

SCHEDULE 'K'

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING:

The financial statements are prepared under the historical cost conventions and income and expenditure are accounted for on an accrual basis except with regard to certain items of revenue, which have not been considered due to uncertainty of ultimate collection.

b) USE OF ESTIMATES:

The presentation of financial statements in conformity with generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on the management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

c) FIXED ASSETS:

Fixed Assets are capitalized at cost. Expenses incurred on major repairs/modernization/improvements to Fixed Assets are capitalized.

d) DEPRECIATION:

(i) Depreciation on furniture & fixtures is provided on the Written down Value basis on pro-rata basis at the rates specified in schedule XIV of the Companies Act, 1956

(ii) On other assets on written down value basis at specified rates mentioned as
Under

PARTICULARS OF ASSETS	RATE
1) BUILDING	10%
2) COMPUTER EQUIPMENT	60%
3) AIR CONDITIONING UNIT	25%
4) ELECTRICAL INSTALLATION	25%
5) OFFICE EQUIPMENT	25%

As per AS28 – Impairment of Assets, Fixed Assets are reviewed for impairment with reference to their carrying cost compared to the recoverable value and the effect of impairment, if any is considered accordingly.

e) Long Term Investments are carried at cost.

f) TAXES ON INCOME:

The tax provision is considered as stipulated in AS- 22(Accounting for Taxes on Income) and includes current and deferred tax liability. The company recognizes the deferred tax liability based on the accumulated timing differences using the current tax rate.

g) CONTINGENT LIABILITIES:

All known liabilities, wherever material, are provided for and liabilities, which are disputed, are referred to by way of Notes of Accounts.

h) EMPLOYEE BENEFITS:

i) Short term employment benefits

All employees' benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus and short term compensated absences and the same are recognized in the period in which the employee renders the related service.

ii) Long term employment benefits:

a) **Defined Contribution plans:** The Company has defined contribution plans for post employment benefits in the form of provident fund/ pension fund administered by Regional Provident Fund Commissioner. Provident fund/ Pension funds are classified as defined contribution plans as the company has no further obligation beyond making contributions. The company's contributions to defined contribution plans are charged to profit & Loss Account as and when incurred.

b) Defined benefit Plans:

A. Funded Plan: Company does not have any funded plan for defined benefit.

B. Non Funded Plan: The Company has defined benefit for the post employment benefit in the form of gratuity and leave encashment for the employees. Liability for the above defined plan is determined using projected unit credit method with actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognized in full in the profit & Loss Account for the period in which they occur.

2) Entrance fees and initial listing fees being non recurring receipts are credited to Reserve Fund Account. Amounts collected / received towards specific funds are credited to respective funds.

3) Payment to Auditors	Current Year	Previous year
Audit Fees	Rs.40000	Rs.40000
4) Remuneration to Directors	Current Year	Previous year
	Rs. Nil	Rs. Nil

5) Related party disclosures:

Sr	Names	Designation	Charges
1	Amit Modak	Director	Faculty Charges Rs. 42000
2	Samir Gandhi	Director	Faculty Charges Rs. 33000
3	NandKumar Kakirde	Director	Faculty Charges Rs. 44000
4	NandKumar Kakirde	Director	Investor Service cell / Library Charges Rs. 30000

6) TREATMENT FOR ADDITIONS TO & UTILIZATIONS FROM RESERVES**INVESTOR SERVICE RESERVE FUND:**

As per the stipulation laid by SEBI every year Exchange has to provide certain amount out of collection of annual listing fees towards investor service expenses. The Exchange has kept aside such amount under Investor Service Reserve Account represented under Reserves. The income accrued / generated on the investments made against Investor Service Reserve is recognized as income of the Exchange from F Y 2009-2010 and accordingly gross interest earned is considered in profit & Loss account. The interest, net of Tax liability on the same is recognized as appropriation in profit & loss account and is credited to the Reserve at net value. The Expenses incurred out of fund are directly represented as utilization from the account. .

SETTLEMENT GAURANTEE FUND

Pursuant to SEBI Guidelines received by the exchange vide letter no MRD/DoP/SE/Cir- 36/2008 dtd 29.12.2008, exchange has passed a board resolution on 26.06.2009 and decided to recognize interest earned on investments made against Settlement Guarantee fund as income of the exchange on & from financial 2008-09 and accordingly the gross interest earned is considered in profit & Loss account. The interest, net of Tax liability on the same is recognized as appropriation to Settlement Guarantee fund and accordingly is credited to the fund a/c at net value.

7) TAXES ON INCOME

Current Taxation: Provision is made for Income Tax based on the tax liability computed after considering tax allowance and exemptions.

Deferred Tax: Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. Based on above, deferred tax Asset are incorporated in accounts during the year under consideration as follows @ rates applicable for A.Y 2009-10:-

	Opening as on 01.04.09	Current year adjustment	Balance as on 31.03.2010
Deferred Tax Asset			
Depreciation	4,05,646	23,479	4,29,125
Provision for Leave Encashment	56,866	85,091	1,41,957
Provision for Gratuity	1,57,910	69,145	2,27,055
<i>Total Deferred Tax Asset</i>	6,20,422	1,77,715	7,98,137

8) APPOINTMENT OF MANAGING DIRECTOR

SEBI has approved the name of Mrs Nihali Mitra on the post of Managing Director of the company. As per the provisions of section 259 of the Companies Act, the company has applied to the central government for its approval for increase in the total number of directors from 12 to 15. The said approval is yet awaited. On receipt of the same the appointment of Mrs Nihali Mitra as Managing Director of the company may be considered. (Date of application to Central Government is 03-03-2010)

9) Disclosures as per AS- 15 (Revised) 'Employee Benefits' for the year ended March 31st, 2010.

Defined Contribution plan: The Company has recognized the following amounts in the Profit & Loss Accounts for the year.

- 1.) Contribution to Employees provident fund Rs 112415 (3.67% - Employers contribution to PF)

Changes in Defined Benefits obligations	31-03-2010 Amount Rs.
Present value of obligations as at 01.04.09	357527
Interest Cost	25384
Past Service Cost	381856

Current Service Cost	31998
Benefits Paid	0
Actuarial (Gain)/ Loss on Obligations	(61960)
Present value of obligations as at the end of year 31.03.2010	734805

The net amount recognized in the statement of profit and loss account for the year ended March 31st 2010 is as follows

	31-03-2010 Amount Rs.
Current Service Cost	31998
Past Service Cost	381856
Interest Cost	25384
Net Actuarial (Gain)/ Loss recognized in the year	(61960)
Expenses recognized in the Statement of Profit and Loss at the end of year 31.03.2010	377278

The Principal Actuarial Assumptions used as are a follows:

Discount rate	8.10%
Rate of Increase in Compensation Levels	12.00%
Expected Average remaining working lives of employees (years)	8.78%

Note: As no Actuarial Valuation was done in the last year (2008-09), previous year figures are not given.

10) CONTINGENT LIABILITIES:

ESIC authorities have earlier held that the provisions of the ESIC Act are applicable to the Exchange and accordingly raised the demand of Rs.44,296.07 towards the contribution for the period April 97 to September 97. The Exchange contended that the provisions of ESI Act are not applicable and has contested the said demand before the appropriate authorities. An amount of Rs.22,387/- has been paid under protest in the earlier year, against the said raised demand. However recently as per the directions of the Hon'ble Court the Exchange has paid the balance amount of Rs.47,070/- (along with the interest) to the ESIC authorities.

The case filed by the Exchange against the ESIC authorities contesting the applicability of the ESIC Act to the Exchange, has been decided against the Exchange by the Hon'ble Employees Insurance Court, Pune. The Exchange has filed and appealed in the Bombay High Court against the said order of the Employees Insurance Court and the matter is subjudice. The contention of the Exchange is that the ESIC Act is not applicable to the Exchange. The case at the ESIC Court will come up for hearing shortly. However the contingent liability on this account, if any is estimated at around Rs.6 lacs. Irrespective of Hearings, the matter is under status quo position.

ESIC dues which have not been deposited on account of disputes are as follows

Nature of Dues	Amount not Deposited	Forum where dispute is pending
ESIC demand for contribution (Rs.4.08.900.00) Period-04/1992 to 03/1 997 (Additional)	Rs. 1,61,000.00	Hon'ble High Court, Mumbai and ESI Court. Pune
ESIC demand for contribution (Rs.3.18,819.00) Period: 9/1999 to 9/2003	Rs. 1,59,409.00	Hon'ble High Court. Mumbai and ESI Court. Pune
ESIC demand for contribution (Rs.44,473/-) Period: 04/1992 to 03/1997	Rs. 22,386.00	Hon'ble High Court. Mumbai and ESI Court. Pune

11) Previous year figures have been regrouped wherever necessary to make them comparable with current year's figures.

H.Mohite
Chairman

Date: 20.08.2010
Place: Pune

PUNE STOCK EXCHANGE LIMITED

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS
REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956**

(Figures in Rs)

I.	Registration Details	:	
	Registration Number	:	CIN U 67120 PN 2005 PLC 021178
	State Code	:	11
	Balance Sheet Date	:	31-03-2010
II.	Capital Raised During The Year	:	
	Public Issue	:	NIL
	Rights Issues	:	NIL
	Bonus Issue	:	NIL
	Private Placement to public offer	:	998750 Eq. Sh.
	Share Application Money	:	NIL
III.	Position of Mobilisation & Deployment of Funds		
	Total Liabilities	:	8,48,32,629.42
	Total Assets	:	8,48,32,629.42
	SOURCES OF FUNDS		
	Paid Up Capital	:	1,883,750.00
	Reserves & Surplus	:	8,29,48,879.42
	Secured Loans	:	Nil
	Unsecured Loans	:	Nil
	APPLICATIONS OF FUNDS		
	Net Fixed Assets	:	48,43,317.36
	Investments	:	4,02,01,000.00
	Net Current Assets	:	3,89,90,175.06
	Miscellaneous Expenditure	:	7,98,137.00
	Accumulated Losses	:	
IV.	Performance of The Company		
	Turnover (including other income)	:	84,22,650.44
	Total Expenditure	:	63,72,743.63
	Profit / Loss Before Tax	:	20,49,906.81
	Profit / Loss After Tax	:	14,05,521.81

Earnings Per Share in Rs. : 0.75
Dividend @ 0% : 20%

V. Generic names of the three principal products/services of the Company
(as per monetary terms)
Item Code No. (ITC Code) : N.A.
Product description : N.A.

VI Information required to be furnished in pursuance to the provisions of part II of
schedule VI of the companies Act, 1956 such as production, sales, stocks, foreign
exchange etc. is either NIL or not applicable

H.Mohite
Chairman

J.B. Joshi
Director

S.T. Dadre
Director

Date: 20.08.2010
Place: Pune

Pune Stock Exchange Limited

Reg.Off: Shivleela Chambers, 752, Sadashiv Peth, Kumthekar Marg, Pune-411030

ATTENDANCE SLIP

Please complete this slip and hand it over at the entrance of the meeting hall.

Registered Folio No. _____ Shares held _____

Name (in block letters) _____

I hereby record my presence at the Annual general meeting of the company held at 2nd Floor, Shivleela Chambers, 752, sadashiv peth, Kumthekar Marg, Pune-411030 on Saturday, 18th Day of September, 2010 at 11.30 a.m.

Note: Please carry with you this attendance slip duly signed and hand over the same the entrance of the meeting hall.

Pune Stock Exchange Limited

Regd.Off.: Shivleela Chambers, 752, Sadashiv Peth, Kumthekar Marg, Pune-411030

PROXY FORM

Registered Folio No. _____ Shares held _____

I/We, _____ of being a member /member 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 Annual general meeting of the company to be held at 2nd Floor, Shivleela Chambers, 752, Sadashiv Peth, Kumthekar Marg, Pune-411030 on Saturday, 18th Day of September, 2010 at 11.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Affix
Re. 1/-
revenue
stamp

Note: The proxy to be effective should be deposited at the registered office of the company not less than 48 hours before the commencement of meeting.