 20th Annual General Meeting - July 15, 2014

Registered Folio No. / DP ID No. / Client ID No.

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Number of Shares held

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I hereby record my presence at the Annual General Meeting of the Company at Renai Cochin, Palarivattom, Kochi, Kerala – 682 025 on Tuesday, 15<sup>th</sup> July, 2014 at 4.00 p.m.

.....  
Full name of the Member (in BLOCK letters)

.....  
Signature

.....  
Full name of the Proxy (in BLOCK letters)

.....  
Signature

Members attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting room.



# ANNUAL REPORT

## 2014



**GEOJIT  
BNP PARIBAS**

| Savings & Investments



## GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

### 20<sup>TH</sup> ANNUAL REPORT 2013-14

Board of Directors	Registered Office
A P Kurian : Chairman C J George : Managing Director R Bupathy Aruna Sundararajan Mahesh Vyas Franciska Decuypere Jean Christophe Gougeon Punnoose George Rakesh Jhunjunwala	34/659-P, Civil Line Road, Padivattom Kochi – 682 024, Kerala, India
	Website
	www.geojitbnpparibas.com
	Statutory Auditors
	Deloitte Haskins and Sells Chartered Accountants Wilmont Park Business Centre Warriam Road Kochi – 682 016
Management Team	Registrar & Share Transfer Agents
C J George : Managing Director Binoy V Samuel : Chief Financial Officer Satish Menon : Executive Director Sharad Sharma : Executive Director A Balakrishnan : Managing Director Geojit Technologies Pvt. Ltd. Jaya Jacob Alexander : Chief of Human Resources	S.K.D.C. Consultants Limited Kanapathy Towers, 3rd Floor 1391/A – 1, Sathy Road, Ganapathy Coimbatore – 641 006
	Bankers
	Axis Bank Ltd. HDFC Bank Ltd. State Bank of India Federal Bank Ltd. BNP Paribas S.A Citibank N.A
Company Secretary	Listed at
Liju K Johnson	National Stock Exchange of India Limited BSE Limited

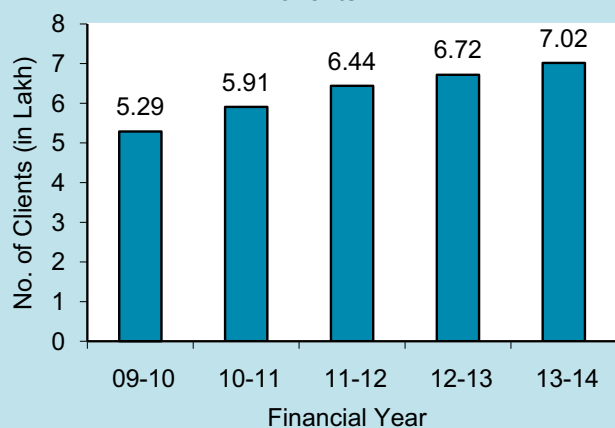
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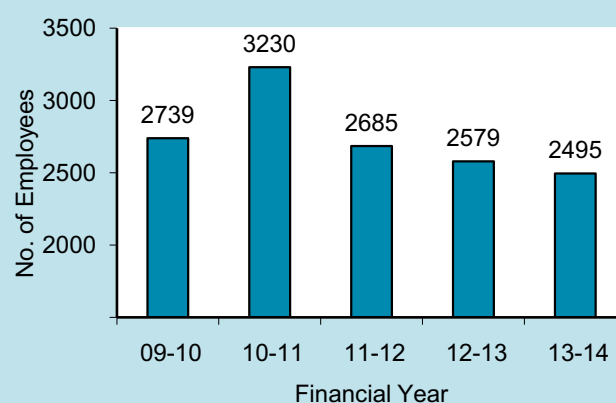


## FIVE YEARS REVIEW

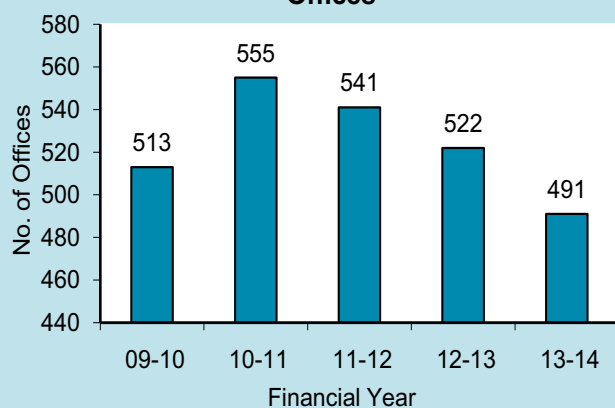
### Clients



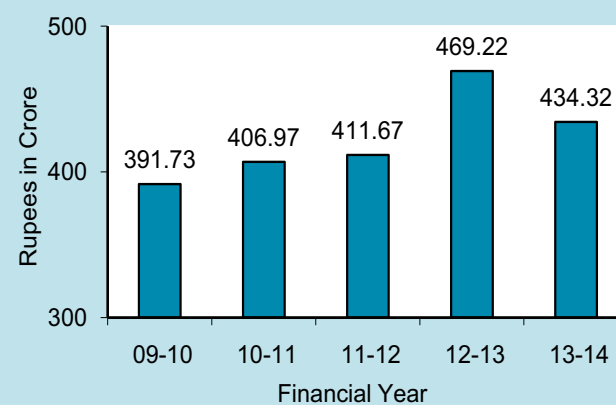
### Employees



### Offices



### Network



## FIVE YEARS REVIEW

### CONSOLIDATED FINANCIAL SUMMARY

(₹ in lakhs)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Income from Operations	20,829	23,834	22,659	25,729	28,011
Other Income	2,425	2,385	3,055	2,400	2,400
<b>Total Income</b>	<b>23,254</b>	<b>26,219</b>	<b>25,714</b>	<b>28,129</b>	<b>30,411</b>
Total Expenditure	16,649	19,521	20,955	23,104	22,731
Profit Before Tax	6,605	6,698	4,759	5,025	7,680
Tax	2,198	2,248	2,427	1,880	2,842
<b>Profit after Tax</b>	<b>4,407</b>	<b>4,450</b>	<b>2,332</b>	<b>3,145</b>	<b>4,838</b>
Add: Extraordinary & Exceptional Item	(12,132)	4,278	-	-	-
Add: Share of Profit in Associates	(40)	(53)	-	-	-
Less: Pre-acquisition Profit on increase in stake in subsidiary	-	-	-	-	-
Less: Minority Interest	(441)	495	387	243	220
<b>Net Profit after Tax</b>	<b>(7,324)</b>	<b>8,180</b>	<b>1,945</b>	<b>2,902</b>	<b>4,618</b>
Equity	2,284	2,284	2,284	2,284	2,253
Reserves	41,148	44,638	38,883	38,413	36,920
Net Worth	43,432	46,922	41,167	40,697	39,173
Face Value (in ₹)	1	1	1	1	1
Book Value (in ₹)	19	20.54	18.02	17.82	17.39
EPS (in ₹)	(3.21)	3.58	0.85	1.28	2.06
Dividend (%)	10 %	100%	75%	75%	75%
Return on Networth (%)	- 17 %	17 %	5 %	7 %	12 %


**GEOJIT**  
**BNP PARIBAS**



## CHAIRMAN'S MESSAGE



"Challenges do not break us, only make us stronger" – is an old adage worth recalling when we look back at the events of the last year. Indeed, it is challenge and perseverance that I want to emphasize on in this message. With that, let me welcome

you to this 20th Annual General Meeting.

As I stand here, I draw some satisfaction from the way in which we have weathered the steady deterioration in our business climate for much of last year.

While the international economy, on the whole, showed broad strengthening, with global GDP registering a growth of 3%, the Indian economy had one of its worst years in recent memory. GDP growth hit 4.86% which is the lowest recorded in a decade, and should be taken as an indicator of how bad things had become. By the first half of the year, the economy seems to have hit a nadir of sorts. GDP growth remained anemic, while Fiscal and Current account deficits reached uncomfortably high levels and, consequently, the rupee plummeted, touching an all time low of ₹68.84 against the dollar on August 28, 2013. Inflation, which had been uncomfortably high for the preceding several quarters, showed some signs of softening in February-March of the 2013, but once again spiked up towards the end of the year, hitting 11.8% in November, 2013. The RBI's monetary stance shadowed the broader inflationary trends of the economy, loosening somewhat from January 2013, but then again tightening from September-October of the year.

The markets recorded an uneven performance in 2013-14. Due to the combined effect of factors such as Quantitative Easing (QE) tapering fears, sharp depreciation in the Rupee's value, deceleration in GDP growth, NIFTY hit the low of 5119 for the year in August 2013 and remained volatile till the beginning of September. From then on, although there were instances of correction, the markets sharply rose to hit all-time highs, by the end of the financial year. In part, it was because of the widely shared perception that the worst was over for the Indian economy, once again rekindling FII interest and resulting in large inflows from abroad. Net FII inflows for the financial year 2013-2014 stood at ₹ 51,649 crore. At the

same time, Investor expectations of the formation of a stable government with a pro-growth orientation meant that on the whole, the year closed with the markets performing better than many other emerging markets.

As a financial services intermediary, our financial performance largely reflected both the broader market movements, and other external factors.

Let me address the first of these issues. It is natural to presume that, the company's trading volumes would have spiked in tandem with the recovery the markets witnessed towards the close of FY13-14. While there has been an improvement in volumes recently, one must remember that the current upward movement by the market is largely an FII fuelled one. In fact, since the market crash of 2008, the retail investor, on whom we bank for revenues, has only shown a lukewarm interest in the market. It is the FIIs who now have a preponderant share of the market.

The second is with regard to the NSEL payment crisis. The crisis was an unprecedented one in the history of capital markets and it caught all the leading industry players, including us by surprise. We of course pride ourselves on our conservative risk management approach and due diligence measures. This however was in the nature of a black swan event and was not something that could have been reasonably foreseen by anyone. Nevertheless, we are taking all possible steps to ensure that we recover our money. At the same time, we have, in accordance with RBI norms, made a provision of ₹128.26 crore as a contingent loss.

Despite the scale and magnitude of the challenges faced by us, our company has made quite a few remarkable achievements over the year. Our assets under custody and management crossed ₹15,000 crore for the first time in our history, while our client base crossed 7 lakhs. Technology continues to be our area of special focus and we have taken every possible care to ensure that it will be a core competency of ours in the future too. Geojit Technologies Private Ltd. (GTPL) continues to focus on designing innovative internet and mobile trading and settlement solutions incorporating the latest functionalities and add on features. GTPL also offers Business to Business (B2B) solutions to clients in India and abroad. In this regard, I would like to especially thank BNP Paribas for making GTPL a global sourcing partner. As far as our foreign ventures go, I am especially happy to report that Barjeel Geojit continues to make profits, while Aloula Geojit has broken even this year.



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**BNP PARIBAS**

With the expected improvement in the market, we believe that our other Joint Ventures and Partnerships in the Gulf Region will also do much better in the coming year.

Our results for the last year, reflect all these developments. While total revenues for FY13-14 was ₹232.54 crores, as against ₹262.19 crore for FY 12-13. This is a decrease of about 11%. We must, however, recognize that during the last year, we had revenue from institutional brokerage coming in. This is no longer the case, as we have completely exited this segment, post our stake sale in it to BNP Paribas. In fact, the adjusted consolidated revenue of the current year excluding the revenue from institutional JV is higher by 1.6% over the last year. Profit before Tax registered a marginal decline of 1% from ₹66.98 crores, last year to ₹66.05 crores in the year under review. As mentioned, in accordance with RBI's prudential norms, we have made a provision of ₹128.26 crore due to the NSEL payments crisis. Consequently, we have a consolidated Net Loss of ₹73.24 crores in 2013-2014.

In spite of the company incurring a loss due to the NSEL

payment crisis, the Board of Directors have pleasure in recommending a modest dividend of 10% in keeping with the unbroken tradition of the company in declaring dividends every year. I hope the shareholders will appreciate this.

No doubt the year reported one of the most disappointing results for the company since its founding, more than 27 years ago. There is however, in my opinion, cause for optimism for the future. There is a well established belief, shared amongst Investors, the govt. and international institutions, that growth has bottomed out and that a recovery is on its way. The formation of a stable govt. at the centre, is a positive development. If corrective steps are soon taken, then we should certainly expect an acceleration in growth and bullish markets will then follow. For our part, we will stay steadfast in our commitment to overcome whatever challenges we face on the way and serving our clients to the best of our abilities. With that as our mission, we are very hopeful to present better results in the years to come.

**A P Kurian**

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report of your Company for the financial year ended 31<sup>st</sup> March, 2014.

### FINANCIAL HIGHLIGHTS

(₹ in crore)

Particulars	Standalone			Consolidated		
	2013-14	2012-13	Change	2013-14	2012-13	Change
Total Revenue	195.94	232.79	-16%	232.54	262.19	-11%
Total Expenditure	145.79	177.13	-18%	166.49	195.21	-15%
<b>Profit / (Loss) before tax</b>	<b>50.15</b>	<b>55.67</b>	<b>-10%</b>	<b>66.05</b>	<b>66.98</b>	<b>-1%</b>
Exceptional - Gain /(Loss)	(111.93)	-	-100%	(121.32)	42.78	-384%
Provision for Tax	15.69	13.70	15%	21.98	22.48	-2%
Less: Minority Interests	-	-	-	(4.41)	4.94	-189%
Less: Share of Loss in Associate	-	-	-	(0.4)	(0.53)	-24%
<b>Profit after tax</b>	<b>(77.47)</b>	<b>41.96</b>	<b>-285%</b>	<b>(73.25)</b>	<b>81.80</b>	<b>-190%</b>
Final Dividend	2.28	5.70	-	2.28	5.70	-
Interim Dividend	-	17.13	-	-	17.13	-
Transfer to General Reserve	-	5	-	-	5	-

### REVIEW OF PERFORMANCE

The company's performance, FY 13-14, largely shadowed the performance of the markets and is in line with broader Industry trends. Consequent to divesting our interest in the joint venture with BNP Paribas there is a decline in the consolidated brokerage. There was a marked increase in business done through online and mobile channels, which is an encouraging trend. We continue to focus on these channels. The rally in the markets witnessed in the last quarter, led to increase in trading activities and as a result, our client has crossed 7,00,000 and Asset under Custody and Management crossed 15,000 crores for the first time in our Company's history.

As informed through quarterly results, the Company was affected by the default of National Spot Exchange Limited, which directly affected one of our subsidiaries. Provision of ₹128.26 Crores was provided against non-performing assets of the Company in accordance with the rules. This is presented in the Profit & Loss Account as exceptional loss and has resulted in the net loss of ₹73.14 Crores for the year. The profit before exceptional item is at the same level as the previous year.

A detailed survey and analysis of our company's performance for the year is given in the Management Discussion and Analysis Report appended hereto.

### DIVIDEND

Your Directors are pleased to recommend a dividend of 10 paise per share of Re. 1 each for the financial year ended 31<sup>st</sup> March, 2014 taking into account the operating performance and the exceptional loss of the Company. The payment of dividend together with tax thereon will absorb ₹2.67 crore.

### DIRECTORS

Kerala State Industrial Development Corporation Limited (KSIDC) has appointed Ms. Aruna Sundararajan as its Nominee Director on the Board of the Company replacing Mr. P H Kurian, IAS w.e.f. 14<sup>th</sup> January, 2014. Mr. Tom Jose, IAS who was nominated by KSIDC as Nominee Director on the Board of the Company was replaced by Mr. P H Kurian w.e.f. 4<sup>th</sup> October, 2013. Mr. Olivier Le Grand, Investor Director nominated by BNP Paribas SA resigned

from the Board on 31<sup>st</sup> March, 2014. BNP Paribas nominated Ms. Franciska Decuypere as its Nominee and the Board appointed Ms. Decuypere as Additional Director w.e.f. 14<sup>th</sup> May, 2014. The Board of Directors place on record its sincere appreciation and gratitude for the valuable contribution and guidance received from Mr. Olivier Le Grand, Mr. Tom Jose and Mr. P H Kurian during their tenure as a member of the Board.

In accordance with Article 80 of the Articles of Association of the Company, Mr. Jean Christophe Gougeon, Non-Executive Director retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Brief details of Mr. Jean Christophe Gougeon proposed to be re-appointed is given in the Notice of Annual General Meeting.

In accordance with the Section 149 of the Companies Act, 2013 the Company proposes to appoint Mr. A P Kurian & Mr. R Bupathy and Mr. Mahesh Vyas as Independent Directors of the Company whose term of Office will be upto July 14, 2019.

#### SUBSIDIARIES AND JOINT VENTURES

Ministry of Corporate Affairs has granted exemption under Section 212(8) of the Companies Act, 1956 exempting the

Company from attaching copies of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of Subsidiaries as specified under Section 212(1) of the Companies Act, 1956, subject to publication of certain summarized financial information of the subsidiaries in the Annual Report. Accordingly these documents are not attached to the Balance Sheet and summarised financial information of the subsidiaries is included in this Annual Report. Full Annual Report including financial information of the subsidiaries is published on the website of the Company and will be available upon request by any member interested in obtaining the same. All those documents related to subsidiaries are kept in the head office of the Company for inspection by any interested shareholder.

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

(₹ in lakhs)

Particulars	Financial Highlights		
	Total Income	Profit / (Loss) Before Tax	Profit / (Loss) After Tax
<b>Subsidiaries</b>			
Geojit Investment Services Limited (100% Shares held)	174.93	127.66	90.81
Geojit Financial Management Services Private Limited (100% Shares held)	325.53	(2672.03)	(2800.83)
Geojit Credits Private Limited (67.75% Shares held)	915.69	(13318.72)	(13319.35)
Qurum Business Group Geojit Securities LLC (51% Shares held)	105.00	(126.00)	(126.00)
Geojit Technologies Private Limited (65% Shares held through wholly owned subsidiary)	2573.49	1596.76	1149.67
Geojit Financial Distribution Private Limited (100% Shares held through wholly owned subsidiary)	23.26	20.45	20.45
<b>Joint Ventures &amp; Associates</b>			
Barjeel Geojit Securities LLC (30% Shares held)	602.00	96.00	96.00
Aloula Geojit Capital Company (28% Shares held)	592.00	42.00	28.00
BBK Geojit Securities KSC (30% Shares held)	9.00	(40.00)	(40.00)



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**BNP PARIBAS**

## INTERNAL CONTROL SYSTEM

The Company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

The Company has a dedicated Internal Audit team with skills commensurate with the size, nature & complexity of operations of the Company. Internal Audit reports functionally to the Audit Committee of Board which reviews and approves risk based annual internal audit plan. Audit Committee periodically reviews the performance of internal audit function.

The Company has a rigorous business planning system to set targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action, if required.

The Company's audit committee reviews adherence to internal control systems, internal audit reports and legal compliances. This committee reviews all quarterly and yearly results of the Company and recommends the same to Board for its approval.

## TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

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

## MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis is given separately and forms part of this Annual Report.

## INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures are in force.

## FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public under Section 58(A) of the Companies Act, 1956 and

as such, no amount of principal or interest is outstanding as of the balance sheet date.

## HUMAN RESOURCES

As a service Company, the Company's operations are heavily dependent on qualified and competent personnel. As on 31<sup>st</sup> March, 2014, the Company had 2495 employees. Your Company takes significant effort in training all employees at various levels.

## EMPLOYEE STOCK OPTION PLAN (ESOP)

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

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company takes special interest in promoting education and is continuing with the Project of supporting the education of 450 underprivileged students, through the NGO, Rajagiri Outreach. We also provided educational support to needy students pursuing professional courses as well as participated in a Project of providing books & CD's on general knowledge to supplement the general studies of students of Government Schools in Kochi. During the year the company has reached out to the wider community to render aid and assistance wherever possible. We contributed to the Uttarakhand flood relief operations and gave support to an organization taking care of Alzheimer patients. It is a matter of pride for us that the young employees of the Company are compassionate and have helped the sick and the needy and also takes active interest in promoting social causes such as their participation in the global campaign to end violence on women and girls and for gender justice and gender equality conducted by the prominent Social organizations in Kochi led by the Cultural Academy of Peace. The staff have come together to form a blood donors data bank that has a membership of 200+ blood donors who have contributed to around 120 people in the last one year.

We are continuing with our efforts to promote financial education and inclusion through dedicated classes focusing on students, the youth and women. We have in the past tied up with the National Stock Exchange and the Ministry of Corporate Affairs to run investor road shows and outreach

programs. The company also associated itself with the NSE and CNBC TV 18 in making sure that the Cochin leg of the Investothon.

### **PARTICULARS OF EMPLOYEES**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

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

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

### **CORPORATE GOVERNANCE**

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

### **AUDITORS**

M/s. Deloitte Haskins & Sells, Chartered Accountants, 1<sup>st</sup> Floor, Wilmont Park Business Centre, Warriam Road, Kochi – 682 016, (ICAI Registration No.008072S) were appointed as Statutory Auditors of your Company to conduct the audit of accounts for the year ended 31<sup>st</sup> March, 2014. Their term of appointment expires at the conclusion of the forthcoming Annual General Meeting. Your Directors have proposed them for reappointment at the forthcoming AGM.

### **ACKNOWLEDGEMENTS**

Your Directors wish to acknowledge the valuable guidance and assistance received from Securities and Exchange Board of India, Stock Exchanges & other Regulatory Authorities, BNP Paribas, KSIDC, our clients and business partners. We look forward to receiving their continued support and encouragement. The Board of Directors wishes to extend their thanks and appreciation and express their gratitude for the continuing commitment and dedication of employees at all levels. The Directors are thankful to the esteemed shareholders for their support and the confidence reposed in the Company.

For and on behalf of the Board of Directors

Place : Kochi  
Date : 19.05.2014

**A P Kurian**  
Chairman



**GEOJIT**  
**BNP PARIBAS**



## ANNEXURES TO THE DIRECTORS' REPORT 2014

### Annexure I

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

Sl. No.	Particulars	ESOP 2007 for Key Employees (Granted during 2007-08)	ESOP 2010 – Tranche I (Granted during 2010-11)	ESOP 2010 – Tranche II (Granted during 2012-13)	ESOP 2010 – Tranche III (Granted during 2013-14)
1	Options granted	2,500,000 options representing equal number of shares	2,786,795 options representing equal number of shares	2,799,885 options representing equal number of shares	2,799,991 options representing equal number of shares
2	The pricing formula	As per Note 1	Closing market price of the share in the Stock Exchange in which the highest volume was recorded on the date prior to the Compensation Committee Meeting date in which options were granted (i.e., ₹ 22.20 per option)	Closing market price of the share in the Stock Exchange in which the highest volume was recorded on the date prior to the Compensation Committee Meeting date in which options were granted (i.e., ₹ 20.55 per option)	Closing market price of the share in the Stock Exchange in which the highest volume was recorded on the date prior to the Compensation Committee Meeting date in which options were granted (i.e., ₹ 23.95 per option)
3	Options vested up to 31.03.2014	1,647,780*	2,146,560*	Nil	Nil
4	Options exercised up to 31.03.2014	Nil	Nil	Nil	Nil
5	The total number of shares arising as a result of exercise of option	Nil	Nil	Nil	Nil
6	Options lapsed (as at 31 March, 2014)	302,960	640,235	460,200	221,950
7	Variation of terms of options	The Compensation Committee re-priced the stock options on 11.04.2009 with the approval of Members. Now the options have a Market Price of ₹ 25.50, as per SEBI Guidelines, while options were originally granted at a discount on the Market Price of Rs.66.55 per share	NA	NA	NA
8	Money realised by exercise of options	NA	NA	NA	NA
9	Total number of options in force as at 31.03.2014	2,197,040 *	2,146,560 *	2,339,685	2,578,041

Sl. No.	Particulars	ESOP 2007 for Key Employees (Granted during 2007-08)	ESOP 2010 – Tranche I (Granted during 2010-11)	ESOP 2010 – Tranche II (Granted during 2012-13)	ESOP 2010 – Tranche III (Granted during 2013-14)
10	Employee wise details of options granted to : (i) senior managerial personnel including Directors	As per Note 2	As per Note 2	As per Note 2	As per Note 2
	(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	As per Note 2	Nil	Nil	Nil
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil	Nil	Nil
11	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 – Earnings per share	₹ (3.39)			
12	(i) Method of calculation of employee compensation cost	Intrinsic Value Method	NA	NA	NA
	(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	₹ 67.82 lakhs	-	₹ 52.75 lakhs	₹ 55.05 lakhs



Sl. No.	Particulars	ESOP 2007 for Key Employees (Granted during 2007-08)	ESOP 2010 – Tranche I (Granted during 2010-11)	ESOP 2010 – Tranche II (Granted during 2012-13)	ESOP 2010 – Tranche III (Granted during 2013-14)
	(iii) The impact of this difference on profits and on EPS of the Company	(In ₹ unless stated otherwise) Profit / (Loss) After Tax as reported – (7,747.67) lakhs Add: Intrinsic Value Compensation Cost – 8.08 lakhs Less: Fair Value Compensation Cost – 183.70 lakhs (Black Scholes Model) Adjusted Profit / (Loss) After Tax – (7,923.29) lakhs Earnings per share (Basic): As reported – (3.39) As adjusted – (3.47) Earnings per share (Diluted): As reported – (3.39) As adjusted – (3.47)			
13	(i) weighted average exercise price of options (As on 31.03.2014)	₹ 25.50	₹ 22.20	₹ 20.55	₹ 23.95
	(ii) weighted average fair values of options (As on 31.03.2014)	₹ 61.67	₹ 6.94	₹ 4.71	₹ 5.70
14	Fair value of options based on Black Scholes methodology– Assumptions used :	7.00%	8.00%	8.00%	8.00%
	(i) risk-free interest rate				
	(ii) expected life of options	4 to 7 years	2 years	2 years	2 years
	(iii) expected volatility	170%	52%	39%	42%
	(iv) expected dividends (dividend yield)	0.60%	2.30%	4.04%	4.59%
	(v) Closing market price of share on the date of option grant	₹ 66.55 (Repriced to ₹ 25.50)	₹ 22.20	₹ 20.55	₹ 23.95

\* Represents vested portion of total options in force as on 31.03.2014

**Note 1 : Pricing formula for ESOP 2007 for Key Employees**

10% discount was offered on the Market Price of ₹ 66.55 at the time of grant of options in December 2007. Subsequently, on 11.04.2009 the Compensation Committee re-priced the outstanding stock options as on 31.03.2009 at the Market Price of ₹ 25.50 determined as per SEBI Guidelines.

**Note 2 : Options granted to Directors & Senior Managerial Personnel :**

Name	Designation	No. of options granted under ESOP 2007 for Key Employees	No. of options granted under ESOP 2010 (Tranche I)	No. of options granted under ESOP 2010 (Tranche II)	No. of options granted under ESOP 2010 (Tranche III)
Mr. Satish Menon	Executive Director	5,08,982*	11,920	6,900	9,876
Mr. Sharad Sharma	Executive Director	Nil	Nil	Nil	Nil
Mr. A Balakrishnan	Managing Director, Geojit Technologies (P) Ltd.	5,59,603*	13,360	8,050	10,780
Mr. Binoy Varghese Samuel	Chief Financial Officer	3,97,810*	7,200	6,325	5,424
Ms. Jaya Jacob Alexander	Chief Human Resources	2,55,645*	4,320	4,600	4,068
Mr. Krishnan Ramachandran	Chief Executive Officer – Barjeel Geojit Securities	2,00,000*	2,160	2,300	2,260

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

**Annexure II**

**STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AND FORMING PART OF THE DIRECTORS REPORT FOR THE PERIOD ENDED THE 31ST MARCH, 2014.**

Name and Qualification	Age in years	Designation	Remuneration received	Experience in No. of years	Date of Employment	Last Employment
Mr. C J George, M.Com., CFP	55	Managing Director	₹ 6,296,357.75	28	24.11.1994	Proprietor, Geojit & Co.

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

(in ₹)

Particulars	2013-14	2012-13
Foreign Exchange earnings	₹ 1,237,292	₹ 34,689,320
Foreign Exchange outgo	₹ 5,189,836	₹ 2,755,195

## CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

### 2. BOARD OF DIRECTORS

The Board of Directors comprises One Executive and Eight Non-Executive Directors of which four are Independent. Except for the Managing Director and the Nominee Director, all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

During the year ended 31<sup>st</sup> March, 2014, seven Board Meetings were held on 12<sup>th</sup> April, 2013, 22<sup>nd</sup> May, 2013, 12<sup>th</sup> July, 2013, 30<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013, 14<sup>th</sup> January, 2014, 25<sup>th</sup> March, 2014.

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

Name of Director	Category	Number of shares held in the Company as on 31.03.2014	Attendance at		Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31.03.2014		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
Mr. A P Kurian	C, NE & I	3,76,900	7	Yes	3	2	Nil
Mr. C J George	MD & P	4,32,19,636	7	Yes	6	2	2
Mr. R Bupathy	NE & I	18,000	7	Yes	3	Nil	1
Mr. Tom Jose**	N, NE & I	Nil	1	No	10 <sup>&amp;</sup>	Nil	Nil
Mr. P H Kurian**	N, NE & I	Nil	Nil	No	4 <sup>-</sup>	Nil	Nil
Ms. Aruna Sundararajan**	N, NE & I	Nil	Nil	No	2	Nil	Nil
Mr. Mahesh Vyas	NE & I	Nil	2 <sup>@</sup>	No	Nil	Nil	Nil
Mr. Olivier Le Grand^	NE	Nil	5 <sup>#</sup>	No	4 <sup>+</sup>	2 <sup>+</sup>	Nil
Mr. Jean Christophe Gougeon	NE	Nil	7	Yes	1	Nil	Nil
Mr. Punnoose George	NE	92,65,029	7	Yes	1	Nil	Nil
Mr. Rakesh Jhunjunwala	NE	1,80,00,000	1 <sup>\$</sup>	No	3	Nil	Nil

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

\*\*Mr. Tom Jose resigned from the Board of Directors w.e.f. 4<sup>th</sup> October, 2013 and Mr. P H Kurian was appointed as a Nominee Director w.e.f. 4<sup>th</sup> October, 2013. Mr. P H Kurian resigned from the Board of Directors w.e.f. 4<sup>th</sup> January, 2014 and Ms. Aruna Sundararajan was appointed as a Nominee Director w.e.f. 14<sup>th</sup> January, 2014.

^ Mr. Olivier Le Grand resigned from the Board of Directors w.e.f. 31<sup>st</sup> March, 2014.

@ Out of two board meetings, one board meeting was attended through tele-conference

# Out of five board meetings, two board meetings were attended through video-conference and one board meeting was attended through tele-conference.

\$ Board meeting attended through video-conference.

& Based on the declaration dated 31.3.2013 and no further communication was received during his tenure as the director of the

company.

~ Based on the declaration dated 30.10.2013 and no further communication was received during his tenure as the director of the company.

+ Based on the declaration dated 31.3.2013 and no further communication was received during his tenure as the director of the company

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

Chairmanship / Membership of Board Committees include Chairmanship / Membership of Audit Committee and Shareholders' / Investors' Grievance Committee only as clarified by SEBI. The Membership / Chairmanship of Board

Committees of Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for the purpose.

### REAPPOINTMENT /APPOINTMENT OF DIRECTORS

Mr. Jean Christophe Gougeon shall retire by rotation at the ensuing Annual General Meeting pursuant to Section 152 of Companies Act, 2013 and being eligible offers himself for reappointment. The brief resume and information relating to Mr. Jean Christophe Gougeon as required under Clause 49 of Listing Agreement with the Stock Exchanges is furnished as part of the Notice convening the Annual General Meeting.

### 3. AUDIT COMMITTEE

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

During the year ended 31<sup>st</sup> March, 2014, the Committee met six times on 11<sup>th</sup> April, 2013, 21<sup>st</sup> May, 2013, 11<sup>th</sup> July, 2013, 14<sup>th</sup> October, 2013, 13<sup>th</sup> November, 2013 and 14<sup>th</sup> January, 2014.

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

Name of Members of Audit Committee	Designation	No. of meetings attended
Mr. R Bupathy	Chairman, Non-Executive Independent Director	6
Mr. A P Kurian	Member, Non-Executive Independent Director	6
Mr. Mahesh Vyas	Member, Non-Executive Independent Director	1 <sup>@</sup>
Ms. Aruna Sundararajan**	Member, Non-Executive Independent Director	Nil
Mr. P H Kurian**	Member, Non-Executive Independent Director	Nil
Mr. Tom Jose**	Member, Non-Executive Independent Director	Nil
Mr. Olivier Le Grand	Member, Non-Executive Director	4 <sup>#</sup>
Mr. Jean Christophe Gougeon	Member, Non-Executive Director	6

\*\* The Audit Committee was reconstituted w.e.f. 4<sup>th</sup> October, 2013 by including Mr. P H Kurian in place of Mr. Tom Jose, both Nominees of KSIDC. Thereafter, the Audit Committee was again reconstituted w.e.f. 14<sup>th</sup> January, 2014 by including Ms. Aruna Sundararajan, IAS in place of Mr. P H Kurian as a member of the Committee.

@ Audit committee meeting attended through tele conference.

# Out of four audit committee meetings, two audit committee meetings were attended through video conference

### 4. SUB-COMMITTEE

The Company constituted a sub-committee for discussing and reviewing the impact of settlement default by National Spot Exchange Ltd. (NSEL) on Geojit Credits Private Limited, Subsidiary Company. The sub-committee consisted of Mr. R Bupathy, Mr. Mahesh Vyas and Mr. Jean Christophe Gougeon as its members. During the year ended 31<sup>st</sup> March, 2014, the sub-committee met four times on 25<sup>th</sup> October, 2013, 5<sup>th</sup> November, 2013, 7<sup>th</sup> November, 2013 and 6<sup>th</sup> December, 2013.

Name of Members of Sub-Committee	Designation	No. of meetings attended
Mr. R Bupathy	Chairman, Non-Executive Independent Director	4*
Mr. Mahesh Vyas	Member, Non-Executive Independent Director	4*
Mr. Jean Christophe Gougeon	Member, Non-Executive Director	4*

\* Out of four sub-committee meetings, one meeting was attended through tele-conference.

### 5. COMPENSATION COMMITTEE

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

During the year, the Committee met two times on 24<sup>th</sup> April, 2013 and 21<sup>st</sup> May, 2013.

Name of Members of Compensation Committee	Designation	No. of meetings attended
Mr. R Bupathy	Chairman, Non-Executive Independent Director	2 <sup>%</sup>
Mr. Mahesh Vyas	Member, Non-Executive Independent Director	Nil
Mr. Olivier Le Grand	Member, Non-Executive Director	Nil
Mr. Jean Christophe Gougeon	Member, Non-Executive Director	2 <sup>&amp;</sup>
Mr. C J George	Member, Managing Director	2



% Out of two compensation committee meetings, one meeting was attended through video-conference.

& Out of two compensation committee meetings, one meeting was attended through video-conference.

#### Remuneration to Managing Director

The remuneration structure of the Managing Director comprises of salary, commission, perquisites and allowances, contribution to Provident Fund and Gratuity. The service contract is for a period of 5 years w.e.f. 24.11.2009.

The details of remuneration paid / payable to the Managing Director for the year 2013-14 is given below:

a) Salaries	– ₹ 5,282,661.00
b) Perquisites	– ₹ 409,613.75
c) Commission	– Nil
d) Stock option	– Nil

#### 6. REMUNERATION TO NON-EXECUTIVE DIRECTORS

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees which were paid at the rate of ₹ 20,000/- for each meeting of the Board and for Sub-committee and ₹ 15,000/- for each meeting of the Audit Committee and ₹ 7,500/- for other Board Committees attended by them. The total amount of sitting fees paid during the year was ₹ 12,55,000.00/- as follows:

Name of Director	Details of Sitting Fee paid				
	For Board Meeting	For Audit Committee Meeting	For Employee Compensation Committee Meeting	For Shareholders and Investors Grievance Committee Meeting	For Sub-Committee Meeting
Mr. A P Kurian	1,40,000	90,000	NA	NA	NA
Mr. Mahesh Vyas	20,000	Nil	Nil	NA	60,000
Mr. Rakesh Jhunjunwala	20,000	NA	NA	NA	NA
Mr. R Bupathy	1,40,000	90,000	15,000	7,500	60,000
Mr. Punnoose George	1,40,000	NA	NA	7,500	NA
Ms. Aruna Sundararajan (KSIDC Nominee)	Nil	Nil	NA	NA	NA
Mr. P H Kurian (KSIDC Nominee)	Nil	Nil	NA	NA	NA
Mr. Tom Jose (KSIDC Nominee)	20,000	Nil	NA	NA	NA
Mr. Olivier Le Grand	80,000	60,000	Nil	Nil	NA
Mr. Jean Christophe Gougeon	1,40,000	90,000	15,000	NA	60,000
<b>Total</b>	<b>7,00,000</b>	<b>3,30,000</b>	<b>30,000</b>	<b>15,000</b>	<b>1,80,000</b>

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

#### 7. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Investors Grievance Committee reviews and redresses shareholder grievances / complaints. The Committee oversees the performance of the Registrars and Share Transfer Agents and recommends measures for overall improvement of the quality of investor services. The members of the Committee are Mr. R Bupathy, Non-Executive Independent Director, Chairman of

the Committee, Mr. C J George, Managing Director, Mr. Punnoose George, Non-Executive Director and Mr. Olivier Le Grand, Non-Executive Director. Mr. Liju K Johnson, the Company Secretary of the Company acts as the Secretary to the Committee and as the Compliance Officer.

Given below is the position of investor queries / complaints and other correspondences received and attended to during 2013-14 :

Nature of complaint / queries	No. of complaints
For non-receipt of dividend, shares lodged for transfer, issue of duplicate share certificates.	Nil
Queries / Complaints redressed	Nil
Pending queries / complaints as on 31.03.2014	Nil
Other letters received from shareholders and replied	52

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

99.40% of shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation / transfer during 2013-14 is given below:

	Transfers		Demats		Remats	
	No. of requests	No. of shares	No. of requests	No. of shares	No. of requests	No. of shares
Lodged	Nil	Nil	2	604000	1	140
Processed	Nil	Nil	2	604000	1	140
Objections	Nil	Nil	Nil	Nil	Nil	Nil
Pending as on 31.03.2014	Nil	Nil	Nil	Nil	Nil	Nil

## 8. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2012-13	The Renai Cochin, Palarivattom, Kochi – 25	12.07.2013	4.00 p.m.	Nil
2011-12	Hotel International, Veekshanam Road, Kochi – 35	12.07.2012	4.00 p.m.	Nil
2010-11	Hotel International, Veekshanam Road, Kochi – 35	12.07.2011	4.00 p.m.	Nil

No Extraordinary General Meeting was held during the year 2013-14.

## 9. DISCLOSURES

Related party disclosures are provided in Note 37 to the Notes forming part of the accounts in accordance with the provisions of Accounting Standard 18 – “Related Party Disclosures” issued by the Institute of Chartered Accountants of India.

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

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

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

### Code of Conduct

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

### CEO/CFO Certification

Mr. C J George, Managing Director and Mr. Binoy Varghese Samuel, Chief Financial Officer has given CEO/CFO Certificate to the Board. The Board at its meeting held on 14.05.2014 noted that the said CEO/CFO certificate was as per the format given under Clause 49(v) of Listing Agreement.

## 10. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results are published in ‘Business Line’ and ‘Mangalam’. The results are also posted on the web site of the Company viz.

www.geojitbnpparibas.com. The Company's web site also displays all official news releases as well as the presentation made to the institutional investors / analysts, if any. Management Discussion and Analysis forms part of the Annual Report.

## 11. GENERAL SHAREHOLDERS' INFORMATION

### Annual General Meeting

Date and time : 15<sup>th</sup> July, 2014 – 4.00 p.m.  
Venue : The Renai Cochin,  
Palarivattom,  
Kochi, Kerala – 682 025

### Financial Calendar 2014-15

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

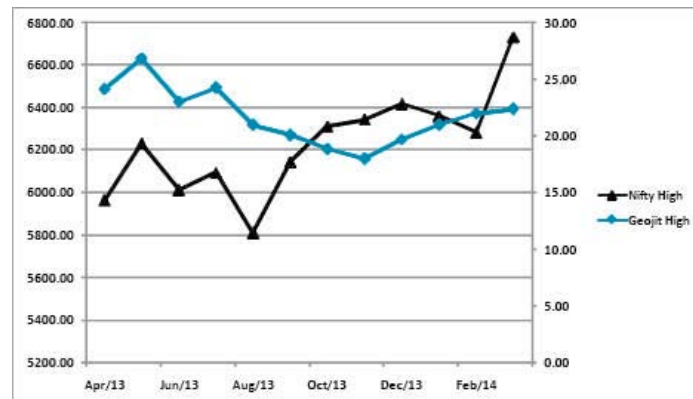
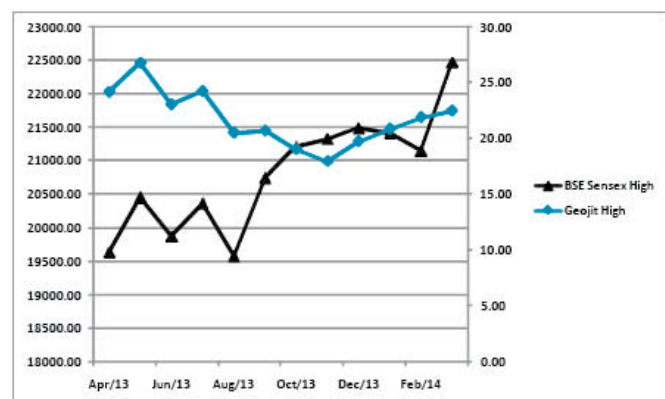
### Code of Insider Trading

The Company has adopted and implemented a Code of

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

Dates of book closure : 11<sup>th</sup> July, 2014 to 15<sup>th</sup> July, 2014  
(Both days inclusive)  
Dividend payment date : Within 30 days from the date of Annual General Meeting  
Listing on Stock Exchanges : BSE Limited & National Stock Exchange of India Limited  
Stock Code : GEOJITBNPP (NSE) & 532285 (BSE)  
Demat ISIN Number : INE007B01023 (NSDL & CDSL)  
Market Price data : Market price of the equity shares of the Company during 2013-14 is given in the table below:

	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2013	24.10	19.05	24.15	19.60
May 2013	26.80	21.10	26.75	21.00
June 2013	23.00	19.40	23.00	19.40
July 2013	24.25	19.75	24.20	19.60
August 2013	21.00	16.20	20.50	16.20
September 2013	20.10	16.15	20.65	16.10
October 2013	18.85	16.60	19.00	16.70
November 2013	18.00	15.40	17.90	16.10
December 2013	19.70	16.60	19.70	16.70
January 2014	21.00	17.75	20.80	17.80
February 2014	21.95	17.60	21.85	17.60
March 2014	22.40	19.50	22.45	19.00



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Distribution of the shareholding on the basis of categories of shareholders as on 31<sup>st</sup> March, 2014 is as under:

Category Code	Category of shareholder	No. of shareholders	Total no. of shares	Percentage to total shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
<b>(1)</b>	<b>Indian</b>			
(a)	Individuals	2	4,82,57,636	21.13
(b)	Bodies Corporate	2	2,10,70,107	9.23
	<b>Sub-Total (A)(1)</b>	<b>4</b>	<b>69,327,743</b>	<b>30.36</b>
<b>(2)</b>	<b>Foreign</b>			
(a)	Bodies Corporate	1	76,688,959	33.58
	<b>Sub-Total (A)(2)</b>	<b>1</b>	<b>76,688,959</b>	<b>33.58</b>
	<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>5</b>	<b>14,60,16,702</b>	<b>63.94</b>
<b>(B)</b>	<b>Public Shareholding</b>			
<b>(1)</b>	<b>Institutions</b>			
(a)	Mutual Funds/UTI	2	25,297	0.01
(b)	Financial Institutions/Banks	2	3,260	0.00
(c)	Foreign Institutional Investors	1	50,65,393	2.22
	<b>Sub-Total (B)(1)</b>	<b>5</b>	<b>50,93,950</b>	<b>2.23</b>
<b>(2)</b>	<b>Non-Institutions</b>			
(a)	Bodies Corporate	415	24,88,739	1.09
(b)	Individuals			
	i. Individual shareholders holding nominal share capital up to ₹ 1 Lakh.	39,322	2,81,53,590	12.33
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh.	16	8,537,293	3.74
(c)	Qualified Foreign Investor	1	375,000	0.16
(d)	Trust	1	400	0.00
(e)	Directors & their relatives	6	2,96,59,929	12.99
(f)	Non-resident Indians	907	65,01,747	2.85
(g)	Clearing members	172	7,50,684	0.33
(h)	Hindu undivided families	521	7,82,070	0.34
	<b>Sub-Total (B)(2)</b>	<b>41,361</b>	<b>7,72,49,452</b>	<b>33.83</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>41,366</b>	<b>8,23,43,402</b>	<b>36.06</b>
	<b>TOTAL (A) + (B)</b>	<b>41,371</b>	<b>228,360,104</b>	<b>100.00</b>

Distribution of shareholding as on 31<sup>st</sup> March, 2014, pursuant to Clause 35 of the Listing Agreement as under:

Shareholding of nominal value of ₹	No. of Shareholders	% of Shareholders	Amount of Share Capital in ₹	% of Shareholding
Upto 5,000	40,251	97.29	17,47,40,92	7.65
5,001 – 10,000	590	1.43	44,91,520	1.97
10,001 – 20,000	272	0.66	38,82,615	1.70
20,001 – 30,000	104	0.25	26,32,024	1.15
30,001 – 40,000	48	0.12	17,85,051	0.78
40,001 – 50,000	22	0.05	10,55,090	0.47
50,001 – 100,000	45	0.11	31,60,188	1.38
100,001 and above	39	0.09	19,38,79,524	84.90
<b>Total</b>	<b>41371</b>	<b>100.00</b>	<b>228,360,104</b>	<b>100.00</b>

Registrar and Transfer Agents : S.K.D.C. Consultants Limited, Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road Ganapathy, Coimbatore – 641 006

Share Transfer System : Application for transfer of shares held in physical form is received at the office of the Registrars and Share Transfer Agents of the Company. The share certificates in physical format are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Shares held in dematerialised form are electronically traded and the Registrars and Share Transfer Agents of the



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- Company periodically receive from the Depository, the beneficiary holdings so as to enable them to update their records. Physical shares received for dematerialisation are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect.
- Dematerialisation of shares and liquidity : 99.40% of the Company's paid-up equity share capital has been dematerialised up to 31<sup>st</sup> March, 2014. Trading in equity shares of the Company is permitted only in dematerialised form.
- Outstanding ADRs / GDRs / Warrants and Convertible instruments, conversion date and likely impact on equity : Not applicable.
- Investor Correspondence : For any assistance regarding dematerialisation of shares, share transfers, transmission, change of address, non-receipt of dividend or any other query relating to shares or for any general correspondence, contact:
- 1) S.K.D.C. Consultants Limited  
Kanamathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641 006  
Phone: 0422-6549995, 2539835-836,  
Fax: 0422- 2539837  
Email: info@skdc-consultants.com
  - 2) Company Secretary  
Geojit BNP Paribas Financial Services Limited,  
34/659-P, Civil Line Road, Padivattom, Kochi – 682 024  
Phone: 0484- 2901000, Fax: 0484-2979695  
Email: companysecretary@geojit.com

## DECLARATION ON CODE OF CONDUCT

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

Place : Kochi  
Date : 14.05.2014

**C J George**  
*Managing Director*

## CERTIFICATE

### TO THE MEMBERS OF GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

We have examined the compliance of conditions of Corporate Governance by **GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED** ("the Company") for the year ended on 31<sup>st</sup> March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

**M Ramachandran**  
*Partner*  
(Membership No. 16399)

Kochi, 19th May, 2014

## MANAGEMENT DISCUSSION AND ANALYSIS

### Economy Overview

Judged on various parameters, the Indian economy experienced its worst year in a decade. Economic growth which had been 9.5 % as late as 2007-08, declined to hit a 4.86% in 2013-14. This steady deceleration in growth was caused by a confluence of factors, not the least of which were structural factors which impeded growth. The RBI in its Half year study of the Indian economy concluded that '*Decline in financial savings, sluggish growth in fixed capital formation over successive quarters, persistently high inflation and low business confidence contributed to the decline in potential growth, particularly in the absence of adequate structural policy measures to lower inflation on a durable basis through improved supply responses and to facilitate implementation of large investment projects*'.

Inflation, had been uncomfortably high for the preceding several quarters, showed some signs of softening in February-March of the 2013, but once again spiked up towards the end of the year, hitting 11.8% in November, 2013. The RBI's monetary stance shadowed the broader inflationary trends of the economy, loosening somewhat from January 2013, but then again tightening from September-October of the year. Such economic headwinds were compounded also by high fiscal and current account deficits through most of the year, causing the rupee to plummet, touching an all time low against the dollar of ₹68.8 on August 28<sup>th</sup>, 2013.

### Industry Overview

For most of last year, the equity markets shadowed the broader economic performance, with the markets bottomed by August. This period saw waning investor enthusiasm for equities and a general decline in investor participation in the markets. One major reason was high returns offered by instruments such as Bank FD's and corporate bonds. The markets reclaimed some lost ground from September onwards. The reasons behind this are Central Government response to the acute levels of stress in the economy, particularly modulating deficits and granting quick-fire approvals for fresh investments and the belief that growth has bottomed out and that a gradual recovery would materialize soon. The expectation of a stable government at the Centre after the May 2014 elections was another reason for this. FII inflows surged into the market, with a net total of

₹ 51,649 Crores being invested in 2013-14. However, retail investors largely held back and did not enter the market in comparable numbers.

### Review of Operations

#### a) Brokerage Services

Retail broking continues to be the focus of our efforts and we generate the bulk of our revenue from this activity. We continue to invest in state of the art internet and mobile trading platforms as well as boost our advisory services arm. Our thrust continues to be able to offer broking services along with bundled value added technology and investment advice to our clients.

Similarly, in keeping with Industry trends we are servicing more and more clients via internet, mobile and dial in channels. As a result the number of offices has come down from 522 in the end of March 2013 to 491, in corresponding date this year. The total number of clients have gone up from 6,72,800 last year to 7,02,000, net addition of 29,200 clients.

A recent report issued by NSE detailing the number of active clients and client grievance redressal status shows your Company is in 6<sup>th</sup> position in terms of active clients among all stock broking companies in India and grievance redressal status is comparable with stock brokers who facilitate only online trade.

The average volume per day increased from ₹1052 crores in 2012-13 to ₹1176 crores in 2013-14. Revenue from delivery-based brokerage, which is about 63% of the total brokerage, continues to be the major earnings of the company, which shows the strength of the profile of the Company's client base. Total retail brokerage recorded last year witnessed an increase of 5.8%, from ₹131.20 crores to ₹138.80 crores. The figures for the last year discussed above are adjusted for excluding the brokerage received through erstwhile joint venture company for institutional business, which was divested in April 2013.

#### b) Depository Services

As of March 31, 2014, Geojit BNP Paribas had



4,45,470 depository accounts with us, a net addition of 32,536 Depository accounts, during the year. Income from depository services increased by 13%, from ₹12.13 crores to ₹13.73 crores. A total of 15,000 crores is held by us as assets under custody and management.

**c) Distribution of Financial Products**

Our emphasis on offering full fledged investment services continues steadily. We continue to offer our clients a widening bouquet of products and services, ranging from Mutual funds and Bonds to Life Insurance and Portfolio Management Services. With such a broad spectrum of offerings, we have become a one stop shop for investment solutions for many of our clients.

The total income from distribution increased by 22%, from ₹5.55 crores to ₹6.78 crores. The mutual funds asset under management handled by the Company as on 31.03.2014 stood at ₹700 crores as against ₹651.70 crores during last year.

**d) Portfolio Management Services**

Our PMS segment suffered from the general lack of investor enthusiasm for the better part of last year as well as from the SEBI decision in 2012 to increase the minimum investment amount in PMS from ₹5 lakhs to ₹25 lakh. Nevertheless, we still continue to focus on High Net Worth Investors and NRI clients for this segment. The number of clients has decreased from 1457 to 1138. Income from PMS services decreased from ₹2.22 crore to ₹1.73 crore.

**e) Geojit Credits Private Limited**

Geojit Credits (P) Limited, our subsidiary which is registered as Non Banking Finance Company with Reserve Bank of India is engaged in the business of providing loan against shares & commodities. The unprecedented NSEL default caused provisioning of ₹128.26 crores towards nonperforming assets in accordance with RBI guidelines. This provisioning has resulted the loss that the parent Company has reported despite profit of ₹66.05 crores as profit before tax for the last year. The Company has put in place additional risk management measure to take care of any such risk management challenges in future. While efforts are underway to recover this amount, both Geojit BNP Paribas and Geojit Financial Management Services have invested in the equity capital of the Company.

**f) Geojit Technologies Private Limited**

Geojit Technologies Private Ltd. (GTPL), "a CMMI L3 Company", IT subsidiary, provides IT support to Geojit BNP Paribas and sister concerns. At the same time it has managed to secure Software development and maintenance projects from Financial Intermediaries and other Organisations in India and abroad. The company is a Global Sourcing Partner for BNP Paribas Personal Investors and this helped Geojit Technologies to report better numbers during the year.

As an extension of its engagement with BNP Paribas Personal Finance, GTPL has started a project in collaboration with Cortal Consors Global IT in Hungary. GTPL has entered into an agreement of development partnership with moTwin-A French mobile middleware platform provider – for delivering robust mobile applications. With about 50+ expert professionals in mobility division, GTPL has enhanced its mobile technology skills and capabilities for delivering state of the art mobile front-end for banking and stock market. In the Financial Year 2013-14, GTPL developed FLIP Social – An Integrated Stock Trading and Investment Platform which is India's first and unique social media trading app through Facebook.

In financial year 2013-2014, GTPL has crossed an export turnover of ₹13.64 crores. GTPL's gross revenue increased by 17 % to ₹25.73 crores and achieved a net profit of ₹11.50 crores, an increase of 15% as compared to the previous year.

**g) QBG Geojit Securities**

The company has a subsidiary in Oman partnering with the Qurum Business Group and the National Securities Company SAOG called QBG Geojit Securities. This Company started operations in November 2012. QBG Geojit Securities services both Indian expatriates in Oman as well as citizens of Oman for their investments requirements in Indian Capital markets. When the capital market volume increase in India we expect the Company to break even during 2014-15.

**Joint Ventures**

**h) Barjeel Geojit Securities, Dubai**

Barjeel Geojit Securities, our Joint Venture for the UAE continued to focus its efforts on expanding its NRI

clientele. The JV, in which Geojit BNP Paribas owns 30%, recorded consolidated revenues of ₹20.07 crores, Earnings Before Tax of ₹3.19 crores. The Mutual Funds assets under management by Barjeel Geojit now stand at ₹980 crores.

**i) Al-Oula Geojit Capital Company, Saudi Arabia**

Aloula Geojit Capital, in which Geojit BNP Paribas owns a 28% stake, provides comprehensive financial advisory and Investment solutions to its clients. The Joint Venture now has two offices in Riyadh and Dammaam and is focused on providing top of the line products and services to its growing clientele. It recorded consolidated revenues of ₹21.14 crores. It showed earnings before Tax of ₹98.40 lakhs.

**j) BBK Geojit Securities KSC**

The company has a JV with the Bank of Bahrain and Kuwait called BBK Geojit Securities. This JV Company started operations in November 2012. BBK Geojit Securities services NRI clients who want to Invest in the Indian Markets. We expects this company to break even during 2014-15.

**Outlook 2014-15**

The forecast for the coming year is one of higher GDP growth and an improved business climate. Barring the unlikely scenario of a steep slowdown in China, the international economy is projected to achieve higher GDP growth and consequently Investor confidence. The accommodative monetary stance of the US Fed, is likely to continue pumping liquidity in the coming year. This in turn will continue to prompt higher flows of FII into India, thereby boosting markets.

The dormant primary markets also appear poised to become active in the changed scenario with the Government reported to be contemplating tax breaks and increasing the limit for retail investors.

**Opportunities and Threats**

The company sees significantly better opportunities for higher brokerage and distribution income, provided the economic climate gets better as is forecasted. As pioneers in the adoption of new technologies in the Industry, technology continues to be a core competency for us. We are of the view that as more and more investors shift to mobile and online trading, the company is poised to take advantage of this shift.

The company is mindful of the fact that, intermediary and transaction charges will continue to come under pressure in the coming years in the online space. We, plan on offsetting this by offering value added services like Investment advisory and diversifying and expanding our distribution of financial products.

**Risks and Concerns**

The unprecedented NSEL crisis which hit most of the major broking companies has made us ever more vigilant in insulating us against such risks. We continue to evaluate all our risk management systems to try and find ways to protect us against such occurrences. Continuing diversification of our product portfolio for example will also help us, in some part, offset any sudden decline in broking revenues owing to market volatility.

The Company also understands the risk of accidental oversight leading to unintentional regulatory non-compliance. To insure against this, we maintain vigilant compliance mechanism and take every possible step to ensure strict regulatory adherence.

**Internal Control Systems**

The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. The Company has set up Internal Control Committee to oversee all the internal control functions and report the observations to the Audit Committee on a periodic basis. The Company has in place an effective internal audit department which plans and execute variety of audits with own staff as well as external professionals. Post audit reviews are also carried out to ensure follow up. The Audit Committee of the Board reviews the scope and observations of the internal audit on a regular basis.

**Human Resources**

The company looks at keeping the employees motivated at all times through monetary and non monetary ways. The monetary benefits includes a fixed pay structure at par with the industry and variable pay structure (monthly & yearly incentives) which can be considered one of the best in the industry. Company also recognized its employees through ESOP Plan. Non monetary ways are learning opportunities and the work culture that the company has to offer, which has been the reason for long tenure of employees with the company. Ongoing

efforts are made to ensure employee performance through improvement programs, introducing Balance Score Card for performance appraisals trainings and coaching for passing relevant industry certifications. Management has always taken efforts to provide equal opportunities and harassment free environment to the employees and also provides enough focus on Work Life Balance.

**Cautionary Note**

Statements in this Report, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of

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



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF

### GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether

due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on

record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For DELOITTE HASKINS & SELLS**

*Chartered Accountants*

(Firm Registration No. 008072S)

**(M Ramachandran)**

*(Partner)*

Kochi, 19th May, 2014

(Membership No. 16399)

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/results during the year, clauses (ii), (iv) with regard to purchase of inventory and sale of goods, (vi), (viii), (xiii), (xv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has granted loans aggregating ₹ 888,700,000/- to one party during the year. At the year-end, the outstanding balance of such loans granted aggregated to ₹ 74,700,000/- (one party) and the maximum amount involved during the year was ₹ 558,000,000/- (one party).
- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
- (c) The receipts of principal amounts and interest have been regular/as per stipulations.
- (d) There is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year-end.

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

- (iv) In our opinion, and according to the information and explanations given to us, having regard to the explanation that the Company's service income depends on large volume of transactions executed daily on behalf of several clients, where there is a probability that certain transactions may be disputed by clients resulting in consequential costs to the Company, there is an adequate internal control system commensurate with the size of the Company and the nature of its

business with regard to purchase of fixed assets and the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

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

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

(b) Where each of such transaction (excluding loans reported under paragraph (iii) above) is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.

(vi) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management and the Internal Audit Department of the Company have been commensurate

with the size of the Company and the nature of its business.

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31<sup>st</sup> March, 2014 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹)
Income Tax Act, 1961	Income Tax	High Court of Kerala	2002-03	266,757
Income Tax Act, 1961	Income Tax plus Penalty	Commissioner of Income Tax (Appeals), Kochi	2007-08	25,907,507
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Kochi	2008-09	18,953,490
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Kochi	2009-10	72,056,240
Finance Act, 1994	Service Tax plus Penalty	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	01.07.03 to 30.06.04	448,298
Finance Act, 1994	Penalty on Service Tax	Assistant Commissioner of Central Excise, Service Tax Division, Kochi	2011-12	44,742



- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks from which working capital facilities have been availed.
- (x) In our opinion, the Company has maintained adequate documents and records where it has granted loans and advances on the basis of security by way of pledge of shares and other securities.
- (xi) Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, and other investments, and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.

- (xii) In our opinion, and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xiii) To the best of our knowledge, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

**M Ramachandran**  
*Partner*  
(Membership No. 16399)

Kochi, 19th May, 2014



## BALANCE SHEET AS AT 31 MARCH, 2014

Particulars	Note No.	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	228,360,104	228,360,104
(b) Reserves and Surplus	4	2,925,256,886	3,725,938,688
		<b>3,153,616,990</b>	<b>3,954,298,792</b>
<b>2. Non-Current Liabilities</b>			
(a) Long-Term Liabilities	5	18,797,493	21,874,791
(b) Long-Term Provisions	6	4,282,501	4,110,682
		<b>23,079,994</b>	<b>25,985,473</b>
<b>3. Current Liabilities</b>			
(a) Short-Term Borrowing	7	150,042,124	-
(b) Trade Payables	8	130,224,201	160,504,893
(c) Other Current Liabilities	9	2,139,933,932	1,084,881,126
(d) Short-Term Provisions	10	28,678,956	68,189,638
		<b>2,448,879,213</b>	<b>1,313,575,657</b>
<b>TOTAL</b>		<b>5,625,576,197</b>	<b>5,293,859,922</b>
<b>B. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11A	468,992,249	483,063,673
(ii) Intangible Assets	11B	40,300,407	57,666,482
(iii) Capital Work-in-Progress		-	26,040,708
		509,292,656	566,770,863
(b) Non-Current Investments	12	382,713,619	802,053,399
(c) Deferred Tax Assets (Net)	13	54,433,000	54,449,000
(d) Long-Term Loans and Advances	14	1,187,491,042	532,407,242
(e) Other Non-Current Assets	15	4,367,528	2,503,093
		<b>2,138,297,845</b>	<b>1,958,183,597</b>
<b>2. Current Assets</b>			
(a) Current Investments	16	-	608,794,508
(b) Trade Receivables	17	1,036,132,369	656,805,579
(c) Cash and Cash Equivalents	18	1,329,570,266	1,513,901,049
(d) Short-Term Loans and Advances	19	162,341,358	147,263,920
(e) Other Current Assets	20	959,234,359	408,911,269
		<b>3,487,278,352</b>	<b>3,335,676,325</b>
<b>TOTAL</b>		<b>5,625,576,197</b>	<b>5,293,859,922</b>

Corporate Information and Significant Accounting Policies

1 & 2

See the accompanying Notes forming part of the Financial Statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M Ramachandran**  
Partner

Place : Kochi  
Date : 19th May, 2014

**For and on behalf of the Board of Directors**

**A P Kurian**  
Chairman

Place : Kochi  
Date : 19th May, 2014

**C J George**  
Managing Director

**Liju K Johnson**  
Company Secretary



**GEOJIT**  
**BNP PARIBAS**

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

Particulars	Note No.	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
1. Revenue from Operations	21	1,730,271,174	1,978,380,998
2. Other Income	22	229,172,565	349,554,221
<b>3. Total Revenues (1+2)</b>		<b>1,959,443,739</b>	<b>2,327,935,219</b>
4. Expenses:			
(a) Operating Expenses	23	394,398,887	725,196,680
(b) Employee Benefit Expenses	24	579,077,359	494,457,378
(c) Finance Costs	25	7,525,328	7,882,110
(d) Depreciation and Amortisation Expenses	11	95,347,596	112,904,352
(e) Other Expenses	26	381,586,724	430,822,383
<b>Total Expenses</b>		<b>1,457,935,894</b>	<b>1,771,262,903</b>
<b>5. Profit Before Exceptional Item and Tax (3 – 4)</b>		<b>501,507,845</b>	<b>556,672,316</b>
6. Exceptional Item	27	(1,119,339,780)	-
<b>7. Profit / (Loss) Before Tax (5+6)</b>		<b>(617,831,935)</b>	<b>556,672,316</b>
8. Tax Expense:			
(a) Current Tax Expense		156,919,000	160,300,000
(b) Deferred Tax Expense / (Credit)		16,000	(23,272,000)
Net Tax Expense		156,935,000	137,028,000
<b>9. Profit / (Loss) for the Year (7 – 8)</b>		<b>(774,766,935)</b>	<b>419,644,316</b>
<b>10. Earnings per Equity Share (Face value of ₹ 1/- each)</b>	36		
(a) Basic		(3.39)	1.84
(b) Diluted		(3.39)	1.84
<b>Corporate Information and Significant Accounting Policies</b>	1 & 2		

See the accompanying Notes forming part of the Financial Statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M Ramachandran**  
Partner

Place : Kochi  
Date : 19th May, 2014

**For and on behalf of the Board of Directors**

**A P Kurian**  
Chairman

Place : Kochi  
Date : 19th May, 2014

**C J George**  
Managing Director

**Liju K Johnson**  
Company Secretary

## CASH FLOW STATEMENT

Particulars	2013-14 ₹	2012-13 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Exceptional Item	501,507,845	556,672,316
<b>Adjustments for:</b>		
Depreciation and amortisation	95,347,596	112,904,352
(Profit) / loss on sale / write off of fixed assets	(30,900,684)	4,261,111
Expense on employee stock option scheme	807,654	1,440,247
Finance costs	7,525,328	7,882,110
Interest income	(112,344,915)	(127,433,518)
Dividend income	(29,977,885)	(145,481,343)
Net (gain) / loss on sale / restatement of investments	(2,976,398)	195,425
Bad debts written off	1,421,424	58,278
Provision for doubtful trade and other receivables, loans and advances	3,987,743	44,495,378
	(67,110,137)	(101,677,960)
Operating profit / (loss) before working capital changes	434,397,708	454,994,356
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(382,707,680)	26,398,857
Short-term loans and advances	38,294,285	25,797,259
Long-term loans and advances	(623,309,883)	146,543,776
Other current assets	(554,957,250)	81,139,832
	(1,522,680,528)	279,879,724
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(30,280,692)	13,941,199
Other current liabilities	1,091,758,611	(42,263,524)
Long-term liabilities	(3,077,298)	3,528,749
Short-term provisions	564,804	185,920
Long-term provisions	171,819	724,381
	1,059,137,244	(23,883,275)
Cash generated from operations	(29,145,576)	710,990,805
Net income tax (paid) / refunded	(186,795,244)	(205,126,971)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(215,940,820)</b>	<b>505,863,834</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(78,811,148)	(177,421,178)
Proceeds from sale of fixed assets	39,065,641	4,189,787
Current investments not considered as cash and cash equivalents:		
- Purchased	(4,290,368,762)	(3,400,513,109)
- Proceeds from sale	4,902,139,668	3,120,494,807
Loans given:		
- Subsidiary company	(888,700,000)	(719,400,000)
Loans realised:		
- Subsidiary company	833,300,000	825,100,000
Investment in a subsidiary company	(700,000,000)	(18,829,725)
(Increase) / decrease in fixed deposit with banks	(453,524,880)	(2,639,282)
Interest received on fixed deposits	90,659,448	90,759,284
Interest received from subsidiary company on loans given	26,301,543	35,354,770
(Increase) / decrease in unpaid dividend bank accounts	6,516,749	(8,394,009)
Dividend from non-trade, long term investments	45,604	126,338,073
Dividend from non-trade, current Investments	29,932,281	19,143,270
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(483,443,856)</b>	<b>(105,817,312)</b>



## CASH FLOW STATEMENT

Particulars	2013-14 ₹	2012-13 ₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	450,042,124	1,680,000,000
Repayment of short-term borrowings	(300,000,000)	(1,680,000,000)
Finance costs paid	(6,835,255)	(7,882,110)
Dividends paid	(63,611,503)	(334,151,647)
Tax on dividend paid	(9,703,253)	(40,493,363)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>69,892,113</b>	<b>(382,527,120)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(629,492,563)</b>	<b>17,519,402</b>
Cash and cash equivalents at the beginning of the year	1,055,900,652	1,038,381,250
Cash and cash equivalents at the end of the year	<b>426,408,089</b>	<b>1,055,900,652</b>
<b>Reconciliation of cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 18)	1,329,570,266	1,513,901,049
Less: Unpaid dividend accounts not considered as 'Cash and Cash Equivalents', as defined in AS 3 Cash Flow Statements (Refer Note 18)	(6,525,574)	(13,042,323)
Less: Earmarked Deposits with Banks not considered as 'Cash and Cash Equivalents', as defined in AS 3 Cash Flow Statements (Refer Note 18)	(896,636,603)	(444,958,074)
Cash and cash equivalents at the end of the Year (Refer Note 18)*	<b>426,408,089</b>	<b>1,055,900,652</b>
* Comprises:		
(a) Cash on hand	705,967	858,360
(b) Balances with banks		
(i) Current Accounts:		
– Clients	376,205,924	548,427,452
– Others	45,996,198	27,033,525
(ii) Deposit Accounts	3,500,000	479,581,315
	<b>426,408,089</b>	<b>1,055,900,652</b>

**Corporate Information and Significant Accounting Policies – Notes 1 & 2**  
**See the accompanying Notes forming part of the Financial Statements.**

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M Ramachandran**  
Partner

Place : Kochi  
Date : 19th May, 2014

**For and on behalf of the Board of Directors**

**A P Kurian**  
Chairman

Place : Kochi  
Date : 19th May, 2014

**C J George**  
Managing Director

**Liju K Johnson**  
Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Corporate Information

Geojit BNP Paribas Financial Services Ltd. ('the Company') had its origin in the year 1987 as partnership firm of Mr. C J George and his associate. In the year 1994, the firm was converted into a Company with the objective of providing technically superior trading platform for the investor community in Kerala. Over the years, the Company has spread its operations across the country through branch and franchisee network. In 2007, BNP Paribas SA became a major shareholder in the Company and the present name was adopted in April 2009. The Company offers complete spectrum of financial services including online broking for equities, derivatives and currency futures, custody accounts, financial products distribution, portfolio management services, margin funding, etc. It has operations outside the country through subsidiaries, associate and joint ventures in Oman, Kuwait, UAE and Saudi Arabia. The shares of the Company are listed in National Stock Exchange and Bombay Stock Exchange.

### 2. Significant Accounting Policies

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956, ("the 1956 Act") (which continued to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / the 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in

preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

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

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

#### 2.4 Cash flow statement

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

#### 2.5 Depreciation and Amortisation

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

Building – 40 Years

Plant and Machinery – 15 Years

Furniture & Fixtures including interiors in own building – 10 Years

Furniture & fixtures in leasehold premises, Electrical equipments, Office equipments and Data centre equipments – 5 Years

Computers (other than data centre equipments) – 3 Years

Vehicles – 5 Years

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

### 2.6 Revenue recognition

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

### 2.7 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive the income is established. Cost recovery for shared services are recognised based on agreements entered into with the parties.

### 2.8 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes cost of purchase and other incidental expenses incurred up to the date the asset is ready for its intended use. Subsequent

expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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

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

#### Capital work-in-progress

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

### 2.9 Intangible assets

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

### 2.10 Foreign currency transactions and translations

#### Initial recognition

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



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Measurement of foreign currency monetary items at the Balance Sheet date

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

### Treatment of exchange differences

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

### **2.11 Investments**

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

### **2.12 Employee benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

#### Defined contribution plan

The Company's contributions to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined benefit plan

For defined benefit plan in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit

obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### Short-term employee benefits

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

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

### Long-term employee benefits

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

### **2.13 Employee share based payments**

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





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

straight-line basis over the vesting period under the 'Intrinsic Value Method'.

### 2.14 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### 2.15 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis are included under "unallocated revenue / expenses / assets / liabilities".

### 2.16 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised

as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

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

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

### 2.17 Earnings per share

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 2.18 Taxes on income

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

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

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

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

### 2.19 Impairment of assets

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

### 2.20 Provisions and contingencies

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

### 2.21 Service tax input credit

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

### 2.22 Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 3: Share Capital

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of Shares	₹	Number of Shares	₹
<b>(a) Authorised:</b>				
Equity shares of ₹ 1/- each	250,000,000	250,000,000	250,000,000	250,000,000
	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>
<b>(b) Issued, Subscribed and Fully Paid-up:</b>				
Equity shares of ₹ 1/- each	228,360,104	228,360,104	228,360,104	228,360,104
	<b>228,360,104</b>	<b>228,360,104</b>	<b>228,360,104</b>	<b>228,360,104</b>

#### Notes:

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

Particulars	Opening Balance	Changes during the Year	Closing Balance
<b>Equity shares of ₹ 1/- each:</b>			
<b>Year ended 31 March, 2014</b>			
– Number of shares	228,360,104	-	228,360,104
– Amount (₹)	228,360,104	-	228,360,104
<b>Year ended 31 March, 2013</b>			
– Number of shares	228,360,104	-	228,360,104
– Amount (₹)	228,360,104	-	228,360,104

(ii) Rights attached to equity shares:

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

During the year, the amount of per share interim dividend paid to equity shareholders was ₹ Nil (31 March 2013: ₹ 0.75) and per share final dividend recommended for distribution to equity shareholders is ₹ 0.10 (31 March 2013: ₹ 0.25).

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

(iii) Details of shareholders holding more than 5% of the equity share capital:

Class of Shares / Name of Shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of Shares Held	% Holding in that Class of Shares	Number of Shares Held	% Holding in that Class of Shares
<b>Equity shares of ₹ 1/- each:</b>				
– BNP Paribas SA	77,759,066	34.05%	76,688,959	33.58%
– C J George	43,219,636	18.93%	41,773,399	18.29%
– Kerala State Industrial Development Corporation	20,000,000	8.76%	20,000,000	8.76%
– Rakesh Jhunjhunwala	18,000,000	7.88%	18,000,000	7.88%

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

- (iv) As at 31 March, 2014, 9,261,326 equity shares (As at 31 March, 2013: 7,042,955 equity shares) of ₹1 each are reserved towards outstanding employee stock options granted / available for grant (Refer Note 38).

### Note 4: Reserves and Surplus

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Capital Reserve</b>		
Opening Balance	33,345,030	33,345,030
Add/(Less) : Change during the Year	-	-
Closing Balance	33,345,030	33,345,030
<b>(b) Securities Premium</b>		
Opening Balance	1,865,790,607	1,865,711,441
Add: Transfer from Share Options Outstanding Account	-	79,166
Closing Balance	1,865,790,607	1,865,790,607
<b>(c) Share Options Outstanding Account</b>		
Opening Balance	13,295,530	13,742,743
Less: Written-back to General Reserve	-	(368,047)
Transfer to Securities Premium Account on Exercise	-	(79,166)
	13,295,530	13,295,530
Less: Deferred Stock Compensation Expense	(297,448)	(1,105,102)
Closing Balance	12,998,082	12,190,428
<b>(d) General Reserve</b>		
Opening Balance	376,204,919	325,836,872
Add: Transfer from Surplus in Statement of Profit and Loss	-	50,000,000
Add: Transfer from Share Options Outstanding Account	-	368,047
Closing Balance	376,204,919	376,204,919
<b>(e) Surplus in Statement of Profit and Loss</b>		
Opening Balance	1,438,407,704	1,319,540,517
Add / (Less):		
Profit / (Loss) for the Year	(774,766,935)	419,644,316
Corporate Dividend Tax Credit	-	15,081,834
Transfer to General Reserve	-	(50,000,000)
Interim Dividend paid to Equity Shareholders (Previous Year: ₹ 0.75 per share)	-	(171,275,578)
Final Dividend proposed to be distributed to Equity Shareholders @ ₹ 0.10 per share (Previous Year: ₹ 0.25 per share)	(22,836,010)	(57,090,026)
Tax on Dividend	(3,881,783)	(37,487,631)
Dividend on Equity Shares allotted under ESOPs / Rounding off adjustments for Previous Year (Refer Note 42)	(4,728)	(5,728)
Closing Balance	636,918,248	1,438,407,704
	<b>2,925,256,886</b>	<b>3,725,938,688</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 5: Long-Term Liabilities

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Payable to Gratuity Fund	3,926,062	6,185,633
(b) Security Deposits		
(i) From Business Associates	10,871,431	11,689,158
(ii) Rent Deposits	4,000,000	4,000,000
	<b>18,797,493</b>	<b>21,874,791</b>

### Note 6: Long-Term Provisions

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Provision for Employee Benefits		
(i) Provision for Compensated Absences	4,282,501	4,110,682
	<b>4,282,501</b>	<b>4,110,682</b>

### Note 7: Short-Term Borrowing

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Loans Repayable on Demand		
(i) From a Bank - Secured	150,042,124	-
(Secured by Fixed Deposit of ₹325,842,615/- pledged with Axis Bank Ltd.)		
	<b>150,042,124</b>	<b>-</b>

### Note 8: Trade Payables

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Trade Payables		
(i) Other than Acceptances (Refer Note 29)	130,224,201	160,504,893
	<b>130,224,201</b>	<b>160,504,893</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 9: Other Current Liabilities

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Unclaimed / Unpaid Dividends (Unpresented Dividend Warrants)</b>	6,525,574	13,042,323
<b>(b) Client Balances</b>	2,086,438,122	1,004,572,423
<b>(c) Security Deposits accepted from Business Associates</b>	746,593	1,246,976
<b>(d) Other Payables</b>		
(i) Statutory Remittances (PF, ESI, Service Tax, TDS, etc.)	17,694,078	13,261,009
(ii) Payable for Purchase of Fixed Assets	17,529,468	47,718,524
(iii) Stock Exchange Balances	7,496,757	1,463,557
(iv) Employee Welfare Fund	2,908,300	2,558,263
(v) Employee Recoveries	404,944	438,191
(vi) Other Payables	190,096	579,860
	<b>2,139,933,932</b>	<b>1,084,881,126</b>

### Note 10: Short-Term Provisions

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Provision for Employee Benefits</b>		
(i) Provision for Compensated Absences	1,918,526	1,345,402
	1,918,526	1,345,402
<b>(b) Other Provisions</b>		
(i) Provision for Wealth Tax	43,440	51,760
(ii) Provision for Proposed Final Equity Dividend	22,836,010	57,090,026
(iii) Provision for Tax on Proposed Final Dividend	3,880,980	9,702,450
	26,760,430	66,844,236
	<b>28,678,956</b>	<b>68,189,638</b>





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 11: Fixed Assets

Particulars	Gross Block			Accumulated Depreciation & Impairment				Net Block	
	Balance as at 1 April, 2013	Additions	Disposals	Balance as at 1 April, 2013	Depreciation/Amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2014	Balance as at 31 March, 2014	Balance as at 31 March, 2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>A. Tangible Assets</b>									
(a) Land - Freehold	73,799,836	-	5,375,300	68,424,536	-	-	-	68,424,536	73,799,836
	73,799,836	-	-	73,799,836	-	-	-	73,799,836	73,799,836
(b) Buildings - Own Use (Refer Note (a) below)	157,807,052	6,733,740	348,850	164,191,942	1,691,593	4,086,702	55,663	5,722,632	156,115,459
(c) Furniture and Fixtures - Owned	103,872,933	7,111,907	2,618,434	108,366,406	56,875,638	9,670,708	2,324,017	64,222,329	44,144,077
	64,766,197	41,919,560	2,812,824	103,872,933	47,762,011	11,038,051	1,924,424	56,875,638	46,997,295
(d) Leasehold Improvements - Owned	125,972,323	5,859,417	13,069,348	118,762,392	108,503,455	8,965,814	12,510,341	104,958,928	13,803,464
	138,869,195	4,081,079	16,977,951	125,972,323	105,948,202	18,087,877	15,532,624	108,503,455	17,468,868
(e) Computers & Accessories - Owned	267,806,915	17,038,920	18,126,176	266,719,659	227,020,996	26,515,762	17,947,422	235,589,336	31,130,323
	284,057,546	12,017,887	28,268,518	267,806,915	217,129,221	37,835,126	27,943,351	227,020,996	40,785,919
(f) Office Equipments - Owned	115,499,728	7,877,020	5,540,456	117,836,292	68,094,136	13,494,893	4,351,988	77,237,041	47,405,592
	102,956,086	24,089,859	11,546,217	115,499,728	57,994,393	16,396,458	6,296,715	68,094,136	44,961,693
(g) Electrical and VSAT Equipments - Owned	25,346,179	123,175	816,847	24,652,507	20,031,149	934,567	700,318	20,265,398	4,387,109
	22,533,964	3,607,206	794,991	25,346,179	19,481,987	966,293	417,131	20,031,149	5,315,030
(h) Vehicles - Owned	11,757,826	1,756,434	1,070,674	12,443,586	3,576,815	2,438,289	915,518	5,099,586	7,344,000
	8,766,837	6,439,823	3,448,834	11,757,826	5,124,269	1,820,149	3,367,603	3,576,815	8,181,011
(i) Plant & Machinery - Owned	89,401,506	20,866,814	-	110,268,320	2,406,843	7,171,298	-	9,578,141	100,690,179
	-	89,401,506	-	89,401,506	-	2,406,843	-	2,406,843	86,994,663
<b>Total</b>	<b>971,264,298</b>	<b>67,367,427</b>	<b>46,966,085</b>	<b>991,665,640</b>	<b>488,200,625</b>	<b>73,278,033</b>	<b>38,805,267</b>	<b>522,673,391</b>	<b>483,063,673</b>
<i>Previous Year</i>	<i>696,098,511</i>	<i>339,015,122</i>	<i>63,849,335</i>	<i>971,264,298</i>	<i>453,485,791</i>	<i>90,196,682</i>	<i>55,481,848</i>	<i>488,200,625</i>	<i>242,612,720</i>
<b>B. Intangible Assets (Purchased)</b>									
(i) Computer Software	157,598,599	4,707,627	30,732	162,275,494	99,932,117	22,069,563	26,593	121,975,087	40,300,407
	131,844,344	25,842,174	87,919	157,598,599	77,228,955	22,707,670	4,508	99,932,117	57,666,482
<b>Total</b>	<b>157,598,599</b>	<b>4,707,627</b>	<b>30,732</b>	<b>162,275,494</b>	<b>99,932,117</b>	<b>22,069,563</b>	<b>26,593</b>	<b>121,975,087</b>	<b>40,300,407</b>
<i>Previous Year</i>	<i>131,844,344</i>	<i>25,842,174</i>	<i>87,919</i>	<i>157,598,599</i>	<i>77,228,955</i>	<i>22,707,670</i>	<i>4,508</i>	<i>99,932,117</i>	<i>57,666,482</i>
<b>Grand Total</b>	<b>1,128,862,897</b>	<b>72,075,054</b>	<b>46,996,817</b>	<b>1,153,941,134</b>	<b>588,132,742</b>	<b>95,347,596</b>	<b>38,831,860</b>	<b>644,648,478</b>	<b>540,730,155</b>
<i>Previous Year</i>	<i>827,942,855</i>	<i>364,857,296</i>	<i>63,937,254</i>	<i>1,128,862,897</i>	<i>530,714,746</i>	<i>112,904,352</i>	<i>55,486,356</i>	<i>588,132,742</i>	<i>297,228,109</i>

Note:

a) Part of the new Corporate Office Building is given on cancellable lease to M/s Geojit Technologies Private Ltd., Geojit Credits Private Ltd. and Geojit Contrade Ltd., the cost of which cannot be determined separately.

b) Previous year's figures are shown in Italics.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 12: Non-Current Investments

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>Investments (At cost)</b>		
<b>A. Trade</b>		
(a) Investments in Equity Instruments - Unquoted:		
(i) <u>Wholly Owned Subsidiaries</u>		
4,000,000 (Previous Year: 4,000,000) Equity Shares of ₹10/- each, fully paid-up, in Geojit Investment Services Limited (Includes 2,400,000 bonus shares of ₹10/- each, fully paid-up)	16,000,000	16,000,000
27,700,000 (Previous Year: 27,700,000) Equity Shares of ₹10/- each, fully paid-up, in Geojit Financial Management Services Private Limited	276,971,000	276,971,000
(ii) <u>Other Subsidiaries</u>		
417,197,420 (Previous Year: 67,197,420) Equity Shares of ₹2/- each, fully paid-up, in Geojit Credits Private Limited	842,368,780	142,368,780
127,500 (Previous Year: 127,500) Equity Shares of Omani Riyal 1/- each, fully paid-up, in Qurum Business Group Geojit Securities LLC, Oman	18,829,725	18,829,725
(iii) <u>Joint Ventures</u>		
1,500 (Previous Year: 1,500) Equity Shares of Arab Emirates Dirham (AED) 1,000/- each, fully paid-up, in Barjeel Geojit Securities LLC, United Arab Emirates	19,138,560	19,138,560
11,200,000 (Previous Year: 11,200,000) Equity Shares of Saudi Riyals (SR) 10/- each (SR 2.50 Paid-up) in Aloula Geojit Brokerage Company, Saudi Arabia	301,990,457	301,990,457
(iv) <u>Associate</u>		
1,500,000 (Previous Year: 1,500,000) Equity Shares of Kuwaiti Dinar 0.10 each, fully paid-up, in BBK Geojit Securities KSC, Kuwait	26,550,000	26,550,000
	<b>1,501,848,522</b>	<b>801,848,522</b>
<b>B. Other Investments</b>		
(a) Investments in Equity Instruments – Unquoted:		
400 (Previous Year: 400) 'C' class shares of ₹500/- each, fully paid-up, in Muvattupuzha Co-operative Super Speciality Hospital Limited	200,000	200,000
11,401 (Previous Year: 11,401) Equity Shares of ₹1/- each, fully paid-up, in Bombay Stock Exchange Ltd.	877	877
100 (Previous Year: 100) Equity Shares of ₹10/- each, fully paid-up, in Cochin Stock Exchange Ltd.	1,000	1,000
	<b>201,877</b>	<b>201,877</b>
(b) Investments in Government Securities - Quoted:		
10.71% Govt. of India Securities - 2016	3,000	3,000
	<b>3,000</b>	<b>3,000</b>
	<b>1,502,053,399</b>	<b>802,053,399</b>
Less: Provision for Diminution in the value of Investments in Subsidiary Companies	1,119,339,780	-
	<b>382,713,619</b>	<b>802,053,399</b>
Aggregate cost of listed but not quoted investments	3,000	3,000
Aggregate amount of unquoted investments	<b>1,502,050,399</b>	<b>802,050,399</b>



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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 13: Deferred Tax Assets (Net)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	-	-
Tax effect of items constituting deferred tax liability (A)	-	-
<b>Tax effect of items constituting deferred tax assets</b>		
On difference between book balance and tax balance of fixed assets	19,743,000	20,190,000
Provision for doubtful debts / advances	32,687,000	31,626,000
Provision for gratuity, compensated absences and other employee benefits	2,003,000	2,633,000
Tax effect of items constituting deferred tax assets (B)	54,433,000	54,449,000
<b>Deferred Tax Assets (Net) (B – A)</b>	<b>54,433,000</b>	<b>54,449,000</b>

### Note 14: Long Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Capital Advances</b>	3,411,218	823,472
<b>(b) Security Deposits</b>		
(i) Deposits & Margins given to Stock Exchanges / Depositories / Clearing Corporation	1,019,249,159	413,655,455
(ii) Others	65,441,307	47,414,836
	1,084,690,466	461,070,291
<b>(c) Loans and Advances to Employees</b>	43,263	79,465
<b>(d) Prepaid Expenses</b>	8,073	282,163
<b>(e) Advance Income Tax</b> (Net of Provisions: ₹ 852,764,722 (Previous Year: ₹ 695,155,649))	99,338,022	70,151,851
	<b>1,187,491,042</b>	<b>532,407,242</b>

### Note 15: Other Non-Current Assets

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Fixed Deposits with Banks - In Earmarked Accounts</b>	4,077,023	2,230,672
<b>(b) Accruals</b>		
(i) Interest Accrued on Fixed Deposits with Banks	290,505	272,421
	<b>4,367,528</b>	<b>2,503,093</b>

Note:

Fixed Deposits with Banks in Earmarked Accounts represents the following :

- Deposits given as security margin for guarantees issued by banks in favour of Stock Exchanges amounting to ₹ 2,601,023/- (Previous Year : ₹ 2,230,672/-).
- Security margin for guarantees issued in favour of Kerala State Electricity Board amounting to ₹ 1,476,000/- (Previous Year : ₹ Nil).

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 16: Current Investments

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Investments in Mutual Funds (At lower of Cost and Net Asset Value) - Unquoted</b>		
(i) IDFC Money Manager Investment (Plan B) (10,561,017 units)	-	106,337,828
(ii) BNP Paribas Money Plus Fund (50,116,665 units)	-	502,456,680
	-	<b>608,794,508</b>
Aggregate amount of unquoted investments	-	608,794,508

### Note 17: Trade Receivables

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Trade Receivables outstanding for a period exceeding Six Months from the date they were due for payment</b>		
– Secured, Considered Good	104,444,207	76,836,573
– Doubtful	88,626,916	88,532,708
	193,071,123	165,369,281
– Less: Provision for Doubtful Trade Receivables	88,626,916	88,532,708
	104,444,207	76,836,573
<b>(b) Other Trade Receivables</b>		
– Secured, Considered Good	35,433,850	21,630,835
– Unsecured, Considered Good	896,254,312	558,338,171
– Doubtful	3,298,851	2,300,424
	934,987,013	582,269,430
– Less: Provision for Doubtful Trade Receivables	3,298,851	2,300,424
	931,688,162	579,969,006
	<b>1,036,132,369</b>	<b>656,805,579</b>

### Note: Trade receivables include debts due from:

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	1,045	609
	<b>1,045</b>	<b>609</b>



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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 18: Cash and Cash Equivalents

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Cash on Hand	705,967	858,360
(b) Balances with Banks		
(i) Current Accounts:		
– Clients	376,205,924	548,427,452
– Others	45,996,198	27,033,525
(ii) Deposit Accounts	3,500,000	479,581,315
(iii) Earmarked Accounts:		
– Deposit Accounts	896,636,603	444,958,074
– Unpaid Dividend Accounts	6,525,574	13,042,323
	<b>1,329,570,266</b>	<b>1,513,901,049</b>
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is	426,408,089	1,055,900,652

#### Notes:

- Balance with Banks in Earmarked Deposit Accounts include fixed deposits amounting to ₹ 341,525,263/- (As at 31 March, 2013: ₹ 11,601,024/-), which have an original maturity of more than 12 months.
- Balance with Banks in Deposit Accounts include ₹ Nil (As at 31 March, 2013: ₹ 443,103,758/-), for which fixed deposit receipts are kept in the safe custody of a bank for availing temporary overdrafts. The balance outstanding in the temporary overdraft facility as at the balance sheet date is ₹ Nil (As at 31 March, 2013: ₹ Nil).
- Balance with Banks in Earmarked Deposit Accounts include fixed deposits amounting to ₹ 570,793,988/- (As at 31 March, 2013: ₹ 444,958,074/-), which are maintained as security margin for guarantees issued by banks in favour of Stock Exchanges.
- Balance with Banks in Earmarked Deposit Accounts include fixed deposits amounting to ₹ 325,842,615/- (As at 31 March, 2013: ₹ Nil), which are pledged with banks for availing overdraft facility. The balance outstanding in the overdraft facility as at the balance sheet date is ₹ 150,042,124/- (As at 31 March, 2013: ₹ Nil) (Also refer Note 7).



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 19: Short-Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Loans and Advances to Related Parties (Refer Note 37)</b>		
(i) Aloula Geojit Brokerage Company (Jointly controlled entity)	404,315	477,049
(ii) Geojit Comtrade Ltd. (Entity over which relative of key management person has control)	6,087,248	3,840,715
(iii) Geojit Credits Private Limited (Subsidiary Company)	74,700,000	19,300,000
(iv) BBK Geojit Securities KSC (Associate)	-	10,112
	81,191,563	23,627,876
<b>(b) Loans and Advances to Clients</b>		
(i) Margin Funding Loans - Secured	39,193,481	59,768,066
<b>(c) Security Deposits</b>		
(i) Deposits with Stock Exchanges	-	200,000
(ii) Other Deposits:		
– Considered Good	1,462,327	31,995,864
– Considered Doubtful	2,730,956	553,975
	4,193,283	32,549,839
Less: Provision for Doubtful Deposits	2,730,956	553,975
	1,462,327	31,995,864
	1,462,327	32,195,864
<b>(d) Loans and Advances to Employees</b>		
– Considered Good	2,374,088	1,225,961
– Considered Doubtful	-	148,704
	2,374,088	1,374,665
Less: Provision for Doubtful Advances	-	148,704
	2,374,088	1,225,961
<b>(e) Prepaid Expenses</b>	19,261,259	15,634,497
<b>(f) Balances with Government Authorities</b>		
(i) Service Tax Credit Receivable	17,684,555	9,332,691
<b>(g) Other Advances</b>		
– Considered Good	1,174,085	5,478,965
– Considered Doubtful	1,510,681	1,510,681
	2,684,766	6,989,646
Less: Provision for Doubtful Advances	1,510,681	1,510,681
	1,174,085	5,478,965
	<b>162,341,358</b>	<b>147,263,920</b>

### Note 20: Other Current Assets

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Accruals</b>		
(i) Interest Accrued on Fixed Deposits with Banks	37,742,935	42,377,095
<b>(b) Receivable from Stock Exchanges</b>	921,491,424	366,534,174
	<b>959,234,359</b>	<b>408,911,269</b>



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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 21: Revenue from Operations

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
<b>(a) Stock Broking Services</b>		
(i) Brokerage	1,395,408,542	1,652,981,141
(ii) Depository	137,286,072	122,300,297
(iii) Financial Products Distribution	67,856,398	55,490,616
(iv) Portfolio Management Services	17,301,671	22,203,106
(v) Interest Income from Margin Funding	9,812,986	16,929,260
	<b>1,627,665,669</b>	<b>1,869,904,420</b>
<b>(b) Other Operating Revenues</b>		
(i) Overdue Fees Collected from Clients	96,764,293	100,056,931
(ii) Miscellaneous Income	5,841,212	8,419,647
	<b>102,605,505</b>	<b>108,476,578</b>
	<b>1,730,271,174</b>	<b>1,978,380,998</b>

### Note 22: Other Income

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
<b>(a) Interest Income</b>		
(i) From Banks on Fixed Deposits	85,962,038	92,078,748
(ii) From a Subsidiary Company on Loans Given	26,301,543	35,354,770
(iii) Other Interest Income	81,334	-
<b>(b) Dividend Income</b>		
(i) From Current Investments		
– Mutual Funds	29,932,281	19,143,270
(ii) From Non-Current Investments		
– Subsidiaries	-	92,974,355
– Joint Ventures	-	33,294,991
– Others	45,604	68,727
<b>(c) Net Gain on Sale of</b>		
(i) Current Investments	2,976,398	19,151
<b>(d) Other Non-Operating Revenues</b>		
(i) Cost Recovery for Shared Services	28,850,439	56,073,506
(ii) Royalty	9,247,947	13,311,606
(iii) Infrastructure Usage Fees	428,035	344,435
(iv) Rental Income	8,318,900	2,752,057
(v) Profit on Sale of Fixed Assets	32,174,312	-
(vi) Bad Debt Recovered	1,450	1,047,451
(vii) Miscellaneous Income	4,852,284	3,091,154
	<b>229,172,565</b>	<b>349,554,221</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 23: Operating Expenses

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
Commission to Business Associates (Equity)	197,002,455	524,483,443
Marketing Fees	74,767,719	69,180,281
Marketing Incentives	19,010,894	14,093,968
Commission to Business Associates (Distribution)	7,321,743	3,565,079
Connectivity Charges	60,104,235	65,369,688
Depository Charges	18,947,811	20,260,899
Research Expenses	5,284,897	12,567,904
Postage Charges - Contract Note	4,126,200	5,276,669
Loss on Sale of Stock-in-Error	1,992,228	3,557,716
Transaction Charges	5,578	769,281
Insurance (NSE, BSE, NSDL)	44,220	73,817
Registration & Renewal Charges	1,435,465	2,233,866
Miscellaneous Expenses	4,355,442	3,764,069
	<b>394,398,887</b>	<b>725,196,680</b>

### Note 24: Employee Benefit Expenses

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
Salaries and Wages	536,431,299	450,174,000
Contribution to Provident and Other Funds (Refer Note 34(ii))	10,925,977	12,224,526
Expense on Employee Stock Option Plans	807,654	1,440,247
Staff Welfare Expenses	30,912,429	30,618,605
	<b>579,077,359</b>	<b>494,457,378</b>

### Note 25: Finance Costs

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
(i) Interest Expense on:		
– Temporary Overdrafts availed from Banks	169,413	243,545
– Delayed / Deferred payment of Income Tax	690,073	173,894
– Margin Deposits	2,009,987	-
(ii) Other Borrowing Costs:		
– Bank Guarantee Charges	4,655,855	7,464,671
	<b>7,525,328</b>	<b>7,882,110</b>





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 26: Other Expenses

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
Rent	120,978,460	128,204,122
Advertisement	21,018,165	28,908,760
Telephone	27,187,989	27,268,935
Postage	12,110,654	13,154,137
Power and Fuel	43,619,300	45,196,853
Software Charges	20,275,825	18,021,481
Repairs & Maintenance:		
– Leasehold Building	3,586,220	3,343,915
– Own Building	467,859	23,928
– Plant and Machinery	372,716	57,762
– Others	29,061,253	34,647,965
Printing & Stationery	11,369,748	11,886,356
Travelling & Conveyance	19,585,391	17,832,835
Legal & Professional Charges	6,970,813	5,109,739
Payments to Auditors (Refer Note below)	4,642,929	5,160,203
Office Expenses	10,800,508	10,126,417
Provision for Doubtful Trade & Other Receivables, Loans & Advances (Net)	3,987,743	44,495,378
Bad Debts Written Off	1,421,424	58,278
Business Promotion	6,704,100	10,188,990
Rates & Taxes	13,241,720	9,312,484
Loss on Fixed Assets Sold / Scrapped / Written Off	1,273,628	4,261,111
Loss on Restatement of Current Investments (Mutual Fund Investments)	-	214,576
Donations and Contributions	1,644,779	926,172
Insurance	788,218	764,878
Miscellaneous Expenses	20,477,282	11,657,108
	<b>381,586,724</b>	<b>430,822,383</b>

Note:

Payments to Auditors includes (net of service tax input credit, where applicable):

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
Payments to Statutory Auditors towards:		
– Statutory Audit Fees	1,200,000	1,200,000
– Limited Review Fees	360,000	480,000
– Taxation Matters	125,000	125,000
– Certifications	65,000	57,500
– Out-of-Pocket Expenses	51,373	61,220
Payments to Internal Auditors towards Internal Audit Fees and Out-of-Pocket Expenses	2,841,556	3,236,483
	<b>4,642,929</b>	<b>5,160,203</b>



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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27. Exceptional item represents provision made for diminution in the value of non-current investments in two subsidiary companies, pursuant to the substantial erosion in their network as at the balance sheet date.

### 28. Contingent Liabilities and Commitments (to the extent not provided for)

#### (i) Contingent Liabilities:

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Claims against the company not acknowledged as debts : – Legal suits filed against the Company / Matters under Arbitration	38,191,859	105,231,631
(b) Demand under ESI Act, 1948, pending in appeal	-	603,612
(c) Income Tax demands, pending in appeal	129,011,666	238,934,251
(d) Service Tax demands (Show Cause Notices for which the Company has filed replies)	3,588,197	3,632,939
(e) Service Tax demands, pending in appeal	493,040	448,298
(f) Demand under EPF & Miscellaneous Provisions Act 1952	193,765,220	-

**Note:** Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

#### (ii) Commitments:

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
– Tangible assets	2,786,319	183,502
– Intangible assets	-	785,059
(b) Uncalled liability on investments partly paid:		
– Uncalled share capital in Aloula Geojit Brokerage Company, Saudi Arabia, a jointly controlled entity (@ Saudi Riyal 7.50 per share on 11,200,000 shares)	1,304,520,000	1,217,790,000

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

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil



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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 30. Disclosure under Clause 32 of the Listing Agreements with the Stock Exchanges

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

Name of the Party	Relationship	Amount outstanding as at 31 March, 2014 ₹	Maximum balance outstanding during the year ₹
Geojit Credits Private Ltd.	Subsidiary Company	74,700,000	558,000,000
		(19,300,000)	(500,000,000)

**Note:** Figures in bracket relate to the previous year.

### 31. Expenditure in Foreign Currency

Particulars	2013-14 ₹	2012-13 ₹
Foreign Travel	17,016	61,726
Annual Maintenance Charges	1,410,646	709,789
Website Charges	1,147,674	1,983,680
Professional Charges	2,614,500	-
<b>Total</b>	<b>5,189,836</b>	<b>2,755,195</b>

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

### 32. Earnings in Foreign Exchange

Particulars	2013-14 ₹	2012-13 ₹
Dividend from a Jointly Controlled Entity	-	33,294,991
Advisory Fees	1,237,292	1,394,329
<b>Total</b>	<b>1,237,292</b>	<b>34,689,320</b>

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

### 34. Employee Benefit Plans

#### (i) Defined Contribution Plans – Provident Fund and Employee State Insurance

The Company makes Provident Fund and Employee State Insurance contributions for qualifying employees. Under the plans, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised ₹ 2,958,473/- (Year ended 31 March, 2013: ₹ 2,971,712/-) towards Provident Fund contributions and ₹ 5,655,315/- (Year ended 31 March, 2013: ₹ 7,703,101/-) towards Employee State Insurance contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### (ii) Defined Benefit Plan – Gratuity

The Company provides gratuity benefit to its employees (included as part of 'Contribution to Provident and Other Funds' in Note No. 24 Employee Benefit Expenses), which is funded with Life Insurance Corporation of India.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	2013-14 ₹	2012-13 ₹
<b>Components of Employer Expense:</b>		
Current Service Cost	2,489,076	2,371,445
Interest Cost	1,457,325	1,418,117
Expected Return on Plan Assets	(1,004,245)	(1,186,364)
Past Service Cost	-	-
Actuarial Losses/(Gains)	(1,850,728)	(258,502)
<b>Total Expense Recognised in the Statement of Profit and Loss</b>	<b>1,091,428</b>	<b>2,344,696</b>
<b>Actual Contribution and Benefit Payments for the Year:</b>		
Actual Benefit Payments	1,317,405	1,199,410
Actual Contributions	3,350,999	216
<b>Net Asset / (Liability) Recognised in the Balance Sheet:</b>		
Present Value of Defined Benefit Obligation (DBO)	19,211,952	18,201,608
Fair Value of Plan Assets	(15,285,890)	(12,015,975)
Funded Status [Surplus / (Deficit)]	(3,926,062)	(6,185,633)
Unrecognised Past Service Costs	-	-
<b>Net Asset / (Liability) Recognised in the Balance Sheet</b>	<b>(3,926,062)</b>	<b>(6,185,633)</b>
<b>Change in Defined Benefit Obligations (DBO) during the Year:</b>		
Present Value of DBO at the beginning of the Year	<b>18,201,608</b>	<b>15,985,249</b>
Current Service Cost	2,489,076	2,371,445
Interest Cost	1,457,325	1,418,117
Actuarial (Gains) / Losses	(1,618,652)	(373,793)
Past Service Cost	-	-
Benefits Paid	(1,317,405)	(1,199,410)
<b>Present Value of DBO at the end of the Year</b>	<b>19,211,952</b>	<b>18,201,608</b>
<b>Change in Fair Value of Assets during the Year:</b>		
Plan Assets at the beginning of the Year	<b>12,015,975</b>	<b>12,144,096</b>
Expected Return on Plan Assets	1,004,245	1,186,364
Actual Company Contributions	3,350,999	216
Actuarial Gain / (Loss)	232,076	(115,291)
Benefits Paid	(1,317,405)	(1,199,410)
<b>Plan Assets at the end of the Year</b>	<b>15,285,890</b>	<b>12,015,975</b>
Actual Return on Plan Assets	1,236,321	1,071,073



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Particulars	2013-14 ₹	2012-13 ₹
<b>Composition of Plan Assets is as follows:</b>		
Government Bonds	6,258,499	4,919,698
Debentures and Bonds	5,734,778	4,508,011
Fixed Deposits	2,291,137	1,801,023
Others	1,001,476	787,243
<b>Total</b>	<b>15,285,890</b>	<b>12,015,975</b>
<b>Actuarial Assumptions:</b>		
Discount Rate	8.85%	7.85%
Expected Return on Plan Assets	7.50%	7.50%
Salary Escalation	5.00%	5.00%
Attrition Rate Range over Different Age Brackets	NA	NA
Mortality Table	LIC 2006-08	LIC 2006-08
Performance Percentage Considered	NA	NA
Estimate of amount of Contribution in the immediate Next Year	NA	NA

NA – Data is not available in actuarial valuation report.

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

### Experience Adjustments

Gratuity	For the Year				
	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of DBO	19,211,952	18,201,608	15,985,249	14,192,255	11,852,687
Fair Value of Plan Assets	15,285,890	12,015,975	12,144,096	11,701,076	11,341,347
Funded Status [Surplus / (Deficit)]	(3,926,062)	(6,185,633)	(3,841,153)	(2,491,179)	(511,340)
Exp. Adj. on Plan Liabilities	(703,357)	(871,399)	(1,630,070)	(435,622)	(1,130,978)
Exp. Adj. on Plan Assets	232,076	(115,291)	(124,078)	37,346	(49,169)

### Actuarial Assumptions for Long-term Compensated Absences

Particulars	2013-14 ₹	2012-13 ₹
Discount Rate	8.85%	7.85%
Salary Escalation	5.00%	5.00%
Attrition rate range over different age brackets	NA	NA

NA – Data is not available in actuarial valuation report.

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 36. Earnings Per Equity Share

Particulars	2013-14	2012-13
<b>Basic:</b>		
Net profit / (loss) for the year attributable to equity shareholders – ₹	(774,766,935)	419,644,316
Weighted average number of equity shares	228,360,104	228,360,104
Par value per equity share – ₹	1.00	1.00
Basic Earnings per Share – ₹	(3.39)	1.84
<b>Diluted:</b>		
The diluted earnings per share has been computed by dividing the Net Profit / (Loss) After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Stock Options for the respective periods.		
Net profit / (loss) for the year attributable to equity shareholders – ₹	(774,766,935)	419,644,316
Weighted average number of equity shares for Basic EPS	228,360,104	228,360,104
Add: Effect of ESOPs which are dilutive	-	151,980
Weighted average number of equity shares for Diluted EPS	228,360,104	228,512,084
Par value per equity share – ₹	1.00	1.00
Diluted Earnings per Share – ₹	(3.39)	1.84

### 37. Related Party Disclosures

Nature of Relationship	Name of Related Party	Nature of Transaction	Amount (₹) 2013-14	Receivable/ (Payable) as on 31.03.2014	Amount (₹) 2012-13	Receivable/ (Payable) as on 31.03.2013
Subsidiary Company	Geojit Credits Private Limited	Loans Given	888,700,000	74,700,000	719,400,000	19,300,000
		Loans Repaid	833,300,000		825,100,000	
		Expenses Reimbursed	-		16,173	
		Expenses Recovered	51,115		23,748	
		Cost Recovery for Shared Services	1,225,053		683,250	
		Investment in Shares	700,000,000		-	
		Sale of Asset	62,034		-	
		Interest Received	26,301,543		35,354,770	
		Dividend Received	-		16,799,355	
Subsidiary Company	Geojit Technologies Private Limited	Software Services Availed	14,532,312	-	12,642,261	(2,600,000)
		SMS Services Availed	3,055,300		2,364,769	
		AMC Paid	3,964,120		2,919,086	
		Sale of Asset	213,838		-	
		Rental Income	5,336,457		-	
		Software Purchased	3,476,065		2,772,732	
		Cost Recovery for Shared Services	2,710,206		1,794,717	
		Rent Deposit Accepted	-		2,600,000	
		Expense Recovered	608,268		2,288,405	
		Expenses Reimbursed	242,810		1,959,247	



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Nature of Relationship	Name of Related Party	Nature of Transaction	Amount (₹) 2013-14	Receivable/ (Payable) as on 31.03.2014	Amount (₹) 2012-13	Receivable/ (Payable) as on 31.03.2013
Subsidiary Company	Geojit Financial Management Services Private Limited	Dividend Received	-	-	76,175,000	-
Subsidiary Company	Geojit Financial Distribution Private Limited	No Transactions	-	-	-	-
Subsidiary Company	Geojit Investment Services Limited	No Transactions	-	-	-	-
Subsidiary Company	Qurum Business Group	Marketing Fee Paid	5,423,719	(1,204,706)	3,503,381	(3,144,245)
	Geojit Securities LLC	Expenses Recovered	348,250		319,631	
Jointly Controlled Entity	Barjeel Geojit Securities LLC	Marketing Fee Paid	67,806,000	(54,947,634)	65,677,091	(86,228,200)
		Expenses Reimbursed	22,525		1,064,786	
		Expenses Recovered	515,095		761,571	
		Dividend Received	-		33,294,991	
Jointly Controlled Entity	Al-oula Geojit Brokerage Company	Expenses Recovered	1,015,529	404,315	290,868	477,049
		Expenses Reimbursed	-		14,248	
Associate Entity	BBK Geojit Securities KSC	Marketing Fee Paid	1,538,000	(1,368,371)	-	10,112
		Expenses Recovered	137,965		9,000	
Entity having Substantial Interest in the Company	BNP Paribas SA	Bank Charges	15,381	10,667,731	15,922	18,001,056
		Dividend Paid	115,033,439		115,033,439	
Subsidiary of the Entity having Substantial Interest in the Company	BNP Paribas Securities India Pvt. Ltd.	Commission Paid	5,555,841	-	333,693,983	(10,755,561)
		Expenses Recovered	32,157		363,451	
		Cost Recovery for Shared Services	339,005		23,391,117	
Subsidiary of the Entity having Substantial Interest in the Company	BNP Paribas Arbitrage	Brokerage Income	361,080		33,425,172	3,287,880
Subsidiary of the Entity having Substantial Interest in the Company	BNP Paribas Investment Partners Belgium	Brokerage Income	-	-	2,355,513	-
Subsidiary of the Entity having Substantial Interest in the Company	BNP Paribas Asset Management India Pvt. Ltd.	Rent Received	63,000	-	73,500	-
Subsidiary of the Entity having Substantial Interest in the Company	BNP Paribas Investment India Services Private Ltd.	Expenses Recovered	412,042	(1,661,175)	-	(486,854)
		Bad Debts Recovered	85,397		-	
		Marketing Fee Paid	14,759,896		8,719,353	
Subsidiary of the Entity having Substantial Interest in the Company	Arval India Private Limited	Vehicle Rentals Paid	117,948	-	351,240	-
Key Management Person - Managing Director (KMP)	Mr. C J George	Salary and Benefits	6,296,358	-	13,067,612	(1,723,000)
		Brokerage Income	37,420		1,564	
		Dividend Paid	64,829,454		62,216,549	
Relative of Key Management Person – Sons of Mr. C J George	Mr. Jones George	Salary and Benefits	258,817	-	50,000	-
		Brokerage Income	4,630		-	
		Dividend Paid	75,000		75,000	
	Mr. Jyothis Abraham George	Brokerage Income	4,224	-	-	-
		Dividend Paid	75,000		75,000	





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Nature of Relationship	Name of Related Party	Nature of Transaction	Amount (₹) 2013-14	Receivable/ (Payable) as on 31.03.2014	Amount (₹) 2012-13	Receivable/ (Payable) as on 31.03.2013
Relative of Key Management Person – Wife of Mr. C J George	Ms. Shiny George	Dividend Paid	7,557,000	-	7,557,000	-
Entity over which Relative of Key Management Person has Control	Geojit Comtrade Limited	Expenses Reimbursed	2,331,107	6,087,248	2,435,387	2,440,715
		Expenses Recovered	4,661,685		6,463,936	
		Cost Recovery for Shared Services	24,569,916		28,910,371	
		Royalty Income	9,247,947		13,311,606	
		Referral Fees	9,025,256		18,841,353	
		Rent Deposit Accepted	39,950		1,400,000	
		Rent Deposit Refunded	39,950		228,000	
		Rent Received	2,919,440		1,189,034	
		Deposit Given	100,000		-	
		Purchase of Fixed Assets	58,443		-	
		Sale of Fixed Assets	406,851		-	

### 38. A) Employee Stock Option Plans

#### (a) Employees Stock Option Plan 2007 for Key Employees (ESOP 2007):

The Company introduced Employees Stock Option Plan 2007 for Key Employees during the year 2007-08, under which options for 2,500,000 equity shares of ₹ 1/- each were granted to eligible senior management employees of the Company. The scheme was approved by the Shareholders through postal ballot on 5<sup>th</sup> December, 2007 and by the Compensation Committee of Directors on 12<sup>th</sup> October, 2007. The options vest over a period of 4 years, commencing from the end of the 4<sup>th</sup> year, in equal proportion (25% each) from the date of grant, viz., 10<sup>th</sup> December, 2007. The exercise period commence from the date of vesting and expires not later than 8 years from the date of grant, viz., 9<sup>th</sup> December, 2015. The exercise price is at 10% discount to the market price on the date prior to grant date. The Company had re-priced the options on 11<sup>th</sup> April, 2009 from ₹59.90 to ₹25.50 per option with the approval of the Compensation Committee and Shareholders.

#### (b) Employees Stock Option Plan 2010 – Tranche I (ESOP 2010-TR I):

During the year 2010-11, the Company introduced Employees Stock Option Plan 2010 (Tranche I) under which options for 2,786,795 equity shares of ₹ 1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on 12<sup>th</sup> July, 2010 and by the Compensation Committee of Directors on 12<sup>th</sup> April, 2010. The options vested on 29<sup>th</sup> March, 2013, being the 2<sup>nd</sup> Anniversary from the date of grant, viz., 29<sup>th</sup> March, 2011. The exercise period commenced from the date of vesting and will expire not later than 4 years from the date of grant, viz., 28<sup>th</sup> March, 2015. The exercise price of the options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options.

#### (c) Employees Stock Option Plan 2010 – Tranche II (ESOP 2010-TR II):

During the year 2012-13, the Company introduced Employees Stock Option Plan 2010 (Tranche II) under which options for 2,799,885 equity shares of ₹1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on 12<sup>th</sup> July, 2010 and by the Compensation Committee of Directors on 12<sup>th</sup> April, 2010. The options will vest on 11<sup>th</sup> July, 2014, which is the 2<sup>nd</sup> Anniversary from the date of grant, viz., 11<sup>th</sup> July, 2012. The exercise period commences from the date of vesting and will expire not later than 4 years from the date of grant, viz., 10<sup>th</sup> July, 2016. The exercise price of the options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options.

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(d) Employees Stock Option Plan 2010 – Tranche III (ESOP 2010-TR III):

During the current year, the Company introduced Employees Stock Option Plan 2010 (Tranche III) under which options for 2,799,991 equity shares of ₹1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on 12<sup>th</sup> July, 2010 and by the Compensation Committee of Directors on 12<sup>th</sup> April, 2010. The options will vest on 21<sup>st</sup> May, 2015, which is the 2<sup>nd</sup> Anniversary from the date of grant, viz., 21<sup>st</sup> May, 2013. The exercise period commences from the date of vesting and will expire not later than 4 years from the date of grant, viz., 20<sup>th</sup> May, 2017. The exercise price of the options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options.

B) Accounting of employee share based compensation cost

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

Plan	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)	ESOP 2010 (Tranche III)
Cumulative intrinsic value of the options granted net of expected forfeiture	₹13,295,530/- (₹13,295,530/-)	- (-)	- (-)	- (-)
Expected forfeiture rate per annum	4% (4%)	10% (-)	10% (-)	10% (-)
Amount expensed during the year under intrinsic value method	₹807,654/- (₹1,440,247/-)	- (-)	- (-)	- (-)
Additional charge under fair value method of accounting cost	₹6,782,268/- (₹12,028,822/-)	- (₹8,176,941/-)	₹5,274,760/- (₹3,815,169/-)	₹5,505,485/- (-)

Note: Previous year figures are given in brackets.

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

Plan	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)	ESOP 2010 (Tranche III)
Date of Grant	10.12.2007	29.03.2011	11.07.2012	21.05.2013
Number of Options Granted	2,500,000	2,786,795	2,799,885	2,799,991
Vesting Conditions	Continuation in the services of the Company and such other conditions as may be formulated by the Compensation Committee from time-to- time.			
Method of Settlement	In Cash	In Cash	In Cash	In Cash
Weighted Average Exercise Price Per Option (₹)	25.50	22.20	20.55	23.95
No. of options outstanding as at 01.04.2013 (01.04.2012)	2,197,040 (2,197,040)	2,301,710 (2,503,410)	2,544,205 (-)	- (-)
Add: No. of options granted during the year	- (-)	- (-)	- (2,799,885)	2,799,991 (-)
Less: No. of options forfeited on resignation / lapsed due to non-exercise during the year	- (-)	155,150 (201,700)	204,520 (255,680)	221,950 (-)

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Plan	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)	ESOP 2010 (Tranche III)
Less: No. of options exercised during the year	- (-)	- (-)	- (-)	- (-)
No. of options outstanding as at 31.03.2014 (31.03.2013)	2,197,040 (2,197,040)	2,146,560 (2,301,710)	2,339,685 (2,544,205)	2,578,041 (-)
No. of options vested during the year	549,260 (549,260)	- (2,301,710)	- (-)	- (-)
No. of options exercisable at year end	1,647,780 (1,098,520)	2,146,560 (2,301,710)	- (-)	- (-)
No. of options available for grant at year end	- (-)	- (-)	- (-)	- (-)
Weighted average remaining contractual life for options outstanding as at 31.03.2014 (31.03.2013).	2 years (3 years)	1 year (2 years)	2 years (3 years)	3 years (-)

Note: Previous year figures are given in brackets.

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

Plan	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)	ESOP 2010 (Tranche III)
Weighted average fair value per option (₹)	61.67	6.94	4.71	5.70
Market price relevant for grant (₹)	25.50	22.20	20.55	23.95
Expected annual volatility of shares	170%	52%	39%	42%
Expected dividend yield	0.60%	2.30%	4.04%	4.59%
Risk free interest rate	7%	8%	8%	8%
Expected life (In years)	4-7	2	2	2

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

- E) The impact on Basic and Diluted Earnings Per Share for the year, had the Company followed Fair Value Method of accounting for employee share based compensation cost is as follows:

Particulars	Year ended 31 <sup>st</sup> March, 2014 ₹	Year ended 31 <sup>st</sup> March, 2013 ₹
Profit / (Loss) for the Year (As reported)	(774,766,935)	419,644,316
Add: Expense on Employee Stock Option Plans under Intrinsic Value Method	807,654	1,440,247
Less: Expense on Employee Stock Option Plans under Fair Value Method	18,370,167	25,461,179
Profit for the Year (Proforma)	(792,329,448)	395,623,384
Basic earnings per share (As reported)	(3.39)	1.84
Basic earnings per share (Proforma)	(3.47)	1.73
Diluted earnings per share (As reported)	(3.39)	1.84
Diluted earnings per share (Proforma)	(3.47)	1.73



**39. Interest in Joint Ventures**

The Company has interests in the following jointly controlled entities:

Name of Jointly Controlled Entity and Country of Incorporation	% of Shareholding Interest	
	2013-14	2012-13
Barjeel Geojit Securities LLC, United Arab Emirates ('Barjeel')	30%	30%
Aloula Geojit Brokerage Company, Saudi Arabia ('Aloula')	28%	28%

Particulars	Barjeel		Aloula	
	2013-14 ₹	2012-13 ₹	2013-14 ₹	2012-13 ₹
Assets	106,178,451	95,380,464	286,446,032	264,297,190
Liabilities	20,417,664	23,094,320	8,494,795	7,682,124
Income	60,225,153	52,420,627	59,188,727	41,212,432
Expenditure	50,662,460	42,978,403	54,954,448	45,265,443
Contingent liabilities	5,852,556	626,146	-	-
Capital commitments	-	-	-	-

40. The Company has contracted fund based and non-fund based (viz. bank guarantee) working capital facilities of ₹ 300,000,000 (Previous Year: ₹ 300,000,000) and ₹ 1,670,000,000 (Previous Year: ₹ 1,670,000,000) respectively from banks, which are secured by liens marked on fixed deposits and hypothecation of trade receivables of the Company, both present and future, and counter guarantee of the Company. The balance outstanding in the fund based and non-fund based working capital facilities at the balance sheet date are ₹ 150,042,124/- (Previous Year: ₹ Nil) and ₹ 910,800,000/- (Previous Year: ₹ 713,700,000) respectively.

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

Particulars	As at 31 March, 2014 (₹)	As at 31 March, 2013 (₹)
Number of clients	753	1,138
<b>Original cost of assets under management – ₹</b>	<b>632,340,835</b>	<b>967,344,511</b>
Represented by:		
(a) Bank balance – ₹	20,426,454	96,160,722
(b) Cost of portfolio holdings – ₹	611,914,381	871,183,739
<b>Total</b>	<b>632,340,835</b>	<b>967,344,461</b>
<b>Net asset value of portfolio under management – ₹</b>	<b>803,771,574</b>	<b>921,777,080</b>

42. The Company may allot equity shares, pursuant to the exercise by the employees of any stock options granted, between the balance sheet date and record date for payment of final dividend. These shares are eligible to receive the final dividend payable for the year ended 31 March, 2014. Since the dividend amount payable on such shares cannot be ascertained at present, an appropriation will be made for the said amount in the next year's financial statements. However, appropriation for the dividend paid during the financial year on the shares allotted pursuant to exercise of options during the period between previous year's balance sheet date and record date for the payment of final dividend for the previous year has been made in this financial statements.
43. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of

the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and a jointly controlled entity referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### Other Matters

1. We did not audit the financial statements of five subsidiaries and one jointly controlled entity, whose financial statements reflect total assets (net) of ₹2,943,410,325/- as at 31<sup>st</sup> March, 2014, total revenues of ₹596,577,925/- and net cash inflows amounting to ₹40,257,523/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these



subsidiaries and the jointly controlled entity, is based solely on the reports of the other auditors.

2. The consolidated financial statements include the unaudited financial statements / information of the following entities:
- (a) One subsidiary, whose financial information reflect total assets (net) of ₹22,253,157/- as at 31<sup>st</sup> March, 2014, total revenues of ₹10,233,034/- and net cash outflows amounting to ₹2,926,589/- for the year ended on that date.
  - (b) One jointly controlled entity, whose financial statements reflect Group's share in the total assets (net) of ₹286,658,264/- as at 31<sup>st</sup> March, 2014, and Group's share in the total revenues of ₹59,188,727/- and net cash outflows amounting to ₹49,654,752/- for the year ended on that date.
  - (c) Group's share in the net loss amounting to ₹4,034,322/- for the year ended 31<sup>st</sup> March, 2014 in respect of one associate.

Based on the information and explanations provided by Management, it is expected that there should be no material impact on the consolidated financial statements consequent to any possible adjustments to the unaudited financial statements/information in respect of the aforesaid entities, since the size of these entities in the context of the Group is not significant.

Our opinion is not qualified in respect of these matters.

**For DELOITTE HASKINS & SELLS**

*Chartered Accountants*

(Firm Registration No. 008072S)

**(M Ramachandran)**

*(Partner)*

(Membership No. 16399)

Kochi, 19th May, 2014

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2014

Particulars	Note No.	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	228,360,104	228,360,104
(b) Reserves and Surplus	4	4,114,790,798	4,463,785,920
		<b>4,343,150,902</b>	<b>4,692,146,024</b>
<b>2. Minority Interests</b>		<b>367,257,527</b>	<b>448,317,113</b>
<b>3. Capital Reserve on Consolidation</b>		<b>1,063,141</b>	<b>690,539</b>
<b>4. Non-Current Liabilities</b>			
(a) Long-Term Liabilities	5	17,188,015	20,289,251
(b) Long-Term Provisions	6	13,529,846	12,153,458
		<b>30,717,861</b>	<b>32,442,709</b>
<b>5. Current Liabilities</b>			
(a) Short-Term Borrowings	7	150,042,124	764,833,306
(b) Trade Payables	8	157,332,264	177,001,903
(c) Other Current Liabilities	9	2,145,729,588	1,089,833,733
(d) Short-Term Provisions	10	32,899,814	82,613,723
		<b>2,486,003,790</b>	<b>2,114,282,665</b>
<b>TOTAL</b>		<b>7,228,193,221</b>	<b>7,287,879,050</b>
<b>B. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11A	480,126,978	494,896,900
(ii) Intangible Assets	11B	59,300,404	81,274,537
(iii) Capital Work-in-Progress – Tangible Assets		-	26,040,708
		<b>539,427,382</b>	<b>602,212,145</b>
(b) Goodwill on Consolidation		<b>348,852,742</b>	-
(c) Non-Current Investments	12	16,982,201	21,536,455
(d) Deferred Tax Assets (Net)	13	57,272,600	57,163,000
(e) Long-Term Loans and Advances	14	1,293,362,862	629,600,793
(f) Other Non-Current Assets	15	4,510,292	2,641,811
		<b>2,260,408,079</b>	<b>1,313,154,204</b>





## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2014

Particulars	Note No.	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>2. Current Assets</b>			
(a) Current Investments	16	1,128,089,223	1,049,115,611
(b) Trade Receivables	17	1,138,062,148	752,944,801
(c) Cash and Cash Equivalents	18	1,547,903,518	1,760,229,551
(d) Short-Term Loans and Advances	19	193,696,634	2,001,727,875
(e) Other Current Assets	20	960,033,619	410,707,008
		<b>4,967,785,142</b>	<b>5,974,724,846</b>
<b>TOTAL</b>		<b>7,228,193,221</b>	<b>7,287,879,050</b>

Corporate Information and Significant Accounting Policies 1 & 2

See the accompanying Notes forming part of the Consolidated Financial Statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M Ramachandran**  
Partner

Place : Kochi  
Date : 19th May, 2014

**For and on behalf of the Board of Directors**

**A P Kurian**  
Chairman

Place : Kochi  
Date : 19th May, 2014

**C J George**  
Managing Director

**Liju K Johnson**  
Company Secretary



**GEOJIT**  
**BNP PARIBAS**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014**

Particulars	Note No.	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
1. Revenue from Operations	21	2,082,894,541	2,383,410,498
2. Other Income	22	242,477,912	238,514,188
<b>3. Total Revenue (1+2)</b>		<b>2,325,372,453</b>	<b>2,621,924,686</b>
4. Expenses:			
(a) Operating Expenses	23	370,132,828	705,983,790
(b) Employee Benefit Expenses	24	714,504,476	604,631,074
(c) Finance Costs	25	24,913,771	32,797,451
(d) Depreciation and Amortisation Expenses	11	109,642,831	127,763,551
(e) Other Expenses	26	445,725,022	480,918,780
<b>Total Expenses</b>		<b>1,664,918,928</b>	<b>1,952,094,646</b>
<b>5. Profit Before Exceptional Items and Tax (3 – 4)</b>		<b>660,453,525</b>	<b>669,830,040</b>
6. Exceptional Items	27	(1,213,233,472)	427,758,327
<b>7. Profit / (Loss) Before Tax (5+6)</b>		<b>(552,779,947)</b>	<b>1,097,588,367</b>
8. Tax Expense:			
(a) Current Tax Expense for Current Year		219,861,184	249,280,000
(b) Current Tax Expense for Prior Years		-	45,016
(c) Net Current Tax Expense		219,861,184	249,325,016
(d) Deferred Tax Expense / (Credit)		(109,600)	(24,505,174)
<b>Total Tax Expense</b>		<b>219,751,584</b>	<b>224,819,842</b>
<b>9. Profit / (Loss) After Tax (7 – 8)</b>		<b>(772,531,531)</b>	<b>872,768,525</b>
10. Share of Loss in an Associate		4,034,322	5,293,422
11. Elimination of Minority Interests		(44,111,251)	49,452,276
<b>12. Profit / (Loss) for the Year (9 – 10 – 11)</b>		<b>(732,454,602)</b>	<b>818,022,827</b>
<b>13. Earnings per Equity Share (Face value of ₹ 1/- each):</b>	31		
(a) Basic		(3.21)	3.58
(b) Diluted		(3.21)	3.58
<b>Corporate Information and Significant Accounting Policies</b>	1 & 2		
<b>See the accompanying Notes forming part of the Consolidated Financial Statements</b>			

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M Ramachandran**  
Partner

Place : Kochi  
Date : 19th May, 2014

**For and on behalf of the Board of Directors**

**A P Kurian**  
Chairman

Place : Kochi  
Date : 19th May, 2014

**C J George**  
Managing Director

**Liju K Johnson**  
Company Secretary



**GEOJIT**  
**BNP PARIBAS**

## CONSOLIDATED CASH FLOW STATEMENT

Particulars	2013-14 ₹	2012-13 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before Tax and Exception Items</b>	<b>660,453,525</b>	<b>669,830,040</b>
<b>Adjustments for:</b>		
Depreciation and Amortisation	109,642,831	127,763,551
(Profit) / Loss on Sale / Write Off of Assets	(30,878,888)	5,783,435
Expense on Employee Stock Option Scheme	807,654	1,440,247
Finance Costs	24,913,771	32,797,451
Interest Income	(86,036,743)	(94,037,275)
Dividend Income	(62,062,180)	(59,456,037)
Net (Gain) / Loss on Sale of Investments	(4,129,680)	(73,340)
Provision for Doubtful Trade and Other Receivables, Loans and Advances	5,863,230	44,510,060
Bad Debts Written Off	1,862,437	443,942
Liabilities No Longer Payable Written Back	(257,196)	(331,502)
Loss on Restatement of Mutual Fund Investments	-	283,442
Provision for Warranty Reversed	(466,514)	-
Provision for Standard Assets Made / (Reversed)	(4,482,099)	3,558,619
	(45,223,377)	62,682,593
Operating Profit / (Loss) before Working Capital Changes	615,230,148	732,512,633
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Trade Receivables	(388,939,250)	(29,846,043)
Short term Loans and Advances	521,851,697	(1,395,458,597)
Long term Loans and Advances	(628,331,809)	146,431,532
Other Non-Current Assets	(1,850,397)	8,861,283
Other Current Assets	(553,975,183)	80,527,835
	(1,051,244,942)	(1,189,483,990)
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	(19,412,443)	9,592,845
Other Current Liabilities	1,092,601,660	(41,289,687)
Long-term Liabilities	(3,101,236)	792,867
Short-term Provisions	1,091,717	171,824
Long-term Provisions	1,376,388	1,659,680
	1,072,556,086	(29,072,471)
Cash Generated from Operations	636,541,292	(486,043,828)
Net Income Tax (Paid) / Refunded	(258,835,225)	(329,580,343)
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>377,706,067</b>	<b>(815,624,171)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed Assets, including Capital Advances	(84,826,808)	(204,356,152)
Proceeds from Sale of Fixed Assets	39,102,142	5,456,856
Current Investments not considered as Cash and Cash Equivalents:		
– Purchased	(8,057,971,045)	(6,090,873,168)
– Proceeds from Sale	7,983,127,114	6,158,929,343
Proceeds from disposal of stake in a Joint Venture	69,392,308	343,079,664
(Increase)/Decrease in Earmarked Fixed Deposit with Banks not considered as Cash and Cash Equivalents	(451,678,529)	(11,639,283)
(Increase)/Decrease in Unpaid Dividend Bank Accounts not considered as Cash and Cash Equivalents	6,516,749	(8,394,009)
Interest Received on Fixed Deposits	90,667,231	96,349,300
Dividend Income Received	62,062,180	59,456,037
<b>Net Cash Flow from / (used in) Investing Activities (B)</b>	<b>(343,608,658)</b>	<b>348,008,588</b>



## CONSOLIDATED CASH FLOW STATEMENT

Particulars	2013-14 ₹	2012-13 ₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from / (Repayment of) Short Term Borrowings (Net)	(614,791,182)	758,502,995
Finance Costs Paid	(24,913,771)	(32,797,451)
Dividends Paid	(63,611,503)	(334,157,375)
Tax on Dividend Paid	(9,703,253)	(56,156,532)
Proceeds from Issue of Shares to Minority Shareholders in Subsidiary Companies	24,800	17,272,628
Dividend Paid to Minority Interests of Subsidiary Company incld. Dividend Tax	-	(9,911,913)
<b>Net Cash Flow from / (used in) Financing Activities (C)</b>	<b>(712,994,909)</b>	<b>342,752,352</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(678,897,500)</b>	<b>(124,863,231)</b>
Add: Cash and Cash Equivalents at the Beginning of the Year	1,302,229,154	1,661,879,941
Less: Elimination of Company's share in Cash & Cash Equivalents of a Joint Venture on disposal	-	(255,400,705)
Add / (Less): Foreign Currency Translation Adjustments	21,409,687	20,613,149
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>644,741,341</b>	<b>1,302,229,154</b>
Cash and Cash Equivalents as per Balance Sheet (Refer Note 18)	1,547,903,518	1,760,229,551
Less: Earmarked Deposits with Banks not considered as 'Cash and Cash Equivalents', as defined in AS 3 Cash Flow Statements (Refer Note 18)	(903,162,177)	(458,000,397)
Cash and Cash Equivalents at the End of the Year *	<b>644,741,341</b>	<b>1,302,229,154</b>
* Comprises:		
(a) Cash on hand	879,390	951,385
(b) Balances with Banks		
(i) Current Accounts:		
– Clients	376,205,924	548,427,452
– Others	73,654,228	59,915,703
(ii) Deposit Accounts	4,286,000	480,731,315
(c) Share in Jointly Controlled Entities	189,715,799	212,203,299
	<b>644,741,341</b>	<b>1,302,229,154</b>

**Corporate Information and Significant Accounting Policies – Refer Notes 1 & 2**

**See accompanying notes forming part of the Consolidated financial statements.**

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M Ramachandran**  
Partner

Place : Kochi  
Date : 19th May, 2014

**For and on behalf of the Board of Directors**

**A P Kurian**  
Chairman

Place : Kochi  
Date : 19th May, 2014

**C J George**  
Managing Director

**Liju K Johnson**  
Company Secretary



**GEOJIT**  
**BNP PARIBAS**

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate Information

Geojit BNP Paribas Financial Services Ltd. (‘the Company’) had its origin in the year 1987 as partnership firm of Mr. C J George and his associate. In the year 1994, the firm was converted into a Company with the objective of providing technically superior trading platform for the investor community in Kerala. Over the years, the Company has spread its operations across the country through branch and franchisee network. In 2007, BNP Paribas SA became a major shareholder in the Company and the present name was adopted in April 2009. The shares of the Company are listed in National Stock Exchange and Bombay Stock Exchange. The Company and its subsidiaries, associate and joint ventures, located both within and outside India hereinafter referred to as the ‘Group’, offers the complete spectrum of financial services including online broking for equities, derivatives and currency futures, custody accounts, financial products distribution, portfolio management services, margin funding, etc. The Group’s operations outside the country are located in Oman, Kuwait, UAE and Saudi Arabia.

### 2. Basis of Consolidation and Significant Accounting Policies

#### 2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company, and its subsidiaries and jointly controlled entities (together the ‘Group’) have been prepared in accordance with the Generally Accepted Accounting Principles in India (‘Indian GAAP’) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (‘the 1956 Act’) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (‘the 2013 Act’) in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/the 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

**2.2** The consolidated financial statements relate to Geojit BNP Paribas Financial Services Ltd.

(the ‘Company’), its subsidiary companies, jointly controlled entities and the Group’s share of profit / loss in its associate. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements / financial information of the subsidiary companies, jointly controlled entities and associate used in the consolidation are drawn upto the same reporting date as that of the Company, i.e., 31 March, 2014.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered, as per AS 21 ‘Consolidated Financial Statements’.
- (iii) The consolidated financial statements include the share of profit / loss of an associate entity which has been accounted for using ‘equity method’ as per AS 23 ‘Accounting for Investments in Associates in Consolidated Financial Statements’. Accordingly, the share of profit/loss of the associate entity (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment.
- (iv) Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a proportionate basis to the extent of the Group’s equity interest in such entity as per AS 27 ‘Financial Reporting of Interests in Joint Ventures’. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group’s share in the entity. Jointly controlled entities that are considered as subsidiaries under AS 21 ‘Consolidated Financial Statements’ are consolidated similar to the manner of consolidating subsidiaries (Refer (ii) above) and the share of interest of the other venturers in such entities is included as part of minority interest.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (v) The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve'.
- (vi) Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and

further movements in their share in the equity, subsequent to the dates of investments. Net profit / (loss) for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit / (loss) of the Group in order to arrive at the income attributable to shareholders of the Company.

- (vii) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- (viii) Goodwill arising on consolidation is not amortised, but tested for impairment.
- (ix) Following subsidiary companies, associate and jointly controlled entities have been considered in the preparation of the consolidated financial statements:

Name of the Entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				31 March, 2014	31 March, 2013
Geojit Investment Services Limited	Subsidiary Company	India	Geojit BNP Paribas Financial Services Limited	100%	100%
Geojit Technologies Private Limited	Subsidiary Company	India	Geojit Investment Services Limited	65%	65%
Geojit Credits Private Limited	Subsidiary Company	India	Geojit BNP Paribas Financial Services Limited	67.75%	65.03%
			Geojit Financial Management Services Private Limited	26.38%	-
Geojit Financial Management Services Private Limited	Subsidiary Company	India	Geojit BNP Paribas Financial Services Limited	100%	100%
Geojit Financial Distribution Private Limited	Subsidiary Company	India	Geojit Investment Services Limited	100%	100%
Qurum Business Group Geojit Securities LLC	Subsidiary Company	Oman	Geojit BNP Paribas Financial Services Limited	51%	51%
Barjeel Geojit Securities LLC	Jointly Controlled Entity	United Arab Emirates	Geojit BNP Paribas Financial Services Limited	30%	30%
Aloula Geojit Brokerage Company	Jointly Controlled Entity	Saudi Arabia	Geojit BNP Paribas Financial Services Limited	28%	28%
BBK Geojit Securities KSC	Associate	Kuwait	Geojit BNP Paribas Financial Services Limited	30%	30%





## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (x) 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 Company's separate financial statements.

### 2.3 Use of estimates

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

### 2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

### 2.5 Cash flow statement

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

### 2.6 Depreciation and amortisation

Fixed assets, other than improvements to leasehold premises, capitalised upto 31<sup>st</sup> March, 2007 are depreciated under the straight line method at the rates specified in Schedule XIV of the Companies Act, 1956. Fixed assets, other than improvements to leasehold premises, acquired on or after 1<sup>st</sup> April,

2007 are depreciated under the straight line method over the useful life estimated by the management, which are lower than the useful life considered in Schedule XIV, as follows:

Class of Assets	Useful Life
Buildings	40 years
Plant and Machinery	15 years
Furniture & Fixtures including interiors in own building	10 years
Furniture & Fixtures in leasehold premises	5 years
Electrical equipments, Office equipments, V-sat equipments and Data centre equipments	5 years
Vehicles	5 years
Computers (other than data centre equipments)	3 years

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

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

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

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

### 2.7 Revenue recognition

Brokerage income is recognized on the trade date of transaction upon confirmation of the transaction by the stock exchange and client. Income from depository services, penal charges and portfolio management services are recognised on the basis of agreements entered into with clients and when the right to receive the income is established. Commission income from financial products distribution is recognised on the basis of agreements



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

entered into with principals and when the right to receive the income is established. Interest income from margin funding business is recognised on loans given to clients on time proportion basis. Software development revenue is recognised on completion of different stages of software development and acceptance by clients. Revenue from annual maintenance contracts are recognised on time proportion basis. Commission income from insurance business is recognised on completion of policy formalities in all aspects based on intimation from the principal.

### 2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive the income is established. Cost recovery for shared services are recognised based on agreements entered into with the parties.

### 2.9 Tangible fixed assets

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

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

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

#### Capital work-in-progress:

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

### 2.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The

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

### 2.11 Foreign currency transactions and translations

#### Initial recognition

Group: Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Net investment in non-integral foreign operations: Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement of foreign currency monetary items at the Balance Sheet date

Group: Foreign currency monetary items outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items are carried at historical cost.

Net investment in non-integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Group's net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.



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### Treatment of exchange differences

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

Net investment in non-integral foreign operations: The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.

Non-integral foreign operations: The exchange differences on translation of balances relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

### **2.12 Investments**

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

### **2.13 Employee benefits**

Employee benefits include provident fund, employee state insurance, gratuity and compensated absences.

#### Defined contribution plans

Contribution to provident fund and employee state insurance scheme by the entities in the Group are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined benefit plan

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using

the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

#### Short-term employee benefits

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

The cost of short-term compensated absences is accounted as under:

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

#### Long-term employee benefits

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

### **2.14 Employee share based payments**

The Company has formulated Employee Stock Option Plans (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Stock Purchase Scheme) Guidelines, 1999. The Plans provide for grant of options to employees of the Company and other group entities to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOP over the exercise price is amortised on a straight-line basis over the vesting period under the 'Intrinsic Value Method'.

### 2.15 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### 2.16 Segment reporting

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

### 2.17 Leases

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

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

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

### 2.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable



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had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 2.19 Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

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

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

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and

these relate to taxes on income levied by the same governing taxation laws.

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

### 2.20 Impairment of assets

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

### 2.21 Provisions and contingencies

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

### 2.22 Service tax input credit

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

### 2.23 Operating cycle

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 3: Share Capital

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised:</b>				
Equity shares of ₹ 1/- each	250,000,000	250,000,000	250,000,000	250,000,000
	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>
<b>(b) Issued, Subscribed and Fully Paid-up:</b>				
Equity shares of ₹ 1/- each	228,360,104	228,360,104	228,360,104	228,360,104
	<b>228,360,104</b>	<b>228,360,104</b>	<b>228,360,104</b>	<b>228,360,104</b>

#### Notes:

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

Particulars	Opening Balance	Changes during the Year	Closing Balance
<b>Equity shares of ₹ 1/- each:</b>			
<b>Year ended 31 March, 2014</b>			
– Number of shares	228,360,104	-	228,360,104
– Amount (₹)	228,360,104	-	228,360,104
<b>Year ended 31 March, 2013</b>			
– Number of shares	228,360,104	-	228,360,104
– Amount (₹)	228,360,104	-	228,360,104

#### (ii) Rights attached to equity shares:

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

During the year, the amount of per share interim dividend paid to equity shareholders was ₹ Nil (31 March, 2013: ₹ 0.75) and per share final dividend recommended for distribution to equity shareholders is ₹ 0.10 (31 March, 2013: ₹ 0.25).

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



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### (iii) Details of shareholders holding more than 5% of equity share capital:

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares of ₹1/- each:</b>				
– BNP Paribas SA	77,759,066	34.05%	76,688,959	33.58%
– C J George	43,219,636	18.93%	41,773,399	18.29%
– Kerala State Industrial Development Corporation	20,000,000	8.76%	20,000,000	8.76%
– Rakesh Jhunjunwala	18,000,000	7.88%	18,000,000	7.88%

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

### (iv) As at 31 March, 2014, 9,261,326 equity shares (As at 31 March, 2013: 7,042,955 equity shares) of ₹ 1 each are reserved towards outstanding employee stock options granted / available for grant (Refer Note 34).

### Note 4: Reserves and Surplus

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Capital Reserve</b>		
Opening Balance	33,345,030	33,345,030
Add/(Less) : Change during the Year	-	-
Closing Balance	<b>33,345,030</b>	<b>33,345,030</b>
<b>(b) Securities Premium</b>		
Opening Balance	2,253,165,608	2,253,086,442
Add : Transfer from Share Options Outstanding Account	-	79,166
Closing Balance	<b>2,253,165,608</b>	<b>2,253,165,608</b>
<b>(c) Statutory Reserve</b>		
<b>In Subsidiary</b>		
Opening Balance	23,458,699	16,850,173
Add/(Less) : Change during the Year	-	6,608,526
Closing Balance	23,458,699	23,458,699
<b>In Jointly Controlled Entities</b>		
Opening Balance	11,101,874	10,410,000
Add : Transfer from Surplus in Consolidated Statement of Profit and Loss	829,979	-
Add : Restatement of Opening Balance on account of exchange rate variation	688,126	691,874
Closing Balance	12,619,979	11,101,874
	<b>36,078,678</b>	<b>34,560,573</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 4: Reserves and Surplus (Contd...)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(d) Share Options Outstanding Account</b>		
Opening Balance	13,295,530	13,742,743
Less : Written-back to General Reserve	-	(368,047)
Transfer to Securities Premium Account on Exercise	-	(79,166)
	13,295,530	13,295,530
Less : Deferred Stock Compensation Expense	(297,448)	(1,105,102)
Closing Balance	<b>12,998,082</b>	<b>12,190,428</b>
<b>(e) General Reserve</b>		
Opening Balance	396,492,967	335,724,920
Add : Transfer from Surplus in Consolidated Statement of Profit and Loss	-	60,400,000
Transfer from Share Options Outstanding Account	-	368,047
Closing Balance	<b>396,492,967</b>	<b>396,492,967</b>
<b>(f) Foreign Currency Translation Reserve</b>		
Opening Balance	104,194,897	78,028,175
Add : Effects of Foreign Exchange Rate Variations during the Year	32,421,208	26,166,722
Closing Balance	<b>136,616,105</b>	<b>104,194,897</b>
<b>(g) Surplus in Consolidated Statement of Profit and Loss</b>		
Opening Balance	1,629,836,417	1,149,676,767
Add / (Less):		
Profit / (Loss) for the Year	(732,454,602)	818,022,827
Corporate Dividend Tax Credit	-	15,081,834
Transfer to General Reserve / Statutory Reserve	(829,979)	(67,008,526)
Interim Dividend paid to Equity Shareholders (Previous Year: ₹ 0.75 per share)	-	(171,275,578)
Final Dividend proposed to be distributed to Equity Shareholders @ ₹ 0.10 per share (Previous Year: ₹ 0.25 per share)	(22,836,010)	(57,090,026)
Tax on Dividend	(3,881,783)	(51,480,285)
Dividend on Equity Shares allotted under ESOPs / Rounding off adjustments for Previous Year	(4,728)	(5,728)
Elimination of Pre-acquisition Period (Profits) / Losses	387,566,640	-
Restatement of Opening Balances on account of Foreign Exchange Rate Variation	(11,301,627)	(6,084,868)
Closing Balance	<b>1,246,094,328</b>	<b>1,629,836,417</b>
<b>Total</b>	<b>4,114,790,798</b>	<b>4,463,785,920</b>





## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 5: Long-Term Liabilities

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Payable to Gratuity Fund	4,916,584	7,200,093
(b) Security Deposits		
(i) From Business Associates	10,871,431	11,689,158
(ii) Rent Deposits	1,400,000	1,400,000
	<b>17,188,015</b>	<b>20,289,251</b>

### Note 6: Long-Term Provisions

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Provision for Employee Benefits		
(i) Provision for Compensated Absences	4,940,138	4,653,666
(b) Share in Jointly Controlled Entities	8,589,708	7,499,792
	<b>13,529,846</b>	<b>12,153,458</b>

### Note 7: Short-Term Borrowings

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Loans Repayable on Demand		
(i) From Banks (Secured)	150,042,124	764,833,306
	<b>150,042,124</b>	<b>764,833,306</b>

### Note 8: Trade Payables

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Trade Payables		
(i) Other than Acceptances	138,601,902	153,858,825
(b) Share in Jointly Controlled Entities	18,730,362	23,143,078
	<b>157,332,264</b>	<b>177,001,903</b>

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### Note 9: Other Current Liabilities

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Unclaimed / Unpaid Dividends (Unpresented Dividend Warrants)	6,525,574	13,042,323
(b) Client Balances	2,086,438,122	1,004,572,423
(c) Security Deposits accepted from Business Associates	746,593	1,246,976
(d) Other Payables		
(i) Statutory Remittances (PF, ESI, Service Tax, TDS, etc.)	19,373,873	14,937,269
(ii) Payable for Purchase of Fixed Assets	17,529,468	47,718,524
(iii) Stock Exchange Balances	7,496,757	1,463,557
(iv) Employee Welfare Fund	2,908,300	2,558,263
(v) Employee Recoveries	404,944	438,191
(vi) Advance from Customers	4,108,553	-
(vii) Other Payables	197,404	3,856,207
	<b>2,145,729,588</b>	<b>1,089,833,733</b>

### Note 10: Short-Term Provisions

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Provision for Employee Benefits		
(i) Provision for Compensated Absences	2,647,355	1,547,318
	2,647,355	1,547,318
(b) Other Provisions		
(i) Provision for Income Tax (Net of Advance Tax : ₹46,780,263 (Previous Year : ₹ 76,516,554))	3,281,919	9,063,446
(ii) Provision for Wealth Tax	43,440	51,760
(iii) Provision for Proposed Final Equity Dividend	22,836,010	57,090,026
(iv) Provision for Tax on Proposed Final Dividend	3,880,980	9,702,450
(v) Provision for Warranty	12,972	479,486
(vi) Contingent Provision against Standard Assets	197,138	4,679,237
	30,252,459	81,066,405
	<b>32,899,814</b>	<b>82,613,723</b>



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 11: Fixed Assets

Particulars	Gross Block				Accumulated Depreciation & Impairment				Net Block	
	Balance as at 1 April, 2013	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at 1 April, 2013	Depreciation/Amortisation expense for the Year	Eliminated on disposal of assets	Effect of foreign currency exchange differences	Balance as at 31 March, 2014	Balance as at 31 March, 2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>A. Tangible Assets</b>										
(a) Land - Freehold	73,799,836	-	5,375,300	-	68,424,536	-	-	-	-	73,799,836
(b) Buildings - Own Use	157,807,052	6,733,740	348,850	-	164,191,942	4,086,702	55,863	-	5,722,832	158,469,310
(c) Furniture and Fixtures - Owned	348,850	157,458,202	-	-	157,807,052	1,645,885	-	-	1,691,593	156,115,459
(d) Leasehold Improvements - Owned	107,547,141	7,312,326	2,618,434	1,545	112,242,578	10,217,384	2,324,017	-	66,816,332	45,426,246
(e) Computers & Accessories - Owned	70,772,038	42,346,249	5,571,146	-	107,547,141	12,048,960	3,586,521	-	58,922,965	48,624,176
(f) Office Equipments - Owned	125,972,323	5,859,417	13,089,348	-	118,762,392	8,965,814	12,510,341	-	104,958,927	13,803,465
(g) Electrical and VSAT Equipments - Owned	138,878,495	4,081,079	16,987,251	-	125,972,323	105,954,607	18,000,771	15,541,924	108,503,454	17,468,869
(h) Vehicles - Owned	291,187,657	18,685,335	18,126,176	12,459	291,759,275	247,675,946	28,093,671	17,947,422	257,822,195	33,937,080
(i) Plant & Machinery - Owned	308,500,126	13,055,399	30,367,868	-	291,187,657	237,534,950	40,183,697	30,042,701	247,675,946	43,511,711
(j) Share in Jointly Controlled Entities	119,518,825	8,511,133	5,701,585	1,217	122,329,590	69,927,819	14,041,702	4,454,821	79,514,700	42,814,890
(k) Electrical and VSAT Equipments - Owned	106,947,869	24,337,173	11,766,217	-	119,518,825	59,432,426	16,864,141	6,368,748	69,927,819	49,591,006
(l) Vehicles - Owned	28,190,884	123,175	816,847	-	27,497,212	22,844,050	937,623	700,318	23,081,355	4,415,857
(m) Plant & Machinery - Owned	26,713,086	3,607,206	2,129,408	-	28,190,884	22,770,117	1,036,428	902,495	22,844,050	5,346,834
(n) Share in Jointly Controlled Entities	13,308,793	2,753,274	1,070,674	-	14,991,393	3,788,426	2,930,980	915,518	5,803,888	9,187,505
(o) Plant & Machinery - Owned	9,688,837	7,990,790	4,370,834	-	13,308,793	5,444,064	2,076,218	3,731,856	3,788,426	9,520,367
(p) Share in Jointly Controlled Entities	89,401,506	20,866,814	-	-	110,268,320	2,406,843	7,171,298	-	9,578,141	100,690,179
(q) Share in Jointly Controlled Entities	35,028,534	1,652,581	508,763	2,365,285	38,537,637	2,889,493	508,762	2,094,441	35,579,727	2,957,910
(r) Share in Jointly Controlled Entities	75,397,438	723,259	43,249,867	2,157,704	35,028,534	64,791,640	4,048,288	39,297,481	31,104,555	3,923,979
<b>Total</b>	<b>1,041,762,551</b>	<b>72,497,795</b>	<b>47,635,977</b>	<b>2,380,506</b>	<b>1,069,004,875</b>	<b>79,334,667</b>	<b>39,416,862</b>	<b>2,094,441</b>	<b>588,877,897</b>	<b>480,126,978</b>
<b>Previous Year</b>	<b>811,046,575</b>	<b>343,000,863</b>	<b>114,442,591</b>	<b>2,157,704</b>	<b>1,041,762,551</b>	<b>98,401,231</b>	<b>99,471,726</b>	<b>1,562,108</b>	<b>546,865,651</b>	<b>494,896,900</b>
<b>B. Intangible Assets (Purchased)</b>										
(a) Computer Software	159,374,298	4,720,608	30,732	-	164,064,174	22,586,921	26,593	-	124,107,705	39,956,469
(b) Licence Fees	133,620,043	25,842,174	87,919	-	159,374,298	78,329,475	23,222,410	4,508	101,547,377	57,826,921
(c) Share in Jointly Controlled Entities	22,795,047	-	-	2,736,295	25,531,342	2,279,505	5,204,664	-	7,684,035	17,847,307
(d) Share in Jointly Controlled Entities	-	22,795,047	-	-	22,795,047	-	2,519,505	-	2,279,505	20,515,542
(e) Share in Jointly Controlled Entities	19,439,992	872,312	-	1,384,501	21,696,805	16,507,918	2,516,579	-	20,200,177	1,496,628
(f) Share in Jointly Controlled Entities	26,701,627	87,916	8,574,286	1,224,735	19,439,992	16,733,255	3,860,405	4,886,160	16,507,918	2,932,074
<b>Total</b>	<b>201,609,337</b>	<b>5,592,920</b>	<b>30,732</b>	<b>4,120,796</b>	<b>211,292,321</b>	<b>120,334,800</b>	<b>30,308,164</b>	<b>26,593</b>	<b>151,991,917</b>	<b>59,300,404</b>
<b>Previous Year</b>	<b>160,321,670</b>	<b>48,725,137</b>	<b>8,662,205</b>	<b>1,224,735</b>	<b>201,609,337</b>	<b>95,062,730</b>	<b>29,362,320</b>	<b>4,890,668</b>	<b>120,334,800</b>	<b>81,274,537</b>
<b>Grand Total</b>	<b>1,243,371,888</b>	<b>78,090,715</b>	<b>47,666,709</b>	<b>6,501,302</b>	<b>1,280,297,196</b>	<b>667,200,451</b>	<b>109,642,831</b>	<b>39,443,455</b>	<b>740,869,814</b>	<b>539,427,382</b>
<b>Previous Year</b>	<b>971,368,245</b>	<b>391,726,000</b>	<b>123,104,796</b>	<b>3,382,439</b>	<b>1,243,371,888</b>	<b>641,436,768</b>	<b>127,763,551</b>	<b>2,362,526</b>	<b>667,200,451</b>	<b>576,171,437</b>

Note : a) Part of the new Corporate Office Building is given on cancellable lease to M/s Geojit Comtrade Ltd., the cost of which cannot be determined separately.

b) Previous year's figures are shown in Italics.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 12: Non-Current Investments

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>Investments (At cost unless stated otherwise)</b>		
<b>A. Trade</b>		
(a) Investments in Equity Instruments – Unquoted:		
(i) Associate (Under equity method) (Refer Note below)		
1,500,000 (Previous Year: 1,500,000) Equity Shares of Kuwaiti Dinar 0.10 each, fully paid-up, in BBK Geojit Securities KSC, Kuwait	16,702,324	21,256,578
	16,702,324	21,256,578
<b>B. Other Investments</b>		
(a) Investments in Equity Instruments – Unquoted:		
400 (Previous Year: 400) 'C' class shares of ₹500/- each, fully paid-up, in Muvattupuzha Co-operative Super Speciality Hospital Limited	200,000	200,000
11,401 (Previous Year: 11,401) Equity Shares of ₹1/- each, fully paid-up, in Bombay Stock Exchange Ltd.	877	877
100 (Previous Year: 100) Equity Shares of ₹10/- each, fully paid-up, in Cochin Stock Exchange Ltd.	1,000	1,000
5 (Previous Year: 5) Equity Shares of ₹10,000/- each, fully paid-up, in First Commodity Exchange of India Ltd.	75,000	75,000
	276,877	276,877
(b) Investments in Government Securities – Quoted:		
10.71% Govt. of India Securities - 2016	3,000	3,000
	3,000	3,000
	<b>16,982,201</b>	<b>21,536,455</b>
Aggregate cost of listed but not quoted investments	3,000	3,000
Aggregate amount of unquoted investments	16,979,201	21,533,455

#### Note: Investment in Associate:

Name of Associate	Country of Incorporation	Ownership Interest %	Original Cost ₹	Carrying Amount ₹
BBK Geojit Securities KSC	Kuwait	30	26,550,000	16,702,324

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 13: Deferred Tax Assets (Net)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed asset	-	-
<b>Tax effect of items constituting deferred tax asset</b>		
On difference between book balance and tax balance of fixed assets	55,369,600	54,725,000
Provision for doubtful debts / advances	1,564,600	1,556,000
Provision for gratuity, compensated absences and other employee benefits	338,400	882,000
<b>Deferred Tax Assets (Net)</b>	<b>57,272,600</b>	<b>57,163,000</b>

### Note 14: Long Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Capital Advances</b>	3,411,218	823,472
<b>(b) Security Deposits</b>		
(i) Deposits & Margins given to Stock Exchanges / Depositories / Clearing Corporation	1,019,249,159	413,655,455
(ii) Others		
– Considered Good	66,672,649	49,486,324
– Considered Doubtful	542,217	192,217
	1,086,464,025	463,333,996
Less: Provision for Doubtful Deposits	542,217	192,217
	1,085,921,808	463,141,779
<b>(c) Loans and Advances to Employees</b>	43,263	79,465
<b>(d) Prepaid Expenses</b>	279,223	285,546
<b>(e) Balances with Government Authorities</b>	41,376	86,300
<b>(f) Advance Income Tax</b> (Net of Provisions: ₹ 1,144,838,033 (Previous Year: ₹985,553,807))	181,125,016	147,932,502
<b>(g) Share in Jointly Controlled Entities</b>	22,540,958	17,251,729
	<b>1,293,362,862</b>	<b>629,600,793</b>

### Note 15: Other Non-Current Assets

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Fixed Deposits with Banks – In Earmarked Accounts</b>	4,219,787	2,369,390
<b>(b) Accruals</b>		
(i) Interest Accrued on Fixed Deposits with Banks	290,505	272,421
	<b>4,510,292</b>	<b>2,641,811</b>

Note: Deposits with Banks in Earmarked Accounts represents the following:

- Deposits given as security margin for guarantees issued by banks in favour of Stock Exchanges amounting to ₹2,601,023/- (Previous Year: ₹2,230,672/-).
- Security margin for guarantees issued by bank in favour of Kerala State Electricity Board amounting to ₹1,476,000/- (Previous Year: ₹Nil).
- Fixed deposits amounting to ₹142,764/- (Previous Year: ₹138,718/-) is under lien in favour of Department of Commercial Taxes (KVAT).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 16: Current Investments (At lower of cost and fair value/net asset value)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Investments in Mutual Funds – Unquoted	1,063,503,334	1,012,867,608
(b) Investments in Equity Instruments – Unquoted Nil (Previous Year: 4,413,580) Equity Shares of ₹10 each, fully paid-up, in BNP Paribas Securities India Private Ltd.	-	1
(c) Share in Jointly Controlled Entities	64,585,889	36,248,002
	<b>1,128,089,223</b>	<b>1,049,115,611</b>
Aggregate amount of Unquoted Investments	1,128,089,223	1,049,115,611

### Note 17: Trade Receivables

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Trade Receivables outstanding for a period exceeding Six Months from the date they were due for payment		
– Secured, Considered Good	104,444,207	76,836,573
– Unsecured, Considered Good	3,784,486	3,395,476
– Doubtful	92,907,030	92,901,303
	201,135,723	173,133,352
Less: Provision for Doubtful Trade Receivables	92,907,030	92,901,303
	108,228,693	80,232,049
(b) Other Trade Receivables		
– Secured, Considered Good	37,552,397	40,549,685
– Unsecured, Considered Good	923,897,486	588,753,855
– Doubtful	3,298,851	2,300,424
	964,748,734	631,603,964
Less: Provision for Doubtful Trade Receivables	3,298,851	2,300,424
	961,449,883	629,303,540
(c) Share in Jointly Controlled Entities	68,383,572	43,409,212
	<b>1,138,062,148</b>	<b>752,944,801</b>





## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 18: Cash and Cash Equivalents

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Cash on Hand	879,390	951,385
(b) Balances with Banks		
(i) Current Accounts:		
– Clients	376,205,924	548,427,452
– Others	73,654,228	59,915,703
(ii) Deposit Accounts	4,286,000	480,731,315
(iii) Earmarked Accounts:		
– Deposit Accounts	896,636,603	444,958,074
– Unpaid Dividend Accounts	6,525,574	13,042,323
(c) Share in Jointly Controlled Entities	189,715,799	212,203,299
	<b>1,547,903,518</b>	<b>1,760,229,551</b>
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is	644,741,341	1,302,229,154

#### Notes:

- Balance with Banks in Earmarked Deposit Accounts include fixed deposits amounting to ₹ 341,525,263/- (As at 31 March, 2013: ₹ 11,601,024/-), which have an original maturity of more than 12 months.
- Balance with Banks in Deposit Accounts include ₹ Nil/- (As at 31 March, 2013: ₹ 443,103,758/-) for which fixed deposit receipts are kept in the safe custody of a bank for availing temporary overdrafts. The balance outstanding in the temporary overdraft facility as at the balance sheet date is ₹ Nil/- (As at 31 March, 2013: ₹ Nil).
- Balance with Banks in Earmarked Deposit Accounts include fixed deposits amounting to ₹ 570,790,988/- (As at 31 March, 2013: ₹ 444,958,074/-), which are maintained as security margin for guarantees issued by banks in favour of Stock Exchanges.
- Balance with Banks in Earmarked Deposit Accounts include fixed deposits amounting to ₹ 325,842,615/- (As at 31 March, 2013: ₹ Nil/-), which are pledged with bank for availing overdraft facility. The balance outstanding in the overdraft facility as at the balance sheet date is ₹ 150,042,124/- (As at 31 March, 2013: ₹ Nil).

### Note 19: Short Term Loans and Advances (Unsecured and Considered Good, unless stated otherwise)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Loans and Advances to Related Parties		
(i) Aloula Geojit Brokerage Company (Jointly controlled entity - Share of other ventures)	291,107	343,475
(ii) Geojit Comtrade Ltd. (Entity over which relative of key management person has control)	6,087,248	3,840,715
(iii) Barjeel Geojit Securities LLC (Jointly controlled entity - Share of other ventures)	801,985	453,364
(iv) BBK Geojit Securities KSC (Associate)	-	10,112
	<b>7,180,340</b>	<b>4,647,666</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 19: Short Term Loans and Advances (Contd...)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(b) Loans and Advances to Clients</b>		
(i) Loan against Shares & Commodities:		
– Secured, Considered Good	115,930,234	1,912,543,906
– Considered Doubtful	1,284,167,580	16,313
	1,400,097,814	1,912,560,219
Less: Provision for Non-Performing Assets	1,284,167,580	16,313
	115,930,234	1,912,543,906
<b>(c) Security Deposits</b>		
(i) Deposits with Stock Exchanges	-	200,000
(ii) Other Deposits:		
– Considered Good	1,636,109	31,995,864
– Considered Doubtful	2,730,956	553,975
	4,367,065	32,549,839
Less: Provision for Doubtful Deposits	2,730,956	553,975
	1,636,109	31,995,864
	1,636,109	32,195,864
<b>(d) Loans and Advances to Employees</b>		
– Considered Good	2,540,283	1,430,359
– Considered Doubtful	-	148,704
	2,540,283	1,579,063
Less: Provision for Doubtful Advances	-	148,704
	2,540,283	1,430,359
<b>(e) Prepaid Expenses</b>	20,807,876	16,860,519
<b>(f) Balances with Government Authorities</b>		
i) Service Tax Credit Receivable	17,684,555	9,567,309
<b>(g) Other Advances</b>		
– Considered Good	1,457,801	6,641,353
– Considered Doubtful	1,510,681	1,510,681
	2,968,482	8,152,034
Less: Provision for Doubtful Advances	1,510,681	1,510,681
	1,457,801	6,641,353
<b>(h) Share in Jointly Controlled Entities</b>	26,459,436	17,840,899
	<b>193,696,634</b>	<b>2,001,727,875</b>

### Note 20: Other Current Assets

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
<b>(a) Unbilled Revenue</b>	784,335	1,766,402
<b>(b) Accruals</b>		
(i) Interest Accrued on Fixed Deposits with Banks	37,757,860	42,406,432
<b>(c) Receivable from Stock Exchanges</b>	921,491,424	366,534,174
	<b>960,033,619</b>	<b>410,707,008</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 21: Revenue from Operations

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
<b>(a) Sale of Services</b>		
(i) Stock Broking Services	1,395,408,542	1,652,981,141
(ii) Depository Services	137,289,781	122,302,639
(iii) Financial Products Distribution	87,081,351	71,139,022
(iv) Portfolio Management Services	17,301,671	22,203,106
(v) Software Consultancy and Development Services	154,924,992	133,147,081
(vi) Interest Income from Margin Funding	96,334,253	209,712,608
	1,888,340,590	2,211,485,597
<b>(b) Other Operating Revenues</b>		
(i) Overdue Fees collected from Clients	96,764,293	100,056,931
(ii) Miscellaneous Income	10,887,469	9,634,419
	107,651,762	109,691,350
<b>(c) Share in Jointly Controlled Entities</b>	86,902,189	62,233,551
	<b>2,082,894,541</b>	<b>2,383,410,498</b>

### Note 22: Other Income

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
<b>(a) Interest Income</b>		
(i) From Banks on Fixed Deposits	86,036,743	94,037,275
(ii) On Income Tax Refunds	-	243,299
(iii) Other Interest Income	81,334	-
<b>(b) Dividend Income</b>		
(i) From Current Investments:		
– Mutual Funds	62,016,576	59,387,310
(ii) From Non-Current Investments:		
– Non-Trade Investments	45,604	68,727
<b>(c) Net Gain on Sale of</b>		
(i) Current Investments	4,129,680	73,340
<b>(d) Foreign Currency Fluctuation Gains (Net)</b>	420,160	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 22: Other Income (Contd...)

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
<b>(e) Other Non-Operating Revenues</b>		
(i) Cost Recovery for Shared Services	25,500,641	53,595,537
(ii) Royalty	9,247,947	13,311,606
(iii) Infrastructure Usage Fees	428,035	344,435
(iv) Liabilities No Longer Payable Written Back	257,196	331,502
(v) Rental Income	2,982,443	1,189,034
(vi) Profit on Sale of Fixed Assets	32,174,312	-
(vii) Bad Debts Recovered	1,450	1,047,451
(viii) Miscellaneous Income	6,985,900	3,188,234
<b>(f) Share in Jointly Controlled Entities</b>	12,169,891	11,696,438
	<b>242,477,912</b>	<b>238,514,188</b>

### Note 23: Operating Expenses

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
Commission to Business Associates (Equity)	197,002,455	524,483,443
Marketing Fees	49,002,200	45,973,830
Marketing Incentives	19,010,894	14,093,968
Commission to Business Associates (Distribution)	7,694,007	4,212,482
Connectivity Charges	60,109,092	65,369,688
Depository Charges	18,947,811	20,260,899
Research Expenses	5,284,897	12,567,904
Postage Charges – Contract Note	4,126,200	5,276,669
Loss on Sale of Stock-in-Error	1,992,459	3,557,716
Transaction Charges	5,578	769,281
Insurance (NSE, BSE, NSDL)	44,220	73,817
Registration & Renewal Charges	1,435,465	2,233,866
Miscellaneous Expenses	1,300,142	3,764,069
Share in Jointly Controlled Entities	4,177,408	3,346,158
	<b>370,132,828</b>	<b>705,983,790</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 24: Employee Benefit Expenses

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
Salaries and Wages	609,285,723	507,512,767
Contribution to Provident and Other Funds	12,414,984	13,468,865
Expense on Employee Stock Option Plans	807,654	1,440,247
Staff Welfare Expenses	33,107,238	32,162,110
Share in Jointly Controlled Entities	58,888,877	50,047,085
	<b>714,504,476</b>	<b>604,631,074</b>

### Note 25: Finance Costs

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
Interest Expense on:		
– Temporary Overdrafts availed from Banks	17,489,263	22,927,803
– Delayed / Deferred payment of Income Tax	690,073	173,894
– Margin Deposits	2,009,987	-
Other Borrowing Costs:		
– Bank Guarantee Charges	4,296,736	7,828,866
– Others	-	630,621
Foreign Currency Fluctuation Losses (Net)	-	495,191
Share in Jointly Controlled Entities	427,712	741,076
	<b>24,913,771</b>	<b>32,797,451</b>

### Note 26: Other Expenses

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
Rent	124,382,759	131,753,779
Advertisement	21,034,165	29,015,027
Telephone	31,512,292	31,033,638
Postage	12,275,528	13,188,952
Power and Fuel	44,435,174	46,610,146
Software Charges	3,283,492	2,746,253
Repairs & Maintenance:		
– Leasehold Building	3,586,220	3,343,915
– Own Building	467,859	23,928
– Plant and Machinery	372,716	57,762
– Others	30,285,518	35,173,110



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 26: Other Expenses (Contd...)

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
Printing and Stationery	11,501,460	12,010,848
Travelling and Conveyance	28,510,249	28,336,655
Legal & Professional Charges	10,827,852	7,697,408
Payments to Auditors (Refer Note below)	6,098,246	6,003,995
Office Expenses	10,872,779	10,214,380
Provision for Doubtful Trade & Other Receivables, Loans & Advances (Net)	5,863,230	44,510,060
Bad Debts Written Off	1,862,437	443,942
Business Promotion	9,642,939	11,245,007
Rates & Taxes	20,830,080	11,626,734
Loss on Fixed Assets Sold / Scrapped / Written Off	1,295,424	5,783,435
Loss on Restatement / Sale of Current Investments	-	283,442
Donations and Contributions	1,644,779	926,172
Insurance	955,331	1,017,413
Empanelment Fees	1,699,314	1,433,333
Provision for Standard Assets	-	3,558,619
Miscellaneous Expenses	25,768,339	16,679,993
Share in Jointly Controlled Entities	36,716,840	26,200,834
	<b>445,725,022</b>	<b>480,918,780</b>

Note:

Payments to Auditors includes (net of service tax input credit, where applicable):

Particulars	For the Year Ended 31 March, 2014 ₹	For the Year Ended 31 March, 2013 ₹
Payments to Statutory Auditors towards:		
– Statutory Audit Fees	2,301,970	1,714,021
– Limited Review Fees	504,270	624,270
– Taxation Matters	307,416	267,023
– Certifications	69,500	77,500
– Others	19,661	23,478
– Out-of-Pocket Expenses	53,873	61,220
Payments to Internal Auditors towards Internal Audit Fees	2,841,556	3,236,483
	<b>6,098,246</b>	<b>6,003,995</b>

27. Exceptional items for the current year represents (a) gain on disposal of the final part of the Group's investment in the joint venture, BNP Paribas Securities India Private Limited, during the year amounting to ₹69,392,308/-; and (b) full provision made by the Group against the funded exposure of its clients in National Spot Exchange Limited ('NSEL') under the RBI Prudential Norms for NBFCs amounting to ₹1,282,625,780/-. This is consequent to the payment crisis in NSEL. Management is pursuing all options for making a full recovery, and as and when such recovery is made, the provision made will be reversed to that extent. Exceptional item for the previous year represents gain on disposal of major part of the Group's investment in the joint venture, BNP Paribas Securities India Private Limited.



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### 28. Contingent Liabilities and Commitments (to the extent not provided for)

#### (i) Contingent Liabilities:

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Claims against the Group not acknowledged as debts : – Legal suits filed against the Group / Matters under Arbitration	38,391,859	105,431,631
(b) Demand under ESI Act, 1948, pending in appeal	-	603,612
(c) Income Tax demands, pending in appeal	194,689,944	303,911,539
(d) Service Tax demands (Show Cause Notices for which the Group has filed replies)	3,588,197	3,632,939
(e) Service Tax demands, pending in appeal	5,053,279	4,968,758
(f) Demand under EPF & Miscellaneous Provisions Act, 1952	193,765,220	-
(g) Share of Group in contingent liabilities of jointly controlled entities (Refer Note 32)	5,852,556	626,146

Note: Future cash outflows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums / authorities.

#### (ii) Commitments:

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
– Tangible assets	2,786,319	183,502
– Intangible assets	-	785,060
(b) Uncalled liability on shares and other investments partly paid:	1,304,520,000	1,217,790,000
– Uncalled Share Capital in Aloula Geojit Brokerage Company, Saudi Arabia, a jointly controlled entity @ Saudi Riyal 7.50 per share on 11,200,000 shares)		

### 29. Employee Benefit Plans

#### (i) Defined Contribution Plans – Provident Fund and Employee State Insurance

The Group makes Provident Fund and Employee State Insurance contributions for qualifying employees. Under the plans, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group has recognised ₹ 3,947,535/- (Year ended 31 March, 2013: ₹ 3,787,558/-) towards Provident Fund contributions and ₹ 5,947,242/- (Year ended 31 March, 2013: ₹ 7,964,185/-) towards Employee State Insurance contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

#### (ii) Defined Benefit Plan – Gratuity

The Group provides gratuity benefit to its employees (included as part of 'Contribution to Provident and Other Funds' in Note No. 24 Employee Benefit Expenses), which is funded with Life Insurance Corporation of India.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	2013-14 ₹	2012-13 ₹
<b>Components of Employer Expense:</b>		
Current Service Cost	2,807,472	2,686,133
Interest Cost	1,674,879	1,639,573
Expected Return on Plan Assets	(1,142,134)	(1,320,928)
Past Service Cost	-	-
Actuarial Losses/(Gains)	(2,281,649)	(414,929)
<b>Total Expense Recognised in the Statement of Profit and Loss</b>	<b>1,058,568</b>	<b>2,589,849</b>
<b>Actual Contribution and Benefit Payments for the Year:</b>		
Actual Benefit Payments	1,530,869	1,402,200
Actual Contributions	3,732,687	381,251
<b>Net Asset / (Liability) Recognised in the Balance Sheet:</b>		
Present Value of Defined Benefit Obligation (DBO)	21,926,828	20,988,806
Fair Value of Plan Assets	(17,400,854)	(13,788,713)
Funded Status [Surplus / (Deficit)]	(4,525,974)	(7,200,093)
Unrecognised Past Service Costs	-	-
<b>Net Asset / (Liability) Recognised in the Balance Sheet</b>	<b>(4,525,974)</b>	<b>(7,200,093)</b>
<b>Recognised as / included in:</b>		
Payable to Gratuity Fund as per Note No. 5	(4,916,584)	(7,200,093)
Less: Provision for Gratuity in Qurum Business Group Geojit Securities LLC, Oman included in Note No. 5	(236,021)	-
Less: Prepaid Expenses in Note No. 14	154,589	-
<b>Total</b>	<b>(4,525,974)</b>	<b>(7,200,093)</b>
Particulars	2013-14 ₹	2012-13 ₹
<b>Change in Defined Benefit Obligations (DBO) during the Year:</b>		
Present Value of DBO at the beginning of the Year	20,988,806	18,581,820
Current Service Cost	2,807,472	2,686,133
Interest Cost	1,674,879	1,639,573
Actuarial (Gains) / Losses	(2,013,460)	(516,520)
Past Service Cost	-	-
Benefits Paid	(1,530,869)	(1,402,200)
<b>Present Value of DBO at the end of the Year</b>	<b>21,926,828</b>	<b>20,988,806</b>





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Particulars	2013-14 ₹	2012-13 ₹
<b>Change in Fair Value of Assets during the Year:</b>		
Plan Assets at the beginning of the Year	13,788,713	13,590,325
Expected Return on Plan Assets	1,142,134	1,320,928
Actual Group Contributions	3,732,687	381,251
Actuarial Gain / (Loss)	268,189	(101,591)
Benefits Paid	(1,530,869)	(1,402,200)
<b>Plan Assets at the end of the Year</b>	<b>17,400,854</b>	<b>13,788,713</b>
Actual Return on Plan Assets	1,410,323	1,219,337
<b>Composition of Plan Assets is as follows:</b>		
Government Bonds	7,124,428	5,645,510
Debentures and Bonds	6,528,245	5,173,085
Fixed Deposits	2,608,140	2,066,732
Others	1,140,041	903,386
<b>Total</b>	<b>17,400,854</b>	<b>13,788,713</b>
<b>Actuarial Assumptions:</b>		
Discount Rate	8.85%	7.85%
Expected Return on Plan Assets	7.50%	7.50%
Salary Escalation	5.00%	5.00%
Attrition Rate Range over Different Age Brackets	NA	NA
Mortality Table	LIC 2006-08	LIC 2006-08
Performance Percentage Considered	NA	NA
Estimate of amount of Contribution in the immediate Next Year	NA	NA

NA – Data is not available in actuarial valuation report.

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

### Experience Adjustments

Gratuity	For the Year				
	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of DBO	21,926,828	20,988,806	18,581,820	16,336,996	13,434,343
Fair Value of Plan Assets	17,400,854	13,788,713	13,590,325	12,964,394	12,510,592
Funded Status [Surplus / (Deficit)]	(4,525,974)	(7,200,093)	(4,991,495)	(3,372,602)	(923,751)
Exp. Adj. on Plan Liabilities	(968,641)	(1,076,959)	(1,689,598)	(552,146)	(1,198,095)
Exp. Adj. on Plan Assets	268,189	(101,591)	(167,306)	26,020	(61,283)



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### Actuarial Assumptions for Long term Compensated Absences

Particulars	2013-14	2012-13
Discount Rate	8.85%	7.85%
Salary Escalation	5.00%	5.00%
Attrition rate range over different age brackets	NA	NA

NA – Data is not available in actuarial valuation report.

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

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

### 31. Earnings Per Equity Share

Particulars	2013-14	2012-13
<b>Basic:</b>		
Net profit for the year attributable to equity shareholders – ₹	(732,454,602)	818,022,827
Weighted average number of equity shares	228,360,104	228,360,104
Par value per equity share – ₹	1.00	1.00
Basic Earnings per Share – ₹	(3.21)	3.58
<b>Diluted:</b>		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Stock Options for the respective periods.		
Net profit for the year attributable to equity shareholders – ₹	(732,454,602)	818,022,827
Weighted average number of equity shares for Basic EPS	228,360,104	228,360,104
Add: Effect of ESOPs which are dilutive	-	151,980
Weighted average number of equity shares for Diluted EPS	228,360,104	228,512,084
Par value per equity share – ₹	1.00	1.00
Diluted Earnings per Share – ₹	(3.21)	3.58

### 32. Group's interest in Joint Ventures

The Group has interests in the following jointly controlled entities:

Name of Jointly Controlled Entity and Country of Incorporation	% of Shareholding Interest	
	2013-14	2012-13
Barjeel Geojit Securities LLC, United Arab Emirates ('Barjeel')	30%	30%
Aloula Geojit Brokerage Company, Saudi Arabia ('Aloula')	28%	28%



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Particulars	Barjeel		Aloula	
	2013-14 ₹	2012-13 ₹	2013-14 ₹	2012-13 ₹
Assets	106,178,451	95,380,464	286,446,032	264,297,190
Liabilities	20,417,664	23,094,320	8,494,795	7,682,124
Income	60,225,153	52,420,627	59,188,727	41,212,432
Expenditure	50,662,460	42,978,403	54,954,448	45,265,443
Contingent liabilities	5,852,556	626,146	-	-
Capital commitments	-	-	-	-

### 33. Related Party Disclosures

Nature of Relationship	Name of Related Party	Nature of Transaction	Amount (₹) 2013-14 Total	Receivable/ (Payable) as on 31.03.2014 Total	Amount (₹) 2012-13 Total	Receivable/ (Payable) as on 31.03.2013 Total
Entity having substantial interest in the Group	BNP Paribas SA	Bank Charges	15,381	10,667,731	15,922	18,001,056
		Dividend Paid	115,033,439		115,033,439	
Subsidiary of the entity having substantial interest in the Group	BNP Paribas Securities India Pvt. Ltd	Commission Paid	5,555,841	-	33,693,983	(9,663,083)
		Expenses Recovered	32,157		363,451	
		Bad Debts Written off	-		33,845	
		Software Income	1,010,630		3,930,581	
		Cost Recovery for Shared Services	339,005		23,391,117	
Subsidiary of the entity having substantial interest in the Group	BNP Paribas Arbitrage	Brokerage Income	361,080	-	33,425,172	3,287,880
Subsidiary of the entity having substantial interest in the Group	BNP Paribas Holding Pvt. Ltd	Sale of Investment	69,392,308	-	343,079,664	-
Subsidiary of the entity having substantial interest in the Group	BNP Paribas Investment Partners Belgium	Brokerage Income	-	-	2,355,513	-
Subsidiary of the entity having substantial interest in the Group	Cortal Consors S.A	Software Income	95,851,214	15,998,706	89,632,536	19,340,787
		Expenses Recovered	409,469		4,092,180	
Subsidiary of the entity having substantial interest in the Group	BNP Paribas Asset Management India Pvt. Ltd.	Rent Received	63,000	-		-
Subsidiary of the entity having substantial interest in the Group	BNP Paribas Investment India Services Private Ltd.	Expenses Recovered	412,042	(1,661,175)	-	221,014.00
		Bad Debts Recovered	85,397		-	
		Software Income	-		600,000	
		Marketing Fee Paid	14,759,896		8,719,353	
Subsidiary of the entity having substantial interest in the Group	BNP Paribas India Solutions Private Limited	Software Income	3,302,828	(433,972)	-	154,942.00

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Nature of Relationship	Name of Related Party	Nature of Transaction	Amount (₹) 2013-14 Total	Receivable/ (Payable) as on 31.03.2014 Total	Amount (₹) 2012-13 Total	Receivable/ (Payable) as on 31.03.2013 Total
Subsidiary of the entity having substantial interest in the Group	Arval India Private Limited	Vehicle Rentals Paid	358,911	-	592,203	-
Key Management Person - Managing Director of Geojit BNP Paribas Financial Services Limited	Mr. C J George	Salary and Benefits	6,296,358	-	13,067,612	(1,723,000)
		Brokerage Income	37,420	-	1,564	-
		Dividend Paid	64,829,454	-	63,624,263	-
Key Management Person - Managing Director of Geojit Technologies Private Limited	Mr. A Balakrishnan	Salary and Benefits	5,612,320	-	4,141,337	-
		Expenses Reimbursed	419,859	-	1,306,043	-
Relatives of Key Management Person - Sons of Mr. C J George	Mr. Jones George	Salary and Benefits	258,817	-	50,000	-
		Brokerage Income	4,630	-	-	-
		Dividend Paid	75,000	-	75,000	-
	Mr. Jyothis Abraham George	Brokerage Income	4,224	-	-	-
		Dividend Paid	75,000	-	75,000	-
Relative of Key Management Person - Wife of Mr. C J George	Ms. Shiny George	Dividend Paid	7,557,000	-	7,557,000	-
Entity over which Wife of Mr. C J George has Control	Geojit Comtrade Limited	Expenses Reimbursed	2,331,107	6,087,248	2,435,387	2,440,715
		Expenses Recovered	4,661,685	-	6,463,936	-
		Cost Recovery for Shared Services	24,569,916	-	28,910,371	-
		Royalty	9,247,947	-	13,311,606	-
		Referral Fees	9,025,256	-	18,841,353	-
		Rent Deposit Accepted	39,950	-	1,400,000	-
		Rent Deposit Refunded	39,950	-	228,000	-
		Rent Received	2,919,440	-	1,189,034	-
		Deposit Given	100,000	-	-	-
		Purchase of Fixed Asset	58,443	-	-	-
		Sale of fixed assets	406,851	-	-	-

### 34. A) Employee Stock Option Plans

#### (a) Employees Stock Option Plan 2007 for Key Employees (ESOP 2007):

The Company introduced Employees Stock Option Plan 2007 for Key Employees during the year 2007-08, under which options for 2,500,000 equity shares of ₹ 1/- each were granted to eligible senior management employees of the Company. The scheme was approved by the Shareholders through postal ballot on 5<sup>th</sup> December, 2007 and by the Compensation Committee of Directors on 12<sup>th</sup> October, 2007. The options vest over a period of 4 years, commencing from the end of the 4<sup>th</sup> year, in equal proportion (25% each) from the date of grant, viz., 10<sup>th</sup> December, 2007. The exercise period commence from the date of vesting and expires not later than 8 years from the date of grant, viz., 9<sup>th</sup> December, 2015. The exercise

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price is at 10% discount to the market price on the date prior to grant date. The Company had re-priced the options on 11<sup>th</sup> April, 2009 from ₹59.90 to ₹25.50 per option with the approval of the Compensation Committee and Shareholders.

(b) Employees Stock Option Plan 2010 – Tranche I (ESOP 2010-TR I):

During the year 2010-11, the Company introduced Employees Stock Option Plan 2010 (Tranche I) under which options for 2,786,795 equity shares of ₹ 1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on 12<sup>th</sup> July, 2010 and by the Compensation Committee of Directors on 12<sup>th</sup> April, 2010. The options vested on 29<sup>th</sup> March, 2013, being the 2<sup>nd</sup> Anniversary from the date of grant, viz., 29<sup>th</sup> March, 2011. The exercise period commenced from the date of vesting and will expire not later than 4 years from the date of grant, viz., 28<sup>th</sup> March, 2015. The exercise price of the options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options.

(c) Employees Stock Option Plan 2010 – Tranche II (ESOP 2010-TR II):

During the year 2012-13, the Company introduced Employees Stock Option Plan 2010 (Tranche II) under which options for 2,799,885 equity shares of ₹1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on 12<sup>th</sup> July, 2010 and by the Compensation Committee of Directors on 12<sup>th</sup> April, 2010. The options will vest on 11<sup>th</sup> July, 2014, which is the 2<sup>nd</sup> Anniversary from the date of grant, viz., 11<sup>th</sup> July, 2012. The exercise period commences from the date of vesting and will expire not later than 4 years from the date of grant, viz., 10<sup>th</sup> July, 2016. The exercise price of the options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options.

(d) Employees Stock Option Plan 2010 – Tranche III (ESOP 2010-TR III):

During the current year, the Company introduced Employees Stock Option Plan 2010 (Tranche III) under which options for 2,799,991 equity shares of ₹1/- each were granted to eligible employees. The scheme was approved by the Shareholders at the Annual General Meeting held on 12<sup>th</sup> July, 2010 and by the Compensation Committee of Directors on 12<sup>th</sup> April, 2010. The options will vest on 21<sup>st</sup> May, 2015, which is the 2<sup>nd</sup> Anniversary from the date of grant, viz., 21<sup>st</sup> May, 2013. The exercise period commences from the date of vesting and will expire not later than 4 years from the date of grant, viz., 20<sup>th</sup> May, 2017. The exercise price of the options granted is the same as the market price on the date prior to grant date and hence there is no intrinsic value for the options.

B) Accounting of employee share based compensation cost

The Company has adopted 'intrinsic value method' for accounting employee share based compensation cost. Under the intrinsic value method, the difference between market price of the share on the date prior to grant date and the exercise price is considered as intrinsic value of options and expensed on straightline basis over the vesting period as employee share based compensation cost. The details of costs accounted under the Employee Stock Option Plans are as follows:

Plan	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)	ESOP 2010 (Tranche III)
Cumulative intrinsic value of the options granted net of expected forfeiture	₹13,295,530/- (₹13,295,530/-)	- (-)	- (-)	- (-)
Expected forfeiture rate per annum	4% (4%)	10% (-)	10% (-)	10% (-)
Amount expensed during the year under intrinsic value method	₹807,654/- (₹1,440,247/-)	- (-)	- (-)	- (-)
Additional charge under fair value method of accounting cost	₹6,782,268/- (₹12,028,822/-)	- (₹8,176,941/-)	₹5,274,760/- (₹3,815,169/-)	₹5,505,485/- (-)

Note: Previous year figures are given in brackets.

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

Plan	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)	ESOP 2010 (Tranche III)
Date of Grant	10.12.2007	29.03.2011	11.07.2012	21.05.2013
Number of Options Granted	2,500,000	2,786,795	2,799,885	2,799,991
Vesting Conditions	Continuation in the services of the Company and such other conditions as may be formulated by the Compensation Committee from time-to-time.			
Method of Settlement	In Cash	In Cash	In Cash	In Cash
Weighted Average Exercise Price Per Option (₹)	25.50	22.20	20.55	23.95
No. of options outstanding as at 01.04.2013 (01.04.2012)	2,197,040 (2,197,040)	2,301,710 (2,503,410)	2,544,205 (-)	- (-)
Add: No. of options granted during the year	- (-)	- (-)	- (2,799,885)	2,799,991 (-)
Less: No. of options forfeited on resignation/ lapsed due to non-exercise during the year	- (-)	155,150 (201,700)	204,520 (255,680)	221,950 (-)
Less: No. of options exercised during the year	- (-)	- (-)	- (-)	- (-)
No. of options outstanding as at 31.03.2014 (31.03.2013)	2,197,040 (2,197,040)	2,146,560 (2,301,710)	2,339,685 (2,544,205)	2,578,041 (-)
No. of options vested during the year	549,260 (549,260)	- (2,301,710)	- (-)	- (-)
No. of options exercisable at year end	1,647,780 (1,098,520)	2,146,560 (2,301,710)	- (-)	- (-)
No. of options available for grant at year end	- (-)	- (-)	- (-)	- (-)
Weighted average remaining contractual life for options outstanding as at 31.03.2014 (31.03.2013).	2 years (3 years)	1 year (2 years)	2 years (3 years)	3 years (-)

Note: Previous year figures are given in brackets.

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

Plan	ESOP 2007	ESOP 2010 (Tranche I)	ESOP 2010 (Tranche II)	ESOP 2010 (Tranche III)
Weighted average fair value per option (₹)	61.67	6.94	4.71	5.70
Market price relevant for grant (₹)	25.50	22.20	20.55	23.95
Expected annual volatility of shares	170%	52%	39%	42%
Expected dividend yield	0.60%	2.30%	4.04%	4.59%
Risk free interest rate	7%	8%	8%	8%
Expected life (In years)	4-7	2	2	2



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

- E) The impact on Basic and Diluted Earnings Per Share for the year, had the Company followed Fair Value Method of accounting for employee share based compensation cost is as follows:

Particulars	Year ended 31 March, 2014 ₹	Year ended 31 March, 2013 ₹
Profit / (Loss) for the Year (As reported)	(732,454,602)	818,022,827
Add: Expense on Employee Stock Option Plans under Intrinsic Value Method	807,654	1,440,247
Less: Expense on Employee Stock Option Plans under Fair Value Method	18,370,167	25,461,179
Profit for the Year (Proforma)	(750,017,115)	794,001,895
Basic earnings per share (As reported)	(3.21)	3.58
Basic earnings per share (Proforma)	(3.28)	3.47
Diluted earnings per share (As reported)	(3.21)	3.58
Diluted earnings per share (Proforma)	(3.28)	3.47

### 35. Details of Provisions

Particulars	As at 31 March, 2013	Additions ₹	Utilisations ₹	Reversal ₹	As at 31 March, 2014
Contingent Provision against Standard Assets	4,679,237	-	-	4,482,099	197,138
Provision for Warranty	479,486	-	-	466,514	12,972

### 36. Details of assets under the Portfolio Management Scheme

Particulars	As at 31 March, 2014	As at 31 March, 2013
Number of clients	753	1,138
<b>Value of assets under management – ₹</b>	<b>632,340,835</b>	<b>967,344,511</b>
Represented by:		
(a) Bank balance – ₹	20,426,454	96,160,722
(b) Value of portfolio holdings – ₹	611,914,381	871,183,739
<b>Total</b>	<b>632,340,835</b>	<b>967,344,461</b>
<b>Net asset value of portfolio under management – ₹</b>	<b>803,771,574</b>	<b>921,777,080</b>

37. Statement of information relating to subsidiaries including subsidiary of subsidiary (in terms of Government of India, Ministry of Corporate Affairs General Circular No.: 2/2011, No.: 5/12/2007-CL-III dated 8th February, 2011) in compliance with section 212 of the Companies Act, 1956:



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2013-14

Particulars	Geojit Investment Services Ltd.	Geojit Credits Pvt. Ltd.	Geojit Financial Management Services Pvt. Ltd.	Geojit Techonologies Pvt. Ltd.	Geojit Financial Distribution Pvt. Ltd.	Qurum Business Group Geojit Securities LLC
	₹	₹	₹	₹	₹	₹
Share Capital	40,000,000	1,231,656,550	277,000,000	7,500,000	500,000	37,616,465
Reserves & Surplus	68,123,250	(1,202,559,722)	(266,745,262)	654,749,850	34,760,791	(19,884,391)
Total Assets	113,679,211	1,389,437,727	10,266,674	1,043,712,790	35,289,231	22,292,327
Total Liabilities	5,555,961	1,360,340,899	11,936	24,866,868	28,440	4,560,253
Investments (Excl. investment in subsidiaries)	24,544,369	15,225,776	9,825,280	979,961,980	33,945,929	-
Turnover	17,492,672	91,569,180	32,553,468	257,348,508	2,325,819	10,501,217
Profit / (Loss) Before Tax	12,765,985	(49,246,538)	(267,203,060)	159,675,673	2,045,395	(12,607,436)
Provision for Tax	3,685,400	63,000	12,880,000	44,709,000	-	-
Proposed Dividend	-	-	-	-	-	-

### 2012-13

Particulars	Geojit Investment Services Ltd.	Geojit Credits Pvt. Ltd.	Geojit Financial Management Services Pvt. Ltd.	Geojit Techonologies Pvt. Ltd.	Geojit Financial Distribution Pvt. Ltd.	Qurum Business Group Geojit Securities LLC
	₹	₹	₹	₹	₹	₹
Share Capital	40,000,000	206,656,550	277,000,000	11,538,460	500,000	36,102,353
Reserves & Surplus	59,042,665	129,375,595	13,337,798	892,340,789	32,715,396	(7,710,819)
Total Assets	104,442,674	1,879,049,080	291,706,484	924,559,958	35,099,448	28,391,534
Total Liabilities	5,400,009	1,543,016,935	1,368,686	20,680,709	1,884,052	-
Investments (Excl. investment in subsidiaries)	14,948,410	-	44,135,800	355,309,376	33,815,314	-
Turnover	17,277,081	194,272,433	15,491,496	220,929,369	3,068,430	4,061,920
Profit / (Loss) Before Tax	12,103,775	76,998,248	127,638,712	134,122,743	2,232,126	(6,938,504)
Provision for Tax	3,293,000	26,189,181	24,300,000	33,877,826	679,660	-
Proposed Dividend	-	-	-	-	-	-

38. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

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Disclaimer: Investments in equity, currency, futures & options are subject to risk, please read the risk disclosure document before investing. Past performance does not guarantee returns in the future.

Geojit BNP Paribas Financial Services Ltd., Registered Office: 34/659-P, CIVIL LINE ROAD, PADIVATTOM, KOCHI-682024, KERALA, INDIA. Corporate identity Number: L67120KL1994PLC008403, Phone: +91 484-2901000, Fax: 0484-2979695, Website: [geojitbnpparibas.com](http://geojitbnpparibas.com), For investor queries: [customercare@geojit.com](mailto:customercare@geojit.com), For grievances: [grievances@geojit.com](mailto:grievances@geojit.com) | SEBI Regn.Nos.: NSE: INB/INF/INE 231337230 | BSE: INB011337236 & INF 011337237 NSDL: IN-DP-NSDL-24-97 | MCX-SX Regn No. INE261337230 | Portfolio Manager: INP000003203 | CDSL Regn no: IN-DP-CDSL-648-2012.



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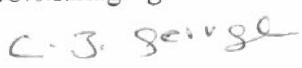
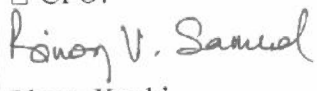
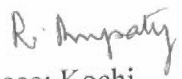
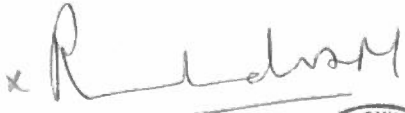
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**GEOJIT  
BNP PARIBAS**

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	Geojit BNP Paribas Financial Services Limited
2.	Annual consolidated financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	<input type="checkbox"/> CEO/Managing Director:  Place: Kochi Date: May 19, 2014	
	<input type="checkbox"/> CFO:  Place: Kochi Date: May 19, 2014	
	<input type="checkbox"/> Audit Committee Chairman:  Place: Kochi Date: May 19, 2014	
	<input type="checkbox"/> Auditor of the Company: Refer our Audit Report dated 19 <sup>th</sup> May 2014 on the consolidated financial statements of the Company For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 008072S)  (M. Ramachandran) (Partner) (Membership No. 16399) KOCHI, 19 May, 2014 