



home trade ltd.

ANNUAL REPORT 2000-2001.

-Frue- coby

BOARD OF DIRECTORS

Chairman -Sanjay Agarwal

Executive Director & Secretary N. S. Trivedi

Director Manoj (Miko) Shah

Director Dhananjay Agarwal

Director Allan James Mcmillan

Russel Boekenroeger Jr. Director

Director Shashank G. Ranade

Director Salil D. Gandhi

Vijaykumar Modi Director

Janata Sahakari Bank Limited, Pune BANKERS

IndusInd Bank Ltd.

Parimal R Shah & Co. **AUDITORS**

Chartered Accountants

REGISTERED OFFICE 124A, Sohrab Hall, 21, Sasoon

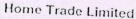
Hoad, Pune - 411 001

REGISTRAR & SHARE TRANSFER AGENT R & D Conulstants Ltd. 610 Dalamal Towers

211, Nariman Point

Mumbai - 400 021.







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.

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

2. DIVIDENT:

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 hidin 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

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



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. IMDUSTRY 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.

Zn

Home Trade Limited



Your Company's current organisational structure has been specifically dosign 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.
- 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. Medi 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. Medi for the effice 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.

11. AUDITORS:

M/s. Parimal R Shah & Co., Chartered Accountants, have expressed their desire net 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 most 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 en ployees 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

Il S Trivedi. Executive Director & Secretary.

Mumpai, 14th August, 2001.

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

•					Ιτ			T	T	T		
	1196775 Hindustan Coca-Cota Deverages	Investment Research Information	3013264 Financial Express		•946218 Net Consult India P v Lid	Talisman Group of Companies and	.802427(UK)	•1746645 Citi Bank	·2092906 Citi Barik	2970451 Pricewaterhouse Coopers Ltd.	· 3073681 Ashtech Infotech Ltd ·	
	59	8	33	3	27		35	32	31	C	32	
	10-Jul-2000		1-Jun-1999	1-3411-2000	6-Jul-2000	C Destroyage In	1-Nov-2000	4-Dec-2000	22-Jun-2000		1-Feb-2000 24-Jul-2000	
	9		8	D C	4		10	C	8		13	68
	B.E. PGDM[IIM]		B.E., MBA, CFA	M.A. (Economics)	Esilection of city	B.A., Olp. III 30	CFM, CMA, MBA		B. Tech, PGDBM (IIM)			PGDCA, Ulp. Comp. Tech.
	Asst-Vice President B.E. PGDM[IIM]		Senior Manager	Vice President	Mismymphological auc	Manager	Vice President		Asst-Vice President	Vice President	Vice President	Sr. Vice President
		Sumani dilaryaya		Shilpa Jodlekar		Siddhartha Singh		Tarun Bansai	Vinayak Hampihalikar Asst-Vice Presi Jent	Vikrant Kanyal	Vivek Luthra	Vinod Menon

· indicates employed for part of the year.

Remuneration comprises of basic salary, allowances and taxable value of perquisites. 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, 14" August, 2001.





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

Foreign Exchange earnings - Nil Foreign Exchange outgo - Rs.1,86,57,585.00

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

Social iDirector	A Prageep Sekar Asst-		Piyush Sharma Nice in		Pankai Kulkarni Aust-V	Naveen Luthra Visit-V	Subodh Bhandari St. Vice		Naveen Gupta Asst-Vi	Manish Agarwal Asst-Vii	Latha Venkatesh Asst-Vio		Hiren Gada Sr. Vice	G G Srinivas Manager	Chirag Jain Sr. A. V. F.	Anu Singh Asst-Vic		Name of Employe Designation
	Asst- /ice / 10 lident		Vice President		Asst-Vice President E				Asst-Vice President IV		Asst-Vice President IP	:	Sr. Vice President B.			Tesident		
a. Colli-		WITECH (IT NEA (IIM)		B.E. (Electrical), MBA	BE, NIBA (IIIN)	o.cc. mon (IIA)	B. COIII, 1 CO		Max	B. Jech, Foom	no. (political science)	or a (political Science)	B.Com, MMS (Fill)	B lecil, Foom (iiii)	Toch DGDM (IIM)	D.A., NO. (IIM)	D A MARA (IIM)	Qualifications
	_			13		,		12		5	6	17	September 200	7	7	8	6	Experience (Years)
	1 1-Sep-1998	4 5-Mar-2001		3 17-Feb-2000		10-Aug-2000	24-Jui-2000	1-Feb-1995			9-May-2000	17 15-May-2000		24-Feb-1997	17-Jun-2000	12-Jun-2000	11-Dec-2000	Joining
	8 36	1 27		0 35		27	31	35		29	31	40		30	30	30	28	Years (Rs.
	2208300 Smith Newcourt-Sarv	*209032 Citi Bank)	2916609 Becton & Dickinson & Co. Inc.		2403488 CIII Balik	1114355 Satyam Inloway Lio	2414469 VCK Shares & Stock Broker F		*1102186 Citi Bank	*2687048 Citi Bank	*1459100 Dow Jones Newswiles		3385533 Pranav Securities Fvt. Ctd	*1233899 Citi Bank	*2262468 Citi Bank	•62389211 C Ltd	-



· '•.

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

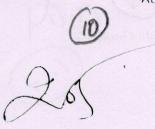
Home Trade is creating an exceptionally strong business structure that has a rock solid foundation and physically powerful pillars that will support the establishment and rapid growth of the company's business in a sustainable and scalable manner on a long term basis.

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; roducts 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.

Achieved operational progress in line with plan



Built an exceptional management team: Home Trade has created an exceptions by 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 har 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, Salyam 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

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

Entered into best-in call alliances: As a part of the company's business establishment process Home Frade 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 or competent and specialized alliance partners it will have the distinct advantage of having access to the most competent resources in ail its areas of

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.

- Web site and related software expenses Rs.20.10 crores. 2
- Computer hardware Rs7.87 crores. b
- Erand and web site promotional expenses Rs.19.63 crores. C.

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



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 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 pariners 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. **

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.

^{** :-} Indicates Independent director.

(4)

(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

NS 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





PARIMAL R. SHAH & CO GHARTERED ACCOUNTANTS

1/20, Bakul, Lallubhai Park, Andheri -West, Mumbai-58 Tel: 022-6249031

To,
The Members,
Home Trade Limited (1971) 1881

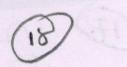
We have audited the attached Balance Sheet of HOME TRADE LIMITED as at March annexed the Profit and Loss Account of the Company for the period, ended on that date

- 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 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 (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, or 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: Mumbar Dated: 30-6-2001

PARIMAL R.SHAH



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, 1950, 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

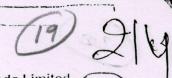
14. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Taxation

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

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.SHAFF & CO. Chartered Accountants

PARIMAL R.SHAH Proprietor

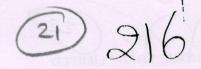
Place: Mumbai Dated: 30-6-2001



HOME TRADE LIMITED

BALANCE SHEET AS AT MARCH 31, 2001

10 dev (il vinuses le ciasa ad no ci	Schedule	As at 31.03.01	As at
SOURCES OF FUNDS 1. Shareholders' Funds	.comings.	(Fis)	31.03.00
			(Rs)
Share Capital	1		Skiller miller and a
Reserves and Surplus 2. Loan Funds	0 2	239,610,000	
		304,447,956	239,610,000
Secured	3	413,496,462	41,699,906
Unsecured	4		
Total		45,154,582	149,812,761
		1 002 700 00-	33,498,274
APPLICATION OF FUNDS		1,002,709,000	
Fixed Assets (Including work in progress) Gross Block	5		464,620,940
Less: Depreciation		376,282,824	
Net Block		46,705,837	101 000 4 48
2. Investments		329,576,987	101,029,49.
3. Current Assets, Loans & Advances	6	54,797,722	21,109,138
Less: Current Liabilities & Provisions	7	753,941,401	79,920,361
Net Current Assets	8	240,784,240	46,448,732
4. Miscellaneous Expenditure	0	513,157,161	416,799,323
	9	105,177,131	89,118,281
Total			327,681,042
		1,002,709,000	10,570,805
Significant accounting policies and Notes to the Accounts	13		464,620,940
As per our attached report of even date	For an	d on behalf of the Board	
	· or arr	Home Trade Limited	
For Parimal R. Shah & Co. Chartered Accountants		Trade Limited	
		Sanjay Agarwal	, 0
		Chairman	٠. 🌏
Parimal R. Shah			
Proprietor			
		N.S.Trivedi Executive Director & Secretary	
Place : Mumbai			
Date: June 30, 2001		Vijaykumar H Modi	
July 2001		Director	
		Director	·
			"



1	_	-	\	
1	1	2	1	1
(,	7	5	1
1		-)	1

PROFIT AND LOSS ACCOUNT FOR THE YE		ARCH 31, 2001	
	Schedule	2000-2001 (Rs)	1999-2000 (Rs
INCOME	96 1964 to		713
Income from Broking Operations			2,648,011
Gains on sale of Investments/Securities		668,021,486	121,418,400
(Refer Note No.13 of Schedule 13)			121,410,400
Interest		1,338,268	17,864,976
Other Income	10	2,897,436	3,397 671
Total Commence of the State of		672,257,190	145,329,069
EXPENDITURE		3.11,201,100	140,023,000
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	. (619)	50,000	30,000
Profit after tax Less: Provision for Interest on Income Tax for		290,498,184	55,291,633
earlier years		(4,345,112)	(3,712,730)
Add: Provision no longer required for Service tax		3,000,000	(3,000,000)
(Refer Note 6 of Schedule 13)	the first	289,153,072	48,578,903
Add : Net profit brought forward	THE STATE OF STATE OF	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	1,000,000	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 II Modi Director

. 27.

HOME TRADE LIMITED SCHEDULES FORMING PART OF THE ACCOUNTS

	As at As a 31.03.01 31.03.0	
1. SHARE CAPITAL Authorised	(Rs) (Rs	
15,00,00,000 equity shares -1 B		
(Provious year 0,00,00,000 Equity shares of Fig. 10 onely)	300,000,000 300,000,000)
Issued, Subscribed and Pald up	300,000,000 300,000,000	,
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 f	239.610.000 239.610.000	
2. RESERVES AND SURPLUS General Reserve	39,610,000 239,610,000	
Opening Balances	The state of the s	Para
Add: Transfer from Profit & Loss Account	6,723,611 5,223,611 8,500,000 1,500,000	
Balance in Profit and Loss Account	15,223,611 6,723,611	18.7
- Theodain	289,224,346 34,976,295	
3. SECURED LOANS	304,447,956 41,699,906	
Hire Purchase Finance (Secured by hypothecation of motor cars)	zef molest k	
Hire Purchase Finance		
(Secured by hypothecation of Motor Vehicle)	585,589	
Overdraft facility from Book	xel nefte fi	10
(Secured by pledge of Government Securities)	341,842,333 95,879,846	
Cash Credit Facility from Bank		
(Secured by plecige of Government Securities)	38,853,273	
Term Loan from Banks		
(Secured by hypothecation of stock in trade, receivables and pledge of equity shares)	28,091,052 32,111,108	(6
Repayable within a year: Rs.18,339,475 (previous year: Rs. 15,530,000)	Pestrati o secgniti	
Global Heusing Finance Corp. Ltd		
toecured 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	
I. UNSECURED LOAN	413,496,462 149,812,761	
Short term	7,012,701	
From Others-Inter Corporate Deposits	en almikun DA Der Smark)	
· · · · · · · · · · · · · · · · · · ·	45,154,582 33,498,274	
• POST TERM (1)	45,154,582 33,498,274	
	37,100,674	



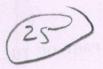
رم ال ال ال ال ال ال ال ال ال ال ال ال ال	as.on 1.4.00	GROSS BLOCK Addiions Delet	BLOCK Deletlons	as on 31.03.01	as on Addition	DEPRE as on Addlions On Op Bal 1.4.00	DEPRECIATION p Bal Additions	Daletions	as on	NET BLOCK as on 31,03,01	31.03.0d
tace has	0	1,2;7,200	0	1,217,200	0	nae	101433	0008.0	101,433	1,115,767	0
Su'b'us	8,312,800	6,233,038	0	14,545,838	39,722 8,6	8,629 135,499	144,128	0	183,850	14,261,583	8,273,078
Ochouser Hardware	37,428,540	37,428,540 78,710,017	2,187,872	113,950,685	12.907,5394,010,866 5,712,836	366 5,712,836	10,078,032	14917	22,970,554	50,980,031	24,521,001
Website & Related Software	14,763,050	14,763,050 201,026,268	29,200	215,760,118	4,069,899 416,814 2,388,357	314 2,388,357	13,967,031	1193	18,005,737	157,724,360	10,633,151
Furniure & Fixtures	4,479,741	1,812,517	19.500	6,272,758	1,214,479 62,907	907 283,568	346,475	0	1,560,954	4,711,504	3,265,262
Aktor Vehicles	3,657,001	C	259,266	3,367,735	1,365,046	0 347,415	316,773	106,932	1,574,887	1,792,848	2.231,955
Office Equipments	12,388,368	8,302,479	28,500	20,662,347	1,512,453 177,421	121 588,447	765,869	0	2,276,322	18,384,025	10,875,915
Capital Advances 771 p				¥.,		0				555,143	20,000,000
10741	81,029,500	81,029,500 297,301,519	2,554,338 3	175,776,681	375,776,681 21,109,1384,676,637 9,456,122		25,719,741	123,042	123,042 46,705,857	329,576,986	79,920,362
Orevicus Year	41,295,938	40,264,943	531,382	81,020,039	15,264,845		5,976,039	131,747	131,747 21,109,138	59,920,361	23 124 (4 12 to 12 to

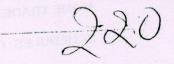
SCHEDULES



HOME TRADE LIMITED SCHEDULES FORMING PART OF THE ACCOUNTS

As at 31.03.01 (Fs)	31.03.00
	(Rs)
14,050,000 2,500,000 500,000 2,347,222 2,000,000	14.050,000 2,500,000 500,000 2,347,222 2,000,000
21,397,222	21,397,222
33,400,500	25,051,51
54,797,722	46,448,732
3,147,358	2,387,012
81,448	379,982
-1,437,072	,266,000
20.010	422,737 068.719
	76,112 76,112
422,974,959 352,09	
	31.03.01 (Rs) 14,050,000 2,500,000 500,000 2,347,222 2,000,000 21,397,222 33,400,500 54,797,722 3,147,358 81,448 3,520,001 24,497,872 549,200 13,28,648,521 24, 232,245,091 11,6 232,245,091 11,6







HOME TRADE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

7	CURRENT ASSETS, LOANS AND ADVANCES	, As at	As at
1.	Connectivity	31.03.01	31.03.00
		(Rs)	(Rs)

В.	LOANS AND ADVANCES (Unsecured, considered good)
	Advances recoverable in cash or in kind or for

:\	Advances recoverable in cash or in kind or for value		
1)	to be received:	6,336,901	1,834,637
	Staff Loans & Advances	4,165,564	637,140
	Other advacnes	10,502,465	2,471,777

ii) Deposits:

7,500,000 8,387,042 600,000 400,000 50,000 91,434	7,500,000 4,154,136 600,000 1,897,563 50,000 91,434
17,028,476	14,293,133
3,165,500	2,645,500 2,272,848
	19,211,481
21,505,625	
	HE CONT & BEST
	8,387,042 600,000 400,000 50,000 91,434 17,028,476

iii)	Other current assets:	1,703,787	
	Other current assets	32,779,695	4,886,889
	Advance Income Tax	34,483,482	4,886,88

e rax	34,483,482	4,886,889
Total (B)	66,925,472	26,570,148
•		
Total (A) + (B)	753,941,401	416,799,323

HOME TRADE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

8. CURRENT LIABILITIES AND PROVISIONS

As at As at 31.03.01 31.03.00 (Rs) (Rs)

A. COTTURENT LINDILITIES Sundry Creditors Creditors for Capital expenditure Book Overdraft from Bank Unclaimed dividend Other Liabilities Total (A)

B. PROVISIONS

Income Tax Wealth Tax Proposed Dividend Corporate Dividend Tax Total (B)

Total (A) + (B)

9. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

Preliminary Expenses Less: Written off during the year

Deferred Revenue Expenditure Less Written off during the year

Brand & Website Promotional Expenses Less: Written off during the year

66,379,421	4.401.000
26,070,205 19,805,217	4,491,265 6,249,583
557,200	0,104,475
9,876,732 142,690,875	6,511,276
30,073	20,356,603
	100.554
66 205 -	

66,365,985 39,499,258 50,938 23,961,000 30,000 23,961,000 7,715,442 5,271,420 98,093,355 68,761,678

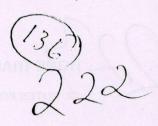
> 240,784,240 89,118,281

374,350 374,350×

10,570,805 10,570,80 s 3,523,602 7,047,203 10,570.86.

196,259,855 98,129,927 98,129,927

> 105,177,131 10,570.805



HOME TRADE LIMITED

HOME TRADE LIMITAL HOME TRADE LIMITAL SCHEDULES FORMING PART OF THE AC	COUNTS	2000-2001 (Rs)	1909-2000 (Rs)
TO INCOME		2,635,725 261,710	2,006,059 1,155,699 235,913
Miscellaneous Income Miscellaneous Income Sundry Balances written back Bad Debts Recovery		2,897,436	3,397,671
Same designation and to some ter-			

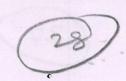
11. ADMINISTRATIVE AND GENERAL EXPENSES	13,991,510 8.37	8,076 76,551
11 ADMINISTRATIVE	44,737,000	07.353
BESTERN NEW TOTAL CONTROL OF THE PROPERTY OF T	2,992,832	68,494
Rent, Rates & Taxes Salaries, Wages & Allowances Salaries P.F. etc	2,070,365	31.676
Salaries, Wages & Allow	14,521,000	107.860
Cont to Ellipio	15 278.150	653,784
Staff Welfare	14.058.722	002.444
Travelling & College	10.780,665	92,012
Communication cost Communication cost	2 074,002	,294,922
Communinication cost General Administrative Expenses General Arolessional Fees	2 264,418	144,634
	132,334	877,949
Donation Sundry Balances & Deposits written off Sundry Balances & Sale of Assets	2,673,511	1,200,209
Cuadry Balances & Deposite	6,134,813	1,20-1
Sundry Balances Loss on Sale of Assets Loss on Sale Charges		105,000
Stock Exchange Charges Stock Exchange Charges Repairs & Maintainence - Others Remuneration:	157,500	52 500
Banairs & Maintainence	52,500	1 948
Repairs & Mainteration: Auditors Remuneration:		1 540
Cor Statutor)	41,288,466	
Far lax Audi:	215,227	m
- For Tax Audit - Out of pocket exp. Audit	50,010	
Cottware & Consultancy CAP	164,544	
Portal - Software & Consultanty Foreign exchange fluctuation loss Foreign exchange written off	1,362,446	44
Foreign exchange off	1,362,440	3,598.965
Foreign exchange off Investments written off Investments written expenses	5,624,084	OFF THE STATE OF T
	204 809	46,844,377
CEDI TUMPINOT.	180,624,809	
Recruitment Exp		

12. OTHER NON CASH CHARGES Deferred Revenue Expenses written off

Deferred Revenue Expenses written off	
Deferred Revenue Expenses written off Preliminary Expenses written off	101,653,529 374,350

101,653,529

374,350



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, 1950.

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.

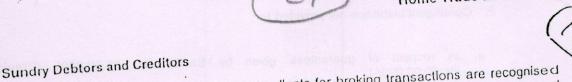
Expenses towards repair of enduring benefit to the interiors of office premises not owned by the Company are apportioned over the primary period of the lease.

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, it any, or market value, which ever is lower.





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 acrounted 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 an 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 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 a nounting 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.





- 8. Pending reconciliation of Dividend payment account with Bank, balance is taken as perbooks. 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.

- 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 Equity Shares (Unquoted, Face Value of Rs.10, fully	As on 3 Number of shares	31.03.01 Amount Rs.	As on 3 Number of shares	1.03.00 Amount Rs.
paid up unless otherwise stated) Ways India Limited* Euro Asia Management Services Limited Euro Asia Capital Management Limited Euro Asia Finance Limited Euro Asia Forex Limited Euro Asia Portfolio Management Limited Janata Schakari Bank Limited (Rs. 100)	16650000 10 10 10 10 10 10	3,33,00,000 100 100 100 100 100 1,00,000	25,00,000 10 10 10 10 10 10 510	2,50,00,000 100 100 100 100 100 51,010
paid up) 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) 11.50% CG2010 (Rs 100 lacs) 11.50% CG2010 (Rs 200 lacs) 14.40% PSEB 2005 (Rs 100 lacs) As on 31.03.01 10.70 % CG 2020 (Rs 200 lacs) 11,121,250.00 11.03% CG2012 (Rs 210 lacs) 21,846,388.89 11.03% CG2012 (Rs 187 lacs) 10,453,663.01 11.03% CG 2012 (Rs 354 lacs) 20,721,722.22 11.43% CG2015 (Rs 213 lacs) 22,037,674.17 10.47% CG2015 (Rs 800 lacs) 19,807,684.11 10.47% CG 2015 (Rs 1500 lacs) 37,500,439 33 10.20 % CG2005 (Rs 100 lacs) 22.400,091.75 11.50% CC2015 (Rs 50 lacs) 150,575,933.33 12.30% CG2016 (Rs 15 lacs) 152,500,375.00 14% SDL 2005 (Rs 54 lacs) 10,434,666.67 5.474.652.78 14% CG 2005 (Rs 550 Lacs) 1.782.002... 11.19% CG 2005 (Rs 90 Lacs) 6,317,280.00 11.00% CG 2002 (Rs 50 Lacs) 11.50% CG 2008 (Rs 400 Lacs) 9.50% CG 2008 (Rs 350 Lacs) 10.80% CG 2008 (Rs 625 Lacs) 12.40% CG 2013(Rs 472 lacs) 12.32% CG 2011 (Rs 300 lacs) 11.25% CG 2005 (Rs 50 lacs) 12.00% CG 2008(Rs 26 lacs) 10.25% CG 2012 (Rs 200 lacs) 12.60% CG 2016 (Rs 100 lacs) 0.00% CG 2000 (Rs 100 lacs) TOTAL 16. Sundry Debtors include Rs. NIL (previous which Some directors are interested (Maxi hum outstanding due from outstanding due from outstanding due from the first that the standard outstanding due from the first that the standard due from the first that the standard due from the stan Sundry Debtors include Rs. NIL (previous year Rs. 11.676,112/-) due from outstanding due from verious year Rs. 4,60,687,834/-) Of the total Deposits with bank of Rs. 35,20.000 (Previous valuing to Rs. 6,25,000 (Previous Vear Regiven to National Securities Clearing Corporation Reference year Reference of the provious year Rs. 1,16,000) is pledged for Suarantees Stock Rs. 25,000 is pled to Suarantee Stock Rs. 25,000 is pled deposits valuing given to National Securities C. 25,00,000; is pledged for guarantees given to Thinite College (Previous year Rs. 50,000) is pledged for Suarantee Stock Rs. 25,00.000 (Previous Year Rs. 1,16,000) is pledgee Stock Rs. 25,00.000 (Previous Year Rs. 1,16,000) is pledgee given Exchange (Provious Year Rs. 375,000) are pledged with IndusInd Bank Rs. 66. Custodians pent Exchange Rs. 375,000) and Pune Stock Exchange respectively for Letter of the College Coll (Previous year 1.3. 3,45,000 (Previous Year 1.3. Bad delivery of shares & Rs. NIL (Previous Year 1.5. Bad delivery of shares & Rs. NIL (Previous Year 1.5. Previous Year 1.5. Bad delivery of shares & Rs. NIL (Previous Year 1.5. Previous Year 1.5. Bad delivery of shares & Rs. NIL (Previous Year 1.5. Previous Year 1.5. Bad delivery of shares & Rs. NIL (Previous Year 1.5. Previous Year 1.5. Bad delivery of shares & Rs. NIL (Previous Year 1.5. Previous Year 1.5. Bad delivery of shares & Rs. NIL (Previous Year 1.5. Previous Year 1.5. Bad delivery of shares & Rs. NIL (Previous Year 1.5. Previous Year 1.5. Bad delivery of shares & Rs. NIL (Previous Year 1.5. Bad deliv





18. Quantitative Details*

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

Traded Goods	Units	Openin	g Stock	Purcl	Purchases Sales		Closing Stock		
	883.83	Qty in lakhs	Value Rs. Laklis	Qty in lakhs	Value Rs. Lakha	Qty in lakhs	Value Rs. lakhs	Qty in lakhs	Value Rs. iakhs
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 ACARWAL Chairman

N.S.TRIVEDI Executive Director & Secretary

VIJAYKUMAR H. MODI Director

Date : June 30, 2001

Place : Mumbai

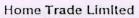


HOME TRADE LIMITED

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

(A) Cash Flow from	n operating activities		aq ne farmole	.3.01	. \
ASSESSED FOR A CONTRACTOR OF THE PARTY OF TH			nine Carrie	.5.01	
Net profit before	e tax				
Adjustment for			315,623,185	,	71,321,63
Depreciation .	e entres :	25,719,741		5,976,039	
Interest debited t	o profit & loss account	48,635,926		3,710,039	
Interest credited to profit & loss account Sundry balances / Deferred revenue exp w		(1,338,268)		20,812,666	
		. (1,550,200)		(17,864,976)	
C	Defended levenue exp w	ritten off 102,292,956		1,669,271	
Gains on sale of Investments		(629,300,000))	(112,625,223)	
Loss of sale of Fix	ed assets	132,334	(453,857,311)		(101,887,5
Operating profit be	efore working capital cha	lane.	erecessors of a	stera extoder	- 183
Adjustment for	Sha had a same a sa	inges	(138,234,126)		(30,565,958
Trada 8l	nicos es contrara esta				
Trade & other recei	ivables	(31,019,863)		116 000 700	
Inventories		(70, 877, 627)		116,008,789	
Trade payable & other liabilities		(70,877,627)		(283,656,763)	
18,08	ict nabindes	151,377,360	_(49,479,870)	(88,606,363)	(256,254,33
Cash generated from	operations			-	_(250,254,55
			(88,754,256)		(286,820,295
Deferred revenue exp	pen liture paid	(10/05-			
Direct taxes paid	,	(196,259,855)		(30,945,154)	- 0
enect taxes paid	land makata bajid	(2,582,447)	(198,842,302)	/r	(36,5,9,473)
Net Cash flow from		ilance Sheet date	00 00 00 00 00 00	007 eH metr.	
	operating activities	. А	(287,596,558)	p bandoviQ Si	(323,339,768
(B) Cash flow from Inve	sting activities		Annes de v	augever 15	(323,339,76)
Purchase of fixed asse	ts				
		(303,946,218)	. (40,264,943)	
Sale of fixed assets		2,298,962		AMERICA COM	103
Purchase of Investmen	ts ·			55,002	
Sale of Investments		(30,022,000)	* .	•	
		420,000,000	2(67,625,523	
Interest received		577,924			
Intercorporate deposits	taken		1 5	,477,965	
		11,656,308			
Repayment of Intercorp	orate deposits		(2)	1 47 1 9700	
			(2,	1,461,200)	







HOME TRADE LIMITED

31.03.01

Net Cash flow from Investing activities ... B

100,487,976

218,632,347

(C) Cash flow from Financing activities

· Dividend Paid

Proceeds/ (Repayment) from Secured loan Interest paid

263,683,701

130,251,701

(48,591,515)

(20,069,723)

(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

Director &

Secretary

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

Parima! R. Shah Proprietor

: 1



HOME TRADE LIMITED

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES A CT, 1.56

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

!	REGISTRATION DETAILS
	ZIZ! HATION DET
	Boots

Registration No. Balance Sheet Date 25-14018

March 31, 2001 State Code II. CAPITAL HAISED DURING THE YEAR (AMOUNT RO. IN THOUSANDS)

Right Issue NIL Private Placement

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(AMOUNT BE INTERSATIO	NAND DEDLO	ideellielli	
(AMOUNT RS. IN THOUSAND	N AND DEPLOYMEN DS)	T OF FUNDS	: N
SOURCES OF THE	1,002,709	was gracious must make steel tests	
and up Capital	1.02,709	Total Assets	
neserves and sur-	239,610	APPLICATION OF FUNDS	1.0
accorded Foster	304,448	Net Fixed Assets	
Unsecured Loans	413,496	rivestments	329,5;
24,068,217	45,155	Net Current Asset	54,798
DED-		Wilscellaneous Ev-	513,157
PERFORMANCE OF THE COM		Accumulated Losses	105,177

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

Total In-	MDAN.	Losses	-0,177
Total Income	MEANY (AMOUNT E	20 141	
Profit Before Tax	672,257	RS. IN THOUSANDS)	
-airmid Fer Cha-	315,623	Total Expenditure	
(Rs.2 per share		Profitation	0-
(Rs.2 per share paid up)	2.41	Profit After Tax	356,634
		Dividend Rate %	289,153
(AS PED MAMES OF THREE	DDu		10%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY Item Code No. (ITC Code) Not applicable Product Description

Stock Broking

As per our attached report of even date

For and on behalf of the Board

Home Trade Ltd.

For PARIMAL R SHAH & CO.

Chartered Accountants

SANJAY AGARWAL

Chairman

PARIMAL R SHAH

Proprietor

NSTRIVEDI

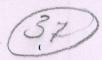
Executive Director & Secretary

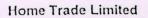
Place : Mumbai

Date : 30-06-2001

VIJAYKUMAR H MODI

Director







HOME TRADE LIMITED

Rogistered 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				
Registered Folio No shares held				
(Name in Block Letter)				
I hereby record my presence at the ANNUAL GENERAL MEETING of the the Registered Office at 124A, Sohrab Hall, 21, Sasoon Road, Pune – 411 29 th September 2001, at 10.00 a.m.	Company held at 001. on Saturday,			
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				
being a member/members of the above names company of	he eby appoint			
proxy to vote for me/ us on my/our behalf at the ANNUAL GENERAL Company held at the Registered office at 124A, Sohrab Hall, 21, Sasoon 001 on on Saturday, 29 th September 2001, at 10.00 a.m. and at any adjourn	MEETING of the Road, Pune - 411			
Signature this day cf 2001				
Signed by the said				
	Affix 30 paise Revenue Stamp			
NOTE: The proxy to be effective should be deposited at the Registered off				

not less than 48 hours before the commencement of meeting.