

PUNE STOCK EXCHANGE LIMITED

**Registered Office : “Shivleela Chambers”, 752, Sadashivpeth,
R.B Kumthekar Marg, Pune-411030**

DIRECTORS

Mr. J.B. Joshi	--- Chairman & Shareholder Director
Mr. V.P. Katkar	--- SEBI / Public Representative Director
Mr. Dhananjay Keskar	--- Public Representative Director
Mr. S.T. Gadre	--- Public Representative Director
Mr. Milind Kale	--- Shareholder Director
Mr Nandkumar Kakirde	--- Shareholder Director
Mr. Hanumantrao Mohite	--- Shareholder Director (upto 22.06.11)
Mr Rajesh Bhandar	--- Broker Director
Mr. Sameer Gandhi	--- Broker Director
Mr. Amit Modak	--- Broker Director
Ms Nihali Mitra	--- Managing Director (from 28.04.2011)

AUDITORS

**JOSHI & SAHNEY
CHARTERED ACCOUNTANTS**

BANKERS

**BANK OF INDIA
Laxmi Road Branch, Pune – 411 030**

**JANTA SAHAKARI BANK LIMITED
Pune Stock Exchange Branch, Sadashiv Peth, Pune – 411 030**

Committees & their Member

Arbitration committee

- Shri Mohite
- Shri. Dinesh Bhalerao
- Shri. S.T.Gadre
- Shri. Arvind Navare
- Shri. Rajendra Nahar
- Shri. Anil Parikh

Disciplinary Action Committee

- Shri Mohite
- Shri. S.T.Gadre
- Dr. Anil Gandhi
- Shri. S.L. Joshi
- Shri. Arun Pote

Defaults Committee

- Shri. H.Mohite
- Shri. S.T.Gadre
- Shri. D.Keskar
- Dr. A. Gandhi
- Shri. S.S. Gat

Investor Service Committee

- Shri Mohite
- Shri. D. Keskar
- Shri. S.T.Gadre
- Shri. kakirde
- Shri. Kamerkar

Listing and Delisting Committee

- Shri. Mohite
- Shri. Rajesh Oswal
- Shri. R.Nahar
- Shri. Bhandari.
- Ms. Pallavi Salunke

Ethics Committee

- Shri Mohite
- Shri.S.L.Joshi
- Shri. Kakirde
- Dr. Anil gandhi
- Shri. Jogalekar

Software / IT and Computerized Trading System Committee

- Shri Mohite
- Shri Devendra Bapat
- Shri Sameer Gandhi

- Shri S.T. Gadre
- Shri Nahar

Investment Work Group Committee

- Shri. Hanumantrao Mohite
- Shri. J.B. Joshi
- Shri. Mangesh Katariya
- Shri. Arwind Paranjpe
- Shri. N.K.Palrecha

Membership Selection Committee

- Shri. Mohite
- Shri. Rajendra Nahar
- Shri. J.B. Joshi
- Shri. Dinesh Bhalerao
- Shri. Amit Modak.

Committee for Monitoring SEBI Inspection

- Shri. Hanumantrao Mohite
- Shri. D.Keskar
- Shri. Rajendra Nahar
- S.T. Gadre
- Shri Sameer Gandhi

Audit Committee

- Shri H R Mohite
- Shri Amit Modak
- Shri Milind Kale
- Shri Rajesh Bhandari
- Shri J B Joshi

Corporate Governance Committee

- Mr V P Katkar -
- Mr Milind Kale
- Mr Arvind Navare
- Mr Nandkumar Kakirde
- Mrs Pallavi Salunke

Settlement Guarantee Fund Committee

- Mr Hanmantrao Mohite
- Mr J B Joshi
- Mr Milind Kale
- Mr Sameer Gandhi

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 29TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE PUNE STOCK EXCHANGE LIMITED WILL BE HELD ON WEDNESDAY, 21ST OF SEPTEMBER 2011 AT 4.30 PM AT 2ND FLOOR SHIVLEELA CHAMBERS, 752 SADASHIV PETH, PUNE 411030, TO TRANSACT THE FOLLOWING BUSINESS :

Ordinary Business:

- 1) To receive, consider and adopt the Profit & Loss A/c for the period ended on 31st March 2011 and the Balance Sheet as on that date, together with the Directors' Report and Auditors' Report thereon.
- 2) To declare final dividend.
- 3) To appoint a Director in place of Mr Milind Kale, who is liable to retire by rotation and being eligible has offered himself for reappointment.
- 4) To appoint a Director in place of Mr Nandkumar Kakirde, who is liable to retire by rotation and being eligible has offered himself for reappointment.
- 5) To appoint a Director in place of Mr Sameer Gandhi, who is liable to retire by rotation and being eligible has offered himself for reappointment.
- 6) To appoint the Statutory Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

- 7) To pass with or without modification the following resolution as a **Ordinary Resolution:**

“RESOLVED THAT, subject to the provisions of Section 269 read with Schedule XIII of Companies Act, 1956 and subject to provisions of Section 198, 309,314 and other applicable provision, if any, of Companies Act, 1956 along with the Articles of Association of the company, approval of members is hereby accorded to the appointment of Ms. Nihali Mitra as Managing Director of the company with the effect from 28th April 2011 for the period of three (3) years i.e. upto 27th April 2014 on the terms and conditions as mutually decided by board of the company and on terms & conditions as set out in the appointment letter issued by the company to Mrs Nihali Mitra and on the remuneration as set out below :

	<u>Per month (in Rs)</u>
Basic	- Rs. 25000.00
D.A(40% of basic)	- Rs. 10000.00
HRA(30% of basic)	- Rs. 7500.00
Conveyance Reimbursement(20% of basic)	- Rs 5000.00
Education allowance (20% of basic)	- Rs 5000.00
Medical Reimbursement (20% of basic)	- Rs 5000.00
P.F Contribution of Employer (on basic + D.A)	- Rs. 4200.00
Books & Periodicals	- Rs. 800.00

Total	Rs.62,500.00

“**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits during the tenure of service of the Managing Director, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956.”

- 8) To appoint a shareholder Director
- 9) To appoint a shareholder Director
- 10) To appoint a shareholder Director

**BY ORDER OF THE BOARD OF DIRECTOR
OF PUNE STOCK EXCHANGE LIMITED**

Date: 27.8.11
Place: Pune

Mr. J B Joshi Chairman	Mr Nandkumar Kakirde Director	Ms. Nihali Mitra Managing Director
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NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. In order to be valid, a proxy form must be deposited at the registered office of the Company at least 48 hours before the time fixed for the meeting.
3. Those Shareholders, who have not submitted nomination forms for their respective shareholding with the company as yet, are requested to submit the same at the earliest.

4. The Securities of the Company have been admitted by NSDL and CDSL. Those Shareholders, who are interested in dematerializing their Shareholding, may contact the company.
5. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.

EXPLANATORY STATEMENT (FORMING ANNEXURE TO NOTICE) AS PER THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 7:

The Board, subject to the approval of shareholders in the Annual General Meeting, appointed Mrs. Nihali Mitra as Managing Director of the Company effective from 28th April 2011 for a period of three (3) year on terms and conditions set out in the Resolution.

The remuneration as set out in the resolution is in accordance with the provisions of Schedule XIII to the Companies act, 1956.

The Board recommends the resolution for approval for Members.

None of the Directors, other than Ms. Nihali Mitra is concerned or interested in said resolution.

Item No. 8, 9, 10:

As per articles, PSE board can be of 15 directors. However, PSE board thought it fit to keep the strength of board as 13. Thus, PSE Board composition is one ED/MD, 3 PR Directors, 3 Broker Directors and 6 Shareholder Directors. At present the Shareholder Directors are only 3 in number. PSE board has decided has a decided to appoint three shareholder director's making the total number of shareholder Director to 6. These directors are to be appointed from the investor shareholders and they should not be broker members. Resolution's does not consists names, as, names are called for and last date for filing the names is 7th September 2011. Regarding the names in the resolution Separate communication will be made after 7th September 2011.

**BY ORDER OF THE BOARD OF DIRECTOR
OF PUNE STOCK EXCHANGE LIMITED**

Date: 27.8.11

Place: Pune

Mr. J B Joshi	Mr Nandkumar Kakirde	Ms. Nihali Mitra
Chairman	Director	Managing Director

DIRECTORS' REPORT

Dear Shareholders,

It gives us great pleasure in presenting the 29th Annual Report along with the audited annual accounts for the year ending 31st March 2011.

FINANCIAL RESULTS & OPERATIONS:

Figures are based on audited balance sheet

PARTICULARS	FOR THE YEAR ENDED 31.3.2011	FOR THE YEAR ENDED 31.3.2010
Total Income	81,75,456.59	84,22,650.44
Total Expenditure	52,17,449.49	63,72,743.20
Profit or Loss before Tax	29,58,007.10	20,49,906.81
Provision for Tax	8,16,348.00	6,44,385.00
Profit or Loss after depreciation and tax	21,41,659.10	14,05,521.81
Prior Period adjustments	NIL	2,513.97
Profit or Loss Brought Forward	1,52,579.43	4,91,732.58
Transferred to SGF	10,15,905.00	11,35,842.00
Investor Reserve Fund	27,555.00	30,359.00
Proposed Dividend	7,53,500.00	3,76,750.00
Corporate Dividend Tax	52,725.00	58,210.00
Amount Transferred to General Reserve	2,96,000.00	1,41,000.00
Profit or Loss Transferred to Balance Sheet	1,48,553.53	1,52,579.00

There was no trading on the Exchange during the previous year Two Companies were de-listed from the exchange during the year.

The total listing fee collection for the year was Rs. 13,70,160/- Out of this Rs. 2,74,032 were set aside for Investor service Fund (20% of the Listing Fees is to be set aside as per SEBI Guidelines) and the balance Rs. 1096128.00 was available to exchange for its regular expenditure. Last year the total listing fee was 13,72,532/-. As per the delisting guidelines issued by SEBI in February 2003, there shall not be any compulsion for the existing company to remain

listed on any stock exchange merely because it is a regional stock exchange. The Exchange office has taken necessary steps for the collection of the listing fee from the listed companies. However many companies are not paying the listing fee to the exchange in spite of regular follow-ups and sincere efforts. In coming day's non receipt of the listing fee will impact the profitability of the Exchange at large, since listing fees is one of the main sources of income of the Exchange.

DIVIDEND:

The Directors are pleased to recommend for consideration of the shareholders at the ensuing Annual General Meeting, payment of dividend of 40 Paise Per share i.e. 40 (%), making a total amount of Rs 7,53,500 for financial year ending 31.3.2011 (dividend distribution tax Rs. 52,725)

COMPLIANCE OF SEBI CIRCULARS:

For the compliance of the SEBI circulars received by the office, a SEBI Compliance cell has been formed. This cell keeps the record of the circulars received, takes the necessary action on the circulars and forwards regularly the compliance report to SEBI.

SEBI INSPECTION:

During the year on August 5&6 2010, SEBI office has conducted routine quick compliance inspection. SEBI has forwarded to exchange their observations of inspection regarding which Action Taken / Compliance was sent to SEBI office. Exchange administration is taking at most care while carrying out work with compliance of most of the things. We are thankful to the SEBI team for their co-operation during the Inspection.

INVESTORS AWARENESS / EDUCATION PROGRAMME:

The Exchange is deeply concerned about the protection of the interest of the investors and the public at large. In order to educate people about their rights and duties in the capital market, the Exchange organizes regular investor education programmes, keeping in line with the SEBI's Initiatives of "Empowering Investors through Education".

The Exchange has set up the Settlement Guarantee Fund, Investors Service Reserve and Pune Stock Exchange Investors Protection Fund Trust to protect the interest of the investors.

THE TRAINING ACTIVITY

In all 6 batches were conducted during the year. The training activity has gained momentum during the last year and the company looks forward to further increase the activities and batches during the current year. The activity generated Net Earning of Rs. 2,06,303.60/-

FUTURE OUTLOOK:

The future of the company was discussed by the directors of the company. It was decided that in the present scenario, the exchange has limited option of either to continue with the present going concern or to liquidate or else to merge with any other company/exchange. It was also discussed that before arriving on any firm decision, the broker's as well as shareholder's point of view would also be appreciated.

BUDGET FOR 2011-2012

Annual Budget for the year 2011-2012 was prepared by the Exchange office, which was approved by the Governing Board. The Budget was prepared based on the past Experience to project the future trend and was as realistic as possible. It addressed the quantifiable targets for the respective departments / sections and identified areas of functioning. It was a fully representative budget. The exchange has taken many steps during the year to reduce the expenditure and will continue to do so in the overall interest of the Institution.

ABOUT PSE SECURITIES

The Subsidiary during the year has the gross BSE turnover was Rs 2260.09/- Crores (Rs. 806.58/- Crores was delivery turnover and Rs. 1453.51_- Crore was non delivery turnover) and gross NSE turnover was Rs 1053.70/- Crores (Rs. 349.17/- Crores was delivery turnover and Rs. 704.53/- Crore was non delivery turnover).

During the year under review the gross earnings of the subsidiary were Rs. 169.71 lacs as against Rs. 190.63 lacs for previous year, which resulted in a profit after tax and Depreciation of 19.33 lacs. The subsidiary has recommended a dividend of 30% (i.e. Rs. 60,000 per equity shares of Rs. 2,00,000 each) for the year ended March 31, 2011 amounting to Rs. 2,13,60,000/- in aggregate.

The subsidiary is also a CDSL Depository Participant and presently handling more than 11650 Beneficiary accounts.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES

The Exchange has contributed an amount of Rs. 4.02 Crores towards the paid- up equity capital of PSE Securities Limited. The total Authorised Capital of PSE Securities Limited is Rs. 7.80 Crores, (390 equity shares of Rs. 2,00,000 each). The paid up capital is Rs. 7.08 Crores, out of which Rs. 4.02 Crores is the equity contribution of Pune Stock Exchange Limited and Rs. 3.06 Crores is of the Members.

Name of the Subsidiary company:	PSE Securities Ltd.
1) The Financial year of the subsidiary Company ended on	31st March 2011
2) Holding Company's Interest	
(a) The number of Equity shares held each fully paid.	201 Eq.Sh. of Rs. 2 Lacs/each
(b) Extent of interest of holding Company at the end of the financial year of the subsidiary co.	56.77%

3) The net aggregate amount of the subsidiary co. profit/ loss so far as it concerns the members of the Holding Company.

(a) Not dealt with in the Holding Company's Accounts.

(i) For the Financial Year Ended on 31.03.2011 Rs 19,33,198.03

For the financial year ended on 31.03.2010 Rs. 28,00,127.37

AUDITORS:

The Auditors of the Company M/S Joshi & Sahney, Chartered Accountants, Statutory Auditors retire at the conclusion of the ensuing Annual General Meeting. The Company has received certificate from the statutory Auditors as required u/s 224(1) of the Companies Act, 1956 stating that this appointment, if made, will be in the limits prescribed u/s 224(1B) of the Act. Being eligible, M/S Joshi & Sahney, Chartered Accountants have offered themselves for re-appointment. You are requested to appoint the Statutory Auditors for the financial year 2011-2012

CHAIRMAN:

Mr Hanmtrao Mohite was appointed as the Chairman of the company after the last Annual General Meeting of the Company as per the provisions of the Articles of Association. Mr Hanmantrao Mohite has resigned from the office w.e.f 22.06.2011. Mr J.B Joshi has been appointed as the chairman of company in board of Directors meeting dated 27.Aug.2011

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 has been received from Ministry of Corporate Affairs vide letter SRN No. A 79663944/5/2011 –CL.VII dated 26th april 2011. On receipt of such letter, Ms Nihali Mitra has been appointed as the Managing Director of PSE w.e.f 28th April 2011.

DIRECTORS:

Presently the composition of the board of directors is as follows:

Three Public Representative Directors namely,

1. Mr Vishnu Katkar
2. Mr Dhanjay Keskar
3. Mr Shrikant Gadre

Three Shareholder Directors namely,

1. Mr Javerilal. B. Joshi
2. Mr. Nandkumar Kakirde
3. Mr. Milind Kale

Three Broker Directors namely:

1. Mr. Sameer Gandhi
2. Mr. Rajesh Bhadari
3. Mr. Amit Modak

Managing Director :

1. Mrs Nihali Mitra

In the last Annual General Meeting Mr J B Joshi, Mr Nandkumar Kakirde, Mr.Sameer Gandhi, Mr Amit Modak and Mr Rajesh Bhandari were appointed as directors. Mr Hanumantrao Mohite has resigned as directorship of PSE from 22.06.2011

Mrs Nihali Mitra was appointed as the Managing Director of the company on 28.4.2011 and approval of the shareholders for her appointment is being sought in the ensuing annual general meeting.

As per sec 256 of the Companies Act, 1956 Mr Milind Kale, Mr Nandkumar Kakirde and Mr Sameer Gandhi are liable to retire by rotation in this Annual General Meeting and being eligible have offered themselves for reappointment.

You are requested to appoint the directors retiring, in place of retiring director's as well for the fresh vacancies.

AUDITORS OBERVATIONS :

The Statutory Auditors in their Report have observed in point 1(a) and (b) that fixed asset register is yet to be properly updated and compiled and the fixed assets have not been verified with the available records. Auditor has also observed in point 5 (a) delay in depositing undisputed dues of Income Tax and Service Tax during the year.

The Board of Directors has noted the points and appropriate actions will be taken for complying with the same.

PARTICULARS OF EMPLOYEES:

There are no employees who are in receipt of remuneration of Rs. 5,00,000/- or more per month or Rs. 60,00,000/- or more per year or part of the year and therefore the details as required under the Companies (Particulars of Employees) Rules, 1975 are not furnished here.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

Considering the nature of business of the company, directors have nothing to state in this regard. Particulars required under this head are given in Annexure I annexed to this Report.

FIXED DEPOSITS

The company has not accepted any fixed deposits during the financial year.

FOREIGN EXCHANGE EARNING & OUTGO:

Foreign exchange earnings & outgo were NIL during the current year.

DIRECTORS' RESPONSIBILITY STATEMENT:

As per the provisions of section 217(2AA) of the Companies Act, 1956 the Directors of the company hereby state that:

- a. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures,
- b. 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 true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period,
- c. The directors have taken proper and sufficient care for 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,
- d. The directors have prepared the annual accounts on a going concern basis.

COMPLIANCE CERTIFICATE:

In terms of section 383A of the Companies Act, 1956 the company is required to obtain a Compliance Certificate from a Company Secretary in Practice. Compliance Certificate issued by Ms Pallavi Salunke , Practicing Company Secretary , Pune is attached with this report and forms part of this report.

ACKNOWLEDGEMENT:

The Governing Board would like to appreciate the co-operation and the guidance received by the Council from the Public representatives / SEBI nominees Directors and Elected Broker Directors, which proved valuable in this crucial year.

We will also like to mention that; Public representatives and Broker members on all Statutory and other Committees have contributed a precious deal to make the committees a positive asset. The directors appreciate the sincere efforts of the employees and the timely assistance provided by various authorities, institutions, banks and also the employees at all levels, in the business activities of the company

The Governing Board would also like to sincerely thank the Securities and Exchange Board of India for its continued support and guidance to Pune Stock Exchange Limited

**BY ORDER OF THE BOARD OF DIRECTOR
OF PUNE STOCK EXCHANGE LIMITED**

Date: 27.8.11

Place: Pune

**Mr. J B Joshi
Chairman**

**Mr Nandkumar Kakirde
Director**

**Ms. Nihali Mitra
Managing Director**

ANNEXURE I TO THE DIRECTORS REPORT

Particulars to be disclosed u/s 217(1)(e) of the Companies Act, 1956 with respect to conservation of energy, technology absorption, research and development expenditure.

ANNEXURE - I

CONSERVATION OF ENERGY

Energy Conservation measures taken; NIL

Additional Investments and proposal, if any, being implemented for reduction of consumption of energy;

Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

FORM B

Form for disclosure of particulars with respect to technology absorption

Pune Stock Exchange Limited, Pune Research and Development (R&D):

- | | |
|--|-----|
| 1. Specific areas in which R&D carried out by the company. | NIL |
| 2. Benefits derived as a result of the above R & D. | NIL |
| 3. Future plan of action. | NIL |
| 4. Expenditure on R & D: | |
| (a) Capital | NIL |
| (b) Recurring | NIL |
| (c) Total | NIL |
| (d) Total R&D expenditure as a percentage of total turnover. | NIL |

Technology absorption, adaptation and innovation:

- | | |
|---|-----|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation | NIL |
| 2. Benefits derived as a result of the above efforts, Eg. Product improvement, cost reduction, Product development, import substitution, etc. | NIL |
| 3. In case of imported technology (imported during the last 5 years, reckoned from the beginning of the financial year) following information may be furnished: | NIL |
| a) Technology imported. | NIL |
| b) Year of import. | NIL |
| c) Has technology been absorbed? | NIL |
| d) If not fully absorbed, areas where this is not taken place, reasons therefore and future plans of action. | NIL |

**BY ORDER OF THE BOARD OF DIRECTOR
OF PUNE STOCK EXCHANGE LIMITED**

**Date: 27.8.11
Place: Pune**

**Mr. J B Joshi Mr Nandkumar Kakirde Ms. Nihali Mitra
Chairman Director Managing Director**

COMPLIANCE CERTIFICATE

To,
The Members,
PUNE STOCK EXCHANGE LTD,
PUNE

I have examined the registers, records, books and papers of PUNE STOCK EXCHANGE LIMITED, having Registered Office at Shivleela Chambers, 752 Sadashiv Peth, Pune 411 030 as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate and entries therein have been recorded.
2. All forms and returns mentioned in Annexure B to this Certificate have been filed with the Registrar of Companies, Pune as prescribed under the Act and the rules made there under.
3. The Company being a public limited company, comments are not required.
4. The Board of Directors duly met 7 times on 19th May 2010, 20th August 2010, 18th September 2010, 30th October 2010, 29th December 2010, 21st January 2011, 11th March 2011 and it was informed that the notices were sent by hand delivery and the proceedings thereof were properly recorded and signed in the Minutes Book maintained for the purpose. The Circular resolutions passed during the year were noted by the Board.
5. The company has not closed its Register of Members during the financial year.
6. The annual general meeting for the financial year ended on 31st March 2010 was convened on 18th September, 2010 and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms, or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of 297 of the Act during the financial year.

10. The company has made entries in the register maintained under section 301 of the Act.
11. The company has obtained necessary approvals from the members pursuant to section 314 of the Act wherever applicable.
12. The Board has approved the issue of duplicate share certificates during the financial year.
13. The Company :
 - I. has delivered all the share certificates on transfer of securities. There was no allotment or transmission of securities during the financial year.
 - II. has deposited the amount of final dividend declared on 18th September, 2010 in a separate bank account on 22nd September, 2010 which is within five days from the date of declaration of such dividend.
 - III. paid dividend warrants for dividends to all the members within a period of 30 days from the date of declaration and that all the unpaid / unclaimed dividend has been transferred to Unpaid Dividend Account of the company with IDBI Bank , Camp Branch, Pune.
 - IV. has not transferred any amounts to Investor Education and Protection Fund as no amounts were lying in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - V. has complied with the requirements of section 217 of the Act.
14. The company generally had the composition of the Board of Directors as specified in the Articles of Association of the company and as clarified by the Securities Board of India during the year except during the period after Annual General Meeting when vacancies were created due to retirement and except that of appointment of Managing Director. There was no appointment of alternate directors, directors to fill casual vacancy and additional directors during the year and the appointment of directors was duly made.
15. The Company has not appointed a Managing Director / Whole Time Director / Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approval of Central Government, Company Law Board, Regional Director, Registrar and / or such authorities under the various provision of the Act during the financial year.
18. The directors have generally disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other Securities during the financial year.

20. The company has not bought back any shares during the financial year.
21. The company has no preference share capital / debentures.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited /accepted any deposits including any unsecured loans falling within the purview of sections 58A during the financial year.
24. The company has not made any borrowings during the financial year ended 31st March 2011.
25. The company has not made any loans and investments or given guarantees or provided securities to other bodies corporate during the financial year.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the financial year.
31. There were no prosecutions initiated against the company or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not deducted any contribution towards separate Provident Fund During the financial year.

Date: 27.08.2011

Place: Pune

**PALLAVI SALUNKE
COMPANY SECRETARY
C.P.No: 4453**

COMPLIANCE CERTIFICATE
PUNE STOCK EXCHANGE LIMITED

Annexure A

Statutory Registers as maintained by the Company for the financial year ended 31st March, 2011:

S. No	Statutory Register	Section
1	Register of charges	143
2	Register of Members	150
3	Minutes book for General Meetings & Board Meetings.	193
4	Register of particulars of contracts in which directors are interested	301
5	Register of director, Managing Director, Manager, Secretary.	303
6	Register of director's shareholdings	307
7	Register of investments or loans made , guarantees given or securities provided	372A
8	Register of Renewed / Duplicate Share Certificate	
	Non Statutory Register	
9	Share Transfer Register	108

Place: Pune
Date: 27.08.2011

PALLAVI SALUNKE
COMPANY SECRETARY
C.P.No: 4453

COMPLIANCE CERTIFICATE
PUNE STOCK EXCHANGE LIMITED

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March, 2011

Sr.no	Form Filled	Filed under Section	Date of Filing	Whether filed within prescribed time	In case of delay whether requisite additional fee paid
1	Form 32	303	07.10.2010	Yes	NA
2	Form 32	303	12.10.2010	Yes	NA
3	Form 23AC and ACA	220	15.10.2010	Yes	NA
4	Form 23	314	30.09.2010	Yes	NA
5	Form 66	383A	30.09.2010	Yes	NA
6	Form 20B	161	16.11.2010	Yes	NA

Place: Pune
Date: 27.08.2011

PALLAVI SALUNKE
COMPANY SECRETARY
C.P.No: 4453

AUDITORS' REPORT

To,
The Members,
Pune Stock Exchange Limited,
Pune.

1. We have audited the attached Balance Sheet of Pune Stock Exchange Limited as at 31st March 2011 and also the annexed Profit & Loss Account of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors' Report Amendment) Order 2004, issued by the Central government of India in terms of section 227(4A) of the Companies Act, 1956 and in terms of the information and explanations given to us and on the basis of such checks as we considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- 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 account as required by law, have been kept by the Company so far as it appears from our examination of the books.
- c) The Balance Sheet and Profit & Loss Account are in agreement with the books of account.
- d) In our opinion the Balance Sheet and Profit & Loss Account are in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable
- e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31.3.2011 from being appointed as a Director under clause (g) of the sub-section (1) of section 274 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 together with the notes thereon gives the

information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March 2011;
- ii) in the case of the Profit & Loss Account of the Profit for the year ended on that date.

Place : Pune
Date : 27.08.2011

FOR JOSHI& SAHNEY
CHARTERED ACCOUNTANTS
(Firm Registration No: 104359W)

H M. JOSHI
PARTNER
(Membership No. 031689)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Para 3 of our Report of even date)

1.

- a) Records of fixed assets showing full particulars including quantitative details and situation thereof are to be updated and properly compiled in the Fixed Assets Register. [Clause 4(i)(a)]
- b) The fixed assets have not been verified with available records during the year by the management. [Clause 4(i)(b)]
- c) There are no disposal of fixed assets during the year under audit .[Clause 4(i)(c)]

2). In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets & rendering of services. During the year there was no purchase of inventory or sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls. [Clause 4(iv)]

3) In respect of transactions covered under Section 301 of the Companies Act 1956 [Clause 4(v)]:

- a) In our opinion and according to the information and explanations given to us, the particulars of the contracts and arrangements required to be entered into the register in pursuance of Sec 301 of the Companies Act 1956 have been so entered.
- b) As per particulars entered in the register maintained u/s 301 as stated in (a) above, there are no transactions exceeding value of Rs 5 lakhs with any party during the year and as such our comments are not required in respect of clause v (b).

4. In our opinion the company has an internal audit system commensurate with the size and nature of its business. [Clause 4(vii)]

5.

- a) According to the records of the Company, undisputed dues of Provident Fund have generally been regularly deposited with appropriate authorities during the year.

According to the records of the Company, there is a delay in depositing undisputed dues of Income Tax and Service Tax during the year.

As informed to us the applicability of the provisions of the Employees State Insurance Act by the ESI Authorities for 6 months period ended on 30.9.97 has been contested by the company before appropriate authority. An amount of Rs.13,867/- was paid in earlier years against the notice dated 29.03.2006. However, as per the directions of the Hon'ble Court the Exchange has also paid the balance amount of Rs.47,070/- (along with the interest) to the ESIC authorities. There

were no payments in respect of Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and Investor Education and Protection Fund during the year. [Clause 4(ix)(a)]

- b) According to the information and explanations given to us and the records of the Company, examined by us there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty or Cess as at 31st March 2011 which have not been deposited on Account of any dispute. ESIC dues which have not been deposited on account of disputes are as follows: [Clause 4(ix)(b)]

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

6. The Company does not have any accumulated losses on 31st March 2011 and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year, [Clause 4(x)]
7. Based on the audit procedures performed and according to the information and explanations given and representation made by the Management, we report that no fraud on or by the company has been noticed or reported during the year. [Clause 4(xxi)]
8. The provisions of the under mentioned clauses of para 4 of the said Order are not applicable to the company for the current year.
- a)** Regarding physical verification of inventory and maintenance of proper records of inventory. [Clause 4(ii)(a)(b)(c)]
- b)** Regarding loans secured or unsecured, granted or taken, to/from companies, firms or other parties covered in the register maintained u/s 301 of the Act. [Clause 4(iii)(a)(b)]
- c)** Regarding acceptance of deposits from the public. [Clause 4(vi)]
- d)** Regarding maintenance of cost records u/s 209(l)(d) of the Companies Act 1956. [Clause 4(viii)]
- e)** Regarding default in repayment of dues to financial institution or bank or debenture holders, [Clause 4(xi)]

f) Regarding documents and records maintained for grant of loans and advances on the basis of security by way of pledge of shares, debentures and other securities, [Clause 4(xii)]

g) Regarding provisions of special statute applicable to chit fund/ Nidhi/ mutual benefit fund/ Societies, [Clause 4(xiii)]

h) Regarding maintenance of records for dealing in or trading in shares, securities, debentures and other investments, [Clause 4(xiv)]

i) Regarding guarantees given for loan taken by others from bank or financial institutions, [Clause 4(xv)]

j) Regarding application of term loans for the purpose for which the loans were obtained, [Clause 4(xvi)]

k) Regarding funds raised on short term basis being used for long term investment and vice versa. [Clause 4(xvii)]

l) Regarding making of preferential allotment of shares, [Clause 4(xviii)]

m) Regarding creation of securities in respect of debentures issued, [Clause 4(xix)]

n) Regarding disclosure of end use of money raised by public issue [Clause 4(xx)]

Place : Pune
Date : 27.08.2011

FOR JOSHI & SAHNEY
CHARTERED ACCOUNTANTS
(Firm Registration No: 104359W)

H M. JOSHI
PARTNER
(Membership No. 031689)