Annexure

P.A. Home Trade

196

11-Sept-2007

home trade ltd.

ANNUAL REPORT
2000-2001.

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2

197

BOARD OF DIRECTORS

Sanjay Agarwal	Chairman
N. S. Trivedi	Executive Director & Secretary
Manoj (Miko) Shah	Director
Dhananjay Agarwal	Director
Allan James Mcmillan	Director
Russel Boekenroeger Jr.	Director
Shashank G. Ranade	Director
Salil D. Gandhi	Director
Vijaykumar Modi	Director

BANKERS	Janata Sahakari Bank Limited, Pune IndusInd Bank Ltd.
AUDITORS	Parimal R Shah & Co. Chartered Accountants
REGISTERED OFFICE	124A, Sohrab Hall, 21, Sasoon Road , Pune – 411 001
REGISTRAR & SHARE TRANSFER AGENT	R & D Conulstants Ltd. 61C Dalamal Towers 211, Nariman Point Mumbai – 400 021.

Home Trade Limited

DIRECTORS' REPORT

TO
THE MEMBERS OF HOME TRADE LIMITED

Your Directors have pleasure in submitting their EIGHT Annual Report and Audited Accounts for the year ended March 31, 2001.

1. FINANCIAL HIGHLIGHTS.

	Rs In Lacs 31-Mar-01	Rs In Lacs 31-Mar-00
Gross income	6722.57	1453.29
Profit before Tax	3156.23	713.22
Provision for Income Tax	250.75	160.00
Profit after tax	2904.98	552.91
Add: Net profit brought forward	349.76	171.30
Provision for Income Tax for earlier years written back /(off)	(43.45)	(37.12)
Provision for Service Tax for earlier years written back /(off)	30.00	(30.00)
Profit available for appropriation	3241.29	657.09
* Proposed dividend	239.61	239.61
* Dividend Tax	24.44	52.71
General Reserve	85.00	15.00
Balance carried forward	2892.24	349.76

2. DIVIDEND:

Your Directors are pleased to recommend a payment of dividend after providing for dividend tax for the year ended 31st March, 2001 @ 10 % on Rs. 239,610,000, absorbing Rs 239.61 lacs (previous year 10% absorbing Rs 239.61 lacs). The dividend, if approved at the ensuing Annual General Meeting, will be paid to all the shareholders, whose names appear on the Register of Members, as on 29th September,2001.

3. OPERATIONS:

In the year under review, your Company has undertaken several significant initiatives towards establishing itself as a dominant convergence-centric financial services company.

Your Company's online presence through www.hometrade.com is currently among the largest independent and objective aggregators of business news and financial information in the country. Home Trade has put in place an extensive global network of alliances with leading information vendors as well as over 50 independent analysts and reporters within India to ensure that the consumer has access to the most comprehensive and reliable source of business news, incisive analyses and financial information.

In the period under review, your Company has undertaken an intensive integrated branding exercise. This included a national outdoors campaign and a TV campaign. Preliminary research commissioned by your Company has confirmed that Home Trade enjoys remarkably high levels of brand recall among the target audience. Your Company will continue to pursue an active strategy towards establishing Home Trade as a leading global brand.

Your company has partnered with leading consultancies - like ArthurAndersen, Pricewaterhouse Coopers and A T Kearney for various aspects of the business to ensure that Home Trade becomes a truly world class financial services provider. Home Trade's e-trading engine, has went live in March 2001, after undergoing rigorous testing to ensure

4
199

it is among the fastest and most reliable in the field. Further efforts are on to make the Home Trade e-trading services offering, a seamless, end-to-end transaction experience.

Your Company Home Trade has a sound transaction –based revenue model in place. The company's revenues would primarily come from the transactions on its wide range of financial products and services. Home Trade would improve realizations from customers by cross selling and market synergies across different financial product segments.

The financial figures further reinforce your Company's record of continued growth. Total income has shown a growth of 362% and increased from Rs. 1453 lacs in the previous year to Rs. 6723 lacs in the year under review. Similarly, PBIT has increased by 300% to Rs. 3642 lacs and PAT has increased by 425% to Rs. 2905 lacs.

4. INDUSTRY SCENARIO:

The financial services sector has been one of the fastest growing sectors, both in India as well globally. Furthermore, this sector has proved resilient to the downturn in the global IT industry which was preceded by the slowdown in the US economy. Also, the financial services sector is the largest market for technology solutions. Technology in turn is bringing about a transformation in this sector and will increasingly become the most important competitive advantage of financial service companies.

The concept of financial convergence, which is at the centre of Home Trade's business model, is changing the basis on which players in this sector are organized. Customer needs and expectations are also changing rapidly and this is creating immense opportunities for new players to enter and redefine the financials services market.

Your Company's expertise in the financial services domain, as well as its emphasis on innovative technology-driven products and services makes it eminently positioned to capture growing opportunities in the sector.

5. BUSINESS FOCUS & FUTURE PLANS

The Company is pursuing dynamic, versatile business strategies which would capitalise on .changing trends in the financial services industry. Having launched its e-trading service, one of the most advanced in the country, Home Trade plans to extend its services to cover the entire spectrum of personal financial services, including mutual funds, personal and housing loans, debt trading and credit cards. Your company is still in the establishment phase and is making rapid progress to in setting up the operations of business.

Your Company is pioneering the development of innovative technology-based finance products that will give the consumer greater access to a host of financial services. These initiatives are aimed at changing the way financial service is perceived with the ultimate objective of empowering the consumer.

6. PERSONNEL:

In the year under review the Company implemented multiple new initiatives to further augment and professionally manage the human resources capital of the Company, undeniably its most important asset. Your Company has created a lean and flat internal organisation structure comprising a core team of knowledge workers. This has been done with a view to provide Home Trade the flexibility and agility that is essential for successfully operating in the dynamic convergence domain.

In order to be able to leverage and utilize the best available resources, your Company has created a unique outsourcing employment model that leverages a network of alliances with the best-in-class organizations.

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Your Company's current organisational structure has been specifically design to facilitate effective planning and execution of business strategy during in its current phase – construction and establishment of its business model. This structure enables each major business line to function independently while cross-functional teams ensure integration of activities and focus on achieving common goals.

The professionalism and dedication of the Company's employees at all levels have made it possible to achieve the impressive results during the year under review. Your directors wish to place on record their deep appreciation for the same.

7. FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the year under review.

8. CORPORATE GOVERNANCE :-

Your company continues to practice good corporate governance for with the objective of following best in class operating initiatives and enhancing shareholders/investors confidence. Your Company remains committed to a system of good corporate governance by constantly increasing the level of transparency and accountability to its shareholders. The company's internal control structure ensures compliance with all the legal requirements and mandatory provisions of Corporate Governance as prescribed under the Listing Agreement with Stock Exchanges. The Corporate Governance Report is annexed to the Directors Report.

9. DIRECTORS' RESPONSIBILTY STATEMENT :-

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby confirm that :-

(i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and no material departure have been made for the same.
(ii) appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2001 and of the profit of the company for the said period;
(iii) Proper & sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956for safe guarding the assets of the company and for preventing & detecting fraud and other irregularities;
(iv) the annual accounts have been prepared on a going concern basis.

10. DIRECTORS

During the year under review, Mr. Salil D. Gandhi, Mr. Shashank Ranade and Mr. Vijaykumar H. Modi were appointed on 15th May 2001. as Additional Directors of the Company pursuant to section 260 of the Companies Act, 1956. In terms of the applicable provision of the Companies Act, 1956 and Article 116 of the Articles of Association of the Company, their term of office as Additional Directors expire at the ensuing annual general meeting. The Company has received notices from members of the Company proposing the candidature of Mr. Salil D. Gandhi, Mr. Shashank Ranade and Mr. Vijaykumar H. Modi for the office of Director. The Board recommends their appointment.

During the year under review, Mr. Ketan Sheth resigned from the Board of Directors wef 15th May, 2001. The Board records its appreciation for the contributions made by Mr. Sheth during his tenure as Director of the Company.

(6)

29

11. AUDITORS:

M/s. Parimal R Shah & Co., Chartered Accountants, have expressed their desire not to seek re-appointment as Auditors of the Company. The Board of Directors recommends that M/s J.S. Vanzara Associates, Chartered Accountants, who are eligible for the appointment, be appointed as Auditors of the Company.

The Board of Directors of the company clarified the following points with regard to the Auditors Reports, as annexed to this Report, for the year under review.

(i) The Board of Directors are of the opinion that though the internal control procedures are meticulously designed to meet the business requirements, however considering the growing business activities of the company, the internal control mechanisms & procedures would be upgraded to meet the requirements of the fast changing activities of the company.

(ii) As per Clause 15 to the Auditors Report, the Board of Directors hereby clarifies:
   a. The admitted tax liability under dividend tax and the tax deducted at source are in the process of being paid.
   b. In respect of income tax liability, the Company has sought legal opinion and on receipt of the said opinion, the Company will pay the same.

12. STATUTORY INFORMATION:

(A) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO.

The information pursuant to section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to the conservation of energy and technology absorption, are not applicable to the Company and hence not provided. As regards the information in respect of foreign exchange earnings and outgo, the same has been given in Annexure 'A' to the Directors' Report.

(B) PARTICULARS OF EMPLOYEES

As required by the provisions of section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure 'B' to the Directors' Report.

13. ACKNOWLEDGMENT:

The Board of Directors wishes to thank its bankers, clients and business associates for their continued co-operation and support. The Board also wishes to express its appreciation to all its staff members for their contribution towards the achievement of the year's performance.

By Order of the Board

For Home Trade Limited

N S Trivedi.
Executive Director & Secretary.

Mumbai, 14th August, 2001.

REGISTERED OFFICE:
124A, Sohrab Hall, 21, Sasoon Road,
Pune – 411 001.

Sumant Bhargava	Asst-Vice President	B.E. PGDM[IIM]	6	10-Jul-2000	29	'1196775	Hindustan Coca-Cola Beverages
Sandhya Chitale	Senior Manager	B.E., MBA, CFA	8	1-Jun-1999	32	2682620	Investment Research Information Service Ltd (IRIS)
Shilpa Joglekar	Vice President	M.A. (Economics)	8	1-Jan-2000	33	3013264	Financial Express
Siddhartha Singh	Manager	B.A., Dip. In Journalism	4	6-Jul-2000	27	'946218	Net Consult India Pvt Ltd
Tarun Bansal	Vice President	CFM, CMA, MBA	10	1-Nov-2000	35	'802427	Talisman Group of Companies Ltd. (UK)
Vinayak Hampihalikar	Asst-Vice President	B. Tech, PGDBM (IIM)	9	4-Dec-2000	32	'1746645	Citi Bank
Vikrant Kanyal	Vice President	B.E. MBA (IIM)	8	22-Jun-2000	31	'2092906	Citi Bank
Vivek Luthra	Vice President	MBA, CFE, PGDCM (IIM)	6	1-Feb-2000	29	2970451	Pricewaterhouse Coopers Ltd.
Vinod Menon	Sr. Vice President	PGDCA, Dip. Comp. Tech.	13	24-Jul-2000	32	'3073681	Ashtech Infotech Ltd

' indicates employed for part of the year.

1. Remuneration comprises of basic salary, allowances and taxable value of perquisites.
2. None of the employees are related to any director of the Company.

By Order of the Board
For Home Trade Limited

N S Trivedi.
Executive Director & Secretary.

Mumbai, 14th August, 2001.

7

202

126

ANNEXURE 'A' TO THE DIRECTORS REPORT

Particulars required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A) Foreign Exchange earnings and out go

i) Foreign Exchange earnings - Nil
ii) Foreign Exchange outgo - Rs.1,66,57,585.00

ANNEXURE 'B' - Particulars of employees pursuant to section 217 (2A) of the Company's Act, 1956.

Name of Employe	Designation	Qualifications	Experience (Years)	Date of Joining	Age Years	Remuneration (Rs.)	Previous Employment
Anuj Singh	Asst-Vice President	B.A., MBA (IIM)	6	11-Dec-2000	28	*623892	ITC Ltd
Chirag Jain	Sr. A. V. P.	B. Tech., PGDM (IIM)	8	12-Jun-2000	30	*2262468	Citi Bank
G G Srinivas	Manager	B Tech, PGDM (IIM)	7	17-Jun-2000	30	*1233899	Citi Bank
Hiren Gada	Sr. Vice President	B.Com, MMS (Fin)	7	24-Feb-1997	30	3385533	Pranav Securities Pvt. Ltd
Latha Venkatesh	Asst-Vice President	Phd. (political Science)	17	15-May-2000	40	*1459100	Dow Jones Newswires
Manish Agarwal	Asst-Vice President	B. Tech, PGDM (IIM)	6	9-May-2000	31	*2687048	Citi Bank
Naveen Gupta	Asst-Vice President	MBA	5	10-Aug-2000	29	*1102186	Citi Bank
Subodh Bhandari	Sr. Vice President	B. Com, FCA	12	1-Feb-1995	35	2414469	VCK Shares & Stock Broker P Ltd
Naveen Luthra	Asst-Vice President	B.Sc. MBA (IIM)	7	24-Jul-2000	31	*1114355	Satyam Infoway Ltd
Pankaj Kulkarni	Asst-Vice President	BE, MBA (IIM)	4	10-Aug-2000	27	*2403488	Citi Bank
Piyush Sharma	Vice President	B.E. (Electrical), MBA (IIM)	13	17-Feb-2000	35	2916609	Becton & Dickinson & Co. Inc.
R Pradeep Sekar	Asst-Vice President	M.Tech (IIT), MBA (IIM)	4	5-Mar-2001	27	*209032	Citi Bank
Sanjay Agarwal	Director	B. Com.	11	1-Sep-1998	36	2208300	Smith Newcourt-SSKI

8

203

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Home Trade is in the process of operationally establishing its business model and has achieved significant progress with regard to the implementation of its plans over the last one-year.

It has been challenging, exciting and rewarding year where the company formally defined its strategy and business intent and achieved significant progress in the implementation of its corporate plans. The outline of the company's plans and progress covered below.

Redefining finance

Home Trade has made considerable operational progress to establish itself as a dominant convergence-centric financial services company. The company is endeavoring to create a new benchmark in the financial services sector by designing and offering innovative products and services that extend beyond getting 'more from your money' to deliver 'more from life'.

The company is aiming to revolutionize financial services by achieving true productisation of financial services, by breaking the barriers of conventionally accepted financial products, by establishing a strong well recognized and well regarded brand and empowering the consumer by supporting its initiatives with cutting edge technologies.

Establishing a strong business foundation

Home Trade is creating an exceptionally strong business structure that has a rock solid foundation and physically powerful pillars that will support the establishment and rapid growth of the company's business in a sustainable and scalable manner on a long term basis.

The company has a stated objective of establishing a rock solid foundation and towards this end the company intends to have diversified and de-risked revenue streams by offering cross-segment financial products and services. The company has adopted extensive state-of-the-art technological expertise across all areas of its operations and it has also created a powerful brand that will give it a distinct edge in the competitive world of financial services and products.

Created a unique competency matrix

As a part of its initiative to install a solid foundation the company has designed a unique competency matrix comprising key attributes that include being a customer centric, knowledge based, brand focused and technology led organization. The customer centric approach comprises the utilization of multiple contact channels such as the internet, phone and physical routes to deliver hi-tech and hi-touch service. The company has formulated knowledge led research programmes that formally evaluate customer requirements and aspirations the findings of which can be used to design and customize its products. The brand strategy aims to refine the conventional perceptions about finance making it more of a lifestyle brand that is further strengthened through collaborated customer loyalty programmes. Its technology approach ensures that the company adopts best-in-class technology solutions and progressive customer relationship management initiatives.

10

20

Achieved operational progress in line with plan

- Built an exceptional management team: Home Trade has created an exceptionally high quality management team that has a set objective of establishing an outstanding business operation that can continuously grow and reward its stakeholders over a long term period. The company's key talent pool comprises 48 individuals who have excellent academic qualifications and record, and bring with them diverse experience that can be synergistically deployed to grow the company's business

- Created nation-wide sales infrastructure: In order to support the company's customer centric operating approach Home Trade has established a national sales reach that comprises direct sales network with premier sales and service partner organizations in key locations. Its has engaged the services of specialized direct sales agents that have skills in tele-calling, institutional sales and event management. It has set-up both agent and customer training centers to provide high quality consumer response. The company's sales strategies have been validated by PricewaterhouseCoopers.

- Established customer care channels: Home Trade has established centralized customer interaction infrastructure that provides single point, multiple channel access to financial services. It allows the anytime, anywhere transaction capabilities imparting the much required flexibility to the consumer. The company has a Customer Relationship Management center that has 25 dedicated knowledge workers available on a 24*7 basis. The customer care center has the option allow the customer to initiate online, telephonic or physical contact with Home Trade. As a part of its customer care focus the company has initiated the development of a unique Home Trade rewards programme – which will be the first of its kind in India. This programme is being designed by Brierley & Partners who also manage similar programmes for some of the leading global corporates.

- Installed best-in-class technology infrastructure: The company has an operational approach of adopting the most relevant best-in-class technological infrastructure. Home Trade has installed high volume Tandem based OLTP trading engine. It has a world-class e-brokerage system that has been designed by Andersen and the back office operations are run by PricewaterhouseCoopers. The technology allows for seamless user experience through state-of-the-art routers and switches. The company uses VSNL, Satyam and Net Magic server farms to allow fast downloads and 24*7 availability. The XML created website half a million pages of content adaptability even for mobile and hand-held devices. Home Trade has engaged Wipro Corporation to ensure high quality monitoring and maintenance of the company' technology infrastructure.

- Created a distinct brand identity: The company has created a powerful lifestyle brand building campaign using three of India's biggest icons – Hrithik, Sachin and Shah Rukh with the objective of making finance fun, easy and exciting and also challenging the existing paradigms of finance. The brand promotion exercise has already achieved significant success with the advertising being ranked among top 5 in unaided brand recall.

- Entered into best-in call alliances: As a part of the company's business establishment process Home Trade has entered into multiple alliances with various services providers both in India and internationally. The alliance partners include organizations such as Reuters, CNBC, AT Kerney, Andersen Consulting, PricewaterhouseCoppers, CMIE, Multex Barra and Crisil just to mention a few. The company believes that with the support of competent and specialized alliance partners it will have the distinct advantage of having access to the most competent resources in all its areas of operations.

- Successfully implemented the first step of establishing outstanding online presence: The company in a short span of five months has established www.hometrade.com as the most comprehensive business and financial destination in the country. The online site has over half a million pages of news, information, analysis and expert guidance, and has over five million page view a month with over a hundred thousand registered users. Its online presence uses pioneering initiatives such as broadband webstreams and audio bytes to provide an unparalleled user experience to its audiences.

In conclusion

Home Trade is pioneering a new concept in the financial services sector. The company believes that it has a potential to establish a unique business model that will provide high quality returns to all the company's stakeholders.

REVIEW OF SPECIFIC BUSINESS ASPECTS

Sector review

The financial services sector has been maintaining its steady growth both in India as well as in the global market. The industry has been growing despite a slowdown in the global information technology sector. The company believes that the growth in the sector will continue on a sustainable basis.

In India the financial services sector is gaining maturity at a rapid pace. The progressive initiatives being undertaken by SEBI and the integration of the domestic capital markets with the international environment is likely to open many fresh business opportunities to innovative companies within this sector.

Business wise performance review

Since the company is still in the establishment and construction phase the business wise performance review is not of relevance at this stage.

Financial performance review

Since the company is still in the establishment and construction phase the review financial performance of core business is not of relevance at this stage. The Company has incurred the following capital expenses in the year under review.

a. Web site and related software expenses Rs.20.10 crores.
b. Computer hardware Rs7.87 crores.
c. Brand and web site promotional expenses Rs.19.63 crores.

Key business opportunity and threats review

The company believes that there is an existing need in the Indian financial services industry for a single-point source of premium quality services that caters to diverse requirements, both anticipated and aspired, of the finance consumer. Companies that demonstrate ability to harness advances in technology, specifically in convergence to provide comprehensive and unparalleled financial products and services to fulfill consumer needs have the potential to establish compelling business propositions in the future.

However, the financial convergence based business models are predominantly online-centric, which implies lower entry barriers into the segment. The Home Trade management is confident that as one of the initial convergence-oriented financial service providers that it has established a tangible brand equity that would give it a fast and fast mover advantage.

Business risks and concerns review

The company's operations are subject to operating risks most of which are also generic to the sector of operation and similar businesses within the industry. There include technology related risks, the ability of the business to adapt to a rapidly

20

changing environment', risks associated with the securities business, risks of entering new products and markets, competitive risks and risks related to the change in government regulations.

However, the company believes that the soundness of the business model combined with the prior experience of management in this area of business will help address the various risks that are inherent to this business.

Cautionary Statement: Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. We cannot guarantee that any forward looking statement will be realised, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions & other economic and regulatory factors.

RPORATE GOVERNANCE REPORT

Pursuant to Clause 49 to the Listing Agreement, a report on Corporate Governance is set out below :-

1. **Philosophy on Code of Governance:-** Your company is firmly committed to building long term shareholders' value with full emphasis on good corporate governance. Your Company will constantly endeavour to be a responsible partner in society, acting in integrity towards its shareholders, customers, employees, the government, its business partners and other stake holders.

2. **Board of Directors :-** The present Board of Directors consists of :-

(i) Mr. Sanjay Agarwal – Chairman & Wholetime Director.
(ii) Mr. N.S. Trivedi – Executive Director & Secretary.
(iii) Mr. Manoj A. Shah – Non Executive Director.
(iv) Mr. Dhananjay Agarwal - Non Executive Director.
(v) Mr. Shashank G. Ranade – Non Executive Director.**
(vi) Mr. Salil D. Gandhi - Non Executive Director.**
(vii) Mr. Vijaykumar H. Modi - Non Executive Director. **
(viii) Mr. Alan James McMillan - Non Executive Director. **
(ix) Mr. Russel H. Beokenkroeger Jr. - Non Executive Director. **

** :- Indicates Independent director.

The Board of Directors has met Fifteen times in the year under review.

3. **Audit Committee :-** The company has constituted an Audit Committee according to the provisions of Section 292A of the Companies Act, 1956. Mr. Shashank G. Ranade was appointed as the Chairman of the Committee. The other members of the committee are Mr. Salil D. Gandhi, Mr. Vijaykumar H. Modi and Mr. N.S.Trivedi, Executive Director and Secretary. The Company Secretary acts as the Secretary of the Committee.

4. **Remuneration Committee :-** The company has constituted a Remuneration Committee according to the provisions of Clause 49 of the Listing Agreement. Mr. Shashank G. Ranade was appointed as the Chairman of the Committee. The other members of the committee are Mr. Salil D. Gandhi, Mr. Vijaykumar H. Modi and Mr. N.S.Trivedi, Executive Director and Secretary. The Company Secretary acts as the Secretary of the Committee.

5. **Shareholders Greivances Committee :-** The company has constituted a Shareholders Greivances Committee according to the provisions of Clause 49 of the Listing Agreement. Mr. Shashank G. Ranade was appointed as the Chairman of the Committee. The other members of the Committee are Mr. Salil D. Gandhi, Mr. Vijaykumar H. Modi and Mr. N.S.Trivedi, Executive Director and Secretary. The Company Secretary acts as the Secretary of the Committee.

6. **Accounting Standards and Financial Reportings :-** The Company has incorporated the necessary accounting standards as prescribed from to time. The company has been publishing the quarterly reports of the company as per the provisions of the Listing Agreement.

7. **Board Procedures :-** The Board of Directors of your Company meet at least once in three months in a calendar year. The Directors of your Company are notified well in advance of the agenda and holding of a Board Meeting. During the financial year 2000 –2001, the Board of Directors of your Company met Fifteen times which were well attended.

The members of Board of Directors have free and undisturbed access to the all the information about your Company and can recommend the inclusion and removal of any matter from the agenda of a Board meeting.

14

267

(i) Compliance Officer :- Mr. N.S. Trivedi, Executive Director & Secretary has been designated as the Compliance officer of the Company.

(ii) Management :- The company has voluntarily disclosed the Management & Discussion Analysis Report in the Annual Report 2000-2001, even though the company will be compulsorily required to include the same on or before 31st March, 2002.

(iii) Auditors Certificate on Corporate Governance : AS ATTACHED.

By Order of the Board

For Home Trade Limited

N S Trivedi.
Executive Director & Secretary.

Mumbai, 14th August, 2001.

To
The Board of Directors
Home Trade Limited

Dear Sir,

We hereby certify that the Company has complied with the provisions of clause 49 to the listing agreement with effect from May 15, 2001.

For Parimal R Shah & Co.
Chartered Accountants

Parimal R Shah
Proprietor

Date: June 30, 2001
Place: Mumbai

16

211

PARIMAL R. SHAH & CO
CHARTERED ACCOUNTANTS
1/20, Bakul, Lallubhai Park, Andheri -West,Mumbai-58
Tel: 022-6249031

To,
The Members,
Home Trade Limited

We have audited the attached Balance Sheet of HOME TRADE LIMITED as at March 31,2001 and the Profit and Loss Account of the Company for the period, ended on that date annexed thereto, and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act,1956, we enclose in the Annexure a statement on the matters specified in paragraphs.

2. Further to our comments in the Annexure referred to in paragraph (1) above:

   (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;

   (c) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

   (d) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, in so far as they are applicable to the Company;

   (e) On the basis of the written representation received from Directors as on 31-3-2001 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31-3-2001 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

   (f) in our opinion and to the best of our information and knowledge and according to the explanations given to us, the said accounts read together with Significant Accounting policies and Notes to accounts thereon as per Schedule 13 and more particularly for Note No.5, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2001;and

      (ii) In the case of the Profit and Loss Account, of the profit for the period ended on that date.

For PARIMAL R.SHAH & CO.
Chartered Accountants

Place: Mumbai
Dated: 30-6-2001

PARIMAL R.SHAH
Proprietor

18

2/13

Loans and advances

10. The parties including employees to whom loans or advances in the nature of loans have been given by the Company, are generally regular in repaying the principal amounts as stipulated and interest where applicable.

11. The Company has taken loans, secured or unsecured from companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956, the rate of interest and other terms and conditions of which are not prima facie, prejudicial to the interest of the Company.

12. The Company has granted loans, secured or unsecured to companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, or to companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956, the rate of interest and other terms and conditions of which are not, prima facie, prejudicial to the interest of the Company.

Related parties

13. The Company has entered into transactions for sale of goods and services in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the period to Rs.50,000 or more in respect of each party and the terms and conditions of such transactions are prima-facie not prejudicial to the interests of the Company.

Fixed Deposits

14. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.

Taxation

15. *According to the information and explanations given to us, except Dividend Tax Rs.52.71 lacs, Income Tax for Rs.188.38 lacs, Tax Deducted at source under various heads under Income tax of Rs.98.71 lacs,* there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which are outstanding as at March 31, 2001, for a period of more than six months from the dates that they became payable.

Staff welfare

16. Provident Fund and ESIC wherever applicable, have been generally regularly deposited by the company in time during the year with the appropriate authorities.

17. On the basis of the examination of the books of account carried out by us in accordance with generally accepted auditing practices and according to the information and explanation given to us, no other personal expenses of employees or directors have been charged to the profit and loss account, other than those payable under contractual obligations or in accordance with generally accepted business practice.

Others

18. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the products of the Company.

19. The Company is not a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

20. The company is generally maintaining proper records of the transactions and contracts entered into for dealing or trading or investments in shares, securities and other

investments and timely entries have been made therein. The shares securities and other investments unless otherwise specified, are held by the company in its own name or held with valid transfer documents.

21. The Company has not granted loans and advances on the basis of security by way of Pledge of shares, debentures and other securities.

The matters contained in paragraphs 4A (iii), (iv), (v), (vi), (xii), (xvi) and (xx) in respect of physical verification and valuation of inventory, unserviceable or damaged stores, raw material and finished goods, records for sale and disposal of realisable by products and scrap, maintenance of cost records and sick industrial companies are not applicable to the Company in respect of the year under audit.

For PARIMAL R.SHAH & CO.
Chartered Accountants

Place: Mumbai
Dated: 30-6-2001

PARIMAL R.SHAH
Proprietor

20

21

HOME TRADE LIMITED

BALANCE SHEET AS AT MARCH 31, 2001

	Schedule	As at 31.03.01 (Rs)	As at 31.03.00 (Rs)
SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	1	239,610,000	239,610,000
Reserves and Surplus	2	304,447,956	41,699,906
2. Loan Funds			
Secured	3	413,496,462	149,812,761
Unsecured	4	45,154,582	33,498,274
Total		1,002,709,000	464,620,940
APPLICATION OF FUNDS			
1. Fixed Assets (Including work in progress)	5		
Gross Block		376,282,824	101,029,49[illegible]
Less : Depreciation		46,705,837	21,109,138
Net Block		329,576,987	79,920,361
2. Investments	6	54,797,722	46,448,732
3. Current Assets, Loans & Advances	7	753,941,401	416,799,323
Less: Current Liabilities & Provisions	8	240,784,240	89,118,281
Net Current Assets		513,157,161	327,681,042
4. Miscellaneous Expenditure	9	105,177,131	10,570,805
Total		1,002,709,000	464,620,940
Significant accounting policies and Notes to the Accounts	13		

As per our attached report of even date

For Parimal R. Shah & Co.
Chartered Accountants

Parimal R. Shah
Proprietor

Place : Mumbai
Date : June 30, 2001

For and on behalf of the Board
Home Trade Limited

Sanjay Agarwal
Chairman

N.S.Trivedi
Executive Director &
Secretary

Vijaykumar H Modi
Director

21 216 135

HOME TRADE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2001

	Schedule	2000-2001 (Rs)	1999-2000 (Rs)
INCOME			
Income from Broking Operations			2,648,011
Gains on sale of Investments/Securities (Refer Note No.13 of Schedule 13)		668,021,486	121,418,406
Interest		1,338,268	17,864,976
Other Income	10	2,897,436	3,397,671
Total		672,257,190	145,329,065
EXPENDITURE			
Administrative & General Expenses	11	180,624,809	46,844,377
Interest		48,635,926	20,812,666
Depreciation		25,719,741	5,976,039
Other Non Cash Charges	12	101,653,529	374,350
Total		356,634,005	74,007,432
Profit before tax		315,623,184	71,321,633
Provision for Income Tax		25,075,000	16,000,000
Provision for Wealth Tax		50,000	30,000
Profit after tax		290,498,184	55,291,633
Less: Provision for Interest on Income Tax for earlier years		(4,345,112)	(3,712,730)
Add: Provision no longer required for Service tax (Refer Note 6 of Schedule 13)		3,000,000	(3,000,000)
		289,153,072	48,578,903
Add : Net profit brought forward		34,976,295	17,129,812
Profit available for Appropriations		324,129,368	65,708,715
Appropriations			
Proposed Dividend		23,961,000	23,961,000
Dividend Tax		2,444,022	5,271,420
Transfer to General Reserve		8,500,000	1,500,000
Balance Carried to Balance Sheet		289,224,346	34,976,295

As per our attached report of even date

For and on behalf of the Board
Home Trade Limited

For Parimal R. Shah & Co.
Chartered Accountants

Sanjay Agarwal
Chairman

Parimal R. Shah
Proprietor

N.S.Trivedi
Executive Director & Secretary

Place : Mumbai
Date : June 30, 2001

Vijaykumar H Modi
Director

2 22

HOME TRADE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.01 (Rs)	As at 31.03.00 (Rs)
1. SHARE CAPITAL		
Authorised		
15,00,00,000 equity shares of Rs.2/- each (Previous year 3,00,00,000 Equity shares of Rs.10 each)	300,000,000	300,000,000
	300,000,000	300,000,000
Issued, Subscribed and Paid up		
11,98,05,000 equity shares of Rs.2/- each fully paid up (Previous year 2,39,61,000 equity shares of Rs. 10 each fully paid up)	239,610,000	239,610,000
	39,610,000	239,610,000
2. RESERVES AND SURPLUS		
General Reserve		
Opening Balances	6,723,611	5,223,611
Add : Transfer from Profit & Loss Account	8,500,000	1,500,000
	15,223,611	6,723,611
Balance in Profit and Loss Account	289,224,346	34,976,295
	304,447,956	41,699,906
3. SECURED LOANS		
Hire Purchase Finance (Secured by hypothecation of motor cars)		
Hire Purchase Finance (Secured by hypothecation of Motor Vehicle)	---	585,589
Overdraft facility from Bank (Secured by pledge of Government Securities)	341,842,333	95,879,846
Cash Credit Facility from Bank (Secured by pledge of Government Securities)	38,853,273	---
Term Loan from Banks (Secured by hypothecation of stock in trade, receivables and pledge of equity shares) Repayable within a year : Rs.18,339,475 (previous year: Rs. 15,330,000)	28,091,052	32,111,108
Global Housing Finance Corp. Ltd (Secured by mortgage of residential properties)	4,709,804	5,387,946
Letter of Credit from Bank (Secured by hypothecation of stock in trade, receivables and pledge of certain equity shares)	---	15,848,273
	413,496,462	149,812,761
4. UNSECURED LOAN		
Short term		
From Others- Inter Corporate Deposits	45,154,582	33,498,274
	45,154,582	33,498,274

SCHEDULE 5

PARTICULARS	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	as on 1.4.00	Additions	Deletions	as on 31.03.01	as on 1.4.00	Additions	On Op Bal	Additions	Deletions	as on 31.03.01	as on 31.03.01	as on 31.03.00
Trademark	0	1,217,200	0	1,217,200	0			101433	0	101,433	1,115,767	0
Building	8,312,800	6,233,038	0	14,545,838	39,722	8,629	135,499	144,128	0	183,850	14,361,988	8,273,078
Computer Hardware	37,428,540	78,710,017	2,187,872	113,950,685	12,907,539	4,010,866	5,712,836	10,078,032	14917	22,970,654	90,980,031	24,521,001
Website & Related Software	14,763,050	201,026,268	29,200	215,760,118	4,069,899	416,814	2,388,357	13,967,031	1193	18,035,737	197,724,380	10,693,151
Furniture & Fixtures	4,479,741	1,812,517	19,500	6,272,758	1,214,479	62,907	283,568	346,475	0	1,560,954	4,711,804	3,265,262
Motor Vehicles	3,657,001	0	289,266	3,367,735	1,365,046	0	347,415	316,773	106,932	1,574,887	1,792,848	2,291,955
Office Equipments	12,388,368	8,302,479	28,500	20,662,347	1,512,453	177,421	588,447	765,869	0	2,278,322	18,384,025	10,875,915
Capital Advances/WIP						0	0				506,143	20,000,000
TOTAL	81,029,500	297,301,519	2,554,338	375,776,681	21,109,138	4,676,637	9,456,122	25,719,741	123,042	46,705,837	329,576,986	79,920,362
Previous Year	41,295,938	40,264,943	531,382	81,0[illegible]	15,264,846			5,976,039	131,747	21,109,138	59,920,361	

23

24

219

HOME TRADE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.01 (Rs)	As at 31.03.00 (Rs)
6. INVESTMENTS		
(Trade) (Unquoted) (At cost)		
Stock Exchange Memberships		
a. Bombay Stock Exchange	14,050,000	14,050,000
b. National Stock Exchange - WDM Segment	2,500,000	2,500,000
c. National Stock Exchange - CM Segment	500,000	500,000
d. Pune Stock Exchange	2,347,222	2,347,222
e. Over The Counter Exchange Of India	2,000,000	2,000,000
	21,397,222	21,397,222
Equity Shares (Refer note no. 14 of Schedule 13)	33,400,500	25,051,510
	54,797,722	46,448,732
7. CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
i) Interest accrued	3,147,358	2,387,012
ii) Cash and Bank Balances		
a. Cash on hand	81,448	379,982
b. Balances with Scheduled Banks		
In Fixed Deposit Accounts	3,520,001	10,266,000
In Current Accounts	24,497,872	-
In Unpaid Dividend Account	549,200	13,422,737
	28,648,521	24,068,719
iii) Debtors		
(Unsecured, considered good)		
a. More than six months	---	---
b. Others	232,245,091	11,676,112
	232,245,091	11,676,112
iv) Stock in Trade - Government Securities (pledged with banks) (Refer note no.15 of Schedule 13)	422,974,959	352,097,332
Total (A)	687,015,929	390,229,175

25

220

135

HOME TRADE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

7. CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.01 (Rs)	As at 31.03.00 (Rs)
B. LOANS AND ADVANCES (Unsecured, considered good)		
i) Advances recoverable in cash or in kind or for value to be received :		
Staff Loans & Advances	6,336,901	1,834,637
Other advacnes	4,165,564	637,140
	10,502,465	2,471,777
ii) Deposits :		
Deposits with Stock Exchange :		
National Stock Exchange - WDM Segment	7,500,000	7,500,000
National Stock Exchange - CM Segment/NSCCL	8,387,042	4,154,136
Bombay Stock Exchange	600,000	600,000
Pune Stock Exchange	400,000	1,897,563
OTC Exchange of India	50,000	50,000
Deposit NSE VSAT	91,434	91,434
	17,028,476	14,293,133
Other Deposits :		
Deposit - premises	3,165,500	2,645,500
Sundry Deposits	1,745,549	2,272,848
	21,939,525	19,211,481
iii) Other current assets:		
Other current assets	1,703,787	
Advance Income Tax	32,779,695	4,886,889
	34,483,482	4,886,889
Total (B)	66,925,472	26,570,148
Total (A) + (B)	753,941,401	416,799,323

26

221

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.01 (Rs)	As at 31.03.00 (Rs)
8. CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors	86,379,421	4,491,265
Creditors for Capital expenditure	26,070,205	6,249,583
Book Overdraft from Bank	19,805,317	3,104,479
Unclaimed dividend	557,200	
Other Liabilities	9,878,732	6,511,270
Total (A)	142,690,875	20,356,603
B. PROVISIONS		
Income Tax	66,365,985	39,499,258
Wealth Tax	50,938	30,000
Proposed Dividend	23,961,000	23,961,000
Corporate Dividend Tax	7,715,442	5,271,420
Total (B)	98,093,355	68,761,678
Total (A) + (B)	240,784,240	89,118,281
9. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary Expenses	---	374,350
Less : Written off during the year	---	374,350
Deferred Revenue Expenditure	10,570,805	10,570,805
Less Written off during the year	3,523,602	
	7,047,203	10,570,805
Brand & Website Promotional Expenses	196,259,855	---
Less : Written off during the year	98,129,927	---
	98,129,927	---
	105,177,131	10,570,805

HOME TRADE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	2000-2001 (Rs)	1999-2000 (Rs)
10 OTHER INCOME		
Miscellaneous Income	2,635,725	2,006,059
Sundry Balances written back	261,710	1,155,699
Bad Debts Recovery		235,913
	2,897,436	3,397,671
11. ADMINISTRATIVE AND GENERAL EXPENSES		
Rent,Rates & Taxes	13,991,310	5,328,076
Salaries, Wages & Allowances	44,737,639	8,376,551
Cont. to Employees P.F. etc	2,992,832	507,353
Staff Welfare	2,070,383	568,494
Travelling & Conveyance	14,521,253	6,631,676
Comminication cost	15,278,150	2,407,860
General Administrative Expenses	14,058,722	10,653,784
Legal & Professional Fees	10,780,665	5,002,444
Donation	2,074,002	92,012
Sundry Balances & Deposits written off	2,264,418	1,294,922
Loss on Sale of Assets	132,334	144,634
Stock Exchange Charges	2,673,511	877,949
Repairs & Maintainence - Others	6,134,813	1,200,209
Auditors Remuneration :		
- For Statutory Audit	157,500	105,000
- For Tax Audit	52,500	52 500
- Out of pocket exp. Audit		1 948
Portal - Software & Consultancy expenses	41,288,466	- -
Foreign exchange fluctuation loss	215,227	---
Investments written off	50,010	---
Registrar and transfer expenses	164,544	---
SEBI Turnover Fees	1,362,446	---
Recruitment Exp	5,524,084	3,598,965
	180,624,809	46,844,377
12. OTHER NON CASH CHARGES		
Deferred Revenue Expenses written off	101,653,529	---
Preliminary Expenses written off		374,350
	101,653,529	374,350

223

28

HOME TRADE LIMITED

13. NOTES FORMING PART OF THE ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES:

1. SIGNIFICANT ACCOUNTING POLICIES:

Method of accounting

The accounts have been prepared to comply in all material respects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

Revenue Recognition

Income from brokerage activities is recognized on the trade date of the transaction, except for spot transactions, where it is recognized on date of the transaction and accounted for net of sub-brokerage, where applicable.

Profit/loss on sale of government and other securities (stock in trade) and investments is recognized on the date of transaction.

Fixed Assets and Depreciation

Fixed assets are stated at cost. Depreciation is provided under Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956, except for Website & Related Software and Trademarks. Expenses incurred in relation to development of the Website & Related Software of the company and the facilities to enable conduct of broking activity through the portal, have been capitalised on the respective dates of their launch. These expenses have been classified and capitalized as plant and machinery under the head "Website & Related Softwares" and are depreciated over a period of three years, being the management's estimate of the useful life of the assets. Trademarks are depreciated over a period of 12 years.

Expenses towards repair of enduring benefit to the interiors of office premises not owned by the Company are apportioned over the primary period of the lease.

Investments and Stock-in-Trade

(a) The Shares and other securities acquired with the intention of short term holding and trading positions are considered as stock-in-trade and shown as current assets. Other Shares / securities or stock exchange membership rights acquired with the intention of long-term holding are considered as 'Investments'.

(b) Investments are shown in the Balance Sheet at cost. Provision for diminution in the value of investments is made, if such diminution is of permanent nature.

(c) Stock-in-trade is valued as follows :

Shares at the cost of acquisition or market value whichever is lower

Securities at the cost of acquisition and interest accrued thereon till date of acquisition, if any, or market value, which ever is lower

29

224

Sundry Debtors and Creditors

Amounts receivable from and payable to clients for broking transactions are recognised on trade/transaction date basis and disclosed separately as Sundry Debtors and Creditors. Bad debts /Advances are written off, in the year in which they become irrecoverable.

Foreign Exchange transactions

Transactions in foreign currencies are translated to Indian Rupees at the rate of exchange ruling on the date of transaction. Foreign currency liabilities covered by forward exchange contracts are stated at the rate specified in the related forward contracts. The difference between forward rate and exchange rate at the inception of the forward exchange contract is recognized as income or expense over the life of the contract.

Miscellaneous Expenditure

i) Guarantee commission and charges paid to the banks for guarantee given by them to other parties are apportioned over the period of the guarantee.

ii) Deferred Revenue Expenditure

Deferred revenue expenditure incurred by the company are amortised over a period of three years, commencing from the year in which such expenditure is incurred.

iii) Brand & Web Promotional expenses

Expenditure incurred on development of brand & Web Promotional expenses by the company are written off in two years from the year in which such expenditure is incurred.

Retirement Benefits

(a) Gratuity Liability is covered under Employees' Group Gratuity Accumulation Scheme with Life Insurance Corporation of India and annual premium payable thereon is charged to Profit and Loss Account.

(b) Contributions to defined contribution schemes such as provident fund and family pension und are charged to profi and loss account as incurred. Encashment of accumulated leave by employees is accounted for as and when paid, as per the practice consistently followed by the company.

Prior Period & Extra Ordinary Items

Items of Income & expenditure pertaining to prior period, where material in the opinion of the Management are disclosed separately.

Provision for Taxation

Provision for income tax is made on the assessable income at applicable rates.

Proposed Dividend and Dividend Tax

Proposed dividend is accounted on the recommendation of the Board of Directors, subject to the approval at ensuing General Meeting. Provision for corporate dividend tax is made as per the provision of law.

Contingent Liabilities

All known liabilities have been provided in accounts except liabilities of contingent nature, which has been disclosed by way of notes to the accounts.

2. Contingent Liabilities not provided for:

 a. In respect of guarantees given by Banks Rs. 25,00,000/- (Previous year Rs.40,00,000/-).

 b. Contingent Liability
 - Employee Bonus Liability – Amount unascertainable.
 - TDS Surcharge Liability as per new rates - amount unascertainable.

 c. The company is in the process of computing the SEBI turnover fess for the remaining period and the same shall be paid on finalisation of the computation and debited in the year of payment.

3. Fixed Assets and Capital Commitments

The Website of the company 'www.hometrade.com' containing a finance portal, has been made accessible to the public at large on September 2, 2000. The site contains information about the company and its current and proposed activities, apart from information on the financial markets which is mainly of advisory nature. On February 28, 2001, the company commercially launched the portal and threw open to the public (potential investors) the facility to buy and sell securities through the portal (using the medium of the Internet). The said trading facility is made possible by the use of a broking engine (a software) and related hardware equipment.

The costs incurred in connection with development of the portal and the facility to buy and sell securities have been capitalised as fixed assets on September 2, 2000 and February 28, 2001, the respective dates of their launch, in accordance with AS 10 – Accounting for fixed assets.

Expenses incurred on the broking engine, other software, content upto the date of the portal launch and other expenses directly related to the portal/ facility to trade have been capitalised under the heading of 'Website and Related Software'.

4. Salary, other benefits payable to employees and statutory dues/taxes required to be deducted thereon has been provided by the management on mercantile basis.

5. The company has changed its policy for accounting of bonus expenses from payment basis to performance basis. Bonus is payable based on assessment of employees' performance during the 12 months commencing on the 1st of November each year. Since the period of assessment of employees' performance is not computed as at the balance sheet date. No provision is made for the bonus for the period 1-11-2000 to 31-3-2001.

6. The company has written back service tax amounting to Rs. 30 lacs on completion of the General Audit of Service Tax for the period from July 1994 to March 2000, which has been shown under the head Provision no longer required for Service Tax.

7. The company has accounted, being technical matter, certain expenses based on the bifurcation carried out by the management with respect to Portal Content Expenses and Website & Related Software.

31

226

(13)

8. Pending reconciliation of Dividend payment account with Bank, balance is taken as per books. Any adjustment thereto, will be accounted in the year of reconciliation.

9. Estimated amount of capital commitment net of advances is Rs.18,77,000/- (Previous year: Rs. Nil)

10. The Current Assets and Loan and Advances are realizable at the Value stated in the Balance Sheet in the ordinary course of the business.

Loans and Advances include an amount of Rs. Nil (maximum outstanding during the year Rs. 3,50,000/-) (previous year Rs. Nil), outstanding from a director of the Company.

11. Sundry Debtors

The management reviews, on periodical basis, the outstanding debtors with a view to determining as to whether debtors are good, bad or doubtful, after taking into consideration all the relevant aspects, including the tangible, intangible, primary and collateral security available, financial condition of debtors, the net worth, standing and reputation of the guarantor, if any, past performance /projected future performance of the debtors. The management determines whether a debtors is doubtful or bad, wholly or in part and on the basis of such reviews, the Board of Directors determines the extent of bad debts to be written off in the accounts.

12. Some Debtors, Creditors and Advances are subject to reconciliation and resultant adjustments if any and are thus taken up as per Books.

13. During the year company has sold 1,08,50,000 Equity shares of Rs.2 each of Ways India Limited, there being no comparative quotation, as on date of transfer, the shares were sold based on the valuation carried out by Independent Chartered Accountant, on which. the auditors have relied.

14. Investments

Investment consists of

	As on 31.03.01		As on 31.03.00	
Equity Shares (Unquoted , Face Value of Rs.10, fully paid up unless otherwise stated)	*Number of shares*	*Amount Rs.*	*Number of shares*	*Amount Rs.*
Ways India Limited*	16650000	3,33,00,000	25,00,000	2,50,00,000
Euro Asia Management Services Limited	10	100	10	100
Euro Asia Capital Management Limited	10	100	10	100
Euro Asia Finance Limited	10	100	10	100
Euro Asia Forex Limited	10	100	10	100
Euro Asia Portfolio Management Limited	10	100	10	100
Janata Sahakari Bank Limited (Rs. 100 paid up)	1000	1,00,000	510	51,010
TOTAL		3,34 00,500		2,50,51,510

* Subdivided in to face value of Rs.2 each from Rs.10 each from Current year

15. Stock in trade(quoted)
Stock in trade consists of :

Particulars (Face Value)	As on 31.03.01	As on 31.03.0
11.50% CG2010 (Rs 100 lacs)	11,121,250.00	
11.50% CG2010 (Rs 200 lacs)	21,846,388.89	
14.40% PSEB 2005 (Rs 100 lacs)	10,455,663.01	
10.70 % CG 2020 (Rs 200 lacs)	20,721,722.22	
11.03% CG2012 (Rs 210 lacs)	22,037,674.17	
11.03% CG2012 (Rs 187 lacs)	19,807,684.11	
11.03% CG 2012 (Rs 354 lacs)	37,500,439.33	
11.43% CG2015 (Rs 213 lacs)	22,400,091.75	
10.47% CG2015 (Rs 800 lacs)	80,575,933.33	
10.47% CG 2015 (Rs 1500 lacs)	152,500,375.00	
10.20 % CG2005 (Rs 100 lacs)	10,434,666.67	
11.50% CC2015 (Rs 50 lacs)	5,474,652.78	
12.30% CG2016 (Rs 15 lacs)	1,782,937.50	
14% SDL 2005 (Rs 54 lacs)	6,317,280.00	
14% CG 2005 (Rs 550 Lacs)		63,872,111.11
11.19% CG 2005 (Rs 90 Lacs)		9,137,385.00
11.00% CG 2002 (Rs 50 Lacs)		5,224,555.56
11.50% CG 2008 (Rs 400 Lacs)		42,876,111.11
9.50% CG 2008 (Rs 350 Lacs)		32,888,444.44
10.80% CG 2008 (Rs 625 Lacs)		63,831,250.00
12.40% CG 2013(Rs 472 lacs)		52,605,448.89
12.32% CG 2011 (Rs 300 lacs)		32,926,400.00
11.25% CG 2005 (Rs 50 lacs)		5,284,375.05
12.00% CG 2008(Rs 28 lacs)		3,022,973.33
10.25% CG 2012 (Rs 200 lacs)		19,448,777.78
12.60% CG 2016 (Rs 100 lacs)		11,479,500.00
0.00% CG 2000 (Rs 100 lacs)		9,650,000.00
TOTAL	422,974,958.76	352,097,332.22

16. Sundry Debtors include Rs. NIL (previous year Rs.11,676,112/-) due from companies in which Some directors are interested (Maximum outstanding during the Year Rs. NIL previous year Rs.4,60,687,834/-)

17. Deposits

Of the total Deposits with bank of Rs. 35,20,000 (Previous year Rs. 102,85,000), fixed deposits valuing to Rs. 6,25,000 (Previous Year Rs.6,25,000) is pledged for guarantees given to National Securities Clearing Corporation Limited. Rs. 25,00,000 (Previous Year Rs 25,00,000) is pledged for guarantees given to The Stock Exchange, Mumbai. Rs. 50,000 (Previous year Rs 50,000) is pledged for guarantee given to Pune Stock Exchange and Rs. 3,45,000 (Previous Year Rs. 1,16,000) is pledged with Custodians pending rectification of Bad delivery of shares & Rs. NIL (Previous Year Rs. 66,00,000) and Rs. NIL (Previous Year Rs. 375,000) are pledged with IndusInd Bank respectively for Letter of credit facility and guarantee given to Pune Stock Exchange respectively

33

228

129

18. Quantitative Details*

Additional information pursuant to the provisions of Schedule VI of the Companies Act, 1956:

Traded Goods	Units	Opening Stock		Purchases		Sales		Closing Stock	
		Qty in lakhs	Value Rs. Lakhs	Qty in lakhs	Value Rs. Lakhs	Qty in lakhs	Value Rs. lakhs	Qty in lakhs	Value Rs. lakhs
Shares	Nos	125	250	150	300	108.5	6510	166.5	360
Previous year		180	1,801	Nil	Nil	155	2,676	25	250

19. Expenditure on foreign currency

	2000 – 2001	1999 – 2000
Traveling expenses	2,631,176	3,325,669
Books and Periodicals	Nil	145,905
Membership and subscriptions	3,531,567	223,788
Others	10,494,842	244,876
Total	1,66,57,585	39,40,238

20. Managerial Remuneration included in the profit and loss account*

	2000 – 2001	1999 - 2000
Salaries	27,64,600	4,98,713
Perquisites	1,89,900	3,41,905
Contribution to PF/ FPF	2,97,000	59,845
TOTAL	32,51,500	9,00,463

* Remuneration to directors have been paid within the limits prescribed in Schedule XIII of the Companies Act, 1956.

21. Small Scale industries

The company has no outstanding to small scale industrial undertakings for an amount more than Rs. 100,000/- as on Balance Sheet date..

22. Dividend paid to NRI shareholders Rs. 1,09,44,250/-

23. Previous year figures have been regrouped, reclassified and rearranged wherever necessary.

For M/S. PARIMAL R SHAH & CO
Chartered Accountants

For and on behalf of the board
Home Trade Limited

Parimal R Shah
Proprietor

SANJAY AGARWAL
Chairman

N.S.TRIVEDI
Executive Director & Secretary

Place : Mumbai

Date : June 30, 2001

VIJAYKUMAR H. MODI
Director

229

HOME TRADE LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31,2000

		31.3.01		
(A) Cash Flow from operating activities				
Net profit before tax				
Adjustment for		315,623,185		71,321,63
Depreciation	25,719,741		5,976,039	
Interest debited to profit & loss account	48,635,926		20,812,666	
Interest credited to profit & loss account	(1,338,268)		(17,864,976)	
Sundry balances /Deferred revenue exp written off	102,292,956		1,669,271	
Gains on sale of Investments	(629,300,000)		(112,625,223)	
Loss of sale of Fixed assets	132,334	(453,857,311)	144,633	(101,887,5
Operating profit before working capital changes		(138,234,126)		(30,565,95
Adjustment for				
Trade & other receivables	(31,019,863)		116,008,789	
Inventories	(70,877,627)		(283,656,763)	
Trade payable & other liabilities	151,377,360	(49,479,870)	(88,606,363)	(256,254,33
Cash generated from operations		(88,754,256)		(286,820,29
Deferred revenue expenditure paid	(196,259,855)		(30,945,154)	
Direct taxes paid	(2,582,447)	(198,842,302)	(5,574,319)	(36,5[illegible]9,473)
Net Cash flow from operating activities ... A		(287,596,558)		(323,339,76
(B) Cash flow from Investing activities				
Purchase of fixed assets	(303,946,218)		(40,264,943)	
Sale of fixed assets	2,298,962		255,002	
Purchase of Investments	(30,022,000)		---	
Sale of Investments	420,000,000		267,625,523	
Interest received	577,924		15,477,965	
Intercorporate deposits taken	11,656,308		---	
Repayment of Intercorporate deposits	---		(24,461,200)	

35

230

140

Home Trade Limited

HOME TRADE LIMITED		31.03.01		31.03.00
Net Cash flow from Investing activities ... B		100,487,976		218,632,347
(C) Cash flow from Financing activities				
Proceeds/ (Repayment) from Secured loan	263,683,701		130,251,701	
Interest paid	(48,591,515)		(20,069,723)	
Dividend Paid	(23,403,800)		(18,606,313)	
Net Cash flow from financing activities ... C		191,688,386		91,575,665
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		4,579,804		(13,131,756)
Add : Cash & Cash Equivalent at the beginning of the year		24,068,717		37,200,473
Cash & Cash Equivalent at the end of the year		28,648,521		24,068,717

For and on behalf of the Board
Home Trade Limited

Place :Mumbai
Date : 30-06-2001

Sanjay Agrawal	N S Trivedi	Vijaykumar H Modi
Chairman	Executive Director & Secretary	Director

Auditors' Certificate

We have verified the attached cash flow statement of Home Trade Limited derived from the audited financial statements and the books & records maintained by the Company for the year ended 31st March, 2001 and found the same in agreement therewith.

For Parimal R. Shah & Co.
Chartered Accountants

Place :Mumbai
Date : 30-06-2001

Parimal R. Shah
Proprietor

36

231

HOME TRADE LIMITED

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	: 25-14018	State Code	:
Balance Sheet Date	: March 31, 2001		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSANDS)

Public Issue	: NIL	Right Issue	: N[illegible]
Bonus Issue	: NIL	Private Placement	: N[illegible]

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSANDS)

Total Liabilities	1,002,709	Total Assets	1,0[illegible]70
SOURCES OF FUNDS		APPLICATION OF FUNDS	
Paid-up Capital	239,610	Net Fixed Assets	329,57[illegible]
Reserves and Surplus	304,448	Investments	54,798
Secured Loans	413,496	Net Current Assets	513,157
Unsecured Loans	45,155	Miscellaneous Expenditure	105,177
		Accumulated Losses	---

IV. PERFORMANCE OF THE COMPANY (AMOUNT RS. IN THOUSANDS)

Total Income	672,257	Total Expenditure	356,634
Profit Before Tax	315,623	Profit After Tax	289,153
Earning Per Share (Rs.2 per share paid up)	2.41	Dividend Rate %	10%

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

Item Code No. (ITC Code)	Not applicable
Product Description	Stock Broking

As per our attached report of even date

For PARIMAL R SHAH & CO.
Chartered Accountants

PARIMAL R SHAH
Proprietor

Place : Mumbai
Date : 30-06-2001

For and on behalf of the Board
Home Trade Ltd.

SANJAY AGARWAL
Chairman

N S TRIVEDI
Executive Director & Secretary

VIJAYKUMAR H MODI
Director

37

232

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HOME TRADE LIMITED

Registered Office: 124A, Sohrab Hall, 21, Sasoon Road, Pune – 411 001

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall

Registered Folio No. ______________________ shares held ______________

____

(Name in Block Letter)

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company held at the Registered Office at 124A, Sohrab Hall, 21, Sasoon Road, Pune – 411 001. on Saturday, 29th September 2001, at 10.00 a.m.

____

Note: Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the Meeting Hall.

-- TEAR HERE --

HOME TRADE LIMITED

Registered Office: 124A, Sohrab Hall, 21, Sasoon Road, Pune – 411 001

PROXY FORM

Registered Folio No. ______________________ shares held ______________
I/We, ______________________ of ______________________
being a member/members of the above names company he eby appoint ______________________ of ______________________ or failing him ______________________ of ______________________ as my/our proxy to vote for me/ us on my/our behalf at the ANNUAL GENERAL MEETING of the Company held at the Registered office at 124A, Sohrab Hall, 21, Sasoon Road, Pune – 411 001 on on Saturday, 29th September 2001, at 10.00 a.m. and at any adjournment thereof.

Signature this ____________ day of ____ _____ 2001

Signed by the said ______________________

Affix 30 paise
Revenue
Stamp

NOTE: The proxy to be effective should be deposited at the Registered office of the Company not less than 48 hours before the commencement of meeting.