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BOARD OF DIRECTORS

Mr. SUNDAR IYER
Executive Chairman

Mr. CHANDRAMOULI
Managing Director

Mr. IYER VISHWANATH
Independent Director

Mr. S. HARIHARAN
Independent Director

COMPANY SECRETARY

Mr. A. V. M. SUNDARAM

AUDITORS

M/s. M. B. LADHA & COMPANY
Chartered Accountants
Mumbai

BANKERS

ICICI BANK LIMITED
STATE BANK OF TRAVANCORE
HDFC BANK LTD

REGISTERED OFFICE

No. 158, 1st Floor, Eldams Road,
Alwarpet, Chennai - 600 018.

CORPORATE OFFICE

No. 603 & 604 Dalamal Chambers,
29, New Marine Lines,
Mumbai - 400 020.

SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.,
C13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W)
Mumbai - 400 078.
Phone: (022) 25963838
Fax: (022) 25946969

**NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the 25th Annual General Meeting of the Company will be held on Friday, 23rd September, 2011 at 3.30 p. m. at Bharatiya Vidya Bhavan Mini Hall, No. 18,20,22 (Old No. 37-39) East Mada Street, Mylapore, Chennai - 600 004 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the balance sheet for the year ended 31st March, 2011, the profit & loss account as on that date and the report of the directors and auditors thereon.
2. To appoint Mr. Sundar Iyer, who retires at the ensuing General Meeting and being eligible, offers himself for reappointment.
3. To appoint Mr. Chandramouli, who retires at the ensuing General Meeting and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

By Order of the Board

Place: Mumbai
Date : 29th July 2011

A. V. M. SUNDARAM
Company Secretary

NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- b) The instrument appointing proxy, in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the 25th annual general meeting of the company.
- c) The Register of Members and Share Transfer books of the Company will remain closed from 20th September, 2011 to 23rd September, 2011 (both days inclusive).
- d) Profile of directors seeking re-appointment as stipulated in terms of Clause 49 of the listing agreement with the stock exchanges is provided in the report on corporate governance, which forms an integral part of this annual report.
- e) Members are requested to bring their copy of annual accounts, as no extra copies will be distributed at the meeting.

By Order of the Board

Place: Mumbai
Date : 29th July 2011

A. V. M. SUNDARAM
Company Secretary



DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 25th ANNUAL REPORT of your company together with the Auditor's Report for the year ended 31st March 2011.

FINANCIAL HIGHLIGHTS

The Financial Results for the year ended 31st March 2011.

	Rupees in Lacs	
	31/03/2011	31/03/2010
Profit from capital market operations	2296.77	98.74
Other Income	47.72	53.28
Profit before Depreciation & Tax	874.11	61.00
Interest	0.00	0.00
Depreciation	3.15	0.96
Profit before tax	870.96	60.04
Provision for tax	175.00	0.00
Deferred tax liability	1.18	0.09
Profit after tax	694.78	59.95
Transferred to general reserve	56.00	0.00
Preference dividend	171.00	0.00
Tax on dividend	28.40	0.00
Balance b/f from previous year	(222.97)	(282.92)
Surplus carried to Balance Sheet	216.41	(222.97)

BUSINESS & PERFORMANCE

During the year under review, the Company has made a net profit of Rs. 694.78 Lacs, against the net profit Rs.59.95 Lacs, in the last financial year. Directors are cautious in giving guidance and projecting profit for the year since the market conditions have undergone sea-change as the Government

of India and RBI are fighting against the spiraling inflation during the last six months.

DIVIDEND

Considering the present conditions of the Capital Market the Directors would like to conserve the funds for Capital Market operations and have decided not to recommend any dividend to the shareholders for the year.

FUTURE PROSPECTS

The year ended 31st March 2011, witnessed several new highs in the Capital Markets. Signs of global recovery, record FII net inflows and turn around in corporate profits have contributed favourably to this recovery.

We were a focused player in the capital markets space and continued to invest capital judiciously and were successful in maintaining a healthy balance sheet and consistent profit margins in challenging times. Our investment in growth stocks has yielded the desired results and we were in a position to make good profits by divesting these stocks at an appropriate time. This has resulted in your company making income of Rs.2296.77 lacs from capital market operations during the year. India's growth story remains intact and its GDP is expected to reach US \$ 5 trillion by 2020. Our focus remains strong in our value-driven investment approach and growing our related business segments, together with maintaining a risk-free balance sheet.



CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Corporate Governance" has been annexed to this Annual Report.

DEPOSITS

Your company has not accepted any deposits from the public during the year under review. There are no outstanding deposits as on 31st March 2011.

PARTICULARS OF EMPLOYEES

The Company has no employees, who are in receipt of remuneration, requiring disclosure under Section 217(2A) of the Companies Act, 1956.

AUDITORS & AUDIT REPORT

M.B. Ladha & Company, Chartered Accountants, Auditors of the company retire at the ensuing Annual General Meeting and are eligible for reappointment.

Auditors of the company in their report made an observation that, the company has no Internal Audit Department, commensurate with the size of the company and nature of its business. Also they have made comment on non provision of Gratuity in the Accounts in the event of any employee living services by reason of death or incapability.

Regarding Internal Audit system, management is of the opinion that, company does not have any transactional activity other than investments (in Equities) - which are directly under the supervision of the Chairman. Company is in the process of forming an in-house Internal Audit Department to look into the day-to-day activities of the company.

Regarding non provision of gratuity, the management opines that gratuity for the period of the services rendered by the employees is being paid to the employee leaving services by

reason of death or incapability, to the legal heirs of the deceased or to the employee disabled and accounted on cash basis. Hence no provision is made in the books of the company.

DIRECTORS

Mr. Sundar Iyer and Mr. Chandramouli, Directors of the company shall retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re - appointment. As stipulated in terms of Clause 49 of the listing agreement with the stock exchanges, the brief resume of Mr. Sundar Iyer and Mr. Chandramouli, is provided in the report on corporate governance, which forms an integral part of this Annual Report.

PARTICULARS AS REQUIRED UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

Conservation of Energy

The Company had taken steps to conserve the use of energy in its office, consequent to which energy consumption has been minimized. No additional Proposals/Investments were made to conserve energy. Since the company has not carried on industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc., are not applicable.

Technology Absorption

Company's business does not require any Technology Absorption and hence no reporting is required to be furnished under this heading.

Foreign Exchange Inflow & Outflow

Foreign Exchange inflow and outflow during the year is Nil.



SUBSIDIARY COMPANY

The Company has a subsidiary TWENTYFIRST CENTURY SHARES & SECURITIES LIMITED. The Company is not attaching copies of the balance sheet and profit and loss account, reports of the board of directors and auditors thereon, in respect of the subsidiary as required under Section 212(1) of the Companies Act, 1956 ("the Act") to its accounts as per the dispensation available pursuant to the directions issued by the Ministry of Corporate Affairs vide general circular no. 2/2011. However, as required under the aforesaid circular and pursuant to Clause 32 of the Listing Agreement, the consolidated financial statements of the Company duly audited by the statutory auditors forms part of this Annual Report. The Company shall make available, the annual accounts and related information of its subsidiary, to those shareholders who wish to have the copies of the same. Further, these documents shall be available for inspection by a shareholder at the registered office of the Company as well as its subsidiary on any working day, except Saturdays, between 11.00 a.m. and 3.00 p.m.

- * In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- * Appropriate accounting principles have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit or loss of the Company for the year ended on that date.
- * Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- * The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

The Board of Directors would like to thank all Employees of the Company as also Company's Shareholders, Auditors, Customers and Bankers for their continued support.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

For and on behalf of the Board

Place : Mumbai
Date : 29th July 2011

SUNDAR IYER
CHAIRMAN



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC VIEW

Global economic recovery continues to gain strength, though new macro economic risks are building in the emerging economies, while high unemployment remains a matter of concern in advanced economies. Private concerns of double-dip recession on diminishing fiscal policy support, and allowing fiscal stimulus to lead to fiscal consolidation.

On the other hand, food and commodity prices have increased more than expected and pose a threat to sustainable growth. Inflation may remain high for some time, reflecting growing demand and supply shocks. Higher oil prices due to increased demand and supply disruptions post MENA (Middle East and North Africa) region unrest continue to affect the world economy. Weak sovereign balance sheets in advanced economics and lacklustre growth in real estate markets, high unemployment suggest output will be below potential for a few years going forward. High funding requirements of banks and sovereigns in a few euro area economies combined with low or negative growth and high interest rates continue to present financial risks.

Strong corporate balance sheets in advanced economies and growing demand in developing and emerging economies may provide a surprise upside to growth in the short-term. The 11th March earthquake and tsunami in Japan caused widespread destruction of

property and loss to life. There is high uncertainty about the macroeconomic impact of the tragedy. Economic recovery will be sustained in advanced markets through fiscal consolidation, supported by stronger fiscal rules and by keeping monetary policy accommodative. These economies would have to rely on external demand for growth. For economies with current account surplus, removal of monetary accommodation and appreciation of currency are necessary to maintain balance and control inflation. They need to tighten fiscal and monetary policies. Emerging market economies would depend more on local demand and rely less on exports since they have received sizeable capital flow post the crisis and need to keep a close watch on the flows, as any rise in policy rates in the advanced economies may result in these flows exiting the emerging economies.

The International Monetary Fund in its World Economic Outlook expects world economy to grow at 4.4% in 2011 and 4.5% in 2012. This again will be led by emerging and developing economies, seen growing at 6.5%, while advanced economies will grow at only 2.5% up marginally from 2.25% in 2010. It also states - "The recovery is broadly moving at two speeds, with large output gaps in advanced economies and closing or closed gaps in emerging and developing economies, but there are appreciable differences among each set of countries. Economies that are running behind the global recovery typically suffered



large financial shocks during the crisis, often related to housing booms and high external indebtedness. Among the advanced economies, those in Asia have experienced a strong rebound. The recovery of euro area economies that suffered housing busts or faced financial market pressures has been weaker than in Germany and some other euro area economies. Among emerging and developing economies, those in Asia are in the lead, followed by those in sub-Saharan Africa, whereas those in Eastern Europe are only just beginning to enjoy significant growth."

Stock markets all over the world have recovered the sharp losses suffered during the financial crisis. The Dow Jones Industrial Average rose to a high of 12,391 after touching a low of 9,686 during FY 2010-11 and closed at 12,320 on March 31, 2011, up 13.47% YoY. UK's FTSE 100 Index rose to a high of 6,091 during FY 2010-11 after touching a low of 4,806 and closed at 5,909 on March 31, 2011, up 4.03% YoY. Japan's Nikkei 225 touched a high of 11,339 in FY 2010-11, but following the massive earthquake and tsunami of March 11, 2011, fell to a low of 8,605, closing at 9,755 as on March, 2011, down 12.02% YoY. India's BSE Sensex touched a high of 21,005 and a low of 16,022 during FY 2010-11, closing at 19,455 on March 31, 2011, up to 10.9% YoY and Nifty touched a high of 6,338 and Nifty touched a low of 4,786 during FY 2010-11, closing at 5,834 on March 31, 2011, up 11.14% YoY.

INDIAN ECONOMY - ROBUST BROAD-BASED GROWTH PUTS THE ECONOMY BACK ON ITS EARLIER HIGH GROWTH TRAJECTORY

Indian economy recovered quite rapidly from the slowdown caused by the global financial crisis of financial years 2007-09. The estimated level of growth of 8.6% in GDP in FY 2010-11 was comprised of; 5.4% growth in agriculture, which rebounded from a downturn in the previous year; 8.1% industry growth vs 8% growth in FY 2009-10 and lower growth of 9.6% in services vs 10.1% in FY 2009-10.

The Index of Industrial Production data suggests that though there have been a few hiccups in industry and manufacturing, the medium to long-term growth prospects of the Indian economy remain positive. The pace of implementation of new projects seems to have slowed down during FY 2010-11. This is likely to adversely affect industrial production growth. However, announcement of new projects continues unabated. Thus, the slowdown in implementation of new investment projects is more likely to be a logistics issue rather than a business cycle issue. Investment demand is expected to be buoyant as more and more projects are moving into the implementation stage. Projects cumulatively valued at 800,000 Crore are scheduled for commissioning in FY 2011-12, as compared to 360,000 Crore in FY 2010-11. The largest contribution to this capital expenditure



is likely to come from the electricity sector. India's external sector continues to show good growth as reflected by acceleration in exports and deceleration in imports facilitating moderation of the current account deficit. India's balance of payments position is likely to show moderation. However, downside risks of global events, particularly movements in prices of commodities like crude oil remain and would have to be factored into Macroeconomic policies. The Indian Rupee remained largely stable during the year. India's foreign exchange reserves stood at US\$ 309.7 billion as on April 22, 2011.

INFLATION

Inflation remained at high levels from December 2009 during the fiscal, driven largely by higher food prices; though headline Wholesale Price Index (WPI) inflation has been on a downward trajectory since April 2010, after it peaked at 11%. The elevated levels of inflation were driven mainly by primary articles, particularly food and petroleum products. A series of steps, both structural and macroeconomic, were taken to combat rising inflation. Structural demand supply imbalance in certain sectors and rising global commodity and oil prices have increased upside risks to inflation. While inflationary pressures have accentuated, downside risks to growth have also emerged.

On one-side, with investment showing signs of deceleration, macroeconomic challenges have increased. On the other side, the high inflation now poses risk to the pace of growth. In this scenario, while growth risks remain, persistence of high inflation warrants continuation of anti-inflationary monetary stance to sustain the growth momentum over the medium term.

MONETARY CONDITIONS

RBI Injected large primary liquidity, easing liquidity pressures on the Indian economy without reducing its anti-inflationary focus. Recognizing the need to firmly anchor inflationary expectations, RBI raised policy rates Seven times during the period beginning of April 2010 and 17th March 2011. During the year the Repo Rate was raised by 175 bps from 5.0% to 6.75%. Reverse Repo rate by 225 bps from 3.50% to 5.75% and the Cash Reserve Ratio was hiked by 25 bps from 5.75% to 6.00%.

Flow of financing from non-banking sources lagged the incremental flow of bank credit. Money supply (M3) growth, however, was slightly below the projected level on sluggish deposit growth and some moderation in money multiplier resulting from higher growth in currency. As on March 31, 2011, CRR was at 6% SLR at 24% repo rate at 6.75%, reverse repo at 5.75% and bank rate at 6%.



Performance of the Indian Capital Markets

Domestic capital markets performed well in FY 2010-11, Primary markets financing remained consistent which included the largest ever Initial Public Offering (IPO) by Coal India and first ever issue of Indian Depository Receipts (IDRs) by Standard Chartered Plc, while secondary markets recovered from the lows of 2008. Record foreign inflows also helped support the market.

Secondary Markets

While FY 2009-10 was basically a year of recovery from the crisis of FY 2008-09, FY 2010-11 was one of consolidation of gains. The economic recovery in the emerging economies will continue to be stronger compared to advanced economies. The capital inflows in the emerging economies continued to be robust during FY 2010-11. The Foreign Institutional Investors (FIIs) continued to bet on the emerging markets and particularly India, on the back of its sustainable long term growth story. FIIs invested a record 146,438 Crore in the Indian markets including debt instruments during FY 2010-11, marginally up from 142,658 Crore in FY 2009-10, the highest ever inflow in the country in rupee terms in a single financial year.

As on March 31, 2011, Indian benchmark indices, the BSE Sensex and Nifty, closed at 19,455 points (17,528 points as on March 31, 2010) an increase of 10.9% and 5,834 points (5,249 points as on March 31, 2010) an increase of 11.14% respectively over the closing indices of March 31, 2010.

The total market capitalisation of the companies listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) as on March 31, 2011, stood at 6,839,084 Crore and 6,702,616 Crore respectively as compared to 6,165,619 Crore and 6,009,173 Crore as on March 31, 2010 reflecting the consolidation in the capital markets.

The average daily turnover on the cash segment of BSE and NSE dropped to 4,333 Crore and 14,029 Crore during FY 2010-11 as compared to 5,651 Crore and 16,959 Crore respectively during FY 2009-10. However, there was a substantial improvement in the volumes on the derivatives segment of NSE where the average daily turnover increased to 115,150 Crore during FY 2010-11 as compared to 72,392 Crore during FY 2009-10. The trend of volumes seems to have set in towards increased growth in derivatives and cash non delivery (intra day) segment and lower growth in cash delivery segment. This suggests higher risk taking and lower funds commitment despite growing.

Policy Changes - Capital Markets

Keeping pace with the changing market dynamics and increased investor participation, the market regulator SEBI has been pro-active with its policy changes to protect the interests of investors in securities, to promote the development of and to regulate the securities market. Some of the key regulatory changes that were introduced during the year and the implications thereof are as under:

1. Applications Supported by Blocked Amount (ASBA) facility extend to qualified



Institutional Buyers in public issues and investors for all Mutual Funds NFO. Further, syndicate/sub-syndicate members may procure ASBA forms from investors and submit it to Self Certified Syndicate Banks.

2. Reduction in time between issue closure and listing from 22 days to 12 days to reduce the interest and the market risk for the investors.
3. Introduction of Model Equity Listing Agreement to list the specified securities on Small and Medium Enterprise Exchange.
4. The listed companies shall be required to maintain a minimum 25% public shareholding to remain listed on the stock exchanges. It will increase the liquidity of the securities and increase the investor participation.
5. In order to provide more avenues for purchasing and redeeming Mutual Fund units, SEBI has permitted their transactions through registered stock brokers of recognized stock exchanges.

(Source: Various reports and web sites of RBI, SEBI, IMF, DIPP, Ministry of Commerce & Industry, Bloomberg, CMIE and other print & electronic media.)

Broking Industry

During the year, the performance of the entire broking industry was lacklustre. This was on account of significant fall in average brokerage yield on the traded turnover. The fall in brokerage yield has been an industry wide phenomenon attributed primarily to change in product mix and to some extent to increasing competitive activity. The product mix on the exchange has changed in favour of Futures and

Options segment, which accounted for 86% of volumes for the year under review as compared to 76% in the previous year, with corresponding fall in relative share of cash segment. Within cash segment also, relative share of delivery volumes has fallen. Brokerage rates, as per industry norms, tend to be significantly higher for delivery volumes, followed by intra-day and futures & options. The brokerage yield is typically lowest for options contract. To illustrate on an average, brokerage per rupee of turnover of cash delivery trade can be as high as 8 to 10 times that of a trade in futures or options segment. Besides, when industry income pie is not growing, like any other competitive business, the pricing tends to be cut-throat.

Debt Markets

The corporate debt markets which witnessed a lacklustre FY11 following the global credit crisis and liquidity crunch, failed to improve the levels of activity. The rising inflation and the hike in policy rates by RBI to tackle inflationary expectations is also a reason for the volatility in the Debt Market. The corporate as yet do not seem to view the debt markets as a credible alternative to equity capital markets in raising capital. Traditionally the debt penetration in India has been low compared to the developed countries. In addition the debt markets in India are characterized by simple, plain vanilla loans. Moreover the Indian market is crowded by the Government Bonds which find buyers in many commercial banks in view of the high reserve requirements in the country. Therefore the corporate debt markets continue to be shallow in spite of having great potential.

Opportunities and Threats

Opportunities

Economy is growing at healthy rate leading to investment/capital requirement.



Growing Financial Services industry's share of wallet for disposable income.

Huge market opportunity for wealth management service providers as Indian wealth management business is transforming from mere wealth safeguarding to growing wealth.

Regulatory reforms would aid greater participation by all class of investors.

Leveraging technology to enable best practices and processes.

Corporates looking at consolidation/ acquisitions/ restructuring opens out opportunities for the corporate advisory business.

Threats

Rising inflationary expectations on account of increase in fuel prices and supply concerns.

Cautiously optimistic approach due to global slowdown

Increased intensity of competition from local and global players

dynamics of the prevalent Indian Capital Market.

- (ii) Your company continues to rely heavily on capital market operations, which accounts for bulk of the consolidated revenues. As such, the performance and results of your company have a direct correlation to the conditions prevailing in the Indian capital market.
- (iii) We recognize the fact the retail investors are still hesitant and averse to investment in the capital market. Based on our past experience we have initiated and are practicing ideal risk management policies to cope up with the conservative expansion in the retail business in future.
- (iv) Since the institutional business has progressed we have focused on the growth of institutional broking business during this year.

5. Our Business Streams and Outlook:

Your company is an Investment Company and the standalone operations have two critical elements:

- (i) Build on a sound portfolio with deeper analysis and a constant churning of the same to adapt to the changing



REPORT ON CORPORATE GOVERNANCE

1. *Company's Philosophy on Corporate Governance*

The Company defines Corporate Governance as a Systematic Process by which companies are directed and controlled to enhance their wealth generating capacity. Since large corporations employ vast quantum of social resources, we believe that the governance process should ensure that these companies are managed in a manner that meets stakeholders' aspirations and social expectations.

The basic objective of corporate governance policies adopted by the company is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to meet with statutory requirements but also goes beyond them by putting in to place procedures and systems, which are in accordance with best practice of governance. Your company believes that good corporate governance enhance the trust and confidence of all the stakeholders. Good practice in corporate behaviour helps to enhance and maintain Public trust in companies and stock market.

2. Board of Directors

Composition and category of Board of Directors

The Board of Directors of the company comprises of two Executive Directors and two Independent (Non Executive) Directors.

Attendance at the Board Meetings and Annual General Meeting are as under:

Dates of Board Meeting

During the financial year 2010-2011 Four (4) meetings were held on the following dates: 24th May 2010, 9th August 2010, 12th November 2010, and 9th February 2011.

The last Annual General Meeting was held on 27th September 2010. The Board comprises of two independent directors out of present strength of four directors. Composition, attendance of each director at the Board Meetings and at the last AGM and the number of other directorship, committee memberships are set out below:

Name	Category	No. of Board Meeting attended	Attendance at the Last AGM	Directorship in Other Companies	Other Companies Committee Chairmanships	Other Companies Committee Memberships
Mr. Sundar Iyer	Chairman-Executive Director	4	No	4	Nil	Nil
Mr. Chandramouli	Managing Director Executive	4	Yes	3	Nil	Nil
Mr. Iyer Vishwanath	Independent Non- Executive Director	4	Yes	1	Nil	Nil
Mr. S. Hariharan	Independent Non- Executive Director	4	Yes	Nil	Nil	Nil

3. Board Committees:

A. Audit Committee

Charter:

The primary object of the Audit Committee of the company is to monitor and provide effective supervision of the management's financial reporting process with a



view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

Composition:

The company derived immense benefit from the deliberations of Audit Committee comprising of the following directors of the company:

Name of the Director	Category of Membership
Mr. Iyer Vishwanath	Chairman
Mr. S. Hariharan	Member
Mr. Chandramouli	Member

The major terms of reference of this Committee are as under:

- * Reviewing with management, the financial statements before submission of the same to the Board.
- * Overseeing of company's financial reporting process and disclosures of its financial information.
- * Reviewing the adequacy of the internal audit function.
- * Recommendation for appointment and fixing remuneration of statutory auditors.
- * Reviewing the reports furnished by the statutory auditors and ensuring suitable follow up thereon.

Meeting and Attendance of the Committee:

During the financial year four Audit Committee meetings were held on the following dates: 24.05.2010, 09.08.2010, 12.11.2010 and 09.02.2011. The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreements with the Stock Exchanges.

The attendance of directors at the Audit Committee meetings held during the year 2010-2011 is given below:

Name of the Director	Category of Membership	Meetings Held	Meetings Attended
Mr. Iyer Vishwanath	Chairman	4	4
Mr. S. Hariharan	Member	4	4
Mr. Chandramouli	Member	4	4

B. Remuneration Committee

Composition:

The Remuneration Committee comprises of Mr. Iyer Vishwanath, Mr. Hariharan and Mr. Chandramouli. Mr. Iyer Vishwanath is the Chairman of the Remuneration Committee.

Meeting and Attendance of the Committee:

One meeting of the Remuneration Committee was held on 24th May 2010, which was attended by all the members.

Terms of Reference:

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

Remuneration Policy:

The Remuneration of the Executive Directors is recommended by the Remuneration Committee, based on criteria such as industry benchmarks, the Company's performance vis-a-vis the industry and responsibilities shouldered. The Company pays remuneration by way of salary and perquisites to its Executive Directors.



Remuneration of Directors:

The remuneration paid are as per the terms recommended by the Remuneration Committee approved by the Board and confirmed by the shareholders of the Company.

Name of the Director	Salary (Rs.) p.a.	No. of shares held
Mr. Sundar Iyer	21,00,000	27,39,716
Mr. Chandramouli	18,00,000	5,09,800

No fee/remuneration was paid to the Non-executive Directors. Further the company has not entered into any pecuniary relationship or transactions with the Non-executive directors. No sitting fee has been paid to the directors.

C. Shareholders/Investors Grievance and Share Transfer Committee

Composition:

The Shareholders/Investors Grievance and Share Transfer Committee comprises of:

1. Mr. S. Hariharan, Chairman of the Committee.
2. Mr. Iyer Vishwanath, Member.
3. Mr. Sundar Iyer, Member.

Chairman is a Non-Executive Director.

Terms of reference:

The shareholders/investor grievances committee specifically looks into redressing of shareholder's and investor's complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividend, conversion of shares and to ensure expeditious share transfers.

Meeting and Attendance of the Committee

The Committee oversees the process of share transfer and recommends measures to improve the shareholders/investors service. The said committee met three (3) times during the year 2010-2011. The Company Secretary is the compliance officer.

Shareholders queries received and replied in 2010-11

During the financial year 2010-11, six complaints were received from shareholders and were replied/redressed to the satisfaction of the investors. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31st March 2011.

D. Compliance Certificate

Compliance certificate for Corporate Governance from the auditors of the company is enclosed.

4. General Body Meetings

The particulars of Annual General Meeting held during the last three years are as under:

Year	Location	Date	Time
2007-2008	Bharatiya Vidya Bhavan Mini Hall, New No. 18,20,22 (Old No. 37-39) East/Mada Street, Chennai-600 004.	29/09/ 2008	11.00 A.M.
2008-2009	Narada Gana Sabha Mini Hall, 314, T.T.K Road, Chennai-600 018	14/09/ 2009	4.00 P.M.
2009-2010	Bharatiya Vidya Bhavan Mini Hall, New No. 18,20,22 (Old No. 37-39) East/Mada Street, Chennai-600 004.	27/09/ 2010	3.30 P.M.

Special Resolution Passed in the Past EGM's - since 2008

EGM held on 6th February 2008:

- a. Preferential issue of Equity shares/warrants to Promoters/Group Associates, Bodies Corporate/Individuals. Proposal was rescinded and deferred as one of the proposed allottees becoming ineligible to



participate in the issue as per SEBI (Disclosure & Investor Protection) Guidelines, 2000, having traded in the securities within 6 months before relevant date.

- b. Alteration of clause 121 (3) in the Articles of Association regarding fee payable to a Director (including Chairman/Managing or Whole time Director, if any) for attending a meeting of the Board or Committee thereof, shall be fixed by the Board of Directors, subject to the overall limit as may be prescribed by the Central Government, from time to time.

EGM held on 10th March 2008

Preferential issue of Equity shares/warrants to Promoters/Group Associates, Bodies Corporate/Individuals.

EGM held on 23rd March 2009:

Issue of 10,00,000 - 12% Redeemable Non-Convertible Preference Shares of Rs.100 each aggregating Rs.10 Crore for cash at par on a private placement and / or preferential basis, to Promoters and their group associates.

EGM held on 11th March 2011

Appointment of Auditors - M/s. M. B. Ladha & Company, Chartered Accountants as Auditors of the company to conduct the audit of the company for the financial year 2010- 11

Special Resolution Passed in the Past three AGMs:

AGM held on 27th September 2008

Appointment of Mr. S. P. Tulsian as an Independent Director.

AGM held on 14th September 2009

- a. Appointment of Mr. Sundar Iyer as Executive chairman and approving payment of remuneration.
- b. Appointment of Mr. Chandramouli as Managing Director and approving payment of remuneration.
- c. Appointment of Mr. S. Hariharan as an Independent Director and approving payment of commission.

Postal Ballot:

No Special resolutions were passed last year through Postal Ballot.

5. Disclosures

No transaction of material nature has been entered into by the Company with its promoters, Directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company.

There were no instances of non-compliance or penalty imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market.

The annual, half-yearly and quarterly results are regularly submitted to the stock exchanges in accordance with the listing agreement.

The Company has no Whistle Blower Policy and further no personnel has been denied access to the audit committee.

No money has been raised through public/right/preferential issue during the year.



Profile of directors seeking re-appointment

(i) **Re-appointment of Mr. Sundar Iyer, Chairman retiring by rotation:**

Mr. Sundar Iyer, aged about 60 years, is a promoter director and holds 26.09% of paid up share capital. He will devote the whole of his time and attention to the business and affairs of the company.

Particulars of other company directorship are as follows:

Name of the Company	Designation
Twentyfirst Century Shares and Securities Limited	Director
Twentyfirst Century Money Growth Fund Limited	Director
Palani Andavar Holdings Pvt. Ltd.	Director
Lubricants and Allied Product mfg. Co. Pvt. Ltd.	Director

(ii) **Re-appointment of Mr. Chandramouli, Director retiring by rotation:**

Mr. Chandramouli, aged about 53 years, is a promoter director and holds 4.86% of the paid-up share capital. He is also a cost and chartered accountant and shall devote the whole of his time and attention to the business and affairs of the company and shall perform and discharges all such duties and responsibilities as may from time to time be assigned and entrusted to him. He has 27 years of experience in capital market operations.

Particulars of other company directorship are as follows:

Name of the Company	Designation
Twentyfirst Century Shares and Securities Limited	Director
Twentyfirst Century Money Growth Fund Limited	Director
Twentyfirst Century Realty Limited	Director

6. Means of Communication

The annual, half-yearly and quarterly results are regularly submitted to the

stock exchanges in accordance with the listing agreement and are published in Trinity Mirror (English) and Makkal Kural (Tamil) newspapers.

7. Management Discussion and Analysis Report

Management Discussion and Analysis Report forms a part of the Director's Report. (Given in Annexure)

8. General Shareholders Information

Annual General Meeting

The 25th Annual General Meeting of the Company will be held on Friday, 23rd September 2011 at 3.30 p.m. at Bharatiya Vidya Bhavan Mini Hall, New No. 18,20,22 (Old No. 37-39) East Mada Street, Mylapore, Chennai - 600 004.

Financial Calendar for the year 2011-2012 (Provisional)

Results for the first quarter ending 30th June, 2011	Last week of July, 2011
Results for the second quarter ending 30th September, 2011	Second week of November, 2011
Results for the third quarter ending 31st December, 2011	Second week of February, 2012
Results for the fourth quarter ending 31st March, 2012	Second week of May, 2012
Annual General Meeting for the year ending 31st March, 2012	Second week of September, 2012

Listing on the Stock Exchanges

The Equity shares of the Company are listed on the Bombay Stock Exchange and National Stock Exchanges. The Company has paid annual listing fees to the respective stock exchanges.

Trading in shares of the company in National Stock Exchange was suspended in the year 2003-2004, since the company did not have full time Company Secretary. This requirement has been since met and the Company has taken up the issue with NSE for revoking the suspension order. The matter is pending with NSE.

**BSE Stock Code: 526921****Market price data:**

High/Low during each month in the financial year at the Bombay stock exchange

Month	Share Prices (Rs.)	
	High	Low
April 2010	29.70	25.25
May 2010	25.55	19.50
June 2010	23.50	20.00
July 2010	30.40	19.25
August 2010	37.20	28.75
September 2010	33.25	29.50
October 2010	44.90	30.30
November 2010	38.30	25.35
December 2010	30.70	22.30
January 2011	27.30	18.00
February 2011	20.45	14.70
March 2011	18.95	15.00

Registrar and transfer agents

Link Intime India Pvt. Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W)
Mumbai - 400 078.
Tel: 25963838, Fax: 25946969

Address for communication

No. 158, 1st Floor, Eldams Road,
Alwarpet,
Chennai - 600 018.
Tel: 24328452, Fax: 24328252

Share Transfer System

Presently the share transfer documents, which are received by the Company, are processed, approved and kept ready for despatch within 15 days from the date of the receipt.

Distribution of shareholding as on 31st March, 2011

Slab of Shareholdings (Rs.)	Shareholders	%	Amount in Rs.	%
1-5000	5226	81.00	7768270	7.40
5001-10000	512	7.94	4408430	4.20
10001-20000	308	4.77	4959220	4.72
20001-30000	107	1.66	2754070	2.62
30001-40000	48	0.74	1716100	1.63
40001-50000	61	0.94	2961910	2.82
50001-100000	96	1.49	7188210	6.85
Above 100000	94	1.46	73243790	69.76
Total	6452	100.00	105000000	100.00

Shareholding pattern as on 31st March, 2011

Categories	Number of shares	%
Promoters, Directors, relatives and associates	4677940	44.55
Mutual Funds	15800	0.15
FII's	41675	0.40
Private Corporate Bodies	674859	6.43
Indian Public	4610650	43.91
NRI's/OCB's	390367	3.71
Clearing Members	88709	0.85
Total	10500000	100.00

Dematerialisation of shares

The equity shares of the company has been admitted for dematerialization with NSDL and CDSL and 69.62% of the company's paid up Equity share capital has been dematerialised up to March 31, 2011.

**E-mail ID of Investor Grievance Redressal Cell**

E-mail ID: investors@tcms.bz

9. Non-Mandatory Requirements

- a. Chairman of the Board: The Company maintains the office of the Chairman at its Corporate Office/Registered Office and also reimburses the expenses incurred in performance of duties.
- b. The Board has duly constituted a Remuneration Committee under the Chairmanship of Mr. Iyer Vishwanath, which determines the remuneration package for Executive Directors.
- c. Shareholder Rights: The quarterly financial results are regularly submitted to the stock exchanges.
- d. Audit qualifications: The company has unqualified financial statements.
- e. Training of Board members: Periodical meetings are held with skilled consultancy agencies for the Board members to appraise them of recent developments and existing laws and practices.
- f. Mechanism of evaluating Non-executive directors: Same as above.
- g. Whistle Blower Policy: As mentioned earlier, the Company does not have a Whistle blower policy.

DECLARATION

As provided under Clause 49 of the Listing agreement with the Stock Exchanges, this is to confirm that all the members of the board and the senior Management have affirmed compliance with the Code of conduct for the year ended 31st March, 2011.

For Twentyfirst Century Management Services Ltd.

Sundar Iyer
Chairman

Place: Mumbai
Date: 20.05.2011

Auditor's Certificate on Corporate Governance

We have examined the compliance of Corporate Governance by Twentyfirst Century Management Services Limited for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

On the basis of information and explanation given to us and as per the records maintained by the Company, we state that no investor grievance(s) is pending for a period exceeding one month against the Company.

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

For M.B. Ladha & Company
Chartered Accountants
(FRN: 105503W)

Mukesh Ladha (M.No.35544)
Proprietor

Place: Mumbai
Date : 20-05-2011



CEO/CFO CERTIFICATION

To

The Board of Directors

TWENTYFIRST CENTURY MANAGEMENT
SERVICES LIMITED

Chennai

We, Sundar Iyer, Chairman and Chandramouli, Managing director of Twentyfirst Century Management Services Limited, on the basis of the review of the financial statements and cash flow statement for the year ended 31st March, 2011 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March 2011 are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the

auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

5. We have indicated to the Auditors and the Audit Committee:

- * There have been no significant changes in internal controls over financial reporting during the year covered by this report.
- * There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
- * There have been no instances of significant fraud of which we have become aware, and the involvement therein, of management or an employee having significant role in the company's internal controls system over financial reporting.

For Twentyfirst Century Management Services Ltd

SUNDAR IYER
Chairman

CHANDRAMOULI
Managing Director

Place: Mumbai
Date : 20-05-2011



AUDITOR'S REPORT

TO THE MEMBERS OF TWENTYFIRST CENTURY MANAGEMENT SERVICES LTD

We have audited the attached Balance Sheet of Twentyfirst Century Management Services Limited for the year ended 31st March 2011 and also the Profit & Loss Account for the year ended on that date, annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted an 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 misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our 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.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub section (4A) of Sec. 227 of the Companies Act 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said Order to the extent applicable.

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

- (i) 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.
- (ii) In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of the books.
- (iii) In our opinion the Balance Sheet and Profit & Loss Account comply with the accounting

standards referred to in Sub section (3C) of Section 211 of the Companies Act, 1956, **subject to Note no. 1(h) of schedule - K, in respect of no provision for gratuity has been made in the event of any employee leaving the services by reason of death or incapability and note no.8 of schedule K, in respect of shortfall in market value of quoted investments by Rs. 564.84 lacs.**

- (iv) The Balance Sheet and Profit & Loss A/c dealt with by this report are in agreement with the books of account.
- (v) On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011.
 - b) In the case of Profit & Loss Account, of the Profit of the company for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For M.B. Ladha & Company
Chartered Accountants
(FRN: 105503W)

Mukesh Ladha (M.No. 35544)
Proprietor

Place: Mumbai
Date : 20-05-2011



ANNEXURE TO THE AUDITOR'S REPORT

1. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.

The fixed assets of the company have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion the verification is reasonable having regard to the size of the Company and the nature of its assets.

As per the information and explanations given to us, during the year, the company has not disposed off any substantial part of the fixed assets that would affect the going concern.

2. The company is primarily engaged in investing activities. Accordingly, it does not hold any physical inventories. Thus paragraph 4(ii) of the Order is not applicable to the company.
3. The company has taken interest free loans from companies or firms listed in the register maintained under section 301 of the company's act 1956 and from company under the same management. The maximum amount outstanding during the year was Rs. 15.50 crores and year end balance of such loan was Rs. 5.50 crores. The company has not given any loan to companies or firms listed in the register maintained under section 301 of the companies act, 1956 and from companies under the same management.
4. The Company has adequate internal control procedures commensurate with its size and nature of business with regard to purchase of shares, fixed assets and for the sale

of shares, assets or equipments. We have not observed any continuing failure to correct such internal control systems.

5. The transactions that are required to be entered into the register in pursuance of Section 301 of the act have been so entered.

In our opinion and according the information and explanations given to us the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the companies act 1956 and exceeding the value of Rs.5 Lacs in respect of any party during the year have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time where such market prices are available.

6. During the year under review, the company has not accepted any deposits from the public to which the provisions of Section 58A of the Companies Act, 1956 apply.
7. Company does not have any internal audit department, commensurate with the size of the company and nature of its business.
8. We have been informed that Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, in respect of any activities carried on by the Company.
9. According to the information and explanations given to us, the company has been regular in depositing Employees Provident Fund dues and has also been regular in depositing undisputed income tax and other applicable statutory dues with appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax as at 31st March 2011 which have not been deposited on account of a dispute pending are as under:



Name of the Statute	A Y	Nature of Dispute	Forum where the disputes are pending	Amount Disputed
Income tax Act, 1961	2006 - 07	Department has disallowed the Carry forward Loss related to AY 1998-99, 2003-04. The company had claimed the Carry forward loss related to AY 2003-04, as the matter is pending before Hon'ble Madras High court	Commissioner of Appeals - III, Chennai-34. The Appeal has been made against 143(1) of the Income tax Act	Rs.562.33 lacs
Income tax Act, 1961	2007 - 08	Department has raised demand on Short Term Capital gains @ 30.99% instead of 15% company had claimed the Carry forward loss related to AY 2003-04, as the matter is pending before Hon'ble Madras High court	Commissioner of Appeals - III, Chennai-34. The Appeal is made against the order u/s 154 of the Income tax Act	Rs.598.14 lacs

10. The company neither has accumulated losses as at 31st March 2011 nor has incurred any cash losses during the current financial year or immediately preceeding financial year.
11. On the basis of records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion the company is not a Chit Fund or a Nidhi/Mutual Fund/Society. Therefore the provisions of clause 4 (xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures and other investments and timely entries have been made therein.
15. The company has given corporate guarantee of Rs. 15 crores for the credit facilities availed by its subsidiary. According to the information and explanations given by the management, in our opinion the terms and conditions of the guarantee given for loans are not prejudicial to the interest of the Company.
16. According to the information and explanations given to us the company has not obtained any term loans during the year under review.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, funds raised on short term basis, have not been used for long term investments.
18. The company has not made any preferential allotment of shares during the year.
19. There are no secured debentures issued during the year.
20. The company has not raised any money by public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us no material fraud on or by the company has been noticed or reported during the course of our audit.

For M.B. Ladha & Company
Chartered Accountants
(FRN: 105503W)
Mukesh Ladha (M.No.35544)
Proprietor

Place: Mumbai
Date : 20-05-2011

**BALANCE SHEET AS ON 31st MARCH 2011**

(Rupees inThousands)

	SCHEDULE	31.03.2011	31.03.2010
I SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	179786	179786
Reserves & Surplus	B	398935	349397
Loan Funds			
Secured Loans		0	0
Unsecured Loans from Company		55000	550
Deferred Tax Liability		127	9
TOTAL		633848	529742
II APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	C	39695	32084
Less Depreciation		31983	31668
Net Block		7712	416
INVESTMENTS	D	436822	500651
CURRENT ASSETS, LOANS & ADVANCES	E		
Sundry debtors		200368	0
Cash and bank balances		1489	1743
Loans and advances		47826	92610
		249683	94353
Less :			
CURRENT LIABILITIES & PROVISIONS	F		
Current Liabilities		863	43612
Provisions		59506	22066
		60369	65678
NET CURRENT ASSETS		189314	28675
TOTAL		633848	529742

NOTES FORMING PART OF ACCOUNTS K
 PER OUR REPORT ATTACHED
 for M.B. LADHA & COMPANY
 CHARTERED ACCOUNTANTS (FRN: 105503W)

MUKESH LADHA (M.No.35544)
 PROPRIETOR

A.V.M. SUNDARAM
 COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD
 SUNDAR IYER
 CHAIRMAN

CHANDRAMOULI
 MANAGING DIRECTOR

Place : Mumbai
 Date : 20.05.2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011**

(Rupees in Thousands)

	SCHEDULE	31.03.2011	31.03.2010
INCOME			
Income from Capital Market operations	G	229677	9874
Other Income	H	4772	5328
TOTAL		234449	15202
EXPENDITURE			
Employment cost	I	7227	6790
Administrative & Operative Expenses	J	3260	2312
Bad debts written off		136551	0
Depreciation		315	96
TOTAL		147353	9198
PROFIT BEFORE TAX		87096	6004
Provision for Tax		17500	0
Deferred Tax Liability		118	9
PROFIT AFTER TAX		69478	5995
Appropriations			
Transferred to general reserve		5600	0
Preference dividend		17100	0
Tax on preference dividend		2840	0
Surplus brought forward		(22297)	(28292)
Surplus Transferred to Balance Sheet		21641	(22297)
Earning per share of Rs.10/- each(in Rs.)			
Basic and Diluted		4.73	0.57

NOTES TO ACCOUNTS

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PER OUR REPORT ATTACHED

FOR AND ON BEHALF OF THE BOARD

for M.B. LADHA & COMPANY

SUNDAR IYER

CHARTERED ACCOUNTANTS (FRN: 105503W)

CHAIRMAN

MUKESH LADHA (M.No.35544)
PROPRIETORA.V.M. SUNDARAM
COMPANY SECRETARYCHANDRAMOULI
MANAGING DIRECTORPlace : Mumbai
Date : 20.05.2011



(Rupees inThousands)

SCHEDULE - A**SHARE CAPITAL****AUTHORISED CAPITAL**

2,00,00,000 Equity Shares of Rs.10/- each

200000

200000

10,00,000 12% cumulative Redeemable Preference Shares of Rs. 100/- each

100000

100000

TOTAL

300000

300000

ISSUED , SUBSCRIBED AND PAID UP

1,05,00,000 Equity shares of Rs.10/-each

105000

105000

Less: Calls in arrears (other than directors)
(42700 shares at Rs. 5 per share)**214**

214

104786

104786

7,50,000 12% cumulative redeemable preference Shares of Rs. 100/- each

75000

75000

6,00,000 12% redeemable preference shares of Rs.100/- each redeemable by the end of 31.03.2012, i.e. within 36 months from the date of issue

1,50,000 12% redeemable preference shares of Rs.100/- each redeemable by the end of 30.06.2012, i.e. within 36 months from the date of issue

179786

179786

TOTAL

SCHEDULE - B**RESERVES & SURPLUS**

Securities Premium Account

335933

335933

General Reserve

35761

35761

Add: Transferred from profit & Loss Account

5600

0

41361

35761

Profit and Loss Account

21641

(22297)

TOTAL

398935

349397



SCHEDULE -C
FIXED ASSETS & DEPRECIATION
(Rupees in Thousands)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 31.03.2010	ADDI- TIONS	DELE- TIONS	AS ON 31.03.2011	AS ON 31.03.2010	ADDITIONS	DELE- TIONS	AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
I. FURNITURE	6385	0	0	6385	5978	73	0	6051	334	407
II. OFFICE EQUIPMENTS	4884	0	0	4884	4884	0	0	4884	0	0
III. COMPUTERS	14098	0	0	14098	14089	4	0	14093	5	9
IV. MOTOR CAR	5298	7611	0	12909	5298	238	0	5536	7373	0
V. AIRCONDITIONER	1419	0	0	1419	1419	0	0	1419	0	0
TOTAL	32084	7611	0	39695	31668	315	0	31983	7712	416
PREVIOUS YEAR	32084	0	0	32084	31572	96	0	31668	46	



(Rupees in Thousands)

SCHEDULE - D**INVESTMENTS (At Cost)****Investments in shares (Quoted)**

(Market Value of Investments is Rs. 2308.22 lacs - Refer note no.7)

Investments in shares (Unquoted)

Akshay Software Technologies Ltd (418000 shares)

Investment in subsidiary (Unquoted)Investments in Twentyfirst Century Shares & Securities Ltd
(55,89,500 equity shares Rs.10/- each fully paid up)7,50,000 12% redeemable preference shares of Rs.100/- each
redeemable by the end of 16.9.2012 i.e. within 36 months of date of issue**TOTAL****As on
31.03.2011****As on
31.03.2010****287307**

351136

12620

12620

61895

61895

75000

75000

436822**500651****SCHEDULE - E****CURRENT ASSETS, LOANS AND ADVANCES****Sundry Debtors**Unsecured considered good
(Outstanding less than six months)**200368****0****Cash & bank balances**

Cash on hand

96

225

Balances in current accounts with scheduled banks

789

954

Balances in fixed deposit accounts with scheduled banks

604

564

1489**1743****LOANS & ADVANCES**

Advance payment of taxes

22691

21978

Margin paid for derivative segment

12172

58159

Other advances

11900

11410

Deposits

1063

1063

47826**92610****TOTAL****249683****94353**



(Rupees inThousands)

SCHEDULE - F**CURRENT LIABILITIES AND PROVISIONS****CURRENT LIABILITIES**

Sundry Creditors	0	42762
Other Liabilities	330	339
Unpaid dividend (Figure does not include any amount due and outstanding to be credited to Investor Education & Protection Fund)	533	511

863

43612

PROVISIONS

Preference dividend	17100	0
Dividend tax	2840	0
Provision for Income Tax	39566	22066

59506

22066

TOTAL

60369

65678

SCHEDULE - G**INCOME FROM CAPITAL MARKET OPERATIONS**

Profit from cash segment	223365	(22502)
Profit from derivative segment	6312	32376

229677

9874

TOTAL**SCHEDULE - H****OTHER INCOME**

Dividend received	4710	1908
Interest on fixed deposit (Tax deducted at source Rs.9985/-)	50	46
Service Charges	12	12
Other Income	0	3362

4772

5328

TOTAL**SCHEDULE - I****EMPLOYMENT COST**

Directors remuneration	3900	3900
Salaries and bonus (Including employers contribution to provident fund)	3327	2890

7227

6790

TOTAL**SCHEDULE - J****ADMINISTRATION & OPERATIVE EXPENSES**

Audit Fees	99	99
Communication expenses	102	34
Depository charges	1143	148
Issuer charges	66	66
Legal fees	270	454
Listing fees	83	87
Other expenses	737	1225
Printing & Stationary	228	0
Professional fees	382	199
Travelling expenses	150	0

3260

2312

TOTAL

**SCHEDULE - K****NOTES TO ACCOUNTS****1. Significant Accounting Policies****a) *Basis of preparation of financial Statements***

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards and the relevant provisions of the Companies Act 1956 of India.

b) *Use of Estimates*

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ. Differences between the actual results and estimates are recognized in the period in which the results are known or materialized.

c) *Revenue Recognition*

Revenue Income and Expenditure are generally accounted on accrual or as they are earned or incurred except in case of significant uncertainty. Profit/Loss from trading activity is recognized on trade dates on first in first out basis. In respect of completed transactions pending settlement process, necessary treatment is given in the accounts for the Profits/ Losses arising from these transactions. Dividend income is accounted for on receipt basis.

d) *Fixed Assets*

Assets are capitalised at cost inclusive of cost of installation and incidental charges if any.

e) *Depreciation*

Assets are depreciated under the written down value method at the rates prescribed in Schedule XIV to the companies Act.

f) *Investments*

Investments are stated at cost, unless there is permanent diminution in the value.



g) *Current and Deferred Tax*

Provision for current income tax is made in accordance with the Income tax act 1961. Deferred Tax Liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

h) *Employment Benefits*

No provision for Gratuity has been made in accounts, however in the event of any employee leaving the services by reason of death or incapability, gratuity for the period of the services shall be paid and accounted for on cash basis.

No provision for leave encashment has been made in the accounts. However encashment of leave can be availed by the employee for balance in the earned account as on 1st January 2010. All carry forward earned leave with maximum limit of 10 days are available for availment but not for encashment.

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to profit and loss account in the year in which they accrue.

i) *Contingent Liabilities*

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or present obligation that may, but probably will not require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote.

j) *Impairment of assets*

The carrying amount of assets is reviewed at each Balance Sheet date for indication of any impairment based on internal/ external factors. An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value and impairment loss is charged to the Profit & Loss account. The impairment of loss recognized in the prior accounting period is reversed if there has been a change in estimates of recoverable amount.

k) *Current assets, loans & advances*

Directors of company have certified that the current assets, Loans and Advances have a value on realization at least equal to the amount at which they are stated in the balance sheet.



2. Auditors Remuneration

Particulars	31/03/2011 Rs.	31/03/2010 Rs.
Audit Fees	50,000	50,000
Certification & Company Law matters	10,000	10,000
Tax Audit Fees	30,000	30,000
Service tax	9,270	9,270
Total	99,270	99,270

3. There was no employee, getting salary in excess of Rs. 5 lacs per month or more throughout or part of the financial year under review.

4. The company has made a MAT provision of Rs. 175 lacs for the year ended 31st March 2011. Deferred tax liability of Rs.1.18 lakhs has been created for difference in written down value of fixed assets between books and tax accounts.

5. Related party disclosures as required under AS-18 (Related Party Disclosures)

Wholly owned subsidiary

Twentyfirst Century Shares & Securities Limited

Key Management personnel

Mr. Sundar Iyer
Mr. Chandramouli

Entites owned by relative of Directors

SI Investments & Broking Pvt. Ltd.

Transactions with subsidiary & Related Parties

a. Due from Twentyfirst Century Shares & Securities Ltd - 1419.35 lakhs
(For trading activity)

b. Purchase of Debts from Subsidiary : Rs. 1365.51 lacs. This Debt has been written off in the Books of the Company.

c. Remuneration paid to directors

Mr. Sundar Iyer - 21.00 Lakhs

Mr. Chandramouli- 18.00 Lakhs

d. Unsecured Loans from SI Investments & Broking Pvt. Ltd. - 550 Lakhs

6. Earning Per Share

Particulars	31.03.11	31.03.10
Net Profit/(Loss) After Tax (Rs. in Lacs)	694.78	59.95
Weighted average number of outstanding shares (In Lacs)	105	105
Basic/Diluted EPS (in Rs.) (Face Value of Rs.10 each)	4.73	0.57

7. Details of Investments (Quoted)

Scrip	Qty	Cost	Mkt Value
Accentia Technology	210614	63831234	20903439
Glodyne Technology	328024	165850943	139393798
Modern Dairies	10000	596200	175500
Polyplex	47504	Bonus shares	9781073
Puneet Resins	12500	172540	368750
Vindhya Tele	1200	104402	250740
Zylog Systems	144126	56751195	59949209
Total		287306514	230822509

No provision has been made in respect of shortfall in value of Quoted Investments of Rs.564.84 lacs, because in the opinion of Management the shortfall is of temporary nature and the investments is held for long term.



8. The company has written off Rs. 1365.51lacs bad and doubtful debts, which was assigned from its subsidiary, Twentyfirst Century Shares & Securities Limited.

The Company has been advised by Legal Expert that this amount is eligible for deduction u/s 36 (vii) of the Income Tax Act 1961 and hence no further provision is required for Income Tax.

9. The company has not provided in the accounts, a contingent liability of Rs.15 crores towards corporate guarantee given to ICICI Bank Ltd for the credit facilities availed by its subsidiary.

Also Company has not provided income tax liability of Rs. 1160.47 Lacs that may arise in respect of income tax matters pending in appeal. It is not practicable to estimate the timing of cash outflows in respect of this matter. However, the company has been advised that it has fair chance of winning the appeal.

10. During the year under review following preference dividend has been provided in the accounts.

11. Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October, 2 2006 certain disclosure are required to be made relating to Micro, Small & Medium Enterprises. There have been no reported cases of delays in payments to Micro and Small Enterprises or of interest payments due to delays in such payments.

12. Previous year figures have been rearranged and regrouped wherever necessary to facilitate the comparison.

As per our Report of even Date

For and on behalf of Board

For M.B. Ladha & Company
Chartered Accountants
(FRN: 105503W)

Sundar Iyer
Chairman

Mukesh Ladha (M.No.35544)

Proprietor

Chandramouli
Director

Place : Mumbai
Date : 20-05-2011

A.V.M. Sundaram
Company Secretary

Financial year	Amount (Rupees in Lakhs)
2009-10	81.00
2010-11	90.00

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

(Rupees inThousands)

	31.03.2011	31.03.2010
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	87096	6004
Add : Depreciation	315	96
Bad debts written off	136551	0
Interest received	(50)	(46)
Dividend received	(4710)	(1908)
	132106	(1858)
Operating Profit before working capital changes	219202	4146
Trade and other receivables	(336919)	208252
Loans & advances	45497	(54022)
Trade payables and other liabilities	(42749)	41983
	(334171)	196213
Cash generated from operations	(114969)	200359
Direct Taxes paid	(713)	(5)
Net cash flow from operating activities (A)	(115682)	200354
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in subsidiary	0	(15000)
Purchase of fixed assets	(7611)	0
Other investments	63829	(203126)
Interest Received	50	46
Dividend received	4710	1908
Bank deposits	(40)	(42)
Net cash flow from investing activities (B)	60938	(216214)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of preference shares	0	15000
Unsecured loans	54450	550
Net cash flow from financing activities (C)	54450	15550
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(294)	(310)
Cash & cash equivalents - Opening Balance	1179	1489
Cash & cash equivalents - Closing Balance	885	1179

PER OUR REPORT ATTACHED
for M.B. LADHA & COMPANY
CHARTERED ACCOUNTANTS (FRN: 105503W)

FOR AND ON BEHALF OF THE BOARD
SUNDAR IYER
CHAIRMAN

MUKESH LADHA (M.No.35544)
PROPRIETOR

A.V.M. SUNDARAM
COMPANY SECRETARY

CHANDRAMOULI
MANAGING DIRECTOR

Place : Mumbai
Date : 20.05.2011



**ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND BUSINESS PROFILE**

1. REGISTRATION DETAILS

Registration No.

State Code

Balance Sheet Date

Date Month Year

2. Capital raised during the year (Rs. in Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

3. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Accumulated Loss

4. Performance of the Company (Rs. in Thousands)

Total Revenue

Total Expenditure

+ -
☒ ☐

Profit/(Loss) Before Tax

+ -
☒ ☐

Profit/(Loss) After Tax

Earnings Per Share (Rs)

Dividend Rate %

5. Generic Names of Three Principal Products/Service of the Company (as per monetary terms)

Item Code No. :

Product Description :



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

- | | | | |
|----|---|---|---|
| 1. | Name of the Subsidiary Company | : | Twentyfirst Century Shares & Securities Ltd. |
| 2. | Financial year ending | : | 31st March, 2011 |
| 3. | Shares of the Subsidiary held on above date | | |
| | Number and face value | : | 55.89,500 equity shares of Rs.10/- each fully paid up 7,50,000 12% redeemable preference shares of Rs.100/- each |
| | Extent of holding Company | : | 100% |
| 4. | Net aggregate amount of the Subsidiary profit and losses not dealt within the Holding Company's Account | | |
| | a. Current Year | : | Rs. (1154) Thousands |
| | b. Previous years since it became Subsidiary | : | Rs. 43155 Thousands |
| 5. | Net aggregate amount of the Subsidiary profit and losses dealt within the Holding Company's Account | | |
| | a. Current Year | : | Nil |
| | b. Previous years since it became Subsidiary | : | Nil |

For and on behalf of the Board

SUNDAR IYER
Chairman

A.V.M. SUNDARAM
Company Secretary

CHANDRAMOULI
Managing Director

Place: Mumbai
Date : 20/05/2011



AUDITOR'S REPORT

AUDITORS REPORT TO THE BOARD OF DIRECTORS OF TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED AND ITS SUBSIDIARY

We have examined the attached consolidated Balance Sheet of TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED and its subsidiary, TWENTYFIRST CENTURY SHARES AND SECURITIES LIMITED as at 31st March 2011 and the consolidated Profit & Loss Account for the Year then ended.

These financial statements are the responsibility of the management of the Twentyfirst Century Management Services Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and 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 statements, we believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements

of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Twentyfirst Century Management Services Limited and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Twentyfirst Century Management Services Limited and its aforesaid subsidiary, we are of the opinion that:

- (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Twentyfirst Century Management Services Limited and its subsidiary as at 31st March 2011.
- (b) the Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operations of Twentyfirst Century Management Services Limited and its subsidiary for the year then ended.
- (c) In case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For M.B. Ladha & Company
Chartered Accountants
(FRN: 105503W)

Mukesh Ladha (M.No.35544)
Proprietor

Place: Mumbai
Date : 20-05-2011



CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2011

(Rupees in Thousands)

	SCHEDULE	31.03.2011	31.03.2010
I SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	179786	179786
Reserves & Surplus	B	440936	392552
Loan Funds			
Secured Loans from Company	C	200057	235905
Unsecured Loans		55000	550
TOTAL		875779	808793
II APPLICATION OF FUNDS			
Goodwill on Consolidation		6000	6000
Fixed Assets			
Gross Block	D	86935	68202
Less Depreciation		50345	46745
Net Block		36590	21457
Capital work in progress		0	10967
		36590	32424
Investments	E	301220	365049
Current Assets, Loans & Advances	F		
Sundry debtors		322266	269126
Cash and bank balances		165333	64981
Other current assets		20688	11145
Loans and advances		94574	138815
		602861	484067
Less : Current Liabilities & Provisions	G		
Current Liabilities		2540	47784
Provisions		68720	31280
		71260	79064
Net Current Assets		531601	405003
Deferred tax Asset		368	317
TOTAL		875779	808793

NOTES FORMING PART OF ACCOUNTS L

PER OUR REPORT ATTACHED
for M.B. LADHA & COMPANY
CHARTERED ACCOUNTANTS (FRN: 105503W)

FOR AND ON BEHALF OF THE BOARD
SUNDAR IYER
CHAIRMAN

MUKESH LADHA (M.No.35544)
PROPRIETOR

A.V.M. SUNDARAM
COMPANY SECRETARY

CHANDRAMOULI
MANAGING DIRECTOR

Place : Mumbai
Date : 20.05.2011

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011**

(Rupees inThousands)

	SCHEDULE	31.03.2011	31.03.2010
INCOME			
Brokerage & Service Charges	H	55381	48512
Profit from capital market operations		229677	5509
Trading in govt securities		1682	0
Other Income	I	16176	9298
TOTAL		302916	63319
EXPENDITURE			
Employment cost	J	27447	29344
Administrative & Operative Expenses	K	28279	24381
Financial Cost		21163	26363
Bad debts written off		136551	0
Depreciation		3703	2476
TOTAL		217143	82564
Profit for the year		85773	(19245)
Current Tax		17500	0
Fringe Benefit Tax		0	11
Deferred Tax Asset		(51)	(43)
Profit after Tax		68324	(19213)
Appropriations			
Transferred to General Reserve		5600	0
Preference dividend		17100	0
Tax on preference dividend		2840	0
Profit after Appropriations		42784	(19213)
Surplus brought forward		20338	39551
Surplus Transferred to Balance Sheet		63122	20338
Earning per share of Rs. 10/- each (in Rs.)			
Basic and Diluted		4.61	(1.83)

NOTES TO ACCOUNTS
PER OUR REPORT ATTACHED

L

FOR AND ON BEHALF OF THE BOARD

for M.B. LADHA & COMPANY
CHARTERED ACCOUNTANTS (FRN: 105503W)SUNDAR IYER
CHAIRMANMUKESH LADHA (M.No.35544)
PROPRIETORA.V.M. SUNDARAM
COMPANY SECRETARYCHANDRAMOULI
MANAGING DIRECTORPlace : Mumbai
Date : 20.05.2011



(Rupees in Thousands)

SCHEDULE - A**SHARE CAPITAL****AUTHORISED CAPITAL**

2,00,00,000 Equity Shares of Rs.10/- each

200000

200000

10,00,000 Redeemable Preference
Shares of Rs. 100/- each**100000**

100000

TOTAL**300000****300000****ISSUED , SUBSCRIBED AND PAID UP**1,05,00,000 Equity shares of Rs.10/-each
Less: Calls in arrears (other than directors)
(42700 shares at Rs.5 per share)**105000**

105000

214**214****104786**

104786

7,50,000 12% Redeemable Preference
Shares of Rs. 100/- each**75000**

75000

6,00,000/- 12% Redeemable Preference Shares of Rs. 100/- each
redeemable by the end of 31.03.2012, i.e. within 36 months
from the date of issue1,50,000/- 12% Redeemable Preference Shares of Rs. 100/- each
redeemable by the end of 30.06.2012, i.e. within 36 months
from the date of issue**TOTAL****179786****179786****SCHEDULE - B****RESERVES & SURPLUS**

Securities Premium Account

335933

335933

General Reserve

35861

35861

Add: Transferred from profit & loss account

5600

0

41461

35861

Capital Reserve

224

224

Revaluation Reserve

196

196

Profit and Loss Account

63122

20338

TOTAL**440936****392552****SCHEDULE - C****SECURED LOANS**

CITI Banks (Loan against Shares)

139721

199995

ICICI Bank (Loan against Shares)

60336

35910

Note: Secured by pledge of shares held by
Holding Company and Directors**TOTAL****200057****235905**

**SCHEDULE - D****FIXED ASSETS & DEPRECIATION****(Rupees in Thousands)**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	ASON 31.03.2010	ADDITIONS	DELETIONS	ASON 31.03.2011	ASON 31.03.2010	ADDITIONS	DELETIONS	ASON 31.03.2011	ASON 31.03.2011	ASON 31.03.2010
I. BUILDING	11542	0	0	11542	0	0	0	0	11542	11542
II. FURNITURE	9101	11236	80	20257	7454	1306	40	8720	11537	1647
III. OFFICE EQUIPMENTS	9462	0	80	9382	7008	341	40	7309	2073	2454
IV. COMPUTER	25033	92	46	25079	23010	837	23	23824	1255	2023
V. MOTOR CAR	11645	7611	0	19256	7854	1219	0	9073	10183	3791
VI. AIR CONDITONER	1419	0	0	1419	1419	0	0	1419	0	0
TOTAL	68202	18939	206	86935	46745	3703	103	50345	36590	21457
PREVIOUS YEAR	65436	2766	0	68202	44269	2476	0	46745	21457	

(Rupees inThousands)**SCHEDULE - E****INVESTMENTS****Investments in shares (Quoted)**

(Market Value of Investment is Rs.2308.22 Lacs)

(Refer note no.12)

Investments in shares (Unquoted)

Akshay Software Technologies Ltd (418000 shares)

TOTAL**SCHEDULE - F****CURRENT ASSETS, LOANS & ADVANCES****Sundry debtors**

Unsecured considered good

Cash & bank balances

Cash on hand

Balances in Current Accounts with scheduled banks

Balances in Fixed Deposits with scheduled banks

As on 31.03.2011	As on 31.03.2010
288600	352429
12620	12620
301220	365049
322266	269126
2572	1708
78128	21475
84633	41798
165333	64981



(Rupees in Thousands)

	As on 31.03.2011	As on 31.03.2010
Other current assets		
Additional base capital with NSE	20000	11000
Interest receivable	688	145
	20688	11145
LOANS & ADVANCES		
(Recoverable in cash or kind or for value to be received, unsecured, considered good)		
Advance Payment of Tax	46204	44933
Margin paid for derivative segment	12172	58159
Other advances	15065	14439
Deposits	21133	21284
	94574	138815
TOTAL	602861	484067
SCHEDULE - G		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors	0	42762
Unpaid dividend	533	511
Other Liabilities	2007	4511
	2540	47784
PROVISIONS		
Provision for Taxation	48780	31280
Preference dividend	17100	0
Dividend tax	2840	0
	68720	31280
TOTAL	71260	79064
SCHEDULE - H		
BROKERAGE & SERVICE CHARGES RECEIVED		
From wholesale debt market	12114	12567
From capital market	43181	35657
Mutual fund brokerage	86	288
	55381	48512
TOTAL	55381	48512



(Rupees inThousands)

SCHEDULE - I**OTHER INCOME**

	As on 31.03.2011	As on 31.03.2010
DP charges received	3743	892
Dividend received	4710	1908
Interest on fixed deposits	5102	2859
Miscellaneous Income	2621	3639
TOTAL	16176	9298

SCHEDULE - J**EMPLOYMENT COST**

	As on 31.03.2011	As on 31.03.2010
Salaries & Bonus	25886	27357
Gratuity	282	632
Employer's contribution to Providend fund	956	1089
Staff Welfare expenses	323	266
TOTAL	27447	29344

SCHEDULE - K**ADMINISTRATIVE & OPERATIVE EXPENSES**

	As on 31.03.2011	As on 31.03.2010
Audit fees	183	183
Bank guarantee charges	1647	1234
Broker notes & stamp duty	1208	1297
Business promotion expenses	314	210
Clearing member charges	1614	1576
Communication Expenses	5035	5404
Depository charges	1913	564
Electricity charges	1066	1090
Insurance	800	1147
Issuer charges	66	66
Legal fees	270	454
Listing fees	83	87
Membership fees	780	478
NSE annual subscription	110	110
Office expenses	271	237
Other expenses	3712	2935
Printing & Stationery	538	287
Professional Fees	1724	337
Rent	2832	2792
Repairs & Maintenance	2307	2072
Service tax paid	1049	1086
Travel & Conveyance	757	735
TOTAL	28279	24381



SCHEDULE - L

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Basis of Consolidation and Significant Accounting Policies

1. Principles of Consolidation:

The consolidated financial statements relate to Twentyfirst Century Management Services Limited and its 100% subsidiary, Twentyfirst Century Shares and Securities Limited.

The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expense. The intra-group balances and intra-group transactions and unrealised profits or losses are fully eliminated as per AS-21 (Consolidated Financial Statement) issued by Institute of Chartered Accountants of India.

The excess of cost to the Company of its investment in the subsidiary over the Company's portion of equity of the subsidiary as at the date of investment is recognized in the consolidated financial statement as goodwill.

2. Significant Accounting Policies

a) **Basis of Accounting**

The financial statements of the Subsidiary Company used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended 31st March 2011.

The financial statement of the Company and its subsidiary company are maintained under the historical cost convention on an accrual basis unless otherwise stated and have been prepared in accordance with the Accounting Standards issued by the

Institute of Chartered Accountants of India and generally accepted accounting principles.

b) **Use of Estimates**

The preparation of financial statements are in conformity with the Generally Accepted Accounting Principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ. Differences between the actual results and estimates are recognized in the period in which the results are known or materialized.

c) **Revenue Recognition**

Revenue Income and Expenditure are generally accounted on accrual or as they are earned or incurred except in case of significant uncertainty. Profit/Loss from trading activity is recognized on trade dates on first in first out basis. In respect of completed transactions pending settlement process, necessary treatment is given in the accounts for the Profits/Losses arising from these transactions. Dividend income is accounted for on receipt basis.

d) **Fixed Assets**

Assets are capitalised at cost inclusive of cost of installation and incidental charges if any.

e) **Depreciation**

Assets are depreciated under the written down value method at the rates prescribed in Schedule XIV to the companies Act. Whereas



no provision for depreciation has been made in the accounts for building.

f) **Investments**

Investments are stated at cost, unless there is permanent diminution in the value.

g) **Current and Deferred Tax**

Provision for current income tax is made in accordance with the Income tax act 1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

h) **Employment Benefits**

No provision for gratuity has been made in accounts, however in the event of any employee leaving the services by reason of death or incapability, gratuity for the period of the services shall be paid and accounted for on cash basis.

No provision for leave encashment has been made in the account. However encashment of leave can be availed by the employee for balance in the earned account as on 1st January 2010. All carry forward earned leaves with maximum limit of 10 days are available for availment but not for encashment.

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made

to the fund. Contributions are charged to profit and loss account in the year in which they accrue.

i) **Contingent Liabilities**

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or present obligation that may, but probably will not require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote.

j) **Impairment of assets**

The carrying amount of assets is reviewed at each Balance Sheet date for indication of any impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value and impairment loss is charged to the Profit & Loss account. The impairment of loss recognized in the prior accounting period is reversed if there has been a change in estimates of recoverable amount.

k) **Current assets, loans & advances**

Directors of company have certified that the current assets, Loans and Advances have a value on realization at least equal to the amount at which they are stated in the balance sheet.



3. Auditors Remuneration

Particulars	31/03/2011	31/03/2010
	Rs.	Rs.
Audit Fees	1,00,000	1,00,000
Certification & Company Law matters	20,000	20,000
Tax Audit Fees	46,000	46,000
Service tax	17,098	17,098
Total	1,83,098	1,83,098

4. There was no employee, getting salary in excess of Rs. 5 lacs per month or more throughout or part of the financial year under review.

5. The company has made a MAT provision of Rs. 175 lacs for the year ended 31st March 2011.

Deferred tax Asset of Rs.0.51 lacs has been created for difference in written down value of fixed assets between books and tax accounts.

6. Related party disclosures as required under AS - 18, "Related Party Disclosures".

Wholly owned subsidiary

Twentyfirst Century Shares & Securities Limited

Key Management personnel

Mr. Sundar Iyer

Mr. Chandramouli

Related party and their relationship

Related party	Relationship
Twentyfirst Century Shares & Securities Ltd.	Subsidiary Company
Mr. Sundar Iyer	Director
Mr. Chandramouli	Director
Mr. A. V. M. Sundaram	Company Secretary
Vasudhara Trading Pvt. Ltd.	Company owned by relative of director
SI Family Trust	Entity owned by relative of director
SI Investment & Broking Pvt. Ltd.	Company owned by relative of director
Mrs. Vanaja Sundar	Relative of a director
Mr. Sridhar Iyer	Relative of a director
Mr. Siddharth S. Iyer	Relative of a director
Mrs. Shobana Chandramouli	Relative of a director
Mrs. Vimala Sundaram	Relative of a director
Palani Andavar and Holdings Pvt. Ltd.	Company in which directors are interested
Lubricants and Allied Products Mfg. Co. Pvt. Ltd.	Company in which directors are interested



Transactions with the related parties for trading activity

Sundry Debtors/Creditors and corresponding brokerage received for trading activity.

Rs. in Lacs			
Name of the party	Debtors/Creditors		Brokerage received
Twentyfirst century Shares & Securities Ltd.	DR	1419.35	90.52
Vimala Sundaram	DR	11.70	0.28
Vasudhara Trading Pvt. Ltd.	DR	64.42	26.34
Sundar Iyer	CR	6.47	52.45
SI Family Trust	DR	0.19	7.76
Palani Andavar Holdings Pvt Ltd	DR	19.70	6.35
Siddharth Iyer	CR	14.47	15.58
Vanaja Sundar Iyer	CR	22.51	17.96
SI Investments & Broking Pvt Ltd	CR	0.44	10.99
Shridhar Iyer	DR	0.56	0.01

Rent paid to Lubricants and Allied Products Mfg. Co. Pvt. Ltd. - 21 Lacs.

Unsecured loans from SI Investment & Broking Pvt Limited - Rs. 550 Lacs

Remuneration paid to Directors

Mr. Sundar Iyer	-	21.00 Lacs
Mr. Chandramouli	-	18.00 Lacs

Purchase of Debts from Subsidiary: Rs. 1365.51 lacs. This Debt has been written off in the Books of the Company.

7. Earning Per Share

Particulars	31.03.11	31.03.10
Net Profit/(Loss) After tax (Lacs)	683.24	(192.13)
Weighted average number of shares outstanding (lacs)	105.00	105.00
Basic/Diluted EPS (Rs.)	4.61	(1.83)

8. The company has written off Rs. 1365.51 Lacs bad and doubtful debts, which was assigned from its subsidiary, Twentyfirst Century Shares & Securities Limited. The Company has been advised by Legal Experts that this amount is eligible for deduction u/s 36 (vii) of the Income Tax Act 1961 and hence no further provision is required for Income Tax.

9. During the year under review following preference dividend has been provided in the accounts.

Financial year	Amount (Rupees in Lakhs)
2009-10	81.00
2010-11	90.00

10. No depreciation for the Building has been provided in the accounts from the financial year 2006-07, which amount to Rs. 26.11 Lacs.

11. Contingent liability in respect of Bank Guarantee not provided for in accounts is Rs.10 crores, out of which 9.75 crores given given to ICICI Bank (Professional Clearing Member) towards Initial Margin requirement for Derivative segment and 25 lacs to National Stock Exchange of India Limited. Also company has not provided in the accounts, a contingent liability of Rs. 15 crores towards corporate guarantee given to ICICI Bank Ltd for the credit facilities availed by its subsidiary.



Also Company has not provided income tax liability of Rs. 1160.47 Lacs that may arise in respect of income tax matters pending in appeal. It is not practicable to estimate the timing of cash outflows in respect of this matter. However, the company has been advised that it has fair chance of winning the appeal.

12. Details of Investments (Quoted)

Scrip	Qty	Cost	Mkt Value
Accentia Technology	210614	63831234	20903439
Glodyne Technology	328024	165850943	139393798
Modern Dairies	10000	596200	175500
Polyplex	47504	Bonus shares	9781073
Puneet Resins	12500	172540	368750
Vindhya Tele	1200	104402	250740
Zylog Systems	144126	56751195	59949209
Other Investments held by Subsidiary		1293026	0
Total		288599540	230822509

Investments of Rs. 12.93 held by subsidiary has no realizable value, no provision has been made in the accounts for the diminution in the value of investments.

No provision has been made in respect of shortfall in value of Quoted Investments of Rs. 564.84 lacs, because in the opinion of Management the shortfall is of temporary nature and the Investments is held for longterm.

13. Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October, 2 2006 certain disclosure are required to be made relating to Micro, Small & Medium Enterprises. There have been no reported cases of delays in payments to Micro and Small Enterprises or of interest payments due to delays in such payments.

14. Previous year figures have been rearranged and regrouped wherever necessary to facilitate the comparison.

As per our Report of even Date

For and on behalf of Board

For M. B. Ladha & Company
Chartered Accountants
(FRN: 105503W)

Mukesh Ladha (M.No.35544)
Proprietor

Sundar Iyer
Chairman

Chandramouli
Director

Place: Mumbai
Date: 20.05.2011

A.V.M. Sundaram
Company Secretary



TWENTYFIRST CENTURY MANAGEMENT SERVICES LTD
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(Rupees in Thousands)

	31.03.2011	31.03.2010
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	85773	(19245)
Add : Depreciation	3703	2476
Bad debts written off	136551	0
Interest paid	21163	26363
Interest Received	(5102)	(2859)
Dividend received	(4710)	(1908)
	151605	24072
Operating Profit before working capital changes	237378	4827
Trade and other receivables	(199083)	111848
Trade payables and other liabilities	(45244)	8526
Loans & advances	45361	40779
	(198966)	161153
Cash generated from operations	38412	165980
Direct Taxes Paid	(1271)	(4286)
Net cash flow from operating activities (A)	37141	161694
CASH FLOW FROM INVESTING ACTIVITIES		
Bank deposits	(42835)	(20446)
Issue of preference shares	0	15000
Other Investments	63829	(203126)
Redemption of Investments	0	14649
Purchase of fixed assets	(18939)	(2766)
Disposal of fixed assets	103	0
Interest received	5102	2859
Dividend received	4710	1908
Capital work in progress	10967	0
Net cash flow from investing activities (B)	22937	(191922)
CASH FLOW FROM FINANCING ACTIVITIES		
Temporary overdraft & loan against shares	(35848)	78126
Repayment of short term loans	0	(5751)
Unsecured Loans	54450	550
Interest paid	(21163)	(26363)
Net cash flow from financing activities (C)	(2561)	46562
Net increase/(decrease) in cash & cash equivalents (A+B+C)	57517	16334
Cash & cash equivalents - Opening Balance	23183	6849
Cash & cash equivalents - Closing Balance	80700	23183

PER OUR REPORT ATTACHED
for M. B. LADHA & COMPANY
CHARTERED ACCOUNTANTS (FRN: 105503W)

MUKESH LADHA (M.No.35544)
PROPRIETOR

A.V.M. SUNDARAM
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD
SUNDAR IYER
CHAIRMAN

CHANDRAMOULI
MANAGING DIRECTOR

Place : Mumbai
Date : 20.05.2011

**TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED**

Regd. & Admn. Office : No. 158, 1st Floor, Eldams Road, Alwarpet, Chennai - 600 018.

ATTENDANCE SLIP

Name of the Attending Member
* Folio No.
DP ID No.
Client ID No.
No. of Shares held
Name of Proxy

I, hereby record my presence at the Annual General Meeting of the Company at Bharatiya Vidya Bhavan Mini Hall, No. 18,20,22 (Old No. 37-39) East Mada Street, Mylapore, Chennai - 600 004 on 23rd September, 2011 at 3.30 p.m.

*Applicable in case of shares held in physical Form

Signature of the Member/Proxy

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TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED

Regd. & Admn. Office : No. 158, 1st Floor, Eldams Road, Alwarpet, Chennai - 600 018.

FORM OF PROXY

Dp ID :
Client ID :
No. of Shares

Regd. Folio No. :

(in case of shares held in Physical Form)

I/We
of in the district of being member /
member of Twentyfirst Century Management Services Limited, hereby appoint
..... of in the district
of of failing him
..... of in the district
of as my own/our proxy in my/our absence to attend and vote for me/us
on my/our behalf, at the Annual General Meeting of the Company to be held on 23rd
September 2011 and at any adjournment thereof.

Signed this day of 2011

Signature



Note: 1. The Proxy form must be deposited at the Registered Office at No. 158, 1st Floor, Eldams Road, Alwarpet, Chennai - 600 018 not less than 48 Hours before the time fixed for holding the meeting.

2. Proxy need not be a member of the Company.

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