

SYSTEMATIX SECURITIES LIMITED

ANNUAL REPORT

2010 – 2011

Board of Directors.

Shri S.K.Samdani (Managing Director)

Shri J.C.Rathi (Director)

Shri Rakesh Sethiya (Director)

Shri Bhagwati Prasad Sharma (Director)

Bankers ,

Bank of Rajasthan Ltd.Fort
Indian Bank, Kolkatta
Rajastan Bank, Indore
Axis Bank Ltd.
State Bank of India
The Lakshmi Vilas Bank Ltd.
The Bank of Rajasthan Ltd. ,

Auditors;

Sethiya Khandelwal & Co.,
Chartered Accountants
209, Manas Bhavan Ext.
11,R.N.T. Marg, Indore M.P.

Registered Office.

237, Kamlalaya Center,
156-A Lenin Sarani,
Kolkata –W.B.

Share Transfer Agent.

Ankit Consultancy Private Ltd.
60- Pardeshipura,
Electronic Complex,
Indore-452010 (M.P.)
Phone: 0731-3198601-602
Fax: 0731-4065798
Email ID: ankit_4321@yahoo.com

SYSTEMATIX SECURITIES LIMITED

Regd. Office: 237. Kamalaya Center, 156-A Lenin Sarani Kolkata (WB)

Admn. Office: 106 Manas Bhavan , 11 R.N. T. Marg, Indore M.P.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of the members of **SYSTEMATIX SECURITIES LIMITED** will be held on Thursday, 29th September, 2011 At 10.00 A.M. at the Registered Office of the Company at 237, Kamalaya Center, 156-A, Lenin Sarani, Kolkata-700013 (W.B.) to transact the following business:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the profit & Loss Account for the year ended on same date and the Reports of Board of Directors & Auditors thereon.
2. To appoint director in place of Shri J.C.Rathi, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration. “

Place :Kolkata
Date : 10/08/2011

By Order of the Board.
For **Systematix Securities Limited**

S.K.Samdani
(Managing Director)

NOTES:

- ❖ **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAT 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- ❖ Register of the members and share transfer books of the company will be remain closed from Saturday, the 24st September, 2011 to Thursday, 29th September, 2011 (both days inclusive) in terms of section 154 of the Companies Act, 1956.
- ❖ Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment of the Directors and retiring directors, a statement detail of the concerned directors is attached hereto.
- ❖ Members are requested to send their queries, if any at least 10 days in advance so that the information can be made available at the meeting and to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
- ❖ The Company has designated an exclusive email ID jrcchittor@yahoo.co.in, which would enable the members to post their grievances and monitor its redressed. Any member having any grievance may post the same to the said Email address for its quick redressal.
- ❖ Members are requested to contact the Registrar and Share Transfer Agent for all matter connected with Company's shares at Ankit Consultancy Private Limited, 60 Pardeshipura, Electronic Complex, Indore -452010 M.P.
- ❖ SEBI have made it mandatory for every participant in the securities/ capital market to furnish the detail of Income Tax Permanent Account Number (PAN). Accordingly, all shareholders holding shares in the physical form are requested to submit details of PAN along with a photocopy of both the sides of the PAN Card, duly attested, to the Registrar and Share Transfer Agent.
- ❖ Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form Shareholders desirous of making nominations are requested to fill and send form 2B (Copy of which will be made available on request).

❖ **ADDITIONAL INFORMATION FOR RE-APPOINTMENT OF DIRECTORS.**

Pursuant to clause 49 of listing Agreement with the Stock Exchanges, following information is furnished about the Director proposed to be appointed/re-appointed.

Mr. J.C.Rathi a Director retiring by rotation has offered himself for re-appointment at the ensuing Annual General Meeting. Mr J.C.Rathi 49 years old, and he is qualified Chartered Account and is currently non-executive independent director of the company. He has over 23 years of experience in finance and taxation matter, and he is associated with the Company since 31st Day of August 1996. Further he is member of Investor Grievance Committee, Audit Committee, and Remuneration Committee. He is not director in other company and does not hold any shares in the company.

Place ; Kolkata
Date : 10/08/2011

By Order of the Board.
For **Systematix Securities Limited**

S.K.Samdani
(Managing Director)

SYSTEMATIX SECURITIES LIMITED

Regd. Office: 237. Kamlalaya Center, 156-A Lenin Sarani Kolkata (WB)

Admn. Office: 106 Manas Bhavan , 11 R.N. T. Marg, Indore M.P.

DIRECTOR'S REPORT

Dear Members,

Your Directors hereby present the Twenty Fifth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

Financial Results:

	Rs. In Lacs	
	Year ended 31/3/2011	Year ended 31/3/2010
Total Income	29.76	27.15
Total Expenditure	22.26	20.84
Profit before depreciation	7.50	6.31
Depreciation	0.97	0.97
Profit/Loss before tax	6.53	5.34
Provision for taxation		
Income Tax (MAT)	1.98	1.28
Fringe benefit tax	0.00	0.00
Profit/Loss after tax	4.55	4.06
Paid up Equity Share Capital	500.00	500.00

DIVIDEND

To conserve the resources of profit, Your Directors regret their inability to recommend any dividend for the year under review.

PUBLIC DEPOSIT

During the year the company did not invite public deposits within the meaning of section 58A of the companies Act, 1956 and rules made there under.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri J.C. Rathi, retires by rotation at the forthcoming Annual General Meeting, and being eligible, offer himself for re-appointment.

DIRECTOR'S RESPONSIBILITIES STATEMENT.

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility statement, it is hereby confirmed:

i) That in the preparation of the annual accounts for financial year ended 31st March, 2011; the applicable accounting standards have been followed along with proper explanation relating to material departure;

ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for the year and review.

iii) that the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s Sethiya Khandelwal & Company, Chartered Accountants, Indore, retires and being eligible, offers them selves for re-appointment in forthcoming Annual General Meeting.

AUDITORS REPORT

The Report of Auditors of the Company for the year under reference is self-explanatory and do not call for any comments from the Directors.

DISCLOSURE OF SPECIAL PARTICULARS

As company does not have any manufacturing facilities, hence particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are not applicable. And further there was neither inflow nor outflow of foreign exchange during the year.

PARTICULARS OF THE EMPLOYEE

There was no employee during the year drawing remuneration attracting provisions of section 217 (2A) of the companies Act, read with the companies (particulars of Employees) Rules 1975.

CORPORATE GOVERNANCE

A Report on the corporate Governance code along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement as also the Management Discussion and Analysis Report are annexed to this report.

AUDIT COMMITTEE

Under the provisions of Companies Act, 1956 and Listing Agreement with the Stock Exchanges a Audit Committee Comprises of Shri J.C. Rathi, Shri Rakesh Sethiya and Shri Bhagwati Prasad Sharma.

CODE OF CONDUCT

The Company has laid down a code of conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the code of conduct.

LISTING OF THE SHARES

Equity shares of the company are listed on Bombay Stock Exchange Ltd., Mumbai.

ACKNOWLEDGEMENTS

The Board of Directors wish to place on record its appreciation for the extended co-operation and assistance rendered to the Company and acknowledge with gratitude the continued support and cooperation extended by the investors, clients, business associates and bankers. The regulatory authorities have also put Indian Capital market on par with other international Markets. Your Directors also acknowledge the full fledged cooperation and dedicated efforts put in by the employees across all levels in the organization and place on record its appreciation for the services rendered.

Place: Kolkata
Dated: 30.05.2011

for and on behalf of the Board

S.K. Samdani Jagdish Rathi
Managing Director Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

INDUSTRY AND BUSINESS OUTLOOK

The financial year 2010-11 was marked by a fairly tough financial environment due to slowdown in some of the major economies of the world. The economic activities in many developed countries remained sluggish due to sovereign debt turmoil in some of the European Countries. The lingering uncertainties around global growth hampered long term investment prospects. The Indian Economy continued on its high growth trajectory, by registering GDP growth at 8.6 per cent in the 2010-11, on the back of spurt in economic activities and robust expansion in agriculture and allied sectors.

The growth of the company depends upon the gains from its investments in the capital market which depends upon the portfolio taken by the company, stability of government, policies of the Government and also steps taken by government and other regulatory agencies to boost the capital market. On the other hand Capital market gets affected with imposition of any special tax on the day-traders or brokers or speculators and arbitrageurs which in turn results in low share prices. Further, major sell out by Institutions also affects the investors interests adversely.

RISK AND CONCERNS

Investment in the capital market is always risky. Any change of policy or bad news like fall of a government etc. may result in major fall in sensex and in turn can turn profitable investment into losses. Capital market is volatile and the opportunities of right investment do come up and your management take suitable steps for making investments in good shares in the capital market. The Company faces normal business challenges of market competition in its business and needs to continuously seek attractive growth opportunities.

INTERNAL CONTROL SYSTEM

The Company has a proper and adequate internal control system commensurate with its size and nature of business to meet the following objectives:-

- Providing assurance regarding the effectiveness and efficiency of operations;
- Efficient use and safeguarding of resources;
- Compliance with policies, procedures and applicable laws and regulations; and
- These systems are IT enabled which facilitate effective checks and tight monitoring of all parameters and control on continuous basis.

Your company has adopted proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from

unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly.

FINANCIAL AND OPERATIONS PERFORMANCE

The same has been disclosed in the Directors' Report.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATION FRONT.

The Company has a group of able and experienced employees. The Company believes that the quality of its employees is the key to its success in the long run. The Company continues to have cordial relations with its employees and provides personal development opportunities for all round exposure to them.

CAUTIONARY STATEMENT

Some of the statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in industry, significant changes in political and economic environment in India, tax laws, import duties, litigation.

REPORT ON CORPORATE GOVERNANCE

In Compliance with clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practices as followed by the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Systematix Securities Limited (SSL) is committed to high standards of corporate governance in all its activities. The basic objective of corporate governance policies adopted by the company is to attain the highest levels of transparency, accountability and integrity. The company believes that all its actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

2. BOARD OF DIRECTORS

A. The Board has an optimum combination of Executive and non Executive Directors, and confirms with clause 49 of the listing agreement entered in to with the Stock Exchange in which the Company's shares are listed.

The Board of Directors together with their details are as under. During the year 2010-11 the Board met Seven (Seven) times on the following dates, namely:

31/05/2010	31/07/2010	20/08/2010
13/11/2010	20/01/2011	14/02/2011
31/03/2011		

The last Annual General Meeting was held on 29th Sept. 2010.

Name of Director	Category	No. of Board Meetings Attended	Other Directorship		Committee Position	
			Chairman	Member	Chairman	Member
Mr. S.K. Samdani	MD	7	---	---	---	---
Mr. Jagdish Rathi	ID	7	---	---	3	3
Mr. Rakesh Sethiya	ID	4	---	2	---	3
Mr. Bhagwati Prasad Sharma	ID	4	---	---	--	3

MD = Managing Director, ID = Independent Director

None of the Director on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees. All the Directors have made the requisite disclosure regarding committee's position held by them in other Companies.

B. BOARD PROCEDURE

A detailed agenda folder is sent to each Director in advance of Board and Committee meetings. To enable the Board discharge its responsibilities effectively, the chairman briefs the Board at every meeting on the overall company performance.

C. DISCLOSURES

- A.** There were no material transactions of the Company with its promoters, directors, and management on their relatives that may have conflict with the interest of the Company at large.
- B.** The particulars of transactions between the Company and its related parties in accordance with the accounting standard 18 are set out in notice. These transactions are in the ordinary course of business and are not likely to have any conflict with the interest of the Company.
- C.** There has been no non-compliance by the company or penalty or strictures imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets during last three years.
- D.** During the year under review Company has not issued any type of securities. No GDR/ADR issued by the Company.

D: REMUNERATION OF DIRECTORS: SITING FEES, SALARY, PERQUISITES AND COMMISSION

During the year No remuneration or sitting fee was paid to any Director of the Company.

3. AUDIT COMMITTEE

The Audit Committee constituted by the Board of directors consists of three Non executive Directors namely, Mr. J.C.Rathi, Shri Bhagwati Prasad Sharma and Shri Rakesh Sethiya as on financial year ending on 31st March 2011. The constitution of Audit Committee also meets with the requirement of section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

Audit Committee Meeting were held on 31st May 2010, 31st July 2010, 13th November 2010 and 14th February 2011.

Name of Director	No. Of Meeting attended
Mr. Jagdish Rathi	4
Mr. Bhagwati Prasad Sharma	4
Mr. Rakesh Sethiya	4

Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement and the Companies Act, 1956. Brief description of terms of reference:

- i) Review with the Management the annual/half -yearly/ quarterly financial statements.
- ii) Hold separate discussion with Head-internal Audit, Statutory Auditors and among members of the Audit Committee to find out whether the Company's financial statements are fairly presented in conformity with the Accounting Standards issued by ICAI.
- iii) Review the adequacy of accounting records maintained in accordance with the provisions of the Companies Act, 1956.
- iv) Perform other activities consistent with Company's Memorandum and Articles, the Companies Act, 1956 and other Governing Laws.

4. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Shri J.C.Rathi, Shri Rakesh Sethiya and Shri Bhagwati Prasad Sharma all non-executive directors with Shri J.C. Rathi its Chairman.

5. SHAREHOLDER'S/ INVESTOR'S GRIEVANCE COMMITTEE

The Committee comprises of Shri Rakesh Sethiya, Shri J.C. Rathi and Shri Bhagwati Prasad Sharma. The Committee looks into redressing of shareholder's/ investor's complaint like transfer of shares, non-receipt of balance sheet etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement of the quality of investor services. During the year under review no complaints were received from shareholders and there were no complaints pending unresolved as at the end of the year.

6. GENERAL SHAREHOLDER INFORMATION

General Body Meeting:

Financial Year.	Date	Time	Venue
Annual General Meeting 2009-2010	29.09.2010	1.00P.M.	At Regd. Office at 237, Kamlalaya center, 156-A Lenin Sarani Road, Kolkata
Annual General Meeting 2008-2009	30.09.2009	2.00P.M.	At Regd. Office at 237, Kamlalaya center, 156-A Lenin Sarani Road, Kolkata
Annual General Meeting 2007-2008	30.09.2008	4.00P.M.	At Regd. Office at 237, Kamlalaya center, 156-A Lenin Sarani Road, Kolkata

No Resolution was passed through postal Ballot in the last AGM.

AGM: Date, Time and Venue	29 th September 2011 at 10.00 A.M. at the Registered office of the company.
Financial reporting for 2011-12:-- 1 st Quarter ending 30 th June, 2011 2 nd Quarter ending 30 th September, 2011 3 rd Quarter ending 31 st December 2011 4 th Quarter ending 31 st March, 2012	Before 15 th August, 2011 Before 15 th November, 2011 Before 15 th February , 2012 End of May, 2012
Date of Book Closure	24 th September 2011 to 29 th September 2011 [Both days inclusive]
Listing on Stock Exchanges	1. The Bombay Stock Exchange, Mumbai 2. The Kolkata Stock Exchange, Association, Kolkata (delisting application pending)
Stock Code -Physical	Bombay Stock Exchange 531432 Kolkata Stock Exchange: NIL
Registrar and Transfer Agents	Ankit Consultancy Private Limited 60- Pardesipura, Electronic Complex, Indore-452010, M.P. PH 0731-3198601-602

Share Transfer System	All the transfer received are processed by the Registrar and transfer Agent
Distribution of shareholding and share holding pattern as on 31.03.2011	Please see Annexure 'A'
Market Rate	Not Available due to infrequent trading
Outstanding GDRs/ADRs/Warrants or any convertible instruments , Conversion date and likely impact on equity	Not issued
Address for correspondence	Shareholders correspondence should Be addressed to: Systematix Securities Limited 110-112 Manas Bhavan 11, R.N.T. Marg, Indore M.P.

MEANS OF COMMUNICATION

Quarterly results are published in two prominent daily newspapers in English and Hindi. The annual reports are posted to every shareholder of the Company.

Code of Conduct

The Company has laid down a code of conduct for all Board members and senior management of the Company. All the Board members and management personnel have affirmed compliance with the Code of Conduct.

CEO/CFO Certification

The CEO/CFO certification of the financial statements and the cash flow statement for the year is obtained and was placed before the Board.

Auditor Certificate on Corporate Governance

The Company has obtained the certificate from the Auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the Listing Agreement with the stock exchanges. This report is annexed to the Director's Report for the year 2010-2011. This certificate will be sent to the stock exchanges, along with the annual report to be filed by the Company.

DECLARATION

I S.K. Samdani, Managing Director of the Systematix Securities Limited declared that all the members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct for the financial year ended on 31st March 2011.

Place: Kolkata
Date : 30.05.2011

For **Systematix Securities Limited**

S .K. SAMDANI
Managing Director

CEO CERTIFICATE

I hereby certify to the Board of Directors of **SYSTEMATIX SECURITIES LIMITED** that

- a. I have reviewed financial statements and the cash flow statement for the year ended on 31/03/2011 and that to the best of my knowledge and belief.
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which I have become aware and the involvement therein , if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Kolkata
Date : 30.05.2011

For Systematix Securities Limited

S.K. SAMDANI
Managing Director

ANNEXURE A

Distribution of Shareholding by size as on 31st March 2011:

Share or Debenture holding of nominal value	Shares/Debenture holders		Shares/Debentures Amount		
	Rs.	Number	% To Total	Rs.	% of Total Amount
Upto-1000		321	23.55	321000	0.64
1001-2000		249	18.27	498000	1.00
2001-3000		305	22.38	915000	1.83
3001-4000		157	11.52	628000	1.26
4001-5000		50	3.67	250000	0.50
5001-10000		85	6.24	729000	1.46
10001-20000		54	3.96	906000	1.81
20001-30000		23	1.69	597000	1.19
30001-40000		9	1.66	313000	0.63
40001-50000		23	1.69	1131000	2.26
50001-100000		19	1.39	1479000	2.96
100000 ABOVE		68	4.99	42233000	84.47
Total		1363	100.00	50000000	100.00

SHAREHOLDING PATTERN AS AT 31ST MARCH 2011
[SHAREHOLDING PATTERN]

	Category	No. Of Share held	Percentage of Shareholding
A	Promoters Holding		
1.	Promoters Indian Promoters: Foreign Promoters:	2000000	40.00
2.	Persons acting in concert		
	Sub Total	2000000	40.00
B.	Non-Promoters Holding	-	-
1.	Institutional Investors	-	-
2.	Mutual Funds and UTI	-	-
3.	Banks, Financial Institutions, Insurance Companies [Central/ State Govt. Institutions, Non- Government Institutions]	-	-
4.	FII's	-	-
5.	Sub-Total	-	-
6.	Others	-	-
	Private Corporate Bodies	79200	1.58
7.	Individuals		
	Holding up to Rs. 1.00 lacs	710400	14.21
	Holding excess Rs. 1.00 lacs	2209000	44.18
8.	NRIs/OCBs	1400	0.03
9.	Any other [please specify]		
	Sub-Total	3000000	60.00
	Grand Total	5000000	100.00

CERTIFICATE

**To the Members of
M/S. SYSTEMATIX SECURITES LIMITED.
Kolkata -W.B.**

We have examined the Compliance of conditions of Corporate Governance by M/s Systematix Securities Limited for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor expression of opinion on the financial statements of the Company.

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

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

Place: Indore
Date: 30.05.2011

For Sethiya Khandelwal & Co.
Chartered Accountants

Rajesh Khandelwal
Partner

**Report of the Auditors to the Shareholders of
M/s. Systematix Securities Ltd.**

We have audited the attached Balance Sheet of M/s. SYSTEMATIX SECURITIES LTD. as at 31st March 2011, and the annexed Profit & Loss Account for the year ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes examination on test basis, evidence supporting and amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) order, 2003 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 4 & 5 of the said order.

Further to our comment in the Annexure referred to above we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of accounts as required by the law have been kept by the management so far as appears from our examination of those.
- c) The Company's Balance Sheet and Profit and Loss Accounts dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this Report comply with the Accounting Standards referred in section 211(3C) of the Companies Act, 1956 so far as applicable.
- e) On the basis of written representation received from the directors of the Company as at 31st March 2011, and taken on record by the Board of Directors of the Company, no Director is disqualified from being appointed as Director of the Company, under section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in the conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance Sheet of Company, of the state of affairs of the Company as at 31st March 2011.
 - ii) In the case of Profit & Loss & Account, of the profit for the year ended 31st March 2011.
 - iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended of that date.

**For Sethiya Khandelwal & Co.
Chartered Accountants
(Registration No. 004085C)**

**Place : Indore
Date : 30.05.2011**

**Rajesh Khandelwal
Partner
M. No. 076272**

ANNEXURE TO THE AUDITORS' REPORT

(Referred to of our report of even date)

- (1) The nature of the company's activities during the year have not been such that the clauses (ii), (viii), (xiii) and (xix) of paragraph 4 of the Companies (Auditors Report) Order are not applicable to the Company during the year.
- (2)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset.
 - (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed off a substantial part of fixed assets during the year.
- (3) According to the information and explanation given to us, The company has not granted/ taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of shares and fixed assets and for the sale of shares, if any.
- (5) In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered into a register maintained under section 301 of the Companies Act 1961.
- (6) In our opinion and according to the information and explanation given to us, The Company has not accepted deposits from the public according to the provisions of sections 58A and 58AA of the Act and the rules framed there under.
- (7) The Company has an internal audit system commensurate with its size and nature of its business.
- (8)
 - (a) According to the information and explanation given to us the company is regular in depositing undisputed statutory dues like income tax with appropriate authorities during the year.
 - (b) According to the information & explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at the last day of the financial year for a period of more than six month from the date they became payable.
 - (c) As per records produced before us the dues of income tax, sales tax, customs duty wealth tax, excise duty and cess which have not been deposited on account of any dispute are stated hereunder

Name of Statute	Period to which amount relates	Forum where dispute is pending	Amount (Rs. In Lacks)
Income Tax	1998-99	CIT Appeal Kolkata	22.47
Income Tax	2000-01	CIT Appeal Kolkata	22.39
Income Tax	2003-04	CIT Appeal Kolkata	2.07
Income Tax	2004-05	CIT Appeal, Kolkata	1.15
Income Tax	2006-07	CIT Appeal, Kolkata	1.13

- (9) The Company has accumulated losses at the end of the financial year however it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (10) According to information and explanation given to us, the Company has neither issued any Debenture nor taken loans from financial institution and bank during the year.
- (11) According to information and explanation given to us, the Company has neither issued any Debenture nor taken loans from financial institution and bank during the year.
- (12) The Company has not granted loans and advances on the basis of security by way of pledge of shares.
- (13) In our opinion, the Company is dealing in shares and proper records have been maintained of the transactions and contracts and timely entries have been made therein and the shares have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
- (14) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (15) According to the information and explanation given to us, the Company has not raised any term loan during the year under review hence question of its application does not arise.
- (16) According to the information and explanation given to us, on an overall basis, the Company has not raised the funds on short-term basis, which have been used for long term investment and *vice versa*.
- (17) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (18) During the year, the Company has not raised money by public issue hence the question of disclosure and verification of end use of such monies does not arise.
- (19) To the best of our knowledge and belief and according to information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

**For Sethiya Khandelwal & Co.
Chartered Accountants
(Registration No. 004058C)**

**Place : Indore
Date : 30.05.2011**

**Rajesh Khandelwal
Partner
M. No. 076272**

SYSTEMATIX SECURITIES LTD.
AUDITED BALANCE SHEET AS ON 31. 03.2011

Particulars	Schedule	As on 31.03.11	As on 31.03.10
I, SOURCES OF FUNDS			
1 Shareholders Fund -			
Share Capital	01	50000000	50000000
Reserve & Surplus	02	20472498	20472498
2 Loan Fund -			
Secured Loan	-	-	-
Unsecured Loan	-	-	-
		70472498	70472498
II. APPLICATION OF FUNDS			
3 Fixed Assets -			
Gross Block	03	1172543	1172543
Less : Depreciation		1136339	1039112
		<u>36204</u>	<u>133431</u>
4 Investments -			
	04	18359634	19209634
5 Current Assets, Loans & Advances -			
Inventories	-	-	-
Cash & Bank Balances	05	3055182	696583
Loans, Advances & Deposits	06	46897971	47635510
Sundry Debtors	-	-	-
		<u>49953153</u>	<u>48332093</u>
Less : Current Liabilities & Provisions	07	212486	232486
		<u>468702</u>	<u>230502</u>
		49271965	47869105
6 Misc. Expenditure -			
	-	-	-
7 Profit & Loss Account -			
	08	2804695	3260328
		70472498	70472498
Notes on Accounts	13		

Schedules 01 to 08 and Schedule 13 referred to above form an integral part of the Balance Sheet

For & On behalf of the Board

**As per our report of even date
For Sethiya Khandelwal & Co.
Chartered Accountants
(Registration No. 004058C)**

(M. Director) Director)

**Place : Indore
Date : 30.05.2011**

**Rajesh Khandelwal
Partner
M. No. 076272**

SYSTEMATIX SECURITIES LTD.

AUDITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

Particulars	Schedule	As on 31.03.11	As on 31.03.10
INCOMES			
Incomes from Operations	09	2851336	2593661
Dividend Income		125200	121000
		2976536	2714661
EXPENSES			
Administration	10	262817	266283
Operational	11	562860	717409
Personnel	12	1400000	1100000
Depreciation	03	97227	97227
		2322904	2180919
PROFIT BEFORE TAX		653632	533742
Provision for Taxation - Income Tax (MAT)		198000	128000
PROFIT AFTER TAX		455632	405742
Add /(Less) : Items relating to Previous Year		-	589
		455632	406331
Balance Brought Forward from earlier Year		(3260328)	(3666660)
Balance of Profit (Loss) carried to Balance Sheet		(2804695)	(3260328)

Schedules 09 to 12 above form an integral part of the Profit & Loss Account

For & On behalf of the Board

(M. Director) Director)

Place : Indore
Date : 30.05.2011

As per our report of even date
For Sethiya Khandelwal & Co.
Chartered Accountants
(Registration No. 004058C)

Rajesh Khandelwal
Partner
M. No. 076272

SYSTEMATIX SECURITIES LTD.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011**

Particulars	As on 31.03.11	As on 31.03.10
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SCHEDULE 01

SHARE CAPITAL

AUTHORISED

7000000 Equity Shares of Rs. 10/- each 70000000 70000000

ISSUED SUBSCRIBED & PAID UP

5000000 Equity Shares of Rs. 10/- each fully paid 50000000 50000000

SCHEDULE 02

RESERVES & SURPLUS

Share Premium 20472498 20472498

SCHEDULE 03

FIXED ASSETS

Particulars	Gross Block		Total	Depreciation			Net Block W.D.V. 31.03.11
	Opening Balance	Additions (Deduct.)		Opening Balance	For the year	Total	
Computer	149100	-	149100	142572	-	142572	6528
Vehicle	1023443	-	1023443	896540	97227	993767	29676
Total	1172543	-	1172543	1039112	97227	1136339	36204
Previous Year	1172543	-	1172543	747431	97227	844658	327885

SCHEDULE 04

INVESTMENTS (AT COST)

Quoted -

Inani Marbles & Industries Ltd.
100000 Equity Shares of Rs. 10/- each fully paid 1505000 1505000

Bank of Baroda
1069 Equity Shares of Rs. 10/- each fully paid 91934 91934

Escort India Ltd.
100 Equity Shares of Rs. 10/- each fully paid 3500 3500

MCC Investements Ltd. 400 Equity Shares of Rs. 10/- each fully paid	1200	1200
SYSTEMATIX SECURITIES LTD.		
State Bank of Bikaner & Jaipur 1750 Equity Shares of Rs. 10/- each fully paid (Pr. Year - 175 Equity Shares of Rs. 100/- each fully paid)	91000	91000
Square D. Bio-Tech Ltd. 300 Equity Shares of Rs. 10/- each fully paid	1200	1200
Tata Iron & Steel Co. Ltd. 900 Equity Shares of Rs. 10/- each fully paid	80400	80400
Unquoted -		
Inani Securities & Investments Ltd. 200000 Equity Shares of Rs. 10/- each fully paid	2000000	2000000
Arawali Associates Pvt. Ltd. 2050 Equity Shares of Rs. 100/- each fully paid	1025000	1025000
Inani Marbles Pvt. Ltd. 3850 Equity Shares of Rs. 100/- each fully paid	1925000	1925000
Inani Marmo & Granite Pvt. Ltd. 25000 Equity Shares of Rs. 10/- each fully paid	1500000	1500000
Inani Tiles Pvt. Ltd. 5380 Equity Shares of Rs. 100/- each fully paid	2690000	2690000
Chirag Tiles Pvt. Ltd. 50000 Equity Shares of Rs. 10/- each fully paid	500000	500000
Nathani Marble Pvt. Ltd. 15000 Equity Shares of Rs. 10/- each fully paid	150000	150000
Action Marble & Granite Pvt. Ltd. 60000 Equity Shares of Rs. 10/- each fully paid	1725000	1725000
Vijaydeep Silk Mill Pvt. Ltd. 229540 Equity Shares of Rs. 10/- each fully paid	2295400	2295400
Ajay Synthetics Pvt. Ltd. 135000 Equity Shares of Rs. 10/- each fully paid	1350000	1350000
Ajay India Ltd. 70000 Equity Shares of Rs. 10/- each fully paid	700000	700000
Roop Rajat Builders Pvt. Ltd. 15000 Equity Shares of Rs. 10/- each fully paid	150000	0
Share Application Money	<u>575000</u>	<u>1575000</u>
	<u>18359634</u>	<u>19209634</u>
Aggregate cost of quoted investments	1774234	1774234

Aggregate market value of quoted investments	11063892	8080989
Aggregate cost of unquoted investments	16585400	17435400

SYSTEMATIX SECURITIES LTD.

SCHEDULE 05

CASH & BANK BALANCES

Cash in Hand	444616	480224
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Bank Balances

Balances with Scheduled Bank	2610567	216359
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<u>3055182</u>	<u>696583</u>
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SCHEDULE 06

LOANS & ADVANCES

Loans/Advances recoverable in cash or in kind or for value to be received	43468123	44477386
Tax Deducted at Sources	3384109	3112385
Fringe Benefit Rundable	18767	18767
Advance Income Tax	17620	17620
Deposit with Income Tax Deptt.	9352	9352

<u>46897971</u>	<u>47635510</u>
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SCHEDULE 07

CURRENT LIABILITIES & PROVISION

Current Liabilities

Creditors for Expenses	112486	132486
Sundry Creditors	100000	100000

<u>212486</u>	<u>232486</u>
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Provision

Audit Fees Payable	15000	15000
Bonus Payable	125000	84800
Income Tax	328702	130702

<u>468702</u>	<u>230502</u>
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SCHEDULE 08

PROFIT & LOSS A/C

(As per Annexed Profit & Loss Account)	<u>2804695</u>	<u>3260328</u>
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SCHEDULE 09

INCOME FROM OPERATION

Interest Income	2851336	2593661
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2851336 2593661

SYSTEMATIX SECURITIES LTD.

SCHEDULE 10

ADMINISTRATION

Postage & Telegram	42950	41046
Rent	180000	156000
Books & Periodicals	2350	9071
Legal & Professional Charges	37517	60166

262817 266283

SCHEDULE 11

OPERATIONAL

Auditors Remuneration	15000	15000
Stationery & Printing	20294	25868
Conveyance & Travelling	139360	254215
Telephone & Trunkcall	100311	109891
Advertisement	34913	28762
Office Expenses	45791	42345
Misc. Balance W/off	-	5689
Insurance Charges	20356	6122
Newspaper	4944	4856
Vehicle Running & Maintenance	95810	137916
Vehicle Running & Maintenance - Motor Byke	19350	17198
Secretarial Charges	30000	30000
Bank Charges	1865	3417
Listing Fees	10500	11080
Business Promotion	24366	25050

562860 717409

SCHEDULE 12

PERSONNEL

Salaries	1275000	1015200
Bonus	125000	84800

1400000 1100000

SYSTEMATIX SECURITIES LTD.

Loan & Advances	31.03.11	31.03.10
Action Marbles & Granite Pvt. Ltd.	0	3531537
Action Marbles & Granite, Katni	2322119	2130385
Aklvaya Builders & Development Pvt. Ltd.	3000000	3000000
Anil Madical Agency	230147	216507
Anil Madical Stores	-	-
Arawali Associates Pvt. Ltd.	44866	2231129
Ashok Kabra , BHL	170000	170000
B.S.Nagori	462160	462160
Kushal Khabya	346620	346620
Deep Shree Jewelers	1032296	954946
Govind Sarada HUF	432394	932400
Inani Brothers	119203	110271
Harish Inani	257990	246174
Inani Bhanwarlal & Sons	500000	0
Inani Educaion	1200000	1200000
Inani Marbles & Industries Ltd.	18734120	3057612
Inani Marbles Pvt. Ltd.	1018998	7239217
Inani Sec. & Investments Ltd.	329151	4968578
Inani Marmo & Gran. Pvt.	3528799	3763050
Inani Towers	200000	200000
K.B.Harware & Marble Suppliers	938229	1595037
Khyalilal Bhanwarlal	1570182	1452527
Konik Marble & Minerals	1932052	1932052
Kubic Marble & Minerals	2064964	2064964
Omprakash Kabra	100000	215000
Charbhujia Securities	132700	132700
Parwati Inani	336408	321000
Rattan Ku. Kedia	0	255929
S.B. Shah & Co.	0	250000
Madhu Inani	580588	553996
Satyanarayan	407649	389599
Savita Chetani	580588	553996
Roop Rajat Builders Pvt. Ltd.	895900	0
	<u>43468123</u>	<u>44477386</u>

SYSTEMATIX SECURITIES LTD.

Share Application Money	31.03.11	31.03.10
Inani Marbles Pvt.Ltd.	575000	575000
Roop Rajat Builders Pvt. Ltd.	0	1000000
	<u>575000</u>	<u>1575000</u>
Creditors for Expenses		
L.N. Joshi	14400	14400

Professional Charges	16236	16236
Ankit Consultancy Pvt. Ltd.	40000	60000
Convey Advertisement	-	-
Listing Fees	41850	41850
	<u>112486</u>	<u>132486</u>

Current Liabilities

Others	100000	100000
	<u>100000</u>	<u>100000</u>

Bank Account

Bank of Rajasthan Ltd. Fort	1374	1614
Indian Bank, Kolkatta	22592	22832
Rajastan Bank, Indore	1066	1306
Axis Bank Ltd.	2547589	27212
State Bank of India	34614	159583
The Lakshmi Vilas Bank Ltd.	823	1063
The Bank of Rajasthan Ltd. , Chittorgarh	2509	2749
	<u>2610567</u>	<u>216359</u>

FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	Opening Balance	Additions (Deduct.)	Total	Opening Balance	For the year	Total	W.D.V. 31.03.11	W.D.V. 31.03.10
Computer	149100	-	149100	142572	-	142572	6528	6528
Vehicle	1023443	-	1023443	896540	97227	993767	29676	126903
Total	1172543	-	1172543	1039112	97227	1136339	36204	133431
Previous Year	1172543	-	1172543	747431	97227	844658	327885	425112

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH 2011**

	2010-11	2009-10
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	455632	405743
Adjustments for : -		
1 Depreciation	97227	97227
2 Foreign Exchange/Dep. Investments	-	-
3 Investments Extraordinary items (Net Investments Loss)	-	-
4 Preliminary, Public Issue	-	-
5 Lease Equilisation	-	-
6 Interest/Dividend Received	(2976536)	(2714661)
7 Loss (Profit) on Sale of Assets		
Operating profit before working capital changes	(2423677)	(2211691)
Adjustments for : -		
1 Trade and other receivables	737539	(6131067)
2 Inventories		
3 Trade Payable Net of Lease Terminal Adj. A/c	218200	(115648)
Cash Generated from operation	(1467938)	(8458406)
1 Interest Paid		
2 Direct Taxed paid		
Cash Flow Before extraordinary items	(1467938)	(8458406)
Extraordinary items	0	589
	(1467938)	(8457817)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets		
Sale of Fixed Assets		
Acquisitions of Companies		
Purchase of Investments and increase in share application money		
Sale of Investments and decrease in share application money	850000	5965000
Interest received	2851336	2593661
Dividend Received	125200	121000
Preliminary Exp. Incurred		
Net Cash from/ (Used) in investing activities	3826536	8679661
(C) CASH FLOW FROM FINANCIANG ACTIVITIES		
Proceeds from issue of share capital		
Proceeds from issue of share application money	-	-
Proceeds from long and short term borrowings	-	-
Repayment of finance lease liabilities	-	-
Interest Paid	-	-
Dividend paid	-	-
Net Cash used in financiing activities	-	-
Net increase in Cash and Cash equivalents	2358598	221844
Cash and Cash equivalents as (Opening Balance)	696583	474739
Cash and Cash equivalents as (Closing Balance)	3055181	696583

SCHEDULE 13

NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICY

a) Method of Accounting

The Financial statements are prepared under historical cost convention and are in accordance with the requirement of the Companies Act, 1956 and is following accrual basis of accounting.

b) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

c) Depreciation

Depreciation on Fixed Assets has been charged on Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

d) Retirement Benefit

No provision for gratuity has been made as no employee has put in the qualifying period of service for entitlement of this benefit.

e) Investments

Investments are stated at cost.

(f) Annual Accounts have been prepared on a going concern basis.

B. NOTES ON ACCOUNTS

1. The Company does not have the practice to obtain balance confirmation for the amounts at the year end, therefore the balance under the heads Sundry Debtors, Sundry Creditors, Deposit, Loans and Advances, Bank a/c, and other personnel a/c are shown as per books of accounts and are subject to reconciliation and adjustment, if any.
2. Previous year figures have been regrouped / rearranged wherever necessary to confirm to current years presentation.
3. Figures have been rounded off nearest to the Rupees.
4. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the same value, if realized in the ordinary course of business. The provision for all the liabilities is adequate.
5. None of the employees paid / payable salary exceeding Rs 24,00,000/- p.a.
6. There is no Micro, small and medium enterprises, as defined in the Micro, small and Medium Enterprises Development Act, 2006 to which the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

7. Auditors Remuneration:
Auditors Remuneration Rs. 15000/-

8. Earning Per Shares

Net Profit (Loss) for the Year	Rs. 455632/-
Nos. of Equity Shares (Nos. in 000's)	5,000
Basic & Diluted Earning per Shares (Rupees per Shares)	0.091

9. The Company has not made the provision for deferred Tax Assets. There is no substantial liabilities/assets of Deferred Tax Assets.

The Provision for current tax of Rs. 198000/- has been provided in the Books.

10. Additional Information in pursuant to the provision of para 3 & 4 of part 11 of schedule VI of the Companies Act, 1956.

(1)	Quantitative information of opening Stock, Sales & Closing Stock - Nil.		
(2)	Value of Import	-	Nil.
(3)	Expenditure in foreign currency	-	Nil.
(4)	Earning in foreign exchange	-	Nil.

Regd. Office: 237, Kamlalaya Center, 156-A Lenin Sarani, Kolkata –W.B.

ATTENDANCE SLIP

Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 25th Annual General Meeting of the Company at 237, Kamlaya Center, 156-A Lenin Sarani, Kolkata-W.B., on Thursday, 29th day of September, 2011 at 10.00 A.M.

.....
Full name of the Shareholder / Proxy / Signature
(in Capitals)

Folio No.....

.....
Full name of the Shareholder / Proxy / Signature
(in capitals)

Regd. Office : 237, Kamlalaya Center, 156-A Lenin Sarani, Kolkata –W.B.

PROXY FORM

I/We
Ofin district of
Being a member/members of the above-named Company, hereby appoint
.....of
or failing him
.....of as my/our proxy
to vote for me/us..... On my / our behalf at the 25th
Annual General Meeting of the Company, to be held on Thursday, 29th September, 2011 at
10.00 A.M. and at any adjournment thereof.

Signed this.....

**Please
Affix
1Rupee
Revenue
Stamp**

.....day of2011.

Note: The Proxy must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not to be a member of the Company.

