

GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

16TH ANNUAL REPORT 2009-10

Board of Directors

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

Management Team

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

Company Secretary

T. Jayaraj

Registered Office

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

Website

www.geojitbnpparibas.com

Statutory Auditors

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

Registrar & Share Transfer Agents

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

Bankers

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

Listed at

National Stock Exchange of India Limited
Bombay Stock Exchange Limited

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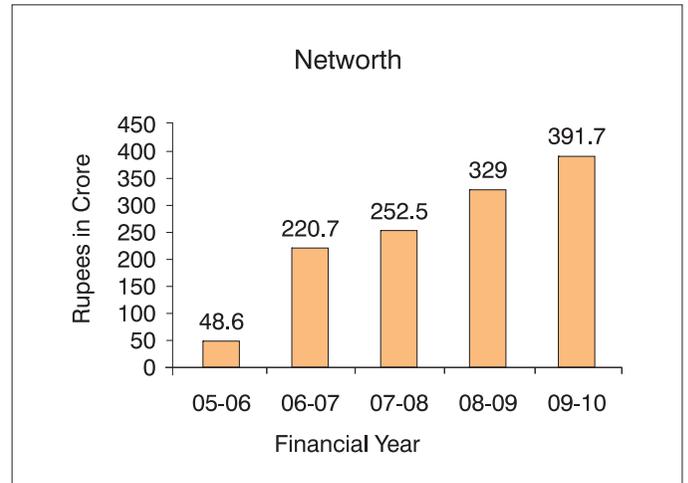
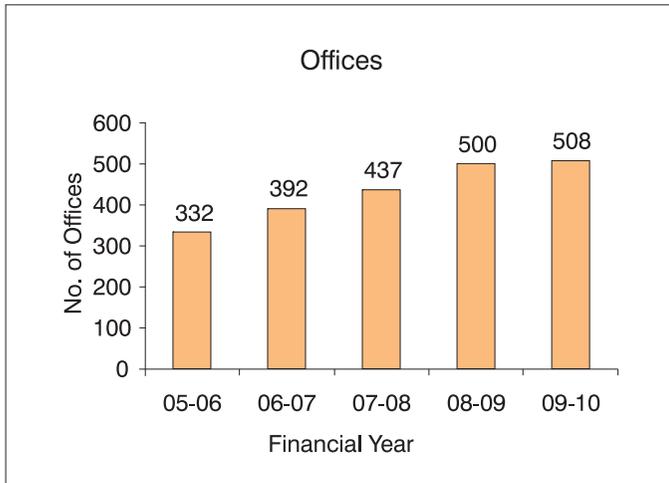
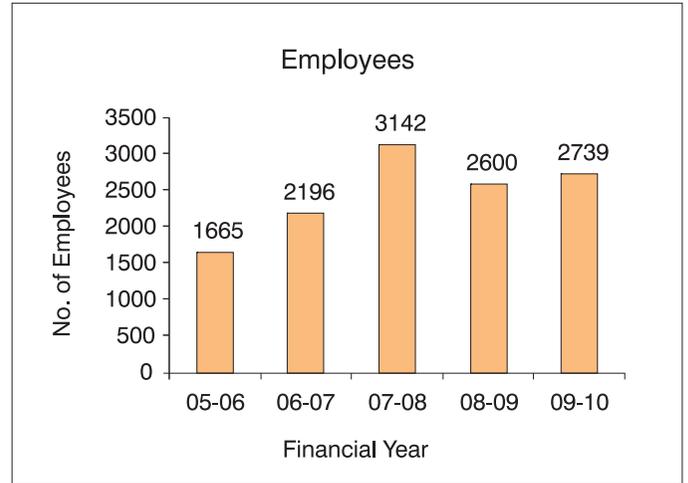
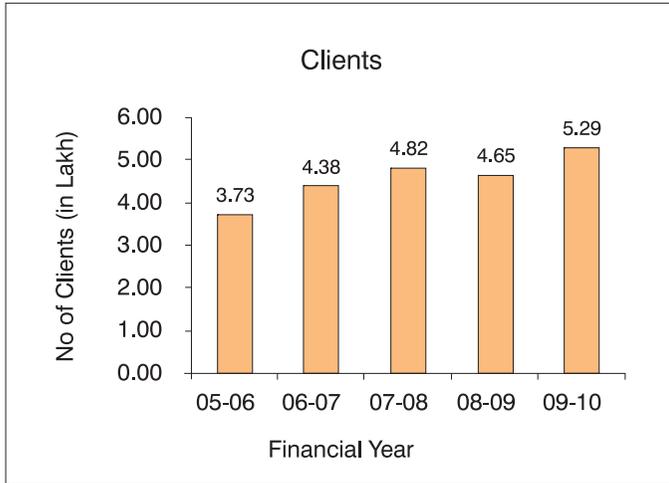
FIVE YEARS' REVIEW

CONSOLIDATED FINANCIAL SUMMARY

(Rs.in lakh)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
Income from Operations	28,011	17,497	22,719	13,353	10,103
Other Income	2,400	1,700	1,729	257	93
Total Income	30,411	19,197	24,448	13,610	10,196
Total Expenditure	22,731	18,042	15,698	9,832	6,885
Profit Before Tax	7,680	1,155	8,750	3,778	3,311
Tax	2,842	1,048	2,760	1,338	1,068
Profit After Tax	4,838	107	5,990	2,440	2,243
Add: Extraordinary Item	-	4,001	-	-	-
Add: Share of Profit in Associates	-	-	-	81	28
Less: Pre-acquisition Profit on increase in stake in subsidiary	-	24	-	-	-
Less: Minority Interest	220	82	124	-	-
Net Profit after Tax	4,618	4,002	5,866	2,521	2,271
Equity	2,253	2,234	2,090	2,090	1,522
Reserves	36,920	30,664	23,159	19,975	3,333
Net Worth	39,173	32,898	25,249	22,065	4,855
Face Value	1	1	1	1	10
Book Value	17.39	14.73	12.08	10.56	3.19
EPS	2.06	-	2.81	1.63	14.92
Dividend	75%	50%	70%	40%	40%
Return on Networth	12%	12%	23%	11%	47%

FIVE YEARS' REVIEW



FROM THE CHAIRMAN'S DESK



It gives me great pleasure to welcome you all to this 16th Annual General Meeting. We entered the fiscal 2009-10 after a year of unprecedented challenges in the economy and in the industry in which your Company operates. The steps taken in this period such as expanding the branch network and investments in technology will prove fruitful as the economy recovers. We are already seeing evidence of the same in the substantial increase in our revenue and profit for the past fiscal. With the recovery of the stock market, our major revenue streams showed a significant increase in revenue. Our financial results for the year reflect this - consolidated total income increased by 58% from Rs.191.97 crore to Rs.304.11 crore and profit after tax jumped to Rs.46.18 crore as compared to last year when our numbers were very modest.

The Board is well aware that dividend is an extremely important part of shareholders' return and income. In line with the Company's consistent dividend policy of balancing the objectives of appropriately rewarding shareholders, retaining capital to support future growth and taking into account the Company's current cash position, your Directors have recommended a dividend of 75 paise per equity share of rupee one for the year 2009-10, an increase of 50% over the last year's dividend rate.

Advances in information technology have increasingly impacted the financial sector and changed the way financial business is being conducted. On the occasion of the 10th anniversary of the launch of Internet Trading in India by the Company, a new advanced online investment platform – FLIP(Financial Investment Platform) – was introduced that incorporates a full-fledged Order Management System with built-in multi-level security risk management and real-time streaming market data. Another initiative was the launch of FLIP-ME(FLIP-Mobile Edition) that delivers real-time stock prices and market information (Market Watch) to the GPRS enabled mobile phones of clients.

As the range of financial instruments increases, so does the need for investors to have access to informed and trustworthy financial advisors who can help them make appropriate investment decisions. To meet this growing need we are training our workforce to acquire the requisite skills. Our Advisory Services department has been conducting structured training sessions and exams in a phased manner. Further, to efficiently cater to the needs of investors across our branches in different States, employees with multi-lingual skills are being suitably positioned.

We strongly believe that concentrating on the core business of our Company is the best strategy to promote growth and generate value for shareholders as has been demonstrated by the Company so far. We continue to follow this strategy and the strength of Geojit BNP Paribas brand should help in achieving a critical mass which will deliver significant cost and scale advantages.

One of the key drivers for the consistently good Indian GDP growth rate, which averaged around nine percent in the five year period 2004-08, 6.70% in 2008-09 and 7.40% in 2009-10 has been the high savings rate in the country which is in the range of 35-36% of GDP. In the context of a very small percentage of household savings being invested in the stock market and a sizeable section of population still remaining outside the banking and financial sector, there is enormous potential for retail financial services industry in our country. To create awareness about investing in stock market your Company regularly conducts Investor Education Programmes and to deepen the penetration and reach we open new offices in different regions including semi-urban and semi-rural areas and today we have established our footprints in over 500 locations across the country.

We stand committed to expand our reach and provide efficient and investor friendly service to our growing family of over 5 lakh clients and to each one of them and to our esteemed share holders I convey our gratitude and look forward to their continued support.

Wishing you all the very best,

Yours Sincerely,

A. P. Kurian

NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the Company will be held on Monday, the 12th day of July, 2010 at 4.00 p.m. at Hotel International, Veekshanam Road, Kochi-682035 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31 March 2010 and Profit and Loss Account for the year ended 31 March 2010 together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend on equity shares for the year 2009-10
3. To appoint a Director in place of Mr. Punnoose George, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Rakesh Jhunjhunwala, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

"Resolved that M/s Deloitte Haskins & Sells, Chartered Accountants, 1st Floor, Wilmont Park Business Centre, Warriam Road, Kochi – 682016, (ICAI Registration No.008072S) be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board."

The present Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, 1st Floor, Wilmont Park Business Centre, Warriam Road, Kochi – 682016, (ICAI Registration No.008072S) retire and have expressed their willingness to continue in office. Certificate has been obtained from them that reappointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:

"Resolved that pursuant to Sections 198, 269, 317, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded for reappointment of Mr. C. J. George as Managing Director of the Company for a period of five years w.e.f. 24th November 2009 on the following terms and conditions –

I. Powers and duties

The Managing Director shall exercise and perform such powers and duties as the Board of Directors of the Company shall from time to time determine and subject to any direction and restrictions, from time to time, given and imposed by the Board of Directors and he shall have the general control, management and superintendence of the business of the Company with power to appoint and dismiss employees and to enter into contract on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of business he may consider necessary and proper in the interest of the Company.

II. Remuneration

- a) **Basic Salary:** Rs.3 lakh per month with an annual increment of 10%.
- b) **Accommodation/House Rent Allowance:** House Rent Allowance of Rs.18,000/- per month with cost of furnishing up to Rs.3 lakh during the contract period with provision to take over the furniture, fittings, appliances etc. at the time of leaving the Company at the then book value in the Company's books (or) Free furnished Company accommodation, the cost of which to the Company not exceeding 50% of salary.
- c) **Other benefits, allowances and perquisites:** In addition to the above, the Managing Director shall be entitled to the following benefits, allowances and perquisites as may be decided by the Board from time to time-(i) Annual Leave Travel Allowance (ii) Annual Medical Allowance (iii) Reimbursement of expenses towards house utilities such as Telecommunications, gas, electricity, water, housing society charges, servant's salary and maintenance of furnishings in the house (iv) Annual Premium towards Mediclaim Policy, Personal Accident Insurance, Overseas Travel Insurance and Group Gratuity Scheme (v) Meals Allowance/Sodexo (vi) Company

Car and Driver for Official and personal use subject to tax as per Income Tax Rules (vii) Club fees of maximum 2 clubs not including admission and life membership fees (viii) Telephone at residence and (ix) Provident Fund, leave and leave encashment as applicable to all other employees.

- d) **Commission:** 1.5% of the net profits of the Company before tax as computed in the manner laid down in Section 309(5) of the Companies Act, 1956.

III. Other terms and conditions:

- a) The remuneration, perquisites, benefits and allowances mentioned aforesaid shall be paid to the Managing Director in accordance with the provisions of the Companies Act, 1956, with liberty to the Board of Directors to alter and vary the terms and conditions so as not to exceed the limits specified in the Companies Act, 1956 as may be agreed to between the Board and the Managing Director.
- b) If in any financial year during the term of office of the Managing Director, the Company has inadequate profits as computed under the applicable provisions of the Companies Act, 1956, he shall be entitled to receive the remuneration specified above as minimum remuneration as provided under the Companies Act, 1956.”

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

“Resolved that pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactments thereof), the provision of Clause 6.1 and other applicable provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations/guidelines prescribed by the Securities & Exchange Board of India or any other relevant authority, from time to time to the extent applicable and further subject to such other approvals as may be necessary and such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals which may be agreed to or accepted by the Board in its absolute discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue, allocate or allot, in one or more tranches, at the sole discretion of the Board, to such persons who are in the permanent employment of the Company, whether present or future, in India or abroad, such number of equity shares of the Company not exceeding 1,12,00,000 (one crore twelve lakh only) equity shares (which shall include the number of stock options to be granted to selected employees of subsidiaries) under the “Employee Stock Option Plan 2010” (hereinafter referred to as the “ESOP 2010” or “Scheme” or “Plan”) , as the Board may deem fit, on such terms and at such price as may be fixed and determined by the Board in accordance with the applicable guidelines and provisions of law and on such other terms and conditions and at such time or times as the Board in its absolute discretion and in the best interest of the Company deem fit.

Resolved further that the equity shares so issued, allocated or allotted shall rank pari passu in all respects with the existing equity shares of the Company, save and except that such equity shares which may be with or without voting rights, if permitted by law and shall carry the right to receive the full dividend from the date of allotment, as may be decided by the Board.

Resolved further that the limit of the reserved shares be increased and/or adjusted in the future in the event of any bonus or stock-splits and simultaneously the price of the shares be adjusted proportionately and the entitlements of the option-holders be increased proportionately.

Resolved further that the Board be and is hereby authorised to amend the scheme as to its terms and conditions including issue of additional options at the adjusted price in order to give effect to the bonus shares or stock splits to be issued, etc., in the best interest of the Company and the employees.

Resolved further that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board to do all such acts, deeds, matters as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the implementation of the ESOP Plan and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit and to give such directions and/or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions of the ESOP Plan, as the Board or a Committee may suo motto decide in its absolute discretion in the best interest of the Company without requiring any further approval of the Members.”

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

“Resolved that pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactments thereof), the provision of Clause 6.3 (a) and other applicable provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations/guidelines prescribed by the Securities & Exchange Board of India or any other relevant authority, from time to time to the extent applicable and further subject to such other approvals as may be necessary and such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals which may be agreed to or accepted by the Board in its absolute discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue, allocate or allot, in one or more tranches, at the sole discretion of the Board, to such persons who are in the permanent employment of the subsidiaries company(ies), whether present or future, in India or abroad, such number of equity shares of the Company not exceeding 1,12,00,000 (one crore twelve lakh only) equity shares (which shall include the number of such options to be granted to selected employees of the parent company) under the “Employee Stock Option Plan 2010” (hereinafter referred to as the “ESOP 2010” or “Scheme” or “Plan”), as the Board may deem fit, on such terms and at such price as may be fixed and determined by the Board in accordance with the applicable guidelines and provisions of law and on such other terms and conditions and at such time or times as the Board in its absolute discretion and in the best interest of the Company deem fit.

Resolved further that the equity shares so issued, allocated or allotted shall rank pari passu in all respects with the existing equity shares of the Company, save and except that such equity shares which may be with or without voting rights, if permitted by law and shall carry the right to receive the full dividend from the date of allotment, as may be decided by the Board.

Resolved further that the limit of the reserved shares be increased and/or adjusted in the future in the event of any bonus or stock-splits and simultaneously the price of the shares be adjusted proportionately and the entitlements of the option-holders be increased proportionately.

Resolved further that the Board be and is hereby authorised to amend the scheme as to its terms and conditions including issue of additional options at the adjusted price in order to give effect to the bonus shares or stock splits to be issued, etc., in the best interest of the Company and the employees.

Resolved further that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board to do all such acts, deeds, matters as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the implementation of the ESOP Plan and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit and to give such directions and/or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions of the ESOP Plan, as the Board or a Committee may suo motto decide in its absolute discretion in the best interest of the Company without requiring any further approval of the Members.”

By Order of the Board of Directors

Sd/-

T. Jayaraj
Company Secretary

Place: Kochi
Date : 28th May, 2010

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HRS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board Resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting.
3. The Register of Members of the Company will remain closed from 10th July 2010 to 12th July 2010 (both days inclusive) under Section 154 of the Companies Act, 1956 for the purpose of payment of dividend.
4. Dividend on equity shares as recommended by the Directors for the year ended 31 March 2010, when declared at the Meeting, will be paid on or before 10th August 2010:
 - (i) to those members whose names appear on the Company's Register of Members as on 12th July 2010, after giving effect to all valid share transfers in physical form lodged with the Registrar and Share Transfer Agent of the Company on or before 9th July 2010.
 - (ii) In respect of shares held in electronic form, to those 'deemed members' whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours of 9th July 2010.

The Company will use the bank account details furnished by the Depositories for distributing the dividends to the Members holding shares in the electronic form through Electronic Clearing Services (ECS) facility.

5. Members are requested to intimate change in their bank account details, address, etc, to the Registrar & Share Transfer Agents M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore- 641006 (Email: info@skdc-consultants.com), in respect of shares held in physical form and to their respective Depository Participants, if the shares are held in electronic form.
6. Members are requested to bring their copy of Annual Report and Attendance Slip duly completed when attending the Meeting.
7. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
8. The Company has transferred the unclaimed dividend declared for the Financial Year 2001-02 to "The Investor Education and Protection Fund". All members who have either not received or have not yet encashed their dividend warrants for the Financial Year 2002-03 are requested to write to the Company's Registrar and Share Transfer Agents at the address mentioned above, for obtaining duplicate dividend warrant without any delay.
9. The Certificate from Auditors of the Company as stipulated under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 for 'Employees Stock Option Plan 2005', 'Employees Stock Option Plan 2005 (Reissue-I)' and 'Employees Stock Option Plan 2007 for Key Employees' will be available for inspection at the Annual General Meeting.
10. Brief resume of Directors proposed to be appointed/reappointed are enclosed as Annexure A to this Notice as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Mr. C. J. George is the Managing Director of the Company since November 1994 and was reappointed from time to time. His current tenure as Managing Director expired on 23rd November 2009. The Board of Directors in their Meeting held on 12th October 2009 has approved the reappointment of Mr. C. J. George as Managing Director of the Company for a further period of five years w.e.f. 24th November 2009, subject to necessary approvals. The Compensation Committee has also approved the terms of payment of remuneration.

Your directors recommend the resolution for approval of the members.

Except Mr. C.J. George, no other director is interested or concerned in this resolution.

Item No. 7 & 8

The Company has formulated an Employee Stock Option Plan (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee Share Purchase Scheme) Guidelines, 1999 to enable aligning the interests of the employees with those of the Company and its members and to create a sense of ownership among them. ESOP will also act as an effective tool to attract, reward, motivate and retain the best talent in the industry.

It is proposed to institute an Employees Stock Option Plan, which would be titled as 'ESOP 2010' to grant a maximum of 1,12,00,000 equity shares of Re.1 each, representing 4.99% of the outstanding paid up equity share capital of the Company, to employees of the Company and/or its subsidiaries.

The terms and conditions under which the stock options will be issued under the ESOP 2010 to the eligible employees are set out below:

i. Total No. of Options proposed to be covered under the Plan.

A maximum of 1,12,00,000 Stock Options to existing or future employees of the Company or its subsidiary(ies). One Option would entitle the holder of the options a right to apply for one equity share of face value of Re.1/-. In case of bonus issue and split of shares, the aggregate number of stock options would increase in the proportion of bonus issue and split of shares.

The options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. The options which lapse/expire or are forfeited under the Scheme shall not be resissued.

ii. Grant date

The date of the Meeting of the Board/Committee approving the grant of options.

iii. Eligibility

Persons who are in the permanent employment of the Company and its subsidiary Company(ies), if any and at any time, in such grade and with such experience/ association with the Company, as may be decided by the Board/Committee.

These persons are referred herein collectively as the "Eligible Employees".

iv. Persons not eligible for grant of options

An employee who is a promoter or belongs to the promoter group or a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 2% of the outstanding equity shares of the Company at the time of granting of the option shall not be eligible to participate in the ESOP.

v. Pricing

The equity shares would be issued at a market price, which would be the latest available closing price on the Stock Exchange, which records highest trading volumes in the Company's equity shares on the date prior to the date of the Meeting of the Board/Committee at which options are granted or at such price as the Board/Committee may determine at the time of grant of option(s) in accordance with the applicable guidelines.

vi. Appraisal Process

The Board/Committee shall determine the eligibility criteria for the eligible employees based on their evaluation on various parameters, such as length of service, performance, criticality, merit, leadership qualities, future potential and such other factors as may be deemed appropriate by it.

vii. Vesting, requirements of vesting and maximum period of vesting

The minimum vesting period shall be 2 years and the maximum vesting period shall be 5 years from the date of grant.

The options may vest in tranches subject to the terms and conditions as may be stipulated by the Board/Committee, which may include satisfactory performance of the employees and their continued employment with the Company, as the case may be.

If the employee voluntarily terminates employment with the Company or retires from the services of the Company, the options to the extent not vested shall lapse/expire and be forfeited forthwith.

In the event of the death of the employee while in employment, all the options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee. In case the employee suffers a permanent incapacity while in employment, all the options granted to him as on the date of permanent incapacitation, shall vest in him on that day.

viii. Exercise Period and process of exercise

The exercise period will commence from the date of vesting. The options granted could be exercised within a maximum period of 5 years from the date of grant.

The options would be exercisable by submitting the requisite application form/exercise notice to the Company or such other person as the Company may prescribe, subject to conditions for payment of exercise price and taxes, etc, in the manner prescribed by the Board or Committee.

ix. Maximum number of options to be issued per employee and in the aggregate

The maximum number of options granted to any eligible employee in a year will not exceed 1% of the issued equity shares of the Company at the time of granting of the options. The aggregate of all such grants shall not exceed 1,12,00,000 options.

x. Disclosure and Accounting policies

The Company shall comply with the disclosure and accounting policies, as prescribed by Securities and Exchange Board of India and any other appropriate authority from time to time.

xi. Method of valuation

The Company will follow intrinsic value method to calculate the employee compensation cost arising due to grant of stock options. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed in the Directors' Report and also the impact of this difference on profits and EPS of the Company shall also be disclosed in the Directors' Report.

The Board of Directors/Committee shall have the absolute authority to vary or modify the terms of ESOP in accordance with the regulations and guidelines prescribed by SEBI or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interests of the employees/Directors.

Your directors recommend the resolution for approval of the members.

None of the Directors of the Company are deemed to be concerned or interested in the resolutions set out as item No. 7 & 8.

By Order of the Board of Directors

Sd/-

T. Jayaraj
Company Secretary

Place: Kochi
Date : 28th May, 2010

Details of the Directors seeking reappointment at the Annual General Meeting as required under Clause 49 of the Listing Agreement.

Name of the Director	Punnoose George	Rakesh Jhunjunwala
Date of Birth	26.05.1959	05.07.1960
Nationality	Indian	Indian
Date of appointment	29.04.1995	28.03.2005
Qualifications	Bsc, Engg, L. L. M	B.Com, A.C.A.
Shareholding in Geojit BNP Paribas Financial Services Ltd.	91,20,000	1,80,00,000
Expertise in specific functional area	<p>Mr. Punnoose George, is an industrialist of repute with interest in manufacturing industries, plantations and educational institutions. He is the Executive Director of Kottukulam Group, Kottayam. He was a member of Cochin Stock Exchange Limited.</p> <p>Mr. Punnose George, a graduate in Engineering and an LLM holder, is on the Board of Geojit since April 1995.</p>	<p>Mr. Rakesh Jhunjunwala, a qualified Chartered Accountant is a well known investor in the Indian Capital Market. He has extensive experience and expertise in analysing and identifying potential investment opportunities in the Indian Equity Market. He has also been an advisor to institutional investors and the well known speaker in Capital Market related topics. He is a Director of number of publically listed as well as unlisted companies.</p>
Chairman/Director of other Indian Companies	<p>(a) Kottukulam Engineers Pvt. Ltd. (b) Unity Realtors Pvt. Ltd. (c) Geojit Technologies Pvt. Ltd.</p>	<p>(a) Aptech Limited (b) Autoline Industries Ltd. (c) Inventurus Knowledge Solutions Pvt. Ltd. (d) Maneesh Pharmaceuticals Ltd. (e) Metro Shoes Ltd. (f) Mid Day Multimedia Ltd. (g) Future Ventures India Limited (h) Nagarjuna Construction Company Limited (i) Ohm Educom Foundation Pvt. Ltd. (j) Prime Focus Limited (k) Viceroy Hotels Limited (l) Hungama Digital Media Entertainment Pvt Ltd. (Formely known as Virtual Marketing (India) Pvt Ltd.) (m) A 2 Z Maintenance & Engineering Services Pvt. Ltd.</p>
Chairman/Member of Committees of the Boards of other Indian Companies of which he is a Director	Nil	Shareholders/Investors Grievance Committee Member – Mid Day Multimedia Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 16th Annual Report of your Company for the financial year ended 31 March 2010.

FINANCIAL HIGHLIGHTS

(Rs. in crore)

Particulars	Standalone			Consolidated		
	2009-10	2008-09	Change	2009-10	2008-09	Change
Total Income	288.05	159.42	80.6%	304.11	191.97	58.4%
Exceptional / Extra-Ordinary income	0.00	0.00		0.00	40.00	
Profit Before Tax	81.72	20.26	303.3%	76.80	51.56	48.9%
Provision for Tax	24.56	5.74	327.8%	28.43	10.48	171.2%
Profit After Tax	57.15	14.52	293.5%	46.18	40.01	15.4%
Balance brought forward	54.96	56.47				
Profit available for appropriation	112.11	70.99				
Appropriations :						
Transfer to General Reserve	5.72	3.00				
Dividend (Including Dividend Tax)	17.89	13.02				
Balance carried to Balance Sheet	88.47	54.96				

REVIEW OF PERFORMANCE

On a standalone basis, your Company has achieved an impressive growth of 80.6% in total income from Rs.159.42 crore to Rs.288.05 crore for the financial year ended 31 March 2010. The Company recorded an operating profit of Rs.81.72 crore and a net profit after tax of Rs.57.15 crore. The profit after tax increased by 294%. Basic earnings per share work out to Rs.2.55 compared to Rs.0.68 recorded in the previous year.

On a consolidated basis your company earned a total income of Rs.304.11 crore for the financial year, an increase of 58% over the previous year's figures of Rs.191.97 crore, an operating profit of Rs.76.80 crore and a net profit of Rs.46.18 crore.

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

DIVIDEND

Your Directors are pleased to recommend a dividend of 75 paise per share of Re.1 each for the financial year ended 31 March 2010 taking into account the performance of the Company. The payment of dividend together with tax thereon will absorb Rs.19.69 crore.

INCREASE IN SHARE CAPITAL

During the year under review, the paid-up share capital of the Company increased from Rs.22.34 crore to Rs.22.52 crore, consequent to the issue of 18,41,761 equity shares to employees upon exercise of stock options under the Employee Stock Option Plans of the Company.

DIRECTORS

KSIDC Limited appointed Mr.Alkeshkuamr Sharma as its Nominee on the Board of the Company replacing Mr. Manoj Joshi w.e.f. 20 July 2009. The Board of Directors place on record its sincere appreciation and gratitude for the valuable contribution and guidance received from Mr. Manoj Joshi during his tenure as a member of the Board.

In accordance with Article 80 of the Articles of Association of the Company, Mr.Punnoose George and Mr.Rakesh Jhunjhunwala, Non-executive Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The term of appointment of Mr. C.J.George as Managing Director of the Company expired on 23.11.2009. The Board of Directors of the Company has re-appointed Mr. C.J.George for a further period of 5 years w.e.f. 24.11.2009 on terms and conditions, details of which are provided in the Notice of Annual General Meeting.

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

CONSOLIDATED RESULTS

The Consolidated Financial Results represent those of Geojit BNP Paribas Financial Services Limited, its subsidiaries i.e., Geojit Investment Services Limited (100% held), Geojit Financial Management Services Private Limited (100% held), Geojit Credits Private Limited (65.03% held), its step down subsidiaries i.e, Geojit Technologies Private Limited (65% held), Geojit Financial Distribution Private Limited (100%), Sigma Systems International FZ LLC, Dubai (100% held) and its joint ventures i.e., BNP Paribas Securities India Private Limited (49.99% held), Barjeel Geojit Securities L.L.C., Dubai (30% held) and Aloula Geojit Brokerage Company, Saudi Arabia(28% held) prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India.

SUBSIDIARIES

Ministry of Corporate Affairs granted approval 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. Accordingly these documents are not attached to the Balance Sheet. However 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.

Geojit Investment Services Limited recorded revenue of Rs.5.60 crore and a profit after tax of Rs.3.17 crore.

Geojit Credits Private Limited recorded total revenue of Rs.2.85 crore and profit after tax of Rs.1.60 crore during the year.

The revenue of Geojit Technologies Private Limited, a step down subsidiary engaged in software development and services, grew by 69% to Rs.11.24 crore from Rs.6.66 crore in the previous year. The Company recorded a net profit after tax of Rs.4.67 crore during the year, an increase of 135%.

Another step down subsidiary viz, Geojit Financial Distribution Private Limited engaged in insurance referrals has recorded a total income of Rs.218.19 lakh and net profit after tax of Rs.74.63 lakh.

Geojit Financial Management Services Private Limited, another subsidiary recorded a profit of Rs.43,357/- compared to a loss of Rs.2.31 lakh in the previous year.

Considering the insignificant business activity of Geojit Investment Services Limited, the Board of Directors of the company at its Meeting held on 13.05.2009, proposed a Scheme of Amalgamation of Geojit Investment Services Limited with Geojit BNP Paribas Financial Services Limited 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 required for the proposed amalgamation. Such clearance is awaited.

JOINT VENTURES

Barjeel Geojit Securities L.L.C., a joint venture in Dubai with Al Saud Group in which Geojit holds 30% recorded a net profit of Rs.7.46 crore (Previous year Rs.2.05 crore) of which Geojit's share is Rs.2.23 crore.

Aloula Geojit Brokerage Company, the joint venture in Saudi Arabia with Al Johar Group in which Geojit holds 28%, reported a net loss of Rs.11.19 crore (Previous year Rs.16.67 crore) of which Geojit's share is Rs.3.13 crore.

BNP Paribas Securities India Private Limited, the joint venture in Mumbai with BNP Paribas for institutional broking in which Geojit holds 49.99%, recorded a net loss of Rs.14.84 crore (Previous year Rs.27.32 crore) of which Geojit's share is Rs.7.42 crore.

FIXED DEPOSITS

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

HUMAN RESOURCES

As a service company, the Company's operations are heavily dependent on qualified and competent personnel. As on 31 March 2010, the Company had a total head count of 2739. Your Company takes significant effort in training all employees at various levels and conducted 1703 training programmes during the year, which covered 13959 participants.

EMPLOYEE STOCK OPTION PLAN

During the year some employees of the Company have exercised part of their stock options granted under the Employees Stock Option Plan 2005 and the Compensation Committee of the Board of Directors of the Company has allotted total 18,41,761 equity shares on various dates to those who exercised the stock options at various exercise prices in accordance with the terms and conditions of the ESOP.

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.

During the period under report, the Board of Directors of the Company approved a proposal to issue 1,12,00,000 (one crore twelve lakh only) new stock options under Employee Stock Option Plan 2010 (ESOP 2010). The proposed issue will represent 4.99% of the paid up share capital of the Company. Necessary resolution along with Explanatory Statement in this regard is included in the notice of AGM for approval of members.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. However, in pursuance of Section 219(1)(b)(iv) of the Companies Act, 1956 this Report is being sent to all the members of the Company excluding the aforesaid information and the said particulars are made available at the Registered Office of the Company. The members interested in obtaining information under Section 217(2A) may write to the company secretary at the Registered Office of the Company.

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 II 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 III 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company, through its subsidiaries and joint ventures, now form an integrated financial services group having business interests in retail and institutional stock broking, wealth management, financing against shares and commodities, margin funding, property services, distribution of a variety of investment products, etc which caters to the needs of retail investors, corporates and institutions, high net worth individuals, etc. in India and overseas. A detailed review of operations, performance and future outlook of the Company is given separately under the head Management Discussion and Analysis Report appended hereto.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, 1st Floor, Wilmont Park Business Centre, Warriam Road, Kochi – 682016, (ICAI Registration No.008072S) were appointed as statutory auditors of your company to conduct the audit of accounts for the year ended 31 March 2010. 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

Sd/-

A.P. Kurian
Chairman

Place : Kochi

Date : 28th May, 2010

ANNEXURES TO THE DIRECTORS' REPORT 2010

Annexure I

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

Sl.No.	Particulars	ESOP 2005 (Granted during 2005-06)	ESOP 2005 (Re-issue-I) (Granted during 2007-08)	ESOP 2007 for Key Employees (Granted during 2007-08)
1	Options granted	69,89,400 options representing equal number of shares.	9,50,500 options representing equal number of shares.	25,00,000 options representing equal number of shares.
2	The pricing formula.	As per Note 1	As per Note 2	As per Note 3
3	Options vested up to 31.03.2010	3323390*	104546*	Nil
4	Options exercised up to 31.03.2010	2304250	65991	Nil
5	The total number of shares arising as a result of exercise of option.	2304250	65991	Nil
6	Options lapsed (as at 31 March 2010)	1361760	387783	Nil
7	Variation of terms of options.	The Compensation Committee made the following amendments with the approval of Members wherever required – <ul style="list-style-type: none"> Lock-in period was removed. Adjusted the number and price of options to give effect to the subdivision of face value of shares. Provided for the reissue of lapsed stock options at such terms and conditions as may be deemed fit by the Board of Directors. 	The Compensation Committee re-priced the stock options on 11.04.2009 with the approval of Members. Now the options were granted at a Market Price of Rs.25.50 as per SEBI Guidelines while options were granted earlier at a discount on the Market Price of Rs.66.55 per share.	The Compensation Committee re-priced the stock options on 11.04.2009 with the approval of Members. Now the options were granted at a Market Price of Rs.25.50 as per SEBI Guidelines while options were granted earlier at a discount on the Market Price of Rs.66.55 per share.
8	Money realised by exercise of options.	Rs.412.96 lakh	Rs.12.23 lakh	Nil
9	Total number of options in force as at 31.03.2010.	3323390	496726	25,00,000
10	Employee wise details of options granted to:-	As per Note 4	As per Note 4	As per Note 4
	(i) senior managerial personnel including Directors.			
	(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil	Nil	As per Note 4
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil	Nil

11	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 – Earnings per share.	Rs.2.53		
12	(i) Method of calculation of employee compensation cost.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued.		
	(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options.	Rs.65.49 lakh	Rs.93.99 lakh	Rs.260.24 lakh
	(iii) The impact of this difference on profits and on EPS of the Company.	Profit After Tax as reported Add Intrinsic Value Compensation Cost Less Fair value Compensation Cost (Black Scholes Model) Adjusted Profit After Tax Earnings per share (Basic) As reported As adjusted Earnings per share (Diluted) As reported As adjusted		Rs.5715.43 lakh Rs.41.23 lakh Rs.460.95 lakh Rs.5295.69 lakh Rs.Rs.2.55 Rs.Rs.2.36 Rs.Rs.2.53 Rs.Rs.2.34
13	(i) weighted average exercise price of options (As on 31.03.2010)	For Options issued to: Directors - Rs.18.86 Managers & above - Rs.17.75 Other employees - Rs.17.94	For Options issued to: Directors - Rs.25.50 Sr. Managers & above - Rs.25.50 Other employees - Rs.25.50	Rs.25.50
	(ii) weighted average fair values of options (As on 31.03.2010)	For Options issued to : Directors - Rs.17.23 Managers & above - Rs.17.27 Other employees - Rs.17.30	For Options issued to : Directors - Rs.56.56 Sr. Managers & above - Rs.56.60 Other employees - Rs.56.61	Rs.61.67
14	Fair value of options based on Black Scholes methodology – Assumptions used :			
	(i) risk –free interest rate	7.00%	7.00%	7.00%
	(ii) expected life of options	2 to 4 years	2 to 4 years	4 to 7 years
	(iii) expected volatility	199%	170%	170%
	(iv) expected dividends (dividend yield)	1.76%	0.60%	0.60%
	(v) Closing market price of share on the date of option grant.	Rs.19.86	Rs.66.55	Rs.66.55

* Represents vested portion of total options in force as on 31.03.2010

Note 1: ESOP 2005 – Eligibility criteria and Pricing formula
(a) Eligibility Criteria and No. of options:

Independent Directors holding less than 10% of the equity and Employees of the Company and its subsidiaries as on 31st December 2005

Criteria	No. of options
1. All employees who have put in not less than 2 years as on 31-12-2005	Option for 2000 shares for each year of completed service
2. All employees in Salary Group I (Managers) and above irrespective of their service duration	Option for number of shares equal to 10% of their annual direct salary (excluding incentives) rounded off to the nearest hundred
3. Eligible Directors	Option for 60000 shares each

(b) The pricing formula:

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

For Criteria 1:	
Managers & above	- 20 paise for each year of completed service
Jr. Executives to AM	- 40 paise for each year of completed service
Office Assistants & others	- 50 paise for each year of completed service
For Criteria 2 & 3:	
Directors	- Re.1.00
GM & above	- Re.1.50
SM to AGM	- Re.2.00
Managers	- Re.2.50

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

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

Managerial cadre	Discount offered on the Market Price
Asst. Managers & Managers	- Rs.1.25
Sr. Managers to AGM	- Re.1.00
GM and above	- Re.0.75
Directors	- Re.0.50

Subsequently, on 11.04.2009 the Compensation Committee re-priced the outstanding stock options as on 31.03.2009 at the Market Price of Rs.25.50 determined as per SEBI Guidelines.

Note 3: Pricing formula for ESOP 2007 for Key Employees

10% discount was offered on the Market Price of Rs.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 Rs.25.50 determined as per SEBI Guidelines.

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

Name	Designation	No. of options granted under ESOP 2005	No. of options granted under ESOP 2005 (Re-issue I)	No. of options granted under ESOP 2007 for Key Employees
Mr.A.P.Kurian	Non-executive Chairman	60,000	Nil	Nil
Mr.R.Bupathy	Non-executive Director	Nil	60,000	Nil
Mr.Mahesh Vyas	Non-executive Director	60,000	Nil	Nil
Mr.Punnoose George	Non-executive Director	60,000	Nil	Nil
Mr.Satish Menon	Chief Operating Officer	80,900	Nil	5,08,982*
Mr.A.Balakrishnan	Chief Technology Officer	80,500	Nil	5,59,603*
Mr.Binoy Varghese Samuel	Chief Financial Officer	60,600	Nil	3,97,810*
Mrs.Jaya Jacob Alaxander	Chief Human Resources	43,700	Nil	2,55,645*
Mr.K.Venkitesh	National Head - Distribution	Nil	Nil	3,02,960*
Mr.Krishnan Ramachandran	Chief Executive Officer – Barjeel Geojit Securities	Nil	Nil	2,00,000*

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

Annexure II

STATEMENT OF FOREIGN EXCHANGE EARNING AND OUTGO

Particulars	2009-10	2008-09
Foreign Exchange earnings	Nil	Rs.5,61,82,581/-
Foreign Exchange outgo	Rs.31,23,181/-	Rs.44,61,396/-

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' 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 endeavours to achieve the highest levels of transparency, accountability, integrity and responsibility by following the best practices in Corporate Governance.

2. BOARD OF DIRECTORS

The Board of Directors comprises 1 Executive and 8 Non-Executive Directors of which 4 are Independent. Except for the Managing Director and the Nominee Director, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

During the year ended 31st March 2010, 6 Board Meetings were held on 11th April 2009, 13th May 2009, 11th July 2009, 12th October 2009, 11th January 2010 & 22nd March 2010.

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 31.03.2010	Attendance at		Directorships and Chairmanship/ Membership of Board Committees in Other Companies as on 31.03.2010		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
Mr. A. P. Kurian	C, NE & I	376,900	6	Yes	5	3	Nil
Mr. C. J. George	MD & P	40,606,760	6	Yes	5	2	1
Mr. Mahesh Vyas	NE & I	21,000	5*	No	1	Nil	Nil
Mr. Rakesh Jhunjhunwala	NE	18,000,000	1	No	9	1	Nil
Mr. R. Bupathy	NE & I	18,000	6	Yes	Nil	Nil	Nil
Mr. Punnoose George	NE	9,120,000	6	Yes	1	Nil	Nil
Mr. Alkeshkumar Sharma **	N, NE & I	Nil	1	NA	10	1	Nil
Mr. Olivier Le Grand	NE	Nil	6#	Yes	4	Nil	Nil
Mr. Pierre Rousseau	NE	Nil	5^	No	Nil	Nil	Nil

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

Out of six, one Board Meeting was attended through tele-conference

* Out of five, two Board Meetings were attended through video conference

^ Out of five, four Board Meetings were attended through tele-conference

**Mr. Manoj Joshi, Non-Executive Director nominated on the Board of Directors of the Company by KSIDC Limited was replaced by Mr. Alekshkumar Sharma w.e.f. 20th July, 2009. Mr. Manoj Joshi attended 1 Board Meeting held on 11th April 2009.

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

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

REAPPOINTMENT OF DIRECTORS

The Directors, Mr. Punnoose George and Mr. Rakesh Jhunjhunwala shall retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment. The brief resume and information relating to these directors as required under Clause 49 of listing agreement with the Stock Exchange is furnished as part of the Notice convening the Annual General Meeting.

3. AUDIT COMMITTEE

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

During the year ended 31st March 2010, the Committee met 5 times on 11th April 2009, 13th May 2009, 11th July 2009, 12th October 2009 & 11th January 2010.

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

Name of Members of Audit Committee	Designation	No. of meetings attended
Mr. R. Bupathy	Chairman, Non-Executive Independent Director	5
Mr. A. P. Kurian	Member & Non- Executive Independent Director	5
Mr. Mahesh Vyas	Member, Non-Executive Independent Director	2
Mr. Alkeshkumar Sharma	Member, Non-Executive Independent Director	1
Mr. Olivier Le Grand	Member, Non-Executive Director	4
Mr. Pierre Rousseau	Member, Non-Executive Director	Nil

The Audit Committee has been reconstituted w.e.f. 9th October, 2009 by including Mr. Alkeshkumar Sharma in place of Mr. Manoj Joshi as a member of the Committee.

4. COMPENSATION COMMITTEE

The Company constituted an Employee Compensation Committee, which reviews and monitors the implementation of the Employee Stock Option Plans approved by the Board from time to time.

During the year, the Committee met three times on 11th April 2009, 12th October 2009 and 11th January 2010.

Name of Members of Compensation Committee	Designation	No. of meetings attended
Mr. R. Bupathy	Chairman, Non-Executive Independent Director	3
Mr. Mahesh Vyas	Member, Non-Executive Independent Director	2
Mr. Olivier Le Grand	Member, Non-Executive Director	3
Mr. Pierre Rousseau	Member, Non-Executive Director	Nil
Mr. C. J. George	Member, Managing Director	3

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 2009-10 is given below –

a) Salaries	- Rs. 31,39,333
b) Perquisites	- Rs. 1,56,401
c) Commission	- Rs.1,08,94,000
d) Stock option	- Nil

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 Rs.10,000/- for each meeting of the Board and Audit Committee and Rs.5,000/- for other Board Committees attended by them. The total amount of sitting fees paid during the period was Rs.5,25,000/- as follows –

Name of Director	No. of Stock Options granted under ESOP 2005/ ESOP 2005 (Reissue – I)	Details of Sitting Fee paid			
		For Board Meeting	For Audit Committee Meeting	For Employee Compensation Committee Meeting	For Shareholders and Investors Grievance Committee Meeting
Mr. A. P. Kurian	60000*	60,000	50,000	NA	NA
Mr. Manoj Joshi	Nil	10,000	Nil	NA	NA
Mr. Mahesh Vyas	60000*	30,000	20,000	10,000	NA
Mr. Rakesh Jhunjunwala	Nil	10,000	NA	NA	NA
Mr. R. Bupathy	60000**	60,000	50,000	15,000	5,000
Mr. Punnoose George	60000*	60,000	NA	NA	5,000
Mr. Alkeshkumar Sharma	Nil	10,000	10,000	NA	NA
Mr. Olivier Le Grand	Nil	50,000	40,000	15,000	5,000
Mr. Pierre Rousseau	Nil	10,000	Nil	Nil	NA
Total		3,00,000	1,70,000	40,000	15,000

* Granted on 07th March 2006 at a discount of Re.1/- per share on the market price of Rs.19.86 prevailing on the day before the date of grant. (The number of Stock Options granted is adjusted to reflect the sub-division of equity shares with effect from 26.09.2006).

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

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

5. 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. T. Jayaraj, Company Secretary, 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 2009-10:

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 31.03.2010	Nil
Other letters received from shareholders and replied	300

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.

More than 98% of shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation/transfer during 2009-10 is given below –

	Transfers		Demats	
	No. of requests	No. of shares	No. of requests	No. of shares
Lodged	2	6000	17	480500
Processed	2	6000	16	440500
Objections	Nil	Nil	1	40000
Pending as on 31.03.2010	Nil	Nil	Nil	Nil

6. 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
2006-07	Hotel International, Veeekshanam Road, Kochi - 35	29.06.2007	10.00 a.m.	2
2007-08	-do-	26.07.2008	10.00 a.m.	Nil
2008-09	Hotel Abad Plaza, M.G Road, Kochi - 682035	11.07.2009	3.30 p.m.	Nil

No Extra-Ordinary General Meeting was held during the year 2009-10. At the forthcoming Annual General Meeting there is no item on the agenda that needs approval by Postal Ballot, as required under the provisions of Section 192 A of the Companies Act, 1956.

7. DISCLOSURES

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

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

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

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

Code of Conduct:

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

CEO/CFO Certification:

Mr. C.J. George, Managing Director and Mr. Binoy Varghese Samuel, Chief Financial Officer have given CEO/CFO Certificate to the Board. The Board at its meeting held on 28.05.2010 noted that the said CEO/CFO certificate was as per the format given under Clause 49(v) of Listing Agreement.

8. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results are published in 'BusinessLine' 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.

9. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date and time : 12th July 2010 – 4.00 p.m.
 Venue : Hotel International, Veekshanam Road, Kochi- 682035

Financial Calendar 2010-11

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 (Directors, Officers and Designated Employees) while dealing in shares of the Company.

Dates of book closure : 10th July 2010 to 12th July 2010
 (Both days inclusive)

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

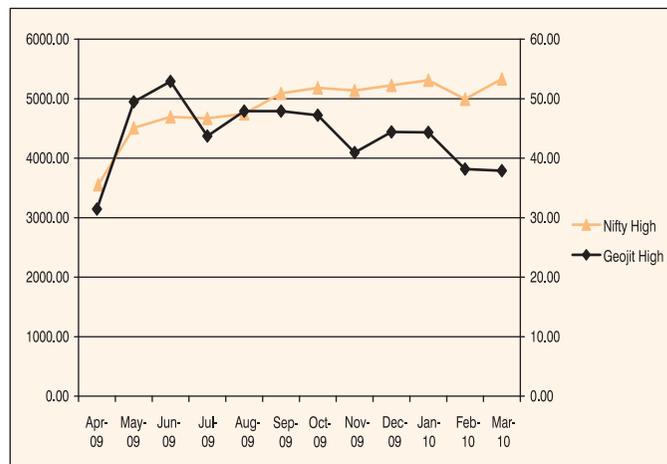
Listing on Stock Exchange : Bombay Stock Exchange Limited & National Stock Exchange of India Limited

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

Demat ISIN Number : INE007B01023 (NSDL & CDSL)

Market Price data : Market price of the equity shares of the Company during 2009-10 is given in the table below:

	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2009	31.45	19.00	31.35	19.05
May 2009	49.45	26.50	49.45	26.50
June 2009	52.90	38.55	52.50	38.85
July 2009	43.70	35.65	43.60	35.20
August 2009	47.90	37.00	48.20	38.20
September 2009	47.90	42.00	47.90	42.00
October 2009	47.20	37.30	48.40	37.00
November 2009	40.95	34.00	40.55	35.05
December 2009	44.40	30.55	44.80	36.05
January 2010	44.35	35.60	44.40	35.55
February 2010	38.15	34.10	38.20	33.60
March 2010	37.90	32.80	38.00	32.70



Distribution of the shareholding on the basis of categories of shareholders as on 31.03.2010 is as under:

Category Code	Category of shareholder	No. of shareholders	Total no. of shares	Percentage to total shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian			
(a)	Individuals	2	4,56,06,760	20.247
(b)	Bodies Corporate	1	2,00,00,000	8.879
	Sub-Total (A)(1)	3	6,56,06,760	29.126
(2)	Foreign			
(a)	Bodies Corporate	1	7,66,88,959	34.046
	Sub-Total (A)(2)	1	7,66,88,959	34.046
	Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	4	14,22,95,719	63.172
(B)	Public Shareholding			
(1)	Institutions			
(a)	Foreign Institutions/ Banks	5	40,900	0.018
(b)	Foreign Institutional Investors	3	52,75,227	2.342
	Sub-Total (B)(1)	8	5316127	2.360
(2)	Non-Institutions			
(a)	Bodies Corporate	599	81,78,941	3.631
(b)	Individuals			
	i. Individual shareholders holding nominal share capital upto Rs.1 Lakh.	46583	2,67,84,595	11.891
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh.	17	46,15,567	2.049
(c)	Trust	1	525	0.000
(d)	Directors & their relatives	6	2,95,17,900	13.104
(e)	Non resident Indians	991	68,32,067	3.033
(f)	Clearing members	229	10,36,496	0.460
(g)	Hindu undivided families	518	6,75,688	0.300
	Sub-Total (B)(2)	48944	7,76,41,779	34.468
	Total Public Shareholding (B) = (B)(1) + (B)(2)	48952	8,29,57,906	36.828
	TOTAL (A) + (B)	48956	22,52,53,625	100.000

Distribution of shareholding as on 31.03.2010, pursuant to clause 35 of the Listing Agreement is as under:

Shareholding of nominal value of Rs.	No. of Shareholders	% of Shareholders	Amount of Share Capital in Rs.	% of Shareholding
Upto 5,000	47986	98.02	1,85,88,294	8.25
5,001 – 10,000	486	0.99	37,21,248	1.65
10,001 – 20,000	248	0.50	36,02,527	1.60
20,001 – 30,000	79	0.16	20,08,254	0.89
30,001 – 40,000	49	0.10	18,16,156	0.82
40,001 – 50,000	18	0.04	8,19,557	0.36
50,001 – 1,00,000	43	0.09	30,93,172	1.37
1,00,001 and above	47	0.10	19,16,04,417	85.06
Total	48956	100.00	22,52,53,625	100.00

- Registrar and Transfer Agents : S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road Ganapathy, Coimbatore - 641 006
- Share Transfer System : Application for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the company. The share certificates in physical format are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Shares held in dematerialised form are electronically traded and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository, the beneficiary holdings so as to enable them to update their records. Physical shares received for dematerialisation are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect.
- Dematerialisation of shares and liquidity : More than 98% of the Company's paid-up equity share capital has been dematerialised upto 31st March 2010. Trading in equity shares of the company is permitted only in dematerialised form.
- Outstanding ADRs/GDRs/Warrants and convertible instruments, conversion date and likely impact on equity. : Not applicable.
- Investor Correspondence : For any assistance regarding dematerialisation of shares, share transfers, transmission, change of address, non-receipt of dividend or any other query relating to shares or for any generation correspondence, contact
- 1) S.K.D.C. Consultants Limited
 Kanapathy Towers, 3rd Floor
 1391/A-1, Sathy Road, Ganapathy, Coimbatore: 641 006
 Phone: 0422-6549995, 2539835-836,
 Fax: 0422- 2539837
 Email: info@skdc-consultants.com
 - 2) Mr. T Jayaraj, Company Secretary
 Geojit BNP Paribas Financial Services Limited,
 5th Floor, Finance Towers, Kaloor,
 Kochi - 682017
 Phone: 0484-2405501/02, Fax: 0484-2405618
 Email: mailus@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: 28th May, 2010

C. J. George
Managing Director

AUDITORS' CERTIFICATE

To The Members of

Geojit BNP Paribas Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by **Geojit BNP Paribas Financial Services Limited** ("the Company") for the year ended on 31st March 2010, 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 was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in 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)

Place: Kochi
Date : 28th May, 2010

Management Discussion and Analysis Report

Economy Overview

After a year of reduced economic growth resulting from the impact of global events, India's economy bounced back with robust industrial growth, improved exports and strong GDP growth. Consequently capital expenditure and infrastructure investments also showed an increase. Improved outlook for investment was visible across the globe and capital markets in most parts of the world showed bullish sentiments and activity. India was viewed by global investor community as one of the attractive investment destinations and significant FII inflows came back into Indian Capital market.

Industry Overview

After touching its recent lows in March 2009, the markets began to surge from the beginning of April 2009 with large FII inflows taking the Sensex from a low of 8047 in March 2009 to a level of 17793 in March 2010. Reversing the trend of net outflow of Rs.48,252 crore in 2008-09, there was a net inflow of Rs.1,10,752 crore in the FII investments in 2009-10. This directly impacted the volumes and the number of active clients. The market capitalisation of equity shares traded in the NSE increased more than 100% in the last one year. The total turnover during the year in NSE cash and F & O segments showed an increase of nearly 50% and 60% respectively. BSE cash market turnover increased by 25%. All these positively influenced the revenues of your Company.

There have been significant changes in the structure of distribution business during the year. SEBI abolished the entry load and consequently distributors are expected to earn their fees directly from the clients. There are discussions of similar limitations in the marketing of certain insurance products also by the regulators. Moreover confusion over the regulatory jurisdiction over the sale of unit linked insurance policies created further uncertainty. All these changes in the structure of distribution mechanism had a negative impact on the distribution business.

Review of operations

The various activities of the Company showed significant improvement in revenue and profits during the year.

a) Brokerage services

Brokerage activity saw an increase in number of active clients and volumes compared to the previous year. The improvement in market conditions enabled the Company to realise the benefits from the geographical expansion and technological upgradation undertaken earlier. The Company added 12 outlets during the year and has a total of 508 outlets. During the year, the Company launched a new captively developed online investment and trading platform called 'Flip'. The Company expects to enhance its internet trading business with this new multi-featured platform. Currency futures trading which was launched in October 2008 picked up volumes and revenues during the year.

Brokerage from equity and derivatives continued to be the main source of income of the Company and contributed 76% of the consolidated revenue during this financial year. The Company earned brokerage revenue of Rs.231.98 crore from capital market activities, an increase of 91% from the previous year. Our total traded volume showed an increase of 80% in the cash segment and 50% in the F & O segment. The number of broking clients increased 16% during the year. Brokerage revenue from internet trading grew by 111%.

b) Depository services

Number of depository accounts increased to 3.21 lakh at the end of the year and the income from this activity increased by 35% to Rs.10.06 crore. The value of assets under custody increased by 98% to Rs.8878 crore. 33,000 accounts were added which represents 1.69% of the increase in the active depository accounts in NSDL and CDSL during the year. A total of 19.57 lakh active accounts were added in both the depositories during the year, which may not be unique accounts as clients are permitted to open depository accounts with more than one depository participant.

c) Distribution of financial products

Revenue from distribution of mutual funds was adversely affected due to changes in the commission payment structure during the middle of the year. The Company is strengthening its advisory capabilities aiming to improve and standardise the advisory skills of our employees. The management expects that this effort will yield results in the years to come. The insurance agency of Metlife continues to do satisfactorily. However, if there is any changes in the fee structure of ULIP policies resulting from the ongoing debate, there will be an impact resulting from such changes. The Company has earned a total income of Rs.9.62 crore from distribution business during the year which was lower by 19%.

d) Portfolio Management Services

The portfolio management services of the Company performed very well by providing returns much better than the benchmark returns during the year under review. On a trailing 12 month basis, till the date of this Report, the portfolio increased by 124.92 % vis-à-vis 53.97 % increase in Sensex, and CNX Nifty increase of 51.97 percent. There was an improvement in the assets under management and the fees improved by 38% compared to previous year. The

Company has aggressive plans to grow the Portfolio Management Services among high net worth resident individuals as well as non residents.

e) Financing

The financing activities in the form of margin funding showed increased revenues corresponding to market activities. However, there is a fall in the revenues of NBFC subsidiary on account of lower loan against shares and loan against commodities. Total income from financing was Rs.4.01 crore.

f) IT Service and products

Geojit Technologies, the subsidiary engaged in IT development and services achieved CMMI Level 3 certification during the year, which is recognition of the Company's sustained commitment to deliver quality products and services to its clients. Apart from servicing group companies, the company was able to generate revenues from other customers and also received export orders during the year. The Company generated consolidated revenue of Rs.11.24 crore, an increase of 69% over the previous year and a net profit of Rs.4.67 crore, an increase of 135%. The future prospects for this division look bright as the team is continuing to get export orders.

Joint ventures

i. Barjeel Geojit Securities, Dubai

Barjeel Geojit continues to do well. The Company performed commendably in both the Indian equity business, and mutual funds and insurance distribution among NRIs in the UAE and Oman. This 30% joint venture recorded a net profit of Rs.7.46 core, an increase of 264% over the last year. The mutual fund assets under management handled by Barjeel Geojit increased by 69% to Rs.959 crore. Total assets under management including equities as on 31.03.2010 is Rs.1,836 crore.

ii. Aloula Geojit Brokerage Company, Saudi Arabia

This 28% Joint Venture is now well positioned as a complete financial advisory and investment solutions provider in Saudi Arabia following approval of additional licenses for Underwriting, Asset Management, Advisory and Custody Service in the Securities Business by the Capital Market Authority during the year. The new licenses will allow Aloula Geojit to facilitate/advise its clients including NRIs to be able to deal in international markets including Indian market. Saudi Capital Market is yet to show an improvement like other world markets and therefore revenues for the joint venture is yet to pick up. The Company incurred a loss of Rs.11.19 crore during the year, out of which our share is Rs.3.13 crore.

iii. BNP Paribas Securities India, Mumbai

This 50% Joint Venture with BNP Paribas for institutional business improved its revenue significantly. The current year revenue was Rs.39.31 crore higher by 146% over the previous year. On account of the inherently high cost nature of institutional business, the Company is yet to reach the break even level. The Company incurred a loss of Rs.14.84 crore during the year, out of which our share is Rs.7.42 crore. Presently the Company has a research team which covers 95 stocks with market capitalisation of 72 billion dollars, comprising 56% of the total NSE market capitalisation. There has been an increase in the number of domestic and foreign institutional clients also. It is expected that the joint venture will generate higher revenues and market share in future.

Business Tie-ups

Partnership with South Indian Bank and City Union Bank has been executed in January 2010 to provide online trading facility for bank's retail clients. The Company has already tied up with Axis Bank and Federal Bank on similar lines. The Company has also partnered with Federal Bank for offering Portfolio Investment Scheme for NRIs during the year.

Value added services

During the year certain regulatory changes happened which enabled us to provide value added services to clients. SEBI has allowed the Stock Exchanges to trade in mutual funds. The Company has launched online investments in mutual funds through National Stock Exchange of India's Mutual Funds Service System (MFSS). IRDA has allowed life insurers to sell insurance online. The Company has partnered with Royal Sundaram Alliance Insurance Company to distribute all their personal lines General Insurance products and to issue policies online from our offices.

Outlook 2010-11

The economy is expected to grow over 8% and widely recognised as one of the stable and consistently growing investment destinations in the world. India has inherent strengths in terms of domestic demand, skilled manpower and reliable regulatory policies which have been widely acclaimed. This will certainly result in a positive re-rating of the country's investment attractiveness. The recent events in Greece, Spain and elsewhere in Europe had brought in reduced risk appetite and reverse investment flow from the markets. The global environment and linkages are likely to affect our markets also, increasing the volatility of the markets. It is a matter of concern that the retail investor population in the

country is not growing at a desirable rate as a result of high volatility. Regulatory changes in the fee structure of distribution business are also a matter of concern.

However, the management is of the view that consistent and high economic growth which directly affects corporate results and also the demand for products/services and capital investments will eventually make India an attractive investment destination. Your Company has set up a business model which can reap the benefits of such an environment.

Opportunities & Threats

Capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market. The economic crisis in some countries in the Europe has added some volatility globally and Indian stock market has not yet decoupled from such global trends. The recent increase in inflation rate in India is a cause of concern as it can affect corporate profitability.

The percentage of retail savings that is channeled into equities and equity related products in the country are still much lower than in developed countries. Fast economic growth generating higher savings and better corporate performance is likely to provide growth opportunities for the business of your company. The close association with the large and globally reputed partner like BNP Paribas would assist us in exploring avenues for growth.

Risks and Concerns

Market conditions, in particular the performance of the equity markets, contribute substantially to the Company's growth and will impact on our ability to repeat or improve on the earnings. The high volatility being witnessed in the equity markets may have an effect on the operations of the Company.

The Capital market industry in which your Company is operating is subject to extensive regulation. However the Company has a proper and adequate system of internal control designed to ensure regulatory compliances.

Internal Control Systems

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

Human Resources

The company places significant importance to its human capital. Geojit has a very young workforce of 2,780 at the end of the year. The company believes in sharing the growth and prosperity based on performance & potential. Hence the company has been providing incentives to its employees to ensure commitment. The Company's remuneration structure includes a significant component of variable pay, which is based on performance.

The Company also granted ESOPs to its Key Employees in recognition of their performance and as a measure of retention. ESOPs were also granted to employees in long-term service with the Company and managers of the Company based on their profile and continued service to the Company.

The company has been paying special attention to improve the skill set of the employees through various training programs. All employees are encouraged and incentivised to get themselves certified in relevant industry standard certifications such as CFP, NCFM, BSEC & AMFI. Majority of the employees have obtained such certifications. We took significant effort in giving training to employees at various levels and conducted 1703 training programmes during the year, which covered 13959 participants.

It is a matter of pride for your Company that a team of our young managers won the first prize and trophy for the third year consecutively in the annual Young Managers Contest organised by the Kerala Management Association. Yet another feather in the cap was the "Manager of the Year" award bestowed on Mr.A.Balakrishnan, the Chief Technology Officer of the Company by the Kerala Management Association.

Cautionary Note

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

AUDITORS' REPORT

To the Members of

Geojit BNP Paribas Financial Services Limited

1. We have audited the attached Balance Sheet of **Geojit BNP Paribas Financial Services Limited** ("the Company") as at 31st March 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, ('CARO') issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of the Profit and Loss Account, of the profit 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.
 - (vi) On the basis of the written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants
Registration No.008072S

M. Ramachandran
Partner
(Membership No.16399)

Place: Kochi
Date : 28th May, 2010

ANNEXURE TO THE AUDITORS' REPORT

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

- i) Having regard to the nature of the Company's business, clauses (ii), (iii)(d), (iv) with regard to purchase of inventory and sale of goods, (vi), (viii), (x), (xiii), (xv), (xvi), (xviii), (xix) and (xx), of paragraph 4 of CARO are not applicable.
 - ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets have been physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
 - iii) In respect of unsecured loans 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 Rs.87,638,000/- to 3 parties during the year. At the year-end, the outstanding balances of such loans aggregated Rs.62,500,000/- (number of parties: 1) and the maximum amount involved during the year was Rs.87,638,000/- (number of parties: 3).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The principal amounts of the unsecured loans granted to 3 parties are repayable on demand and there is no repayment schedule. Interest is payable on demand.
 - (d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, there are no overdue amounts.
- In respect of unsecured loans taken by the Company from 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 taken loans aggregating to Rs.34,142,046/- from 2 parties during the year. At the year-end, the outstanding balance of such loans taken aggregated to Rs. Nil and the maximum amount involved during the year was Rs.34,142,046/- (number of parties: 2).
 - (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) In respect of the said loans, the principal and interest amounts were repayable on demand and were settled accordingly.
- iv) In our opinion, and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, 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 major weakness in such internal control system.
 - v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

- vi) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- vii) According to the information and explanations given to us in respect of statutory dues:
- The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
 - Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount Involved (Rs. in lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2004-05	14.24
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2005-06	36.83
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2006-07	25.27
Finance Act, 1994	Service Tax and Penalty	Service Tax Appellate Tribunal	01.07.03 to 30.06.04	4.48

- viii) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to a bank from which working capital facilities have been availed.
- ix) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares.
- x) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares and securities, and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- xi) In our opinion, and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- xii) 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)

Place: Kochi
Date : 28th May, 2010

BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Sch. No.	(In Rupees)	
		As at 31-03-2010	As at 31-03-2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	225,253,625	223,411,864
Employee Stock Options Outstanding	2	18,835,299	14,712,153
Reserves and Surplus	3	2,946,258,720	2,522,467,393
TOTAL		3,190,347,644	2,760,591,410
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	714,958,715	666,634,104
Less : Accumulated Depreciation		313,991,924	214,138,800
		400,966,791	452,495,304
Capital Work-in-Progress		28,259,771	3,638,383
Net Block		429,226,562	456,133,687
Investments	5	1,252,855,099	1,504,369,055
Deferred Tax Asset (Net)		7,615,000	1,666,000
Current Assets, Loans & Advances			
Sundry Debtors	6	1,091,423,344	413,734,664
Cash & Bank Balances	7	2,028,305,521	1,441,114,513
Other Current Assets	8	29,656,161	10,680,030
Loans & Advances	9	1,199,671,928	963,348,372
		4,349,056,954	2,828,877,579
Less: Current Liabilities & Provisions			
Liabilities	10	2,623,910,972	1,893,161,610
Provisions	11	224,494,999	137,293,301
		2,848,405,971	2,030,454,911
Net Current Assets		1,500,650,983	798,422,668
TOTAL		3,190,347,644	2,760,591,410
Significant Accounting Policies and Notes to Accounts	18		

Schedules 1 to 18 form an integral part of the Accounts.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

M. Ramachandran
Partner

Place: Kochi
Date: 28th May 2010

For and on behalf of the Board of Directors

A. P. Kurian
Chairman

Place: Kochi
Date: 28th May 2010

C. J. George
Managing Director

T. Jayaraj
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(In Rupees)

Particulars	Sch. No.	Year Ended 31-03-2010	Year Ended 31-03-2009
Income			
Income from Operations	12	2,617,947,436	1,406,065,233
Other Income	13	262,641,226	188,166,490
		2,880,588,662	1,594,231,723
Expenditure			
Employee Costs	14	510,931,817	430,864,623
Operating Expenses	15	1,010,348,723	486,163,773
Establishment & Other Expenses	16	426,645,802	372,128,388
Interest	17	323,753	1,118,610
Depreciation	4	115,183,550	101,322,357
		2,063,433,645	1,391,597,751
		817,155,017	202,633,972
Profit Before Tax			
Provision for Tax - Current		244,360,000	57,090,000
- Deferred (Refer Note 22 of Schedule 18)		(5,949,000)	(3,843,822)
- Fringe Benefit Tax		-	4,200,000
- Earlier Years' Income Tax		7,201,415	-
		245,612,415	57,446,178
		571,542,602	145,187,794
Net Profit			
Balance brought forward from Previous Year		549,638,076	564,667,164
		1,121,180,678	709,854,958
Profit Available for Appropriation			
Less: Appropriations:			
Transfer to General Reserve		57,200,000	30,000,000
Proposed Dividend on Equity Share Capital		168,940,219	111,705,932
Corporate Dividend Tax Thereon		28,058,859	18,151,809
Corporate Dividend Tax credit for Previous Year		(18,079,509)	-
Dividend paid on shares allotted under ESOP Schemes		338,399	359,141
		236,457,968	160,216,882
		884,722,710	549,638,076
Balance Carried to Schedule 3			
Earnings Per Share (Equity shares of face value Re. 1/- each) (Refer Note 21 of Schedule 18):			
Basic		2.55	0.68
Diluted		2.53	0.66
Significant Accounting Policies and Notes to Accounts	18		

Schedules 1 to 18 form an integral part of the Accounts.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

M. Ramachandran
Partner

Place: Kochi
Date: 28th May 2010

For and on behalf of the Board of Directors

A. P. Kurian
Chairman

Place: Kochi
Date: 28th May 2010

C. J. George
Managing Director

T. Jayaraj
Company Secretary

CASH FLOW STATEMENT

Particulars	(In Rupees)	
	2009-10	2008-09
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	817,155,017	202,633,972
Add/(Less):		
Depreciation / Amortisation	115,183,550	101,322,357
Employee stock option compensation expense amortised	4,123,146	5,426,266
Provision for doubtful debts	12,363,229	18,934,000
Interest expense	323,753	1,118,610
Loss on sale / write off of fixed assets	8,922,597	5,615,187
Dividend from long term non-trade investments	(106,720,063)	(5,284,625)
Profit on sale of Investment -BSE Shares	-	(56,182,581)
Dividend from current non-trade investments	(19,951,677)	(39,846,118)
Profit on sale of current non-trade investments	(7,803)	(7,494,983)
Interest earned on fixed deposits	(60,604,158)	(62,522,923)
Cash flow before Changes in Working Capital	770,787,591	163,719,162
Adjustments for changes in Working capital:		
(Increase)/Decrease in Debtors	(690,051,909)	214,683,029
(Increase)/Decrease in Loans & Advances	(230,312,794)	(205,843,497)
Increase/(Decrease) in Current Liabilities	730,624,848	5,576,792
Increase/(Decrease) in Provisions	(275,045)	2,597,485
Cash generated from Operations	580,772,691	180,732,971
Income tax including fringe benefit tax paid (net of refunds)	(236,404,157)	(62,390,041)
Cash flows from Operating Activities	344,368,534	118,342,930
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(73,648,337)	(228,804,357)
Sale of fixed assets	1,070,703	337,873
(Increase)/Decrease in capital advances	(24,621,388)	13,664,892
Purchase of investments	(2,471,534,421)	(3,122,676,045)
Investment in subsidiary company	(500,000)	(196,540,000)
Sale of investments	2,723,556,181	3,294,251,900
Dividend received from long term non-trade investments	106,720,063	61,467,205
Dividend received from current non-trade investments	19,951,677	39,846,118
(Increase)/Decrease in fixed deposits with banks	(237,238,860)	(138,986,290)
Interest received on fixed deposits	41,628,027	56,988,041
Cash flow from / (used) in Investing Activities	85,383,645	(220,450,663)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from preferential issue of equity shares	-	13,910,514
Share premium received on preferential issue of equity shares	-	295,737,528
Proceeds from issue of shares under ESOP incld. Share Premium	33,348,454	5,020,390
Dividend paid on equity share capital	(111,919,817)	(145,542,192)
Corporate dividend tax paid	(904,914)	(24,029,985)
Interest paid	(323,753)	(1,118,610)
Cash flow from / (used in) Financing Activities	(79,800,030)	143,977,645
Net Increase in Cash and Cash Equivalents	349,952,149	41,869,912
Opening Cash & Cash Equivalents #	927,219,416	885,349,504
Closing Cash & Cash Equivalents #	1,277,171,565	927,219,416
(Refer Note 11 of Schedule 18)		

Significant Accounting Policies and Notes to Accounts - Schedule 18

- Includes Client's balances in current accounts with banks.

Schedules 1 to 18 form an integral part of the Accounts.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

M. Ramachandran
Partner

Place: Kochi
Date: 28th May 2010

A. P. Kurian
Chairman

Place: Kochi
Date: 28th May 2010

C. J. George
Managing Director

T. Jayaraj
Company Secretary

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

Particulars	(In Rupees)	
	As at 31-03-2010	As at 31-03-2009
Schedule 1: Share Capital		
Authorised		
250,000,000 Equity Shares of Re.1/- each		
(Previous Year: 250,000,000 Equity Shares of Re.1/- each)	250,000,000	250,000,000
	250,000,000	250,000,000
Issued, Subscribed, Called-up and Paid-up		
225,253,625 Equity Shares of Re.1/- each, fully paid-up		
Includes:		
(a) 106,093,000 equity shares issued as fully paid bonus shares by capitalisation of General Reserve and Securities Premium.		
(b) 1,841,761 shares were allotted under Employee Stock Option Schemes during the year.		
(Previous year: 223,411,864 Equity Shares of Re.1/- each)	225,253,625	223,411,864
	225,253,625	223,411,864
Schedule 2: Employee Stock Options Outstanding		
Employee stock options outstanding	28,217,194	28,408,471
Less: Deferred employee compensation expense	13,505,041	
Less: Employee compensation expense amortised	(4,123,146)	(13,696,318)
(Refer Note 4 of Schedule 18)	18,835,299	14,712,153
Schedule 3: Reserves & Surplus		
Securities Premium		
As per last Balance Sheet	1,770,999,430	1,414,574,278
Add: Received on conversion of warrants during the year	-	347,762,850
Add: Received on allotment of shares under ESOP	31,506,693	8,662,302
	1,802,506,123	1,770,999,430
Capital Reserve		
As per last Balance Sheet	33,345,030	-
Add: Application money received on warrants expired	-	33,345,030
	33,345,030	33,345,030
General Reserve		
As per last Balance Sheet	168,484,857	138,484,857
Add: Transfer from Profit and Loss Account	57,200,000	30,000,000
	225,684,857	168,484,857
Profit and Loss Account		
	884,722,710	549,638,076
	2,946,258,720	2,522,467,393

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

Schedule 4: Fixed Assets

Particulars	Gross Block				Depreciation			Net Block		
	As at 1-04-2009	Additions	Deletions	As at 31-03-2010	For the Year	Deletions	Upto 31-03-2010	As at 31-03-2010	As at 31-03-2009	
Tangible Assets:										
Land	73,799,836 73,799,836	- -	- -	73,799,836 73,799,836	- -	- -	- -	- -	73,799,836 73,799,836	73,799,836 73,799,836
Buildings	348,850 348,850	- -	- -	348,850 348,850	28,650 22,964	5,686 5,686	34,336 28,650	314,514 320,200	320,200 325,886	
Improvements to leasehold premises	123,459,389 73,068,414	7,403,124 50,522,318	1,484,732 131,343	129,377,781 123,459,389	47,046,147 28,494,107	22,192,634 18,656,867	67,998,012 47,046,147	61,379,769 76,413,242	76,413,242 44,574,307	
Electrical equipments	8,540,573 5,915,823	201,390 2,659,301	148,471 34,551	8,593,492 8,540,573	4,938,709 2,112,323	420,243 2,837,978	5,311,062 4,938,709	3,282,430 3,601,864	3,601,864 3,803,500	
Office equipments	80,131,716 53,625,837	7,333,178 26,636,615	581,850 130,736	86,883,044 80,131,716	17,162,670 7,378,717	12,149,668 9,816,957	29,110,114 17,162,670	57,772,930 62,969,046	62,969,046 46,247,120	
Furniture & Fittings	47,841,799 27,869,282	10,924,072 19,987,967	4,443,883 15,450	54,321,988 47,841,799	24,455,737 13,289,686	6,826,293 11,181,494	29,934,691 24,455,737	24,387,297 23,386,062	23,386,062 14,579,596	
Computers & Accessories	227,861,135 134,780,371	17,185,887 97,765,371	6,286,029 4,684,607	238,760,993 227,861,135	77,374,032 38,675,908	53,814,127 41,873,917	126,123,435 77,374,032	112,637,558 150,487,103	150,487,103 96,104,463	
VSAT equipments	15,019,627 14,511,907	- 612,030	114,347 104,310	14,905,280 15,019,627	9,370,116 6,571,888	2,528,781 2,863,043	11,866,441 9,370,116	3,038,839 5,649,511	5,649,511 7,940,019	
Vehicles - Motor Car	7,657,606 7,107,594	1,563,900 550,012	1,636,059 -	7,585,447 7,657,606	1,988,676 917,573	1,243,591 1,071,103	2,615,203 1,988,676	4,970,244 5,668,930	5,668,930 6,190,021	
Vehicles - Cycles	40,968 79,389	- -	- 38,421	40,968 40,968	40,961 44,632	- 2,760	40,961 40,961	7 7	7 34,757	
Intangible Assets:										
Computer softwares	81,932,605 65,424,040	29,036,786 30,070,743	10,628,355 13,562,178	100,341,036 81,932,605	31,733,102 28,057,181	16,002,527 13,012,552	40,957,669 31,733,102	59,383,367 50,199,503	50,199,503 37,366,859	
Grand Total	666,634,104	73,648,337	25,323,726	714,958,715	214,138,800	115,183,550	313,991,924	400,966,791	452,495,304	
Previous Year (2008-09)	456,531,343	228,804,357	18,701,596	666,634,104	125,564,979	101,322,357	214,138,800	452,495,304	330,966,364	

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

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

Particulars	(In Rupees)	
	As at 31-03-2010	As at 31-03-2009
Schedule 5: Investments		
Long Term Investments - At cost		
In Wholly Owned Subsidiary Companies:-		
Unquoted, Non-trade		
4,000,000 (Previous Year: 4,000,000) Equity Shares of Rs.10/- each, fully paid-up, in Geojit Investment Services Limited (Includes 2,400,000 bonus shares of Rs.10/- each, fully paid-up)	16,000,000	16,000,000
160,100,000 (Previous Year: 160,050,000) Equity Shares of Rs.10/- each, fully paid-up, in Geojit Financial Management Services Private Limited (50,000 shares were purchased during the year)	160,971,000	160,471,000
In Subsidiary Company:-		
Unquoted, Non-trade		
67,197,420 (Previous Year: 67,197,420) Equity Shares of Rs.2/- each, fully paid-up, in Geojit Credits Private Limited	142,368,780	142,368,780
In Joint Ventures:-		
Unquoted, Trade		
1,500 (Previous Year: 1,500) Equity Shares of Arab Emirates Dirham (AED) 1,000 each in Barjeel Geojit Securities LLC, United Arab Emirates	19,138,560	19,138,560
11,200,000 (Previous Year: 11,200,000) Equity Shares of Saudi Riyal (SR) 10/- each in Aloula Geojit Brokerage Company, Saudi Arabia	301,990,457	301,990,457
In Others:-		
Unquoted, Non-trade		
400 (Previous Year: 400) 'C' class shares of Rs.500/- each in Muvattupuzha Co-operative Super Speciality Hospital Limited	200,000	200,000
11,401 (Previous Year: 11,401) Equity Shares of Re.1/- each, fully paid-up, in Bombay Stock Exchange Ltd.	877	877
100 (Previous Year: 100) Equity Shares of Rs.10/- each, fully paid-up, in Cochin Stock Exchange Ltd.	1,000	1,000
	640,670,674	640,170,674
Current Investments - At lower of cost and net asset/ fair value		
Unquoted, Non-trade		
In Mutual Funds & Government Securities (Refer Note 6 of Schedule 18)	612,184,425	864,198,381
	1,252,855,099	1,504,369,055
Aggregate cost of unquoted investments	1,252,855,099	1,504,369,055
Aggregate net asset / market value of mutual fund investments	612,202,727	864,203,193
Schedule 6: Sundry Debtors - Unsecured, unless stated otherwise		
Considered Good (Refer Note 7(a) of Schedule 18)		
Client balances outstanding for a period exceeding six months (Secured)	96,477,660	15,889,585
Other Client balances	647,964,734	358,798,789
Client balances - Margin Funding Loan Receivable (Secured)	185,142,582	30,904,533
Dues from Stock Exchanges	161,838,368	8,141,757
	1,091,423,344	413,734,664
Considered Doubtful		
Client balances outstanding for a period exceeding six months	60,546,640	56,530,870
Other Client balances	6,059,291	9,028,591
	66,605,931	65,559,461
Less: Provision for doubtful debts (Refer Note 7(b) of Schedule 18)	66,605,931	65,559,461
	-	-
	1,091,423,344	413,734,664

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

Particulars	(In Rupees)	
	As at 31-03-2010	As at 31-03-2009
Schedule 7: Cash & Bank Balances		
Cash in hand	679,990	330,153
Balances with Scheduled Banks:		
- in Current Accounts	71,257,704	50,113,819
- in Current Accounts - Clients	1,202,501,010	874,167,098
- in Current Accounts - Unclaimed Dividend	2,732,861	2,608,347
- in Fixed Deposit Accounts #	751,133,956	513,895,096
(# - Fixed deposits worth Rs. 516,831,074/- (Previous Year: Rs. 200,185,861/-) are pledged with banks as security margin for (a) guarantees issued by them in favour of Stock Exchanges and (b) working capital facility provided by a bank.)		
	2,028,305,521	1,441,114,513
Schedule 8: Other Current Assets		
Interest accrued on fixed deposits	29,656,161	10,680,030
	29,656,161	10,680,030
Schedule 9: Loans & Advances - Unsecured and Considered Good, unless otherwise stated		
Advances recoverable in cash or in kind or for value to be received	27,981,065	32,889,342
Loan to a Subsidiary Company	62,500,000	-
Advance to employees	446,465	505,142
Advance income tax (Net of provision)	-	3,096,204
Income tax paid under protest, pending in appeal	22,813,214	13,706,248
	113,740,744	50,196,936
Deposits & Margins with Stock Exchanges	1,004,630,211	835,296,163
Deposits with Government Authorities	2,697,021	2,199,645
Other deposits	78,603,952	75,655,628
	1,085,931,184	913,151,436
	1,199,671,928	963,348,372

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

Particulars	(In Rupees)	
	As at 31-03-2010	As at 31-03-2009
Schedule 10: Current Liabilities		
Sundry Creditors (Refer Note 8 & 9 of Schedule 18)		
- Micro and Small Enterprises	-	-
- Clients	2,308,757,886	1,680,283,981
- Stock exchanges	1,467,937	20,588,111
- Others	267,963,583	145,745,006
Security deposit from Business Associates	15,378,808	15,988,252
Statutory liabilities	22,400,802	22,377,500
Investor Education & Protection Fund shall be credited by:		
- Unpaid dividend (Refer Note 10 of Schedule 18)	2,732,861	2,608,347
Other liabilities	5,209,095	5,558,313
Overdrawn Scheduled Bank Current Accounts	-	12,100
	2,623,910,972	1,893,161,610
Schedule 11: Provisions		
Employee benefits (Refer Note 19(III) of Schedule 18)	6,149,649	6,402,694
Income tax (Net of advance tax)	21,302,124	-
Fringe benefit tax (Net of advance tax)	24,448	158,552
Wealth tax	19,700	41,700
Proposed dividend on:		
- Equity share capital	168,940,219	111,705,932
- Corporate dividend tax	28,058,859	18,984,423
	224,494,999	137,293,301

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

(In Rupees)

Particulars	Year Ended 31-03-2010	Year Ended 31-03-2009
Schedule 12: Income from Operations		
Brokerage	2,319,804,510	1,213,418,285
Depository services	100,659,390	74,474,335
Financial products distribution	41,118,900	35,027,573
Portfolio management services	14,983,601	10,894,561
Interest from margin funding business	22,228,753	13,526,441
Overdue fees collected from Clients	101,107,245	51,753,477
Brokerage - Real estate business	266,564	-
Miscellaneous income	17,778,473	6,970,561
	2,617,947,436	1,406,065,233
Schedule 13: Other Income		
Income from long-term, non-trade investments (Includes dividend from subsidiary company: Rs.106,719,742/- (Previous Year: Rs.5,258,315/-))	106,720,063	5,284,625
Income from long-term, trade investment	-	56,182,581
Interest earned on fixed deposits (Gross) (Tax Deducted at Source: Rs.6,973,776/- (Previous Year: Rs13,524,204/-))	60,604,158	62,522,923
Dividend on current, non-trade investments	19,951,677	39,846,118
Profit on sale of current non-trade investments	7,803	7,494,983
Cost recovery for shared services	28,666,660	5,624,165
Royalty	11,128,899	3,394,481
Infrastructure usage fees	29,537,915	-
Miscellaneous income	6,024,051	7,816,614
	262,641,226	188,166,490

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

(In Rupees)

Particulars	Year Ended 31-03-2010	Year Ended 31-03-2009
Schedule 14: Employee Costs		
Salaries, Allowances & Bonus (Refer Note 12 & 14 of Schedule 18)	472,782,591	390,995,580
Contribution to Provident & Other funds	11,278,066	14,666,104
Staff welfare expenses	26,871,160	25,202,939
	510,931,817	430,864,623
Schedule 15: Operating Expenses		
Business associates' commission (Equity)	722,906,532	221,459,396
Marketing fees	126,516,000	55,637,904
Marketing incentive	18,260,891	29,345,501
Business associates' commission (Distribution)	2,742,049	4,816,173
Connectivity charges	75,447,229	72,910,377
Depository expenses	17,270,608	10,670,255
Research expenses	9,864,001	57,191,999
Postage charges - Contract Note	14,198,140	10,983,589
Loss on sale of stock-in-error	5,390,000	4,617,973
Transaction charges	124,797	834,931
Insurance - NSE, BSE & NSDL	1,623,008	1,872,255
SEBI Registration fees	60,000	1,638,283
Registration & Renewal fees	1,264,861	3,901,030
Miscellaneous expenses	14,680,607	10,284,107
	1,010,348,723	486,163,773

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

(In Rupees)

Particulars	Year Ended 31-03-2010	Year Ended 31-03-2009
Schedule 16: Establishment & Other Expenses		
Rent	113,858,991	99,023,840
Advertisement	48,642,440	42,731,708
Telephone expenses	40,537,027	36,864,353
Postage	17,374,463	18,407,951
Electricity charges	35,740,442	27,852,679
Software charges	17,214,277	14,713,808
Repairs & Maintenance:		
- Leasehold Building	4,178,554	2,510,954
- Others	31,928,945	20,962,035
Printing & Stationery	17,005,923	14,924,362
Travel & Conveyance - Directors	1,427,337	1,893,415
- Others	13,979,984	13,677,283
Legal & Professional fees (Refer Note 15 of Schedule 18)	16,171,737	15,415,050
Office expenses	10,001,932	7,320,392
Provision for doubtful debts (Net of write backs) (Refer Note 7(b) of Schedule 18)	12,363,229	18,934,000
Bad debts	37,974	968,274
Business promotion expenses	11,644,988	6,349,973
Bank guarantee commission	4,603,684	8,445,288
Meetings & Seminars	4,567,037	1,387,051
Rates & Taxes	4,689,084	3,822,542
Subscriptions	3,958,513	3,391,271
Bank charges	506,822	400,996
Loss on sale / write off of fixed assets	8,922,597	5,615,187
Insurance - others	1,409,785	1,463,068
Sitting fees to Directors	525,429	445,000
Charity	2,640,350	173,750
Listing fees	110,750	102,435
Registrar & Transfer expenses	162,243	856,510
Consultancy fee	556,000	276,000
Miscellaneous expenses	1,885,265	3,199,213
	426,645,802	372,128,388
Schedule 17: Interest		
On loans from subsidiaries	43,519	117,371
On temporary overdrafts	280,234	1,001,239
	323,753	1,118,610

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

Schedule 18: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. Significant Accounting Policies

Accounting Convention

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

Use of Estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

Fixed Assets and Depreciation

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

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

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

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

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

Intangible Assets and Amortisation

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

Investments

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

Income

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

and when the right to receive the income is established. Interest income from margin funding business is recognised on loans given to clients on time proportion basis. Other interest incomes are recognised on time proportion basis. Dividend income is recognised when the right to receive the income is established.

Employee Benefits

Post-employment Benefit Plans

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

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

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

Short-term employee benefits

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

Long-term employee benefits

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

Leases

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

Taxes on Income

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

Fringe benefit tax is determined on the fringe benefit values as per the provisions of the Income Tax Act, 1961.

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

Impairment of Assets

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

Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognized, in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' notified by the Companies (Accounting Standards) Rules, 2006, when there is a present obligation as a result

of a past event, and it is probable that an outflow of resources will be required to settle the obligation, which can be reliably estimated. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

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

Contingent Assets are not recognised in the financial statements.

Employee Stock Option

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

B. Notes on Accounts

1. Contingent Liability:

Particulars	As at 31.03.2010(Rs.)	As at 31.03.2009(Rs.)
Claims against the Company not acknowledged as debts:		
Legal suits filed against the Company / Matters under Arbitration	28,216,882	19,002,192
Income tax demands, pending in appeal	18,340,301	18,813,214
Service tax demands, pending in appeal	448,298	448,298

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): Rs.260,981,090/- (Previous Year: Rs.3,954,773/-).

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

Particulars	Amount (Rs.)
Amount pending utilisation as on 1st April 2009	441,097,787
Less: Utilisation during the year:	
For Business Expansion	101,715,424
For Investment in Subsidiaries	500,000
Balance pending utilization as on 31st March 2010	338,882,363
Amount pending utilization as on 31st March 2010 has been invested as follows:	
In Mutual Funds	338,882,363

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

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

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

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

The Company has adopted intrinsic value method for accounting employee share based compensation cost. Under the intrinsic value method, the difference between market price of the share on the grant date or as near thereto and exercise price is considered as intrinsic value of options and amortised on straight-line basis over the vesting period as employee share based compensation cost.

The intrinsic value of 6,989,400 options granted by the Company (i.e., the difference between market price on date of grant and exercise price), to be amortised on straight-line basis over the vesting period of four years net of actual forfeiture upto the balance sheet date is Rs.11,027,018/- (Previous Year: Rs. 11,195,621/-) and the proportionate amount amortised during the year is Rs.809,050/- (Previous Year: Rs. 2,091,469/-). The additional charge to Profit and Loss Account, had the Company followed Fair Value Method of accounting for ESOP compensation cost, is Rs.6,549,205/- (Previous Year: Rs.16,847,469/-).

Further disclosures on ESOP-2005 are given below:

(i) Grantee-wise details of ESOPs granted:

Class of Grantees	Directors	Managers and Above	Other Employees
Date of grant	07.03.2006	07.03.2006	07.03.2006
Number of options granted	300,000	3,879,400	2,810,000
Contractual life:			
30% of 6,989,400	2 years	2 years	2 years
30% of 6,989,400	3 years	3 years	3 years
40% of 6,989,400	4 years	4 years	4 years
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

(ii) Movement in ESOPs granted:

Class of Grantees	Directors		Managers and Above		Other Employees	
	No. of Options	Weighted Avg. Exercise Price (Rs.)	No. of Options	Weighted Avg. Exercise Price (Rs.)	No. of Options	Weighted Avg. Exercise Price (Rs.)
No. of options outstanding at year beginning	204,000	18.86	2,878,050	17.75	2,176,190	17.94
No. of options granted	-	-	-	-	-	-
No. of options forfeited	42,000	18.86	37,280	17.75	61,800	17.94
No. of options exercised	102,000	18.86	875,980	17.75	815,790	17.94
No. of options outstanding at year end	60,000	18.86	1,964,790	17.75	1,298,600	17.94
No. of options exercisable at year end	60,000	18.86	1,964,790	17.75	1,298,600	17.94

The estimated fair values of each stock option are as follows:

Class of Grantees	Weighted Average Fair Values (Rs.)
Directors	17.23
Managers and Above	17.27
Other Employees	17.30

The fair values were calculated using Black-Scholes Options Pricing Model. The model inputs were the share price at grant date of Rs.19.86, weighted average exercise price as per above, volatility in the market price (of the Company's share over the one year prior to the date of grant) of 199% (computed with reference to the one year high and low of the market price), dividend yield of 1.76%, contractual life of two to four years, as the case may be, and a risk-free interest rate of 7%. It is assumed that employees would exercise the options immediately on vesting. The historical volatility, including the early years of the Company's life, is higher than the volatility of 199% considered above and the Company expects the volatility of its share price to reduce as it matures.

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

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

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

The exercise period commences from the date of vesting and will expire not later than 5 years from the date of grant, viz., 09th December 2012. The exercise price in the case of employees and directors has been computed by giving discounts, based on the grade of the employees and of fixed amount respectively, to the market price on the date prior to grant date.

The Company has adopted intrinsic value method for accounting employee share based compensation cost. Under the intrinsic value method, the difference between market price of the share on the grant date or as near thereto and exercise price is considered as intrinsic value of options and amortised on straight-line basis over the vesting period as employee share based compensation cost.

The intrinsic value of 950,500 options granted by the Company (i.e., the difference between market price on date of grant and exercise price), to be amortised on straight-line basis over the vesting period of four years net of expected forfeiture @ 20% per annum (Previous Year: 20% per annum), is Rs.565,176/- (Previous Year: Rs.587,850/-) and the proportionate amount amortised during the year is Rs.157,325/- (Previous Year: Rs.178,027/-). The additional charge to Profit and Loss Account, had the Company followed Fair Value Method of accounting for ESOP compensation cost, is Rs.9,399,002/- (Previous Year: Rs.7,146,277/-).

Further disclosures on ESOP-2005 (Reissue-1) are given below:

(i) Grantee-wise details of ESOPs granted:

Class of Grantees	Director	Sr. Managers and Above	Managers & Below
Date of grant	10.12.2007	10.12.2007	10.12.2007
Number of options granted	60,000	74,971	815,529
Contractual life:			
30% of 950,500	2 years	2 years	2 years
30% of 950,500	3 years	3 years	3 years
40% of 950,500	4 years	4 years	4 years
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

(ii) Movement in ESOPs granted:

Class of Grantees	Directors		Sr. Managers and Above		Managers & Below	
	No. of Options	Weighted Avg. Exercise Price (Rs.)	No. of Options	Weighted Avg. Exercise Price (Rs.)	No. of Options	Weighted Avg. Exercise Price (Rs.)
No. of options outstanding at year beginning	60,000	66.05	34,560	65.55	564,981	65.30
No. of options granted	-	-	-	-	-	-
No. of options forfeited	-	-	-	65.55	96,824	65.30
No. of options exercised	18,000	66.05	4,604	65.55	43,387	65.30
No. of options outstanding at year end	42,000	66.05	29,956	65.55	424,770	65.30
No. of options exercisable at year end	-	-	5,761	65.55	98,785	65.30

The estimated fair values of each stock option are as follows:

Class of Grantees	Weighted Average Fair Values (Rs.)
Directors	56.56
Sr. Managers and above	56.60
Managers and below	56.61

The fair values were calculated using Black-Scholes Options Pricing Model. The model inputs were the share price at grant date of Rs.66.55, weighted average exercise price as per (b) above, volatility in the market price (of the Company's share over the one year prior to the date of grant) of 170% (computed with reference to the one year high and low of the market price), dividend yield of 0.60%, contractual life of two to four years, as the case may be, and a risk-free interest rate of 7%. It is assumed that employees would exercise the options immediately on vesting. The historical volatility, including the early years of the Company's life, is higher than the volatility of 170% considered above and the Company expects the volatility of its share price to reduce as it matures.

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

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

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

The exercise period commences from the date of vesting and will expire not later than 8 years from the date of grant, viz., 09th December 2015. The exercise price is at 10% discount to the market price on the date prior to grant date.

The Company has adopted intrinsic value method for accounting employee share based compensation cost. Under the intrinsic value method, the difference between market price of the share on the grant date or as near thereto and exercise price is considered as intrinsic value of options and amortised on straight-line basis over the vesting period as employee share based compensation cost.

The intrinsic value of 2,500,000 options granted by the Company (i.e., the difference between market price on date of grant and exercise price), to be amortised on straight-line basis over the vesting period of seven years net of expected forfeiture of zero % per annum, is Rs.16,625,000/- (Previous Year: Rs.16,625,000/-) and the proportionate amount amortised during the year is Rs.3,156,771/- (Previous Year: Rs.3,156,771/-). The additional charge to Profit and Loss Account, had the Company followed Fair Value Method of accounting for ESOP compensation cost, is Rs.26,024,486/- (Previous Year: Rs.26,024,486/-).

Further disclosures on ESOP-2007 for Key Employees are given below:

(i) Grantee-wise details of ESOPs granted:

Class of Grantees	Senior Management
Date of grant	10.12.2007
Number of options granted	2,500,000
Contractual life:	
25% of 2,500,000	4 years
25% of 2,500,000	5 years
25% of 2,500,000	6 years
25% of 2,500,000	7 years
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

(ii) Movement in ESOPs granted:

Particulars	No. of Options	Weighted Avg. Exercise Price (Rs.)
No. of options outstanding at year beginning	2,500,000	59.90
No. of options granted	-	-
No. of options forfeited	-	-
No. of options exercised	-	-
No. of options outstanding at year end	2,500,000	59.90
No. of options exercisable at year end	-	-

The estimated weighted average fair value of each stock option is Rs.61.67. The fair value was calculated using Black-Scholes Options Pricing Model. The model inputs were the share price at grant date of Rs.66.55, weighted average exercise price as above, volatility in the market price of the Company's share over the one year prior to the date of grant of 170% (computed with reference to the one year high and low of the market price), dividend yield of 0.60%, contractual life of 4 to 7 years, as the case may be, and a risk-free interest rate of 7%. It is assumed that employees would exercise the options immediately on vesting. The historical volatility, including the early years of the Company's life, is higher than the volatility of 170% considered above and the Company expects the volatility of its share price to reduce as it matures.

The impact on Basic and Diluted Earnings Per Share for the year, had the Company followed Fair Value Method of accounting for ESOP compensation cost, is Rs.(0.19) and Rs.(0.19) respectively (Previous Year: Rs.(0.24) and Rs. (0.23) respectively).

5. The Company has contracted fund based and non-fund based (viz. bank guarantee) working capital facilities of Rs.300,000,000/- (Previous Year: Rs.50,000,000/-) and Rs.510,000,000/- (Previous Year: Rs.575,000,000/-) respectively from a bank, which are secured by a charge on the current assets of the Company, both present and future, and counter guarantee of the Company. The balance outstanding in the fund based and non-fund based working capital facilities are Rs. Nil (Previous Year: Rs. Nil) and Rs.487,575,000/- (Previous Year: Rs.390,000,000/-) respectively at the balance sheet date.

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

Security	No. of units as on 31.03.2010	Book Value as on 31.03.2010 Rs.	No. of units as on 31.03.2009	Book Value as on 31.03.2009 Rs.
In Government Securities:				
10.71% Government of India Securities – 2016	30	3,000	30	3,000
Total		3,000		3,000
In Mutual Funds:				
Canara Robeco MF - Liquid Plus Super Institutional Daily Dividend (334 units were reinvested during the year and 44,124 units were sold during the year)	-	-	43,790	543,310
SBI MF - Ultra Short Term Fund (38,343 units were reinvested during the year)	1,038,637	10,391,575	1,000,294	10,007,937
SBI MF - SHF Liquid Plus Institutional Plan Daily Dividend (106,783 units were reinvested and 15,256,166 units were sold during the year)	-	-	15,149,383	151,569,579
HSBC MF - Liquid Plus Institutional Plan Daily Dividend (42,555 units were reinvested and 11,910,428 units were sold during the year)	-	-	11,867,873	119,271,442
LIC MF - Liquid Plus Plan (109,348,275 units were purchased and 780,703 units were reinvested and 103,760,000 units were sold during the year)	13,315,471	133,154,695	6,946,493	69,464,922
Birla Sunlife MF - Savings Fund Institutional Plan Daily Dividend (20,416,117 units were purchased, 251,641 units were reinvested and 37,276,676 units were sold during the year)	6,563,474	65,679,364	23,172,392	231,881,493
ICICI Prudential MF - Flexible Income Plan (193,428 units were reinvested and 22,405,493 units were sold during the year)	-	-	22,212,065	234,859,269
HDFC Cash Management Fund Savings Plus Plan Dividend Reinvestment (22,010,666 units were purchased, 202,195 units were reinvested and 13,566,640 units were sold during the year)	13,291,332	133,332,002	4,645,111	46,597,430
Reliance Money Manager Fund (5,35,891 units were purchase, 2,346 units were reinvested and 438,047 units were sold during the year)	100,190	100,303,853	-	-
Sundaram BNP Paribas Ultra Short Term Fund (15,592,308 units were purchased, 39,947 units were reinvested and 15,632,255 units were sold during the year)	-	-	-	-
UTI Treasury Advantage Fund (119,974 units were purchased, 448 units were reinvested and 41,591 units were sold during the year)	78,831	78,848,459	-	-
IDFC Money Manager Fund (11,998,200 units were purchased, 47,141 units were reinvested and 2,999,550 units were sold during the year)	9,045,791	90,471,477	-	-
Total		612,181,425		864,195,382
Grand Total		612,184,425		864,198,382

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

(Number of units)

Security	As on 31.03.2009	Purchased during the year (Incl. dividend reinvested)	Sold during the year	As on 31.03.2010
Sundaram BNP Paribas Ultra Short Term Fund	-	15,632,255	15,632,255	-

7. (a) Sundry Debtors include following dues from firms/companies in which directors are interested:

(In Rupees)

Particulars	As at 31.03.2010	Maximum Amount Outstanding	As at 31.03.2009	Maximum Amount Outstanding
Inventurus Knowledge Solutions Pvt. Ltd.	2,941,993	19,394,143	-	-
Rare Enterprises	2,309,268	8,952,805	-	-
JP Morgan Asset Management India Pvt. Ltd.	29,919	58,343	-	-

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

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Opening Balance	65,559,461	51,460,341
Add: Provision made during the year	12,363,229	18,934,000
Less: Bad debts written off against provision during the year	11,316,759	4,834,880
Closing Balance	66,605,931	65,559,461

8. Sundry Creditors – Others include:

Particulars	31.03.2010 (Rs.)	31.03.2009 (Rs.)
Amount payable to Managing Director	1,320,401	2,349,644
Maximum amount payable to Managing Director at any time during the year	3,483,401	6,682,985

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

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

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

10. The amount of unclaimed dividends lying in separate bank accounts as at the balance sheet date is Rs.2,732,861/- (Previous Year: Rs.2,608,347/-). There is no amount due and outstanding as at the balance sheet date to be credited to the Investor Education and Protection Fund.

11. Notes on Cash Flow Statement:

- The Cash Flow Statement has been prepared using the indirect method specified in Accounting Standard – 3 “Cash Flow Statements”.
- Cash and cash equivalents at the balance sheet date include unclaimed dividends lying in separate bank accounts amounting to Rs. 2,732,861/- (Previous year : Rs. 2,608,347/-), not available for use by the Company.
- The closing cash and cash equivalents excludes fixed deposits amounting to Rs.751,133,956/- (Previous Year: Rs.513,895,096/-), which is considered as part of investing activity by the Company.

12. Remuneration to Managing Director:

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Salaries & Allowances	3,139,333	2,631,000
Perquisites	156,401	163,943
Commission	10,894,000	2,414,000
Total	14,189,734	5,208,943

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

13. Payments to other directors:

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Sitting fees	525,429	445,000

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

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Profit before tax	817,155,017	202,633,972
Add: Managerial remuneration (Refer Note 12)	14,189,734	5,208,943
Sitting fees to directors	565,429	445,000
Provision for doubtful debts/advances	12,363,229	18,934,000
Less: Bad debts/advances written off against provision	(11,316,759)	(4,834,880)
Dividend from long-term investments	(106,720,063)	(61,467,205)
Net Profit	726,236,587	160,919,830
Maximum remuneration payable to Managing Director – 5% of the net profit	36,311,830	8,045,992
Commission payable @ 1.5% of Net Profit	10,894,000	2,414,000

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

15. Legal and professional fees include:

- Remuneration to Statutory Auditors (excluding service tax):

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
For Statutory Audit	1,000,000	1,000,000
For Tax Audit	125,000	125,000
For Certifications	42,500	35,000
For Quarterly Limited Reviews	300,000	300,000
For Transfer Pricing Certification	125,750	-
Out-of-pocket Expenses	29,498	36,016
Total	1,622,748	1,496,016

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

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
For Audit	3,969,959	3,900,625
Out-of-pocket Expenses	764,286	432,023
Total	4,734,245	4,323,648

16. Expenditure in Foreign Currency:

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Foreign Travel	214,376	9,487
Software Charges	363,084	255,778
Annual Maintenance Charges	857,328	1,046,759
Website Charges	1,143,611	1,403,276
Professional Charges	306,203	1,746,096
Meetings & Seminars	108,150	-
Sitting Fees	130,429	-
Total	3,123,181	4,461,396

17. Earnings in Foreign Currency:

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Dividend	Nil	56,182,581

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

(In Rupees)

Particulars	As at 31.03.2010	Maximum Amount Outstanding	As at 31.03.2009	Maximum Amount Outstanding
Geojit Credits Private Limited	62,500,000	72,500,000	-	-
Geojit Investment Services Ltd.	-	15,000,000	-	-
Geojit Technologies Private Ltd.	-	3,364,042	-	-
Geojit Financial Management Services Pvt. Ltd.	-	-	100,000	100,000

19. Employee Benefits:

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

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

During the year, the Company has recognised the employer's contribution to Employees Provident Fund Organisation amounting to Rs.3,573,049/- (Previous Year: Rs.3,827,962/-) in the Profit and Loss Account, included under the head Contribution to Provident & Other Funds in Schedule 14 – Employee Costs.

II. **State Plans:**

(a) Employer's contribution to Employees' State Insurance Scheme.

(b) Employer's contribution to Employees' Pension Scheme, 1995.

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

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Employer's contribution to Employees' State Insurance Scheme	5,232,361	5,906,209
Employer's contribution to Employees' Pension Scheme, 1995	6,631,081	7,168,424

III. Defined Benefit Plan – Gratuity:

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

In accordance with Accounting Standard 15, actuarial valuation was done using the following assumptions:

Particulars	2009-10	2008-09
Discount Rate (per annum)	7.45%	6.80%
Rate of increase in compensation levels (per annum)	5%	5%
Expected return on plan assets (per annum)	8%	8%
Expected average remaining working lives of employees (years)	5.44	5.70

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

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

(In Rupees)

Particulars	2009-10	2008-09
(A) Change in Present Value (PV) of obligation:		
Opening PV of Obligation	10,688,396	7,534,519
Current service cost	2,302,433	1,942,660
Interest cost	834,037	692,568
Actuarial (gain) / loss on obligation	(1,723,622)	768,558
Benefits paid	(248,557)	(249,909)
Past service cost	–	–
Closing PV of Obligation	11,852,687	10,688,396
(B) Change in the Fair Value (FV) Plan Asset:		
Opening FV of Plan Asset	7,714,870	5,823,111
Expected return on Plan Assets	759,143	467,503
Actuarial gain / (loss)	(49,169)	135,108
Contributions by the employer	3,165,060	1,539,057
Benefits paid	(248,557)	(249,909)
Closing FV of Plan Assets	11,341,347	7,714,870
(C) Reconciliation of Present Value (PV) of Obligation and Fair Value (FV) of Assets:		
Closing PV of Obligation	11,852,687	10,688,396
Closing FV of Plan Assets	11,341,347	7,714,870
Funded Status [Surplus/(Deficit)] *	(511,340)	(2,973,526)
* - Included under the head “Employee Benefits” in Schedule 11 – Provisions		

(D) Amounts recognised in Profit and Loss Account:		
Current service cost	2,302,433	1,942,660
Interest cost	834,037	692,568
Expected return on Plan Assets	(759,143)	(467,503)
Actuarial (gains)/losses	(1,674,453)	633,450
Past service cost	–	–
Net amount recognised in Profit and Loss Account *	702,874	2,801,175
* - Included in “Contribution to Provident & Other Funds” in Schedule 14 – Employee Costs		
(E) Constitution of Plan Assets:		
Equity instruments	–	–
Debt instruments	–	–
Property	–	–
Insurer managed asset *	11,341,347	7,714,870
* - The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the aforesaid information.		

20. Related Party Disclosures:

A) Related Party Disclosures as per Accounting Standard - 18:

I) Nature of Relationships and Name of Related Parties:

Nature of Relationship	Name of Related Party
Subsidiary Companies	<ul style="list-style-type: none"> Geojit Investment Services Limited Geojit Financial Management Services Pvt. Ltd. Geojit Technologies Private Limited Geojit Financial Distribution Pvt. Ltd. Sigma Systems International FZ LLC Geojit Credits Private Ltd. (Partly owned)
Joint Ventures	<ul style="list-style-type: none"> Barjeel Geojit Securities LLC, United Arab Emirates Aloula Geojit Brokerage Company, Saudi Arabia BNP Paribas Securities India Private Limited
Key Management Personnel	<ul style="list-style-type: none"> Mr. C.J. George, Managing Director
Relatives of Key Management Personnel	<ul style="list-style-type: none"> Ms. Shiny George, Wife of Mr. C.J. George
Entity having substantial interest in the Company	<ul style="list-style-type: none"> BNP Paribas S.A.
Entity over which Relative of Key Management Personnel has control	<ul style="list-style-type: none"> Geojit Comtrade Limited

Note: As identified by the Management and relied upon by the Auditors.

II) Transactions with related parties during the year and balance outstanding at the end of the year:

(In Rupees)

Nature of transaction	Subsidiary Companies		Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Entity having substantial interest in the Company		Entity over which relative of KMP has control	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Marketing fees paid	-	-	126,516,000	55,637,904	-	-	-	-	-	-	-	-
Research fees paid	-	-	-	49,630,000	-	-	-	-	-	-	-	-
Commission paid	-	-	352,533,827	30,196,000	-	-	-	-	-	-	-	-
Software services availed	13,458,580	11,540,050	-	-	-	-	-	-	-	-	-	-
Software purchased	25,321,918	6,802,700	-	-	-	-	-	-	-	-	-	-
Sale of asset	-	48,700	-	-	-	-	-	-	-	-	-	-
AMC paid	1,729,500	-	-	-	-	-	-	-	-	-	-	-
Bank Charges Paid	-	-	-	-	-	-	-	-	10,027	-	-	-
Purchase of investments	500,000	160,000,000	-	-	-	-	-	-	-	-	-	-
Salary and benefits	-	-	-	-	14,189,734	5,208,943	-	-	-	-	-	-
Dividend paid	-	-	-	-	20,303,380	28,424,732	2,500,000	3,500,000	38,344,480	39,763,409	-	-
Dividend received	106,719,742	5,258,315	-	56,182,581	-	-	-	-	-	-	-	-
Fixed deposits placed	-	-	-	-	-	-	-	-	-	290,256,124	-	-
Fixed deposits redeemed	-	-	-	-	-	-	-	-	-	290,256,124	-	-
Interest received on fixed deposit	-	-	-	-	-	-	-	-	-	322,575	-	-
Loan availed	34,142,046	27,000,000	-	-	-	-	-	-	-	-	-	-
Loan repaid	34,142,046	27,000,000	-	-	-	-	-	-	-	-	-	-
Loan given	87,638,000	50,000,000	-	-	-	-	-	-	-	-	-	-
Loan recovered	25,138,000	50,000,000	-	-	-	-	-	-	-	-	-	-
Interest received	253,604	395,274	-	-	-	-	-	-	-	-	-	-
Interest paid	43,519	117,371	-	-	-	-	-	-	-	-	-	-
Asset Usage Charges recovered	-	-	736,478	2,905,993	-	-	-	-	-	-	-	-
Expenses recovered	980,870	26,352,897	8,468,901	5,046,821	-	-	-	-	-	-	952,495	-
Expenses reimbursed	1,571,573	2,506,852	142,325	147,510	-	-	-	-	-	-	155,374	-
Rent Received	-	-	-	-	-	-	-	-	-	-	1,050,354	-
Cost recovery for shared services	1,224,000	-	6,994,391	-	-	-	-	-	-	-	20,597,163	5,624,165
Royalty	-	-	-	-	-	-	-	-	-	-	11,128,899	3,394,481
Debtors / Receivable	625,000,000	100,000	580,120	468,633	-	-	-	-	33,697,383	-	5,562,100	9,018,646
Creditors / Payable	-	-	128,808,907	51,477,885	-	2,349,644	-	-	-	-	-	-

Note: No amounts pertaining to related parties were written off or written back during the year.

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

(In Rupees)

Particulars	As at 31.03.2010	As at 31.03.2009	Maximum amount outstanding during the year	
			2009-10	2008-09
Loans and Advances to Subsidiaries:				
Geojit Investment Services Limited	–	–	15,000,000	–
Geojit Credits Private Limited	62,500,000	–	72,500,000	50,000,000
Geojit Technologies Private Limited	–	–	138,000	–
Loans and advances in the nature of loans where there is:				
(i) no repayment schedule:				
Geojit Investment Services Limited	–	–	15,000,000	–
Geojit Credits Private Limited	62,500,000	–	72,500,000	50,000,000
Geojit Technologies Private Limited	–	–	138,000	–
(ii) no interest or interest below Section 372A of the Companies Act, 1956.	–	–	–	–
Loans and advances to companies/firms in which directors are interested	–	–	–	–
Investments by the loanee in the shares of the Company when there is an existing loan	–	–	–	–

21. Earnings per share is computed as follows:

Particulars	2009-10	2008-09
Net profit after tax – In Rs.	571,542,602	145,187,794
Profit attributable to Equity Shareholders – In Rs. (A)	571,542,602	145,187,794
Total number of equity shares outstanding at balance sheet date	225,253,625	223,411,864
Weighted average number of equity shares outstanding, considered for the purpose of computing Basic EPS (B)	224,198,856	212,040,748
Add: Number of dilutive potential equity shares to be issued under Employee Stock Option Plans (Previous Year: Number of potential equity shares to be issued under Employee Stock Option Plans and on conversion of warrants issued to BNP Paribas S.A. on preferential basis)	1,792,747	8,422,248
Weighted average number of equity shares outstanding, considered for the purpose of computing Diluted EPS (C)	225,991,603	220,462,996
Basic Earnings Per Share – In Rs. (A/B)	2.55	0.68
Diluted Earnings Per Share – In Rs. (A/C)	2.53	0.66
Nominal value of Equity Shares – In Re.	1.00	1.00

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

(In Rupees)

Particulars	As at 31.03.2009	For the Year	As at 31.03.2010
Liability Items:			
Depreciation	22,284,000	(6,961,000)	15,323,000
Asset Items:			
Provision for doubtful debts	(22,284,000)	21,471,000	(813,000)
Provision for employee benefits	(1,666,000)	(20,459,000)	(22,125,000)
Deferred Tax Liability/(Asset) (Net)	(1,666,000)	(5,949,000)	(7,615,000)

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

Name	Country of Incorporation	Percentage of ownership interest	
		31.03.2010	31.03.2009
Barjeel Geojit Securities LLC (Barjeel)	United Arab Emirates	30%	30%
Aloula Geojit Brokerage Company (Aloula)	Saudi Arabia	28%	28%
BNP Paribas Securities India Private Limited (BNPPSI)	India	50%	50%

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

(In Rupees)

Particulars	2009-10			2008-09		
	Barjeel	Aloula	BNPPSI	Barjeel	Aloula	BNPPSI
ASSETS						
Fixed & Intangible Assets (Net Block)	2,335,399	21,344,856	30,727,353	4,529,897	31,525,161	37,275,362
Investments	–	71,184	–	–	–	–
Current Assets, Loans & Advances:						
Sundry Debtors	42,656,407	363,744	21,781,685	1,994,854	480,054	16,750,707
Cash & Bank	29,721,385	234,435,000	4,250	33,901,781	314,023,941	10,184
Loans & Advances	9,442,037	12,423,300	72,839,769	22,983,533	7,001,700	49,764,591
LIABILITIES						
Secured Loan	–	–	105,583,000	–	–	44,871,824
Current Liabilities & Provisions:						
Liabilities	23,823,107	6,583,956	59,969,467	18,918,815	22,902,670	33,880,026
Provisions	2,767,229	1,439,124	10,612,794	2,542,688	–	1,650,000
INCOME						
Income from Operations	63,849,270	1,418,248	196,266,695	42,622,711	9,525,901	79,154,976
Other Income	4,605,433	13,739,304	267,708	3,426,459	12,499,875	773,982
EXPENDITURE						
Employee Costs	29,587,442	19,993,738	131,697,377	22,075,313	38,224,484	128,324,497
Operating Expenses	1,092,116	2,634,721	–	1,067,404	2,260,618	–
Establishment & Other Expenses	13,605,988	15,265,300	120,617,010	14,280,690	25,989,347	80,552,294
Depreciation / Amortisation	1,779,617	8,597,328	10,775,332	2,490,062	2,240,871	5,033,889
Finance Charges	–	–	7,656,172	–	–	1,619,282
CONTINGENT LIABILITY						
	Nil	Nil	Nil	Nil	Nil	Nil

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

Particulars	As at 31.03.2010	As at 31.03.2009
Number of clients	333	380
Original cost of assets under management – Rs.	453,146,680	537,545,801
Represented by:		
(a) Bank balance – Rs.	99,054,787	23,244,849
(b) Cost of portfolio holdings – Rs.	354,091,893	514,300,952
Total	453,146,680	537,545,801
Net asset value of portfolio under management – Rs.	590,116,027	340,392,490

25. The Company may allot shares between the balance sheet date and record date for the declaration of dividend pursuant to the exercise of any employee stock options. These shares will be eligible for full dividend for the year ended 31st March 2010, if approved at the ensuing Annual General Meeting. Dividend relating to these shares has not been recorded in the current year and will be considered in the appropriation for the next year. However, current year appropriation includes dividend paid on options exercised upto the record date for dividend declaration during the current year.

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

27. The Company had changed its name to Geojit BNP Paribas Financial Services Limited w.e.f. 1st April 2009, which was approved by the Registrar of Companies, Kerala.

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

Schedules 1 to 18 form an integral part of the Accounts.

Signatures to Schedules 1 to 18.

Jayaraj T.
Company Secretary

For and on behalf of the Board of Directors
A.P. Kurian
Chairman

C.J. George
Managing Director

Place: Kochi
Date: 28th May, 2010

PART IV OF SCHEDULE VI OF THE COMPANIES ACT 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
01 REGISTRATION DETAILS

Registration No:	L67120KL1994PLC008403
State Code :	9
Balance Sheet Date:	31103/2010

**02 CAPITAL RAISED DURING THE YEAR
(AMOUNT IN Rs. THOUSANDS)**

Public Issue	NIL
Rights Issue	NIL
Bonus	NIL
Private Placement	1,842

**03 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS
(AMOUNT IN Rs. THOUSANDS)**

Total Liabilities	3,190,348
Total Assets	3,190,348

SOURCES OF FUNDS

Paid up Capital	225,254
Reserves and Surplus	2,946,259
Employee stock options outstanding	18,835

APPLICATION OF FUNDS

Net Fixed Assets	400,967
Investments	1,252,855
Capital work-in-Progress	28,260
Net Current Assets	1,500,651
Deferred Income Tax Asset	7,615

**04 PERFORMANCE OF THE COMPANY
(AMOUNT IN Rs. THOUSANDS)**

Turnover/Other Income	2,880,589
Total Expenditure	2,063,434
Profit before Tax	817,155
Profit after	571,543
Earnings Per Share (Rs.)	2.55
Dividend Rate	75%

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

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

AUDITORS' REPORT

To

The Board of Directors of Geojit BNP Paribas Financial Services Limited

1. We have audited the attached Consolidated Balance Sheet of **Geojit BNP Paribas Financial Services Limited** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in subsidiaries accounted in accordance with Accounting Standard 21 (Consolidated Financial Statements) and jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures), as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of four subsidiaries and one jointly controlled entity, whose financial statements reflect total assets of Rs.15,118 lakhs as at 31st March, 2010, total revenues of Rs.4,197 lakhs and net cash inflows amounting to Rs.1,680 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.
4. The Consolidated Financial Statements include the unaudited financial statements of one subsidiary and one jointly controlled entity, whose financial statements reflect total assets of Rs.2,780 lakhs as at 31st March, 2010, total revenues of Rs.250 lakhs and net cash outflows amounting to Rs.762 lakhs for the year ended on that date.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit, and on consideration of the separate audit reports on individual financial statements of the Company, the subsidiaries and jointly controlled entities, and to the best of our information and according to the explanations given to us, in our opinion, subject to our comments in paragraph 4 regarding inclusion of unaudited financial statements relating to one subsidiary and one jointly controlled entity, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No.008072S)

M. Ramachandran
Partner
(Membership No. 16399)

Kochi, 28th May, 2010

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

(In Rupees)

Particulars	Sch. No.	As at 31-03-2010	As at 31-03-2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	225,253,625	223,411,864
Employee Stock Options Outstanding	2	18,835,299	14,712,153
Reserves & Surplus	3	3,692,000,506	3,066,447,601
		3,936,089,430	3,304,571,618
Loan Funds			
Secured Loans	4	105,583,000	44,871,824
		105,583,000	44,871,824
Capital reserve on consolidation of Subsidiary			
		482,094	482,094
Minority Interest in Subsidiaries			
		333,254,930	92,869,257
TOTAL		4,375,409,454	3,442,794,793
APPLICATION OF FUNDS			
Goodwill on consolidation of Joint Venture			
		2,262,486	371,442
Goodwill on consolidation of Foreign Subsidiary			
		2,330,730	2,451,097
Fixed Assets			
Gross Block	5	835,750,837	786,911,909
Less: Accumulated Depreciation		367,153,785	245,088,776
		468,597,052	541,823,133
Capital Work-in-progress		28,259,771	3,638,383
Net Block		496,856,823	545,461,516
Investments			
	6	1,374,853,297	1,203,923,455
Deferred Tax Assets			
		8,711,710	2,662,634
Current Assets, Loans & Advances			
Sundry Debtors	7	1,176,738,147	452,135,051
Cash & Bank Balances	8	2,683,214,754	2,191,279,558
Other Current Assets	9	40,197,596	18,765,441
Loans & Advances	10	1,534,917,485	1,166,873,423
		5,435,067,982	3,829,053,473
Less: Current Liabilities & Provisions			
Liabilities	11	2,704,184,358	1,976,370,156
Provisions	12	240,489,216	164,758,668
		2,944,673,574	2,141,128,824
Net Current Assets			
		2,490,394,408	1,687,924,649
TOTAL		4,375,409,454	3,442,794,793
Significant Accounting Policies and Notes on Accounts	19		

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

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

M. Ramachandran
Partner

A. P. Kurian
Chairman

C. J. George
Managing Director

Place: Kochi
Date: 28th May 2010

Place: Kochi
Date: 28th May 2010

T. Jayaraj
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(In Rupees)

Particulars	Sch. No.	Year Ended 31-03-2010	Year Ended 31-03-2009
Income			
Income from Operations	13	2,801,141,156	1,749,765,747
Other Income	14	240,011,434	170,055,495
		3,041,152,590	1,919,821,242
Expenditure			
Employee Costs	15	729,069,691	683,410,597
Operating Expenses	16	812,460,296	477,172,248
Establishment & Other Expenses	17	581,905,736	521,237,228
Interest	18	8,106,623	4,884,118
Depreciation	5	141,594,608	117,532,246
		2,273,136,954	1,804,236,437
Profit Before Tax			
		768,015,636	115,584,805
Provision for Tax:			
- Current		282,539,096	133,458,766
- Deferred (Refer Note 7 of Schedule 19)		(6,049,076)	(7,134,315)
- Fringe Benefit Tax		-	5,406,340
- MAT Credit availed		-	(26,982,601)
- Earlier Years' Income Tax		7,768,798	57,470
		284,258,818	104,805,660
Profit After Tax			
		483,756,818	10,779,145
Add: Extraordinary Item		-	400,000,000
Less: Pre-acquisition profit adjusted		-	(2,408,624)
Less: Minority Interest in Subsidiaries		21,989,018	(8,184,229)
		461,767,800	400,186,292
Net Profit For The Period			
Balance brought forward from Previous Year		996,811,748	746,766,121
Foreign Exchange Translation Adjustment		(7,184,268)	14,262,500
Less: Minority Interest's share in profits brought forward adjusted		(10,047,988)	-
		1,441,347,292	1,161,214,913
Profit Available For Appropriation			
Less: Appropriations			
Transfer to General Reserve		57,200,000	30,000,000
Proposed Dividend on Equity Share Capital		168,940,219	111,705,932
Corporate Dividend Tax		28,058,859	18,151,809
Corporate Dividend Tax credit for Previous Year		(18,079,509)	-
Transfer to Statutory Reserve - NBFC		2,086,619	3,044,263
Corporate Dividend Tax on interim dividend in a Subsidiary		16,995,000	-
Corporate Dividend Tax on proposed dividend in a Subsidiary		-	1,142,020
Share of profit to Co-venturer in a Joint Venture		861,186	-
Dividend paid on shares allotted under ESOP Schemes		338,399	359,141
		256,400,773	164,403,165
		1,184,946,519	996,811,748
Balance Carried to Schedule 3			
Earnings Per Share (Equity shares of face value Re.1/- each) (Refer Note 6 of Schedule 19)			
Before Extra-ordinary Item:			
Basic		2.06	0.00
Diluted		2.04	0.00
After Extra-ordinary Item:			
Basic		2.06	1.89
Diluted		2.04	1.82
Significant Accounting Policies and Notes on Accounts	19		

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

As per our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

M. Ramachandran
Partner

Place: Kochi
Date: 28th May 2010

For and on behalf of the Board of Directors

A. P. Kurian
Chairman

Place: Kochi
Date: 28th May 2010

C. J. George
Managing Director

T. Jayaraj
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

Particulars	2009-10	2008-09
(In Rupees)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	768,015,636	115,584,805
Add/(Less):		
Depreciation / Amortisation	141,594,608	117,532,246
Provision for doubtful debts	12,363,229	24,138,000
Deferred employee compensation written off	4,123,146	5,426,266
Interest expense	8,106,623	4,884,118
Loss on sale / write off of Fixed Assets	8,937,558	9,047,319
Loss in value of Mutual Funds	-	87,250
Pre-acquisition profit on increase in stake in a subsidiary	-	(2,408,624)
Dividend from current non-trade investments	(47,818,445)	(45,405,503)
(Profit)/Loss on sale of current non-trade investments	(7,803)	(8,538,180)
Interest earned on fixed deposits	(94,870,306)	(77,515,720)
Dividend from long term non-trade investments	(321)	(26,310)
Cash flow before Changes in Working Capital	800,443,925	142,805,667
Adjustments for changes in Working Capital:		
(Increase)/Decrease in Debtors	(736,966,326)	233,173,535
(Increase)/Decrease in Loans & Advances	(283,550,554)	169,358,868
Increase/(Decrease) in Current Liabilities	727,689,689	(170,453,139)
Increase/(Decrease) in Provisions	10,291,075	6,587,972
Cash generated from Operations	517,907,809	381,472,903
Income tax including fringe benefit tax paid (net of refunds)	(374,528,632)	(91,914,505)
Cash flows from Operating Activities	143,379,177	289,558,398
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(83,123,413)	(311,339,130)
Sale of fixed assets	5,817,328	3,866,609
(Increase)/Decrease in capital advances	(24,621,388)	13,664,892
Compensation received for cessation of commodity business	-	400,000,000
Purchase of current non-trade investments	(4,109,584,981)	(3,705,644,653)
Capital reserve on increase in stake in a subsidiary	-	456,494
(Increase)/Decrease in fixed deposits with banks	(221,168,943)	(482,167,211)
Sale of current non-trade investments	3,938,662,934	3,573,120,003
Dividend on current non-trade investments	47,818,445	45,405,503
Dividend on long term non-trade investments	321	26,310
Interest received on fixed deposits	73,438,151	63,895,427
Cash used in Investing Activities	(372,761,546)	(398,715,756)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from conversion of warrants to equity shares	-	13,910,514
Share premium received on conversion of warrants	-	295,737,528
Proceeds from allotment of shares under ESOP	33,348,454	5,020,390
Proceeds from further issue of shares by a subsidiary	600,000,000	-
Dividend paid to minority interest in a subsidiary	(4,227,130)	-
Dividend paid on equity share capital	(111,919,817)	(145,542,192)
Corporate dividend tax paid	(19,041,934)	(24,924,587)
Loans availed / (repaid) (Net)	60,711,176	(115,579,732)
Interest paid	(8,106,623)	(4,884,118)
Cash flows from (used in) Financing Activities	550,764,126	23,737,803
Net Increase / (Decrease) in Cash and Cash Equivalents	321,381,757	(85,419,555)
Add: Opening Cash & Cash Equivalents # \$	1,295,610,029	1,054,880,079
Add: Share of Cash & Cash Equivalents in a Joint Venture	-	314,034,125
Add: Opening Cash & Cash Equivalents on increase in stake in a Subsidiary	-	2,633,530
Add / (Less): Foreign Currency Translation Adjustment	(50,615,504)	9,481,850
Closing Cash & Cash Equivalents # \$	1,566,376,282	1,295,610,029
Significant Accounting Policies and Notes to Accounts - Schedule 19		
# - Includes Clients' balances in current accounts with banks.		
\$ - Refer Note 4 of Schedule 19.		

Schedules 1 to 18 form an integral part of the Accounts.

As per our report attached.

For Deloitte Haskins & Sells

Chartered Accountants

M. Ramachandran

Partner

Place: Kochi

Date: 28th May 2010

For and on behalf of the Board of Directors

A. P. Kurian

Chairman

Place: Kochi

Date: 28th May 2010

C. J. George

Managing Director

T. Jayaraj

Company Secretary

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	(In Rupees)	
	As at 31-03-2010	As at 31-03-2009
Schedule 1: Share Capital		
Authorised		
250,000,000 Equity shares of Re.1/- each	250,000,000	250,000,000
(Previous Year: 250,000,000 Equity shares of Re.1/- each)	250,000,000	250,000,000
Issued, Subscribed, Called-up and Paid-up		
225,253,625 Equity shares of Re.1/- each	225,253,625	223,411,864
(Previous Year: 223,411,864 Equity shares of Re.1/- each)	225,253,625	223,411,864
Schedule 2: Employee Stock Options Outstanding		
Employee stock options outstanding	28,217,194	28,408,471
Less: Deferred employee compensation expense	13,505,041	19,122,584
Less: Employee compensation expense amortised	(4,123,146)	(5,426,266)
	(9,381,895)	(13,696,318)
	18,835,299	14,712,153
Schedule 3: Reserves & Surplus		
Securities Premium		
As per last Balance Sheet	1,770,999,430	1,414,574,278
Add: Received during the year in a subsidiary company	387,375,001	-
Add: Received on conversion of warrants during the year	-	347,762,850
Add: Received on allotment of shares under ESOP	31,506,693	8,662,302
	2,189,881,124	1,770,999,430
Capital Reserve		
As per last Balance Sheet	33,345,030	-
Add: Application money received on warrants expired	-	33,345,030
	33,345,030	33,345,030
Statutory Reserves		
(i) In Subsidiary:		
As per last Balance Sheet	7,257,425	4,815,318
Add: Transfer from Profit and Loss Account	2,086,619	2,442,107
	9,344,044	7,257,425
(ii) Share in Joint Venture		
As per last Balance Sheet	10,635,000	8,190,000
Add/(Less): Restatement of opening balance	(1,522,500)	2,445,000
	9,112,500	10,635,000
	18,456,544	17,892,425
Foreign Currency Translation Reserve		
As per last balance sheet	74,526,063	(1,309,572)
Translation adjustment for the year	(39,227,679)	75,835,635
	35,298,384	74,526,063
General Reserve		
As per last Balance Sheet	172,872,905	142,872,905
Add: Transfer from Profit and Loss Account	57,200,000	30,000,000
	230,072,905	172,872,905
Profit and Loss Account		
	1,184,946,519	996,811,748
	3,692,000,506	3,066,447,601
Schedule 4: Secured Loans		
Share in Joint Ventures	105,583,000	44,871,824
	105,583,000	44,871,824

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS

Schedule 5: Fixed Assets

(In Rupees)

Particulars	Gross Block			Depreciation			Net Block			
	As at 01-04-2009	Additions	Deletions	As at 31-03-2010	Upto 31-03-2009	For the Year	Deletions	Upto 31-03-2010	As at 31-03-2010	As at 31-03-2009
Tangible Assets:										
Land	73,799,836	-	-	73,799,836	-	-	-	-	73,799,836	73,799,836
Buildings	348,850	-	-	348,850	28,650	5,686	-	34,336	314,514	320,200
Improvements to leasehold premises	124,759,231	7,403,124	2,775,274	129,387,081	48,307,593	22,209,449	2,516,350	68,000,692	61,386,389	76,451,638
Electrical equipments	9,871,486	202,917	148,471	9,925,932	5,193,803	482,725	47,890	5,628,638	4,297,294	4,677,683
Office equipments	7,231,591	2,674,446	34,551	9,871,486	2,291,328	2,914,067	11,592	5,193,803	4,677,683	4,940,263
Furniture & Fittings	82,388,136	7,601,446	585,332	89,404,250	17,838,729	12,308,632	221,114	29,926,247	59,478,003	64,549,407
Computers & Accessories	55,686,587	26,832,285	130,736	82,388,136	7,894,445	9,976,027	31,743	17,838,729	64,549,407	47,792,142
VSAT equipments	51,233,512	10,953,422	4,445,115	57,741,819	25,778,938	7,138,405	1,330,408	31,586,935	26,154,884	25,454,574
	31,153,686	20,095,276	15,450	51,233,512	14,301,897	11,492,032	14,991	25,778,938	25,454,574	16,851,789
	247,883,389	17,359,584	6,313,330	258,929,643	86,990,388	57,773,992	5,076,978	139,687,402	119,242,241	160,893,001
	152,819,924	99,748,072	4,684,607	247,883,389	44,534,547	45,620,158	3,164,317	86,990,388	160,893,001	108,173,374
	18,040,123	-	114,347	17,925,776	11,860,470	2,932,098	32,456	14,760,112	3,165,664	6,179,653
	17,513,676	630,757	104,310	18,040,123	8,458,676	3,466,609	64,815	11,860,470	6,179,653	9,055,000
Vehicles - Motor Car	8,405,606	1,563,900	1,636,059	8,333,447	2,172,264	1,314,651	617,064	2,869,851	5,463,596	6,233,342
Vehicles - Cycle	7,855,594	550,012	-	8,405,606	1,030,101	1,142,163	-	2,172,264	6,233,342	6,825,494
	40,968	-	-	40,968	40,961	-	-	40,961	7	7
	79,389	-	38,421	40,968	44,632	2,760	6,431	40,961	7	34,757
Intangible Assets:										
Computer softwares	81,275,737	31,061,548	10,628,355	101,728,930	31,343,184	16,276,690	6,777,960	40,841,914	60,887,016	49,932,553
Share in Joint Ventures	70,091,112	31,191,845	20,007,220	81,275,737	29,460,605	14,232,121	12,349,542	31,343,184	49,932,553	40,742,512
	88,865,035	6,957,472	7,638,202	88,184,305	15,533,796	21,152,280	2,909,379	33,776,697	54,407,608	73,331,239
	8,259,995	81,550,716	945,676	88,865,035	4,560,601	9,764,822	(1,208,373)	15,533,796	73,331,239	3,699,394
Grand Total	786,911,909	83,123,413	34,284,485	835,750,837	245,088,776	141,594,608	19,529,599	367,153,785	468,597,052	541,823,133
<i>Previous Year</i>	<i>499,199,196</i>	<i>313,805,027</i>	<i>26,092,314</i>	<i>786,911,909</i>	<i>142,096,415</i>	<i>117,532,246</i>	<i>14,539,885</i>	<i>245,088,776</i>	<i>541,823,133</i>	<i>357,102,784</i>

Note: Previous year figures are shown in italics.

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	(In Rupees)	
	As at 31-03-2010	As at 31-03-2009
Schedule 6: Investments		
Long Term Investments - At cost		
Unquoted, Non-trade		
400 (Previous Year: 400) 'C' class shares of Rs. 500/- each in Muvattupuzha Co-operative Super Speciality Hospital Limited	200,000	200,000
5 (Previous Year: 5) shares of Rs.10,000/- each in First Commodities Exchange of India Ltd.	75,000	75,000
11,401 (Previous Year: 11,401) equity shares of Re.1/- each, fully paid-up, in Bombay Stock Exchange Ltd.	877	877
100 (Previous Year: 100) equity shares of Rs.10/- each, fully paid-up, in Cochin Stock Exchange Ltd.	1,000	1,000
	<u>276,877</u>	<u>276,877</u>
Current Investments - At lower of cost and net asset/ fair value		
Unquoted, Non-trade		
In Mutual Funds & Government Securities	1,374,505,236	1,203,646,578
Share in Joint Ventures	71,184	-
	<u>1,374,576,420</u>	<u>1,203,646,578</u>
	1,374,853,297	1,203,923,455
Aggregate cost of unquoted investments	1,374,853,297	1,203,923,455
Aggregate net asset / market value of mutual fund investments	1,375,177,704	1,203,651,390
Schedule 7: Sundry Debtors - Unsecured, unless stated otherwise		
Considered Good		
Client balances outstanding for a period exceeding six months	105,493,636	19,506,060
Other Client balances	661,099,084	386,003,905
Client balances- Margin Funding Loan Receivable (Secured)	185,142,582	30,904,533
Dues from Stock Exchanges	161,838,368	8,141,757
	<u>1,113,573,670</u>	<u>444,556,255</u>
Considered Doubtful		
Client balances outstanding for a period exceeding six months	67,026,631	60,814,180
Other Client balances	6,059,291	11,813,732
	<u>73,085,922</u>	<u>72,627,912</u>
Less: Provision for doubtful debts	73,085,922	72,627,912
	-	-
Share in Joint Ventures	63,164,477	7,578,796
	1,176,738,147	452,135,051
Schedule 8: Cash & Bank Balances		
Cash in hand	708,190	337,707
Balances with Scheduled Banks:		
- in Current Accounts	90,601,715	66,767,318
- in Current Accounts - Clients	1,208,172,881	877,343,987
- in Current Accounts - Unclaimed Dividend	2,732,861	2,608,347
- in Fixed Deposit Accounts	1,116,838,472	895,669,529
Balances with Other Banks	-	616,764
Share in Joint Ventures	264,160,635	347,935,906
	2,683,214,754	2,191,279,558

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	(In Rupees)	
	As at 31-03-2010	As at 31-03-2009
Schedule 9: Other Current Assets		
Interest accrued on fixed deposits	40,197,596	18,765,441
	40,197,596	18,765,441
Schedule 10: Loans & Advances		
Secured and Considered Good:		
Loans	234,316,507	97,973,062
Unsecured and Considered Good:		
Advances recoverable in cash or in kind or for value to be received	28,386,935	36,835,291
Advance to staff	446,863	534,354
Advance income tax	84,525,472	3,574,703
Advance fringe benefit tax	14,773	-
Income tax paid under protest, pending in appeal	22,813,214	13,706,248
	136,187,257	54,650,596
Deposits & Margins with Stock & Commodity Exchanges	1,005,672,928	831,751,663
Deposits with Government authorities	3,158,767	2,315,980
Other deposits	80,157,883	84,789,976
	1,088,989,578	918,857,619
MAT credit entitlement	21,403,601	26,982,601
Share in Joint Ventures	54,020,542	68,409,545
	1,534,917,485	1,166,873,423
Schedule 11: Current Liabilities		
Sundry Creditors:		
- Micro and Small Enterprises	-	-
- Clients	2,308,757,886	1,692,781,614
- Stock/Commodity Exchanges	1,467,937	20,588,111
- Others	257,380,046	146,683,104
Security deposit from Business Associates	16,508,706	17,673,150
Statutory liabilities	22,608,869	24,533,629
Investor Education & Protection Fund shall be credited by:		
- Unpaid dividend	2,732,861	2,608,347
Other liabilities	6,899,228	6,243,142
Overdrawn Scheduled Bank Current Account	-	12,100
Share in Joint Ventures	87,828,825	65,246,959
	2,704,184,358	1,976,370,156
Schedule 12: Provisions		
Employee Benefits	7,209,999	7,030,188
Warranties	114,720	607,915
Income tax	21,302,124	20,843,530
Fringe benefit tax	24,448	210,272
Wealth tax	19,700	41,700
Proposed dividend on:		
- Equity share capital	168,940,219	111,705,932
- Corporate dividend tax	28,058,859	18,984,423
Corporate dividend tax in a subsidiary	-	1,142,020
Share in Joint Ventures	14,819,147	4,192,688
	240,489,216	164,758,668

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	(In Rupees)	
	Year Ended 31-03-2010	Year Ended 31-03-2009
Schedule 13: Income from Operations		
Brokerage (Equity)	2,319,804,510	1,213,418,285
Brokerage (Commodities)	-	92,927,656
Financial products distribution	96,227,251	118,740,990
Depository services	100,659,390	74,474,335
Portfolio management services	14,983,601	10,894,561
Software Consultancy & Development	65,882,222	49,959,937
Interest from Margin Funding	40,143,573	48,996,049
Overdue fees collected from Clients	101,107,245	51,753,477
Brokerage (Real estate business)	266,564	-
Other operational income	17,778,473	13,901,240
Share in Joint Ventures	44,288,327	74,699,217
	2,801,141,156	1,749,765,747
Schedule 14: Other Income		
Income from long-term, non-trade investments	321	26,310
Dividend on current, non-trade investments	47,818,445	45,405,503
Profit on sale of current non-trade investments	7,803	8,538,180
Interest earned on fixed deposits	94,870,306	77,515,720
Cost recovery for shared services	28,666,660	5,624,165
Royalty	11,128,899	3,394,481
Infrastructure usage fees	29,537,915	-
Miscellaneous income	9,368,639	12,850,817
Share in Joint Ventures	18,612,446	16,700,319
	240,011,434	170,055,495
Schedule 15: Employee Costs		
Salaries, Allowances & Bonus	507,487,938	451,401,331
Contribution to Provident & Other funds	12,452,160	16,608,627
Staff welfare expenses	27,851,036	26,776,413
Share in Joint Ventures	181,278,557	188,624,226
	729,069,691	683,410,597
Schedule 16: Operating Expenses		
Business associates' commission (Equity)	546,639,619	223,493,255
Marketing Incentive	18,260,891	29,345,501
Marketing fees	88,561,200	38,946,533
Business associates' commission (Distribution)	14,886,268	25,199,991
Depository charges	17,270,608	10,362,665
Connectivity charges	75,447,229	74,629,661
Research expenses	9,864,001	32,376,999
Loss on sale of stock-in-error	5,390,000	5,579,491
Postage charges - Contract Note	14,198,140	12,057,100
Transaction charges	124,797	834,931
Insurance - NSE, BSE & NSDL	1,623,008	1,872,255
SEBI Registration fees	60,000	1,638,283
Registration & Renewal fees	1,264,861	3,901,030
Miscellaneous expenses	15,142,837	13,607,088
Share in Joint Ventures	3,726,837	3,327,465
	812,460,296	477,172,248

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS

(In Rupees)

Particulars	Year Ended 31-03-2010	Year Ended 31-03-2009
Schedule 17: Establishment & Other Expenses		
Rent for premises	116,256,523	107,164,793
Advertisement	48,801,943	42,731,708
Telephone expenses	41,220,217	37,826,825
Electricity charges	37,607,694	32,961,285
Postage	17,387,299	18,681,163
Software charges	3,732,320	3,661,258
Repairs & Maintenance - Leasehold Building	4,781,861	2,510,954
- Others	31,982,790	24,456,845
Printing & Stationery	17,170,847	15,359,714
Travel & Conveyance expenses - Directors	4,437,455	1,893,415
- Others	14,186,024	16,831,252
Legal & Professional fees	19,074,965	17,522,723
Office expenses	10,050,297	7,850,990
Provision for doubtful debts (Net)	12,363,229	24,138,000
Bad debts	399,099	1,131,802
Business promotion expenses	12,717,411	6,629,043
Bank guarantee commission	4,603,684	8,445,288
Meeting & Seminar expenses	4,567,537	1,430,255
Rates & Taxes	5,260,747	6,236,408
Subscriptions	4,111,472	3,426,107
Bank charges	580,063	855,699
Loss on sale / write off of fixed assets	8,937,558	9,047,319
Loss in value - Mutual funds	-	87,250
Insurance - others	1,598,014	2,260,914
Sitting fees to directors	735,429	600,000
Donation	2,640,350	173,750
Listing fees	110,750	102,435
Registrar & Transfer expenses	162,243	864,396
Consultancy fees	556,000	276,000
Miscellaneous expenses	7,024,229	6,709,681
Share in Joint Ventures	148,847,686	119,369,956
	581,905,736	521,237,228
Schedule 18: Finance Charges		
Interest on loans other than fixed loans	450,451	3,264,836
Share in Joint Ventures	7,656,172	1,619,282
	8,106,623	4,884,118

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

SCHEDULE 19: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. Principles of Consolidation

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

The financial statements of the subsidiaries and joint ventures used in the consolidation are drawn upto the same reporting dates as that of the Company, viz., 31st March 2010.

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

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

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

B. Significant Accounting Policies

Accounting Convention

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

Use of Estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

Fixed Assets and Depreciation

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

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

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

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

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

Intangible Assets and Amortisation

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

Investments

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

Income

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

Employee Benefits

Post-employment Benefit Plans

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

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

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

Short-term employee benefits

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

Long-term employee benefits

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

Leases

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

Taxes on Income

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

Fringe benefit tax is determined on the fringe benefit values as per the provisions of the Income tax Act, 1961.

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

Impairment of Assets

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

Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent Assets are not recognised in the financial statements.

Employee Stock Option

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

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

Name of Subsidiary Company	Country of Incorporation	Share in ownership & voting power		Shares held by
		2009-10	2008-09	
Geojit Investment Services Limited	India	100 %	100 %	Geojit BNP Paribas Financial Services Limited
Geojit Technologies Private Limited	India	65 %	100 %	Geojit Investment Services Limited
Geojit Financial Distribution Private Limited.	India	100 %	100 %	Geojit Investment Services Limited
Geojit Financial Management Services Private Limited	India	100%	100%	Geojit BNP Paribas Financial Services Limited
Geojit Credits Private Limited	India	65.03%	65.03%	Geojit BNP Paribas Financial Services Limited
Sigma Systems International FZ LLC	United Arab Emirates	100%	100%	Geojit Technologies Private Limited

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

(a) Company's interest in Joint Ventures:

Name of Joint Venture	Country of Incorporation	Share in ownership & voting power	
		2009-10	2008-09
Barjeel Geojit Securities LLC	United Arab Emirates	30%	30%
Aloula Geojit Brokerage Company	Saudi Arabia	28%	28%
BNP Paribas Securities India Private Limited	India	50%	50%

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

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

(d) The Company has adopted the revised Accounting Standard 11, "The Effects of Changes in Foreign Exchange Rates" issued by The Institute of Chartered Accountants of India for consolidating its interest in the joint ventures. As required by the Standard, the exchange gain / loss on translation of financial statements of the joint ventures for the purpose of consolidation is taken to Foreign Currency Translation Reserve and disclosed separately in the Consolidated Balance Sheet.

E. Notes to Accounts

1. Contingent Liability:

Particulars	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Claims against the Company not acknowledged as debts:		
Legal suits filed against the Company / Matters under Arbitration	29,015,320	19,761,403
Income tax demands, pending in appeal	18,538,052	18,813,214
Service tax demands, pending in appeal	486,523	643,298

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

Particulars	Amount (Rs.)
Amount pending utilisation as on 1st April 2009	441,097,787
Less: Utilisation during the year:	
For Business Expansion	101,715,424
For Investment in Subsidiaries	500,000
Balance pending utilization as on 31st March 2010	338,882,363
Amount pending utilization as on 31st March 2010 has been invested as follows:	
In Mutual Funds	338,882,363

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

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

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

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

The Company has adopted intrinsic value method for accounting employee share based compensation cost. Under the intrinsic value method, the difference between market price of the share on the grant date or as near thereto and exercise price is considered as intrinsic value of options and amortised on straight-line basis over the vesting period as employee share based compensation cost.

The intrinsic value of 6,989,400 options granted by the Company (i.e., the difference between market price on date of grant and exercise price), to be amortised on straight-line basis over the vesting period of four years net of actual forfeiture upto the balance sheet date is Rs.11,027,018/- (Previous Year: Rs. 11,195,621/-) and the proportionate amount amortised during the year is Rs.809,050/- (Previous Year: Rs. 2,091,469/-). The additional charge to Profit and Loss Account, had the Company followed Fair Value Method of accounting for ESOP compensation cost, is Rs. 6,549,205/- (Previous Year: Rs. 16,847,469/-).

Further disclosures on ESOP-2005 are given below:

(i) Grantee-wise details of ESOPs granted:

Class of Grantees	Directors	Managers and Above	Other Employees
Date of grant	07.03.2006	07.03.2006	07.03.2006
Number of options granted	300,000	3,879,400	2,810,000
Contractual life:			
30% of 6,989,400	2 years	2 years	2 years
30% of 6,989,400	3 years	3 years	3 years
40% of 6,989,400	4 years	4 years	4 years
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

(ii) Movement in ESOPs granted:

Class of Grantees	Directors		Managers and Above		Other Employees	
	No. of Options	Weighted Avg. Exercise Price (Rs.)	No. of Options	Weighted Avg. Exercise Price (Rs.)	No. of Options	Weighted Avg. Exercise Price (Rs.)
No. of options outstanding at year beginning	204,000	18.86	2,878,050	17.75	2,176,190	17.94
No. of options granted	-	-	-	-	-	-
No. of options forfeited	42,000	18.86	37,280	17.75	61,800	17.94
No. of options exercised	102,000	18.86	875,980	17.75	815,790	17.94
No. of options outstanding at year end	60,000	18.86	1,964,790	17.75	1,298,600	17.94
No. of options exercisable at year end	60,000	18.86	1,964,790	17.75	1,298,600	17.94

The estimated fair values of each stock option are as follows:

Class of Grantees	Weighted Average Fair Values (Rs.)
Directors	17.23
Managers and Above	17.27
Other Employees	17.30

The fair values were calculated using Black-Scholes Options Pricing Model. The model inputs were the share price at grant date of Rs.19.86, weighted average exercise price as per above, volatility in the market price (of the Company's share over the one year prior to the date of grant) of 199% (computed with reference to the one year high and low of the market price), dividend yield of 1.76%, contractual life of two to four years, as the case may be, and a risk-free interest rate of 7%. It is assumed that employees would exercise the options immediately on vesting. The historical volatility, including the early years of the Company's life, is higher than the volatility of 199% considered above and the Company expects the volatility of its share price to reduce as it matures.

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

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

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

The exercise period commences from the date of vesting and will expire not later than 5 years from the date of grant, viz., 09th December 2012. The exercise price in the case of employees and directors has been computed by giving discounts, based on the grade of the employees and of fixed amount respectively, to the market price on the date prior to grant date.

The Company has adopted intrinsic value method for accounting employee share based compensation cost. Under the intrinsic value method, the difference between market price of the share on the grant date or as near thereto and exercise price is considered as intrinsic value of options and amortised on straight-line basis over the vesting period as employee share based compensation cost.

The intrinsic value of 950,500 options granted by the Company (i.e., the difference between market price on date of grant and exercise price), to be amortised on straight-line basis over the vesting period of four years net of expected forfeiture @ 20% per annum (Previous Year: 20% per annum), is Rs.565,176/- (Previous Year: Rs.587,850/-) and the proportionate amount amortised during the year is Rs.157,325/- (Previous Year: Rs.178,027/-). The additional charge to Profit and Loss Account, had the Company followed Fair Value Method of accounting for ESOP compensation cost, is Rs.9,399,002/- (Previous Year: Rs.7,146,277/-).

Further disclosures on ESOP-2005 (Reissue-1) are given below:

(i) Grantee-wise details of ESOPs granted:

Class of Grantees	Director	Sr. Managers and Above	Managers & Below
Date of grant	10.12.2007	10.12.2007	10.12.2007
Number of options granted	60,000	74,971	815,529
Contractual life:			
30% of 950,500	2 years	2 years	2 years
30% of 950,500	3 years	3 years	3 years
40% of 950,500	4 years	4 years	4 years
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

(ii) Movement in ESOPs granted:

Class of Grantees	Directors		Sr. Managers and Above		Managers & Below	
	No. of Options	Weighted Avg. Exercise Price (Rs.)	No. of Options	Weighted Avg. Exercise Price (Rs.)	No. of Options	Weighted Avg. Exercise Price (Rs.)
No. of options outstanding at year beginning	60,000	66.05	34,560	65.55	564,981	65.30
No. of options granted	-	-	-	-	-	-
No. of options forfeited	-	-	-	65.55	96,824	65.30
No. of options exercised	18,000	66.05	4,604	65.55	43,387	65.30
No. of options outstanding at year end	42,000	66.05	29,956	65.55	424,770	65.30
No. of options exercisable at year end	-	-	5,761	65.55	98,785	65.30

The estimated fair values of each stock option are as follows:

Class of Grantees	Weighted Average Fair Values (Rs.)
Directors	56.56
Sr. Managers and above	56.60
Managers and below	56.61

The fair values were calculated using Black-Scholes Options Pricing Model. The model inputs were the share price at grant date of Rs.66.55, weighted average exercise price as per (b) above, volatility in the market price (of the Company's share over the one year prior to the date of grant) of 170% (computed with reference to the one year high and low of the market price), dividend yield of 0.60%, contractual life of two to four years, as the case may be, and a risk-free interest rate of 7%. It is assumed that employees would exercise the options immediately on vesting. The historical volatility, including the early years of the Company's life, is higher than the volatility of 170% considered above and the Company expects the volatility of its share price to reduce as it matures.

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

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

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

The exercise period commences from the date of vesting and will expire not later than 8 years from the date of grant, viz., 09th December 2015. The exercise price is at 10% discount to the market price on the date prior to grant date.

The Company has adopted intrinsic value method for accounting employee share based compensation cost. Under the intrinsic value method, the difference between market price of the share on the grant date or as near thereto and exercise price is considered as intrinsic value of options and amortised on straight-line basis over the vesting period as employee share based compensation cost.

The intrinsic value of 2,500,000 options granted by the Company (i.e., the difference between market price on date of grant and exercise price), to be amortised on straight-line basis over the vesting period of seven years net of expected forfeiture of zero % per annum, is Rs.16,625,000/- (Previous Year: Rs.16,625,000/-) and the proportionate amount amortised during the year is Rs.3,156,771/- (Previous Year: Rs.3,156,771/-). The additional charge to Profit and Loss Account, had the Company followed Fair Value Method of accounting for ESOP compensation cost, is Rs.26,024,486/- (Previous Year: Rs.26,024,486/-).

Further disclosures on ESOP-2007 for Key Employees are given below:

(i) Grantee-wise details of ESOPs granted:

Class of Grantees	Senior Management
Date of grant	10.12.2007
Number of options granted	2,500,000
Contractual life:	
25% of 2,500,000	4 years
25% of 2,500,000	5 years
25% of 2,500,000	6 years
25% of 2,500,000	7 years
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

(ii) Movement in ESOPs granted:

Particulars	No. of Options	Weighted Avg. Exercise Price (Rs.)
No. of options outstanding at year beginning	2,500,000	59.90
No. of options granted	-	-
No. of options forfeited	-	-
No. of options exercised	-	-
No. of options outstanding at year end	2,500,000	59.90
No. of options exercisable at year end	-	-

The estimated weighted average fair value of each stock option is Rs.61.67. The fair value was calculated using Black-Scholes Options Pricing Model. The model inputs were the share price at grant date of Rs.66.55, weighted average exercise price as above, volatility in the market price of the Company's share over the one year prior to the date of grant of 170% (computed with reference to the one year high and low of the market price), dividend yield of 0.60%, contractual life of 4 to 7 years, as the case may be, and a risk-free interest rate of 7%. It is assumed that employees would exercise the options immediately on vesting. The historical volatility, including the early years of the Company's life, is higher than the volatility of 170% considered above and the Company expects the volatility of its share price to reduce as it matures.

The impact on Basic and Diluted Earnings Per Share for the year, had the Company followed Fair Value Method of accounting for ESOP compensation cost, is Rs.(0.19) and Rs.(0.19) respectively (Previous Year: Rs.(0.24) and Rs. (0.23) respectively).

4. Notes on Cash Flow Statement:

- The Cash Flow Statement has been prepared using the indirect method specified in Accounting Standard – 3 “Cash Flow Statements”.
- Cash and cash equivalents at the balance sheet date include unclaimed dividends lying in separate bank accounts amounting to Rs. 2,732,861/- (Previous year : Rs. 2,608,347/-), not available for use by the Company.
- The closing cash and cash equivalents excludes fixed deposits amounting to Rs.1,116,838,472/- (Previous Year: Rs.895,669,529/-), which is considered as part of investing activity by the Company.

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

6. Earnings per share are computed as follows:

Particulars	2009-10	2008-09
Net profit before extra-ordinary item – In Rs.	461,767,800	186,292
Profit attributable to Equity Shareholders – In Rs. (A)	461,767,800	186,292
Net profit after extra-ordinary item – In Rs.	461,767,800	400,186,292
Profit attributable to Equity Shareholders – In Rs. (B)	461,767,800	400,186,292
Total number of equity shares outstanding at balance sheet date	225,253,625	223,411,864
Weighted average number of equity shares outstanding, considered for the purpose of computing Basic EPS (C)	224,198,856	212,040,748
Add: Number of potential equity shares to be issued under Employee Stock Option Plans (Previous Year: Number of potential equity shares to be issued under Employee Stock Option Plans and on conversion of warrants issued to BNP Paribas S.A. on preferential basis)	1,792,747	8,422,248
Weighted average number of equity shares outstanding, considered for the purpose of computing Diluted EPS (D)	225,991,603	220,462,996
Basic EPS before extra-ordinary Item – In Rs. (A/C)	2.06	0.00
Diluted EPS before extra-ordinary item – In Rs. (A/D)	2.04	0.00
Basic EPS after extra-ordinary Item – In Rs. (B/C)	2.06	1.89
Diluted EPS after extra-ordinary item – In Rs. (B/D)	2.04	1.82
Nominal value of Equity Shares – In Re.	1.00	1.00

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

Particulars	As at 31.03.2010 (Rs.)	For the year (Rs.)	As at 31.03.2009 (Rs.)
Deferred Tax Liability			
Depreciation	16,590,223	(7,519,698)	24,109,921
Deferred Tax Asset			
Provision for bad & doubtful debts	(3,134,703)	21,552,297	(24,687,000)
Provision for employee benefits	(22,167,230)	(20,288,305)	(1,878,925)
Others	-	206,630	(206,630)
Total	(25,301,933)	1,470,622	(26,772,555)
Net	(8,711,710)	(6,049,076)	(2,662,634)

8. The Company changed its name to Geojit BNP Paribas Financial Services Limited w.e.f. 1st April 2009, with the approval of the Registrar of Companies, Kerala.

9. Previous year's figures have been regrouped / reclassified / recast wherever necessary to conform to current year's classification.

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

Signatures to Schedules 1 to 19.

For and on behalf of the Board of Directors

A.P. Kurian
Chairman

C.J. George
Managing Director

Jayaraj T.
Company Secretary

Place: Kochi
Date : 28th May, 2010

FINANCIAL INFORMATION OF SUBSIDIARIES

(Rs in Lakh)

Particulars	Geojit Investment Services Ltd	Geojit Credits Pvt Ltd	Geojit Financial Management Services Pvt Ltd	Geojit Technologies Pvt Ltd	Geojit Financial Distribution Pvt Ltd	Sigma Systems International FZ LLC
ASSETS						
Fixed Assets (Net Block)	56.05	3.14	-	74.36	0.17	0.68
Sundry Debtors	73.42	-	-	119.69	24.31	19.65
Cash & Bank Balances	1,075.58	912.05	0.86	1,731.36	117.84	69.80
Other Current assets	6.34	36.96	-	53.30	8.80	0.01
Loans & Advances	1,010.01	2,790.88	2.33	359.99	128.51	3.19
Investments						
In subsidiaries /Joint Ventures(Long Term)	80.00	-	1,600.00	24.50	-	-
In Mutual Funds&Shares	2,590.45	-	-	4,834.67	198.84	-
Total Assets	4,891.85	3,743.03	1,603.19	7,197.87	478.45	93.34
LIABILITIES						
Share Capital	400.00	2,066.57	1,610.00	115.38	5.00	8.58
Reserves	4,387.74	628.88	(7.63)	6,649.37	266.13	56.52
Unsecured Loan	-	625.00	-	-	-	-
Current Liabilities	119.00	5.46	0.21	120.42	102.20	28.24
Provisions	1.55	417.12	0.61	307.27	105.07	-
Deferred Tax Liability/(Asset)	(16.44)	0.00	-	5.42	0.05	-
Total Liabilities	4,891.85	3,743.03	1,603.19	7,197.87	478.45	93.34
INCOME						
Income from Operations	349.89	179.48	6.28	716.48	201.19	97.18
Other Income	210.18	106.25	-	320.63	17.00	0.76
Turnover/Total Income	560.07	285.73	6.28	1,037.11	218.19	97.94
EXPENDITURE						
Employee Costs	36.77	29.27	-	258.50	-	44.05
Operating Expenses	40.44	21.03	5.05	9.25	111.24	-
Establishment & Other Expenses	19.76	-	0.54	127.01	1.90	36.56
Depreciation / Amortisation	32.22	1.57	-	18.33	0.08	0.38
Finance Charges	0.75	3.23	-	-	-	-
Profit Before Taxation from ordinary activities	430.13	230.63	0.68	624.01	104.97	16.94
Provision for Taxation from ordinary activities	112.72	70.20	0.25	172.97	30.33	-
Profit After Taxation from ordinary activities	317.41	160.43	0.43	451.04	74.63	16.94

GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

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

ATTENDANCE SLIP
16th ANNUAL GENERAL MEETING – 12th July 2010

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

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

No. of shares

I/We hereby record my/our presence at the Annual General Meeting of the Company at Hotel International, Veekshanam Road, Kochi – 682035 at 4.00 p.m. on 12th July 2010.

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

.....
Signature of Member/Proxy

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

GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED

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

PROXY FORM

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

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

No. of shares

I/We.....residing at.....
being a Member / Members of GEOJIT BNP PARIBAS FINANCIAL SERVICES LIMITED hereby appoint Mr/Ms
..... residing at

or failing him/her, Mr/Ms residing at as my/our proxy
to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on 12th day
of July 2010 and at any adjournment thereof.

Signed this day of 2010.

Signature of the Shareholder(s)

Affix One Rupee Revenue Stamp

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

