
2010-11

27th
Annual Report



Mehta Integrated Finance Limited
Ahmedabad



Board of Directors:

Darshan V. Mehta

Indira V. Mehta

Chetan Y. Vora

Auditors:

Dinesh K. Shah & Co.

Chartered Accountants

Ahmedabad

Bankers:

HDFC BANK

Registered Office:

3, Law Garden Apartment,
Scheme-I, Opp. Law Garden,

Ellisbridge,

Ahmedabad 380 006

NOTICE

Notice is hereby given that 27TH ANNUAL GENERAL MEETING of the Members of MEHTA INTEGRATED FINANCE LIMITED will be held at 003, Law Garden Apartment, Scheme-I, Opp. Law Garden, Ellisbridge, Ahmedabad-380 006 on Tuesday, 28th FEBRUARY, 2012 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Accounts of the Company for the year ended 31st AUGUST 2011, the Balance Sheet As at that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. CHETAN Y. VORA who retire by rotation in terms of Article 126 of The Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To consider the reappointment of M/s. Dinesh K. Shah & Co., Chartered Accountants, as Auditors of the Company to hold such office until the conclusion of next Annual General Meeting and to fix their remuneration in addition to the reimbursement of out of pocket expenses.

Registered Office

003, Law Garden Apt., Scheme-I,
Opp. Law Garden, Ellisbridge,
Ahmedabad 380006
Date : 31/1/12
Place: Ahmedabad

By The Order of The Board,
sd/-
(Indira V Mehta)
Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THIS ANNUAL GENERAL MEETING.
2. The Register of Members and the Share Transfer Book of the Company will remain closed on Monday 28th February 2012.
3. Member/Proxies should bring copies of Annual Report and attendance slip sent here with duly filled in for attending the meeting.
4. Members are requested to notify any change in their address immediately to The Company's office 003, Law Garden Apartment, Scheme-I, Opp. Law Garden, Ellisbridge, Ahmedabad-380 006.
5. The shares of the company are tradable compulsorily in electronic form and your company has established connectivity with both the depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited. In view of the enormous advantages offered by the Depository System, Members are requested to avail the facility of dematerialization of the company's shares on either of the depositories as aforesaid.
6. In terms of the provisions of Articles of Association of the company, MR. CHETAN Y. VORA being eligible, offers himself for reappointment. Further, the company has received a notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of MR. CHETAN Y. VORA for the office of Director of the company under the provisions of Section 257 of the Companies

Act, 1956. Brief resume of each of these director(s), nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership / Chairmanship of Board Committees, as stipulated under clause 49 of Listing Agreement entered with the Stock Exchanges, in India, is appended to the notice. The Board of Directors of the company recommends the appointments / re-appointments of the aforesaid director.

Registered Office

003, Law Garden Apt., Scheme-I,
Opp. Law Garden, Ellisbridge,
Ahmedabad 380006

Date : 31/1/12

Place: Ahmedabad

By The Order of The Board,

sd/-

(Indira V Mehta)

Director

Details of the Directors seeking Appointment / Reappointment in forthcoming Annual General Meeting :- (as per clause 49 of listing agreement)

Name of the Directors	:	Chetan Y. Vora
Date of Birth	:	30/10/1957
Date of Appointment	:	31/12/2005
Expertise in Specific functional areas	:	Finance, Accounts,co Law,Taxation
List of Public Limited Companies in which Directorship held	:	Nil
Chairman / Member of the Committees of the Board of Directors of the Company.	:	Audit Committee, Share-holders Grievances

DIRECTOR'S REPORT

To,
The Members,
MEHTA INTEGRATED FINANCE LIMITED.
Ahmedabad.

Your Directors have pleasure in presenting 27th Annual Report of the Company along with Audited Accounts for year ended 31ST AUGUST 2011.

FINANCIAL RESULTS: -

The Financial Results of the Company for the year ended on 31ST AUGUST 2011., As compared to the previous year are summarized below: -

	(Rs. In Lacs)	
	31/08/2011	31/08/2010
Total Income	91.23	69.75
Profit/(Loss) before Taxation	25.71	34.12
Less : Depreciation	3.27	1.50
Profit/Loss before Taxation	22.44	35.62
Provision for Income Tax	0.00	0.00
Net Profit/Loss After Tax	22.44	35.62
Transfer to General Reserve	22.44	35.62
Proposed Dividend	0.00	0.00

The total net income of the Company during the year was Rs. 91.23 lacs against Rs.69.75 lacs in the previous financial year. The total expenditure during the year was Rs. 68.79 lacs against Rs.34.14 lacs in

the previous year. The Profit/Loss after tax for the year under review at Rs. 22.44 lacs was likewise lower than that of the previous year of Rs.35.62 lacs. The Directors trust that the shareholders will find the performance of the company for financial year 2011 to be satisfactory.

The Earning Per Share (EPS) of the company is 0.45 per share.

BUSINESS OPERATIONS AND FUTURE OUTLOOK

The company is essentially concentrating on advisory and consultancy assignments in capital markets, business reorganization, Fund raising and corporate restructuring.

The company is investing its surplus funds in the capital market and other financial instruments in view of the long term prospects of the Indian economy.

DIRECTOR :-

Mr. Chetan Y. Vora, Director of the Company retires from office by rotation in accordance with the requirement of The Companies Act, 1956 and being eligible, offers himself for reappointment.

PARTICULARS OF EMPLOYEES :-

The Company has no employee of the category specified in Section 217 (2A) of The Companies Act, 1956.

PARTICULARS OF CONSERVATION OF ENERGY ETC. :-

The company has no activities relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo during the year under review.

AUDITORS AND THEIR REPORT :-

Auditors M/s. Dinesh K. Shah & Co., Chartered Accountants hold office till the conclusion of ensuing Annual General Meeting and having furnished the required certificate U/s.224 (1-B) of The Companies Act, 1956 are eligible for reappointment. Board recommends the reappointment and requests the members to fix their remuneration.

PUBLIC DEPOSITS: -

There was no Deposits unclaimed or unpaid by the Company after the date on which it has become due for payment or renewal on 31st AUGUST 2011.

DEMATERIALISATION OF SHARES: -

To provide best services to the shareholders and investors, company's equity shares are made available for dematerialization in electronic form in the Depository systems operated by National Securities Depository Limited and Central Depository Services (India) Limited, Mumbai.

DIRECTORS RESPONSIBILITY STATEMENT :-

Your Director Confirm :-

- (a) That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation.
- (b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on 31st AUGUST, 2011 and of the Profit of the Company for that year.

That the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31st AUGUST, 2011 in accordance with the provisions of the companies act, 1956 for safeguarding the assets of the company, and for prevention and detection of fraud and other irregularities. That the directors have prepared the annual accounts on an ongoing basis.

LISTING: -

The equity shares of the company are listed on Mumbai Stock Exchange. The company is generally regular in payment of Annual Listing Fees. The company has paid listing fees up to the year 2011-2012 to Mumbai Stock Exchange.

CORPORATE GOVERNANCE :-

A detailed section on the code of Corporate Governance forms part of the Annual Report.

ACKNOWLEDGEMENT: -

Your Directors take this opportunity to place on record the appreciation of the valuable contribution and dedication shown by the employees of the Company, which have contributed to the successful management of the Company's affairs.

Registered Office

003, Law Garden Apt., Scheme-I,

Opp. Law Garden, Ellisbridge,

Ahmedabad 380006

Date : 31/1/12

Place: Ahmedabad

By The Order of The Board,

sd/-

(Indira V Mehta)

Director

DIRECTOR CERTIFICATION

Director of the Company certifies that :

- a) I have reviewed the financial statements and cash flow statement for the year ended August 31, 2011 and to the best of my knowledge and belief:
 - i) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statement together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws & regulations.
- b) To the best of my knowledge and belief, no transaction entered into by the Company during the year ended August 31, 2011 are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. I have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which I am aware and steps have been taken to rectify these deficiencies.
- d) I have indicated to the Auditors and to the Audit Committee:
 - i) Significant changes in the internal control over financial reporting during the year.
 - ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) There is no significant fraud is noticed during the year, however to safeguard the company from such instances, the role of management and employees to be followed has been described to them.

Date : 31/01/2012

Place : Ahmedabad

sd/-

Director

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development: -

The company is operating in a regulated environment which is subject to regulations by the ministry of finance and SEBI.

The company is conducting its activities with due diligence, rules, regulations and under the control of the regulatory authority appointed by the Govt. The changes in policies, economic conditions,

fluctuation in currencies, commodities and such factors effects to the company's activity and operations

2. Opportunities and Threats: -

The company has initiated recovery proceedings against its dues. There is delay in recovering the dues from them due to slow and prolonged legal system. However the company has implemented the action plan for speedy recovery of dues from defaulters.

The national economy is on the strong hold as it is unaffected from slowness of other global economies. The Indian financial markets are also stable. The company is sure to get benefits of the overall economic environment.

The worldwide recession has not affected to the economy as well as our company, in our main business.

3. Segment wise Performance: -

The company operated in tow major segments of consulting and investments. The historical recovery proceedings are also on. The capital market consulting activity showed slow pace and the investment also under performed due to the slowing economy and depreciating currency. The recovery is coming at a slow pace.

4. Recent Trend and Future Outlook: -

In recent years Indian economy which gathered strong momentum is slowing due to global and specifically European problems. The company is optimistic about the recovery of Indian economy and the capital market.

5. Risks and Concerns: -

The company has taken suitable steps to overcome the risks of the market as the economy and markets are uncertain to predict for medium to long term.

All the industries has certain risks and competition due to international factors, currency, changes in Government policies, slow legal process and natural effects and so on. Our Company is not engaged in material or finished goods and therefore no risk of fluctuation in forex rates, however we have taken necessary steps to safeguard our company against such changes.

6. Internal Control Systems and their Adequacy: -

The company has implemented proper system for safeguarding the operations/business of the company, through which the assets are verified and frauds, errors are reduced and accounts, information connected to it are maintained such, so as to timely completion of the statements.

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

7. Financial Performance with respect to Operational Performance: -

The financial performance of the Company for the year 2011 is described in the Directors' Report under the head "Financial Results".

8. Material Developments in Human Resources and Industrial Relations Front: -

Yours Company has undertaken certain employee's development initiatives, which have very positive impact on the morale and team spirit of the employees. The company has continued to give special attention to human resources / industrial relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

The Industrial relations have been cordial during the above year without observing any strike or lockout etc. as the co's efforts have given positive impact towards employees development activities, human development and industrial relations.

9. **Cautionary Statement: -**

Statement in this management discussion and analysis report, describing the company's objectives, estimates and expectations may constitute forward looking statements within the meaning of applicable laws or regulations. Actual results may differ materially from those either expressed or implied.

ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD.

DATE : 31/01/2012

sd/-

(INDIRA V. MEHTA)

DIRECTOR

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION: -

Corporate Governance brings intimate relationship between shareholders and the management of the company by fetching confidence and trust amongst the investors.

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Shareholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Revised clause 49 of the listing agreement with the stock exchanges is set out below:-

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE: -

The company is committed to good corporate governance. The company also realizes the rights of shareholders for correct information and performance of the company, committed thereby to create great confidence and trust towards the shareholders.

The company has complied the requirements of clause 49 of listing agreements. The company is also committed to increase the standards of corporate governance as per the requirements of changing economic syneries.

Corporate Governance makes a significant contribution to the business prosperity and accountability. The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability, in all facts of its operations and in all its interactions with the shareholders, employees, the government and lenders.

During the year under review, the company has fully complied with the requirements of Revised Clause 49 of the listing agreements and will continue its efforts towards raising its standards in corporate governance and will also review its systems and procedures constantly in order to keep pace with the changing economic environments. The company shall also put all efforts to comply with the balance requirement of the corporate governance code so far not complied with by the Company

2. BOARD OF DIRECTOR: -

Composition and Category of Directors: -

The composition of the Board of Directors of the Company is in conformity with Revised Clause 49 of the Listing Agreement with the Stock Exchanges. The present Board of Directors of the Company consists of three members comprising one Executive and two Non Executive and Independent Directors. The Chairman of the Company is a Non-Executive Director. The number of Non-Executive and Independent Directors exceeds one half of the total number of Directors.

Present Composition and other details of Board of Directors of the Company.

Name of Director	Executive/ Non-Executive/ Independent	No. of outside directorships (*)	No of Memberships in other Board Committees	No. of Chairmanship(s) in other Board Committees
Darshan V. Mehta	Executive	1	1	-
Indira V. Mehta	Non-Executive & Independent	1	1	-
Chetan Y. Vora	Non-Executive & Independent	-	-	-

Excludes alternate directorships, directorships in private/foreign Companies and interest in firms/ other bodies.

Includes memberships of only audit and shareholders' grievances committee.

Board Procedures: -

The Board of Directors meets at least once a quarter to review the performance and financial results. A detailed agenda file is sent to all the directors well in time of the Board Meeting. The Chairman / Director briefs the Directors at every Board Meeting, overall performance of the company. All major decisions / approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meetings of the Board of Directors were held on 30/09/2010, 30/12/2010, 31/03/2011, 30/06/2011.

Attendance of each Director at the Board Meetings and the Last Annual General Meeting.

Name of Director	Board Meetings Attended	Attendance at last AGM
Darshan V.Mehta	4	Present
Indira V. Mehta	3	Present
Chetan Y.Vora	4	Present

2. AUDIT COMMITTEE: -

The Audit committee has been formed as per the revised guidelines and requirements laid down under the code of corporate governance listing agreements with the stock exchange During the year 2011, the terms of reference and scope of the AUDIT COMMITTEE were revised to meet with the requirements prescribed under the Code of Corporate Governance and the Listing Agreement with the Stock Exchanges and accounting and Audit Standards.

Board Terms of Reference:

The Audit committee is empowered to deal in matters so as to comply with revised clause 49 of the listing agreement and section 292A of company's Act, 1956.

The terms of reference comprises of :

- to review and ensure correct and credible reporting of financial statement and information of the company.
- to verify financial information before its submission to the Board for approval
- to review the internal control mechanism as well as internal audit system.
- to review and follow up system to be applied to the internal/statutory audit reports and findings over them.
- to recommend the appointment and removal of auditors (statutory/internal) to fix their fees, nature & scope of the audit and post audit discussions to find out the concerned area of important factors by the audit.
- to review the applicability of various accounting standards issued by the Institute of Chartered Accountants of India.

The Audit Committee has been given the powers to deal with matters specified under Revised

Clause 49 of the Listing Agreement as well as under section 292A of the Companies Act, 1956.

In brief, the terms of reference include :

Reviewing the Company's financial reporting process and disclosure of financial information, to ensure correctness and creditability.

Reviewing the financial statements before their submission to the Board for Approval.

Reviewing the adequacy of internal control systems and internal audit functions;

Reviewing the Internal and Statutory Auditors Reports, discussing any significant findings and reviewing the follow-up thereon.

Recommending the appointment and removal of Statutory & Internal Auditors and fixation of their fees;

Reviewing the nature and scope of audit with the Internal and Statutory Auditors and post-audit discussions to ascertain any areas of concern.

The Scope of the Audit Committee also covers reviewing the applicability of various Accounting Standards issued by the Institute of Chartered Accountants of India.

Composition, Meeting and Attendance at the Audit Committee Meetings.

The Audit Committee presently comprises three members and majority members including the Chairman are Non-Executive.

1. Indira V. Mehta - Chairman, Independent & Non-Executive Director.
2. Darshan V. Mehta - Executive Director.
3. Chetan Y. Vora - Independent & Non-Executive Director.

All members possess knowledge of corporate finance, accounts and corporate laws.

During the year, the members met Four times on 30/09/2010, 30/12/2010, 31/03/2011, 30/06/2011.

The attendances of the members at the meeting is given below:

Name of the Member	Designation	No. of Meetings Attended
Indira V. Mehta	Chairman	4
Darshan V. Mehta	Member	3
Chetan Y. Vora	Member	4

4. REMUNERATION COMMITTEE :-

The company does not have formal remuneration committee, remuneration is paid to executive as well as non-executive directors and no sitting fees is paid to any of the directors for attending the meetings of the board of directors or committee thereof.

5. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE :-

The Board of Directors had constituted a Share Transfer Committee. However the work relating to share transfer is given to the RTA "PURVA SHAREGISTRY (INDIA) PVT. LTD." for approval of transfer of shares and related matters.

Composition

The Shareholders / Investors Grievances Committee presently comprises three members and all members including the Chairman are Non-Executive and Independent Directors:

1. Indira V. Mehta - Independent & Non-Executive Director.
2. Chetan Y. Vora - Chairman, Independent & Non-Executive Director.
3. Darshan V.Mehta - Executive Director.

Mr. Rasik R. Purohit is the Compliance Officer in terms of the Listing Agreement executed by the Company with the stock exchanges and in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2002.

6. GENERAL BODY MEETING: -

Details of last three Annual General Meetings of the Company are given below:

Venue : 3, Law Garden Apt., Scheme-I, Opp. Law Garden, Ellisbride, A'hd-6.

Financial Year	Date	Time
2007-2008	28/02/2008	11.00 a.m.
2008-2009	27/02/2009	11.30 a.m.
2009-2010	28/02/2010	11.00 a.m.

Pursuant to the provisions of section 192 A of The Companies Act, 1956, there was no matter required to be dealt by the Company to be passed through postal ballot.

7. DISCLOSURES :-

The Company has not entered in to any transaction except at market prices of any material nature with the Promoters, the directors of the management that may have any potential conflict with the interests of the Company.

There has neither been any non-compliance of a legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, nor any matters related to Capital market during the last three years.

8. MEANS OF COMMUNICATIONS: -

- a) In compliance with the requirements of the listing agreement, the company is regularly intimates un-audited/audited financial results to the stock exchange/s immediately after the Board of Directors takes them on record.
- b) During the year ended on 31st AUGUST 2011 no presentations were made to Institutional Investors or analyst or any other enterprise.

Management discussion and analysis form part of the Directors Report.

9. SHAREHOLDERS' INFORMATION: -

- a) Registered Office : 003 Law Garden Apartments,
Scheme-I, Op. Law Garden,
Ellis Bridge, Ahmedabad-6.
- b) Annual General Meeting : Day : Tuesday
Date : 28th February 2012
Time : 11.00 a.m.
Venue : 003, Law Garden Apartment,
Scheme-I, Opp. Law Garden,
Ellis bridge, Ahmedabad-6.
- c) Financial Calendar: -
1st Quarter Results : End-November, 2010.
Half Yearly Results : End-Feb, 2011.
3rd Quarter Results : End-May, 2011.
Audited yearly Results : End-August,2011.
- d) Book Closure Dates : on 28th February, 2012.
- e) Listing of Shares on Stock Exchanges. : The Stock Exchange - Mumbai,
P.J. Towers, Dalal Street, Fort, Mumbai -01.
- f) Stock Exchange Code : Stock Exchange Code BSE 511377
- g) Stock Price Data : As per BSE Data.

- h) Registrar and Share:- M/s. Purva Sharegistry (India) Pvt. Ltd.
Transfer Agents. 9 Shiv Shakti Industrial Estate
(For Electronic Transfer) J. R. Boricha Marg
Lower Parel, Mumbai-400 011.
Tele. No. (022) 23016761, 23010771
Fax No. (022) 23012517
E-mail ID: busicomp@vsnl.net

- i) Share Transfer Systems: -
In case of Shares in electronic form, the transfers are processed by NSDL / CDSL through the respective Depository participants. Dematerialization requests are normally confirmed within an average period of 15 days.

- j) Distribution of Shareholding as on 31st AUGUST 2011.

Category	No. Of Shares Held	% Of Share Holding
A Promoter's Holding		
1. Promoters		
Indian Promoters*	2,50,000	5.00
Foreign Promoters		
Foreign Promoters		
2. Person acting in Concert	20,00,000	40.00
Sub Total	22,50,000	45.00
B. Non-Promoters Holding		
3. Institutional Investor		
a. Mutual Funds and UTI		
Banks, Financial Institutions,	-	-
Insurance Companies (Central /		
b. State Government		
Institutions / Non Government		
Institutions)		
c. FIIs		
Sub Total	-	-
4. Others		
a. Private Corporate Bodies	2,36,614	4.74
b. Indian Public	24,95,187	49.90
c. NRIs/OCBs	18,199	0.36
d. Any Other (Other directors and their relatives)		
Sub Total	27,50,000	55.00
Grand Total	50,00,000	100.00

Note :- Sum of foreign promoters, FIIs, NRIs, NRIs/OCBs, Foreign Nationals, and GDR and ADR holding for the quarter 1,00,000 shares (2.00 % of the paid-up share capital).

SHAREHOLDING PATTERN AS ON 31ST AUGUST, 2011: -

No. of Equity Shares held at nominal value	No. of Share Holders	% of Share Holders	No. of Shares held At nominal value	% of Share Holding
Up to 5000	9911	94.49	14521700	29.04
5001 to 10000	375	3.57	2971660	5.94
10001 to 20000	115	1.10	1662580	3.33
20001 to 30000	29	0.28	728920	1.46
30001 to 40000	14	0.13	470810	0.94
40001 to 50000	3	0.03	143240	0.29
50001 to 100000	14	0.13	1050480	2.10
100001 & Above	28	0.27	28450610	56.90
Grand Total	10489	100.00	50,00,000	100.00

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversation date and likely impact on equity :

The company has not issued any GDRs / ADRs.

M. DEMATERIALISATION OF SHARES :-

The Company has entered into agreement with NSDL/CDSL for Dematerialization of shares.

As on 31st AUGUST 2011, a total of 2691121 shares of the Company, which form 53.82% of the share capital of the Company stand, dematerialized.

ADDRESS & CORRESPONDENCE: -

MEHTA INTEGRATED FINANCE LIMITED

003, LAW GARDEN APARTMENT, SCHEME-I, OPP. LAW GARDEN, ELLISBRIDGE,
AHMEDABAD-380 006.

PLACE : AHMEDABAD.

DATE : 31/01/2012

FOR AND ON BEHALF OF THE BOARD

sd/-

(INDIRA V. MEHTA)
DIRECTOR

CERTIFICATE UNDER CORPORATE GOVERNANCE REPORT

A. Declaration regarding Compliance with the Code of Conduct by Board Members and Senior Management personnel pursuant to Clause 49(1)(D)(ii) of the Listing Agreement :

This is to certify that as per Clause 49 of the Listing Agreement:

1. The Code of Conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The Board members and Senior Management Personnel have affirmed compliance with the Company's code of conduct as adopted for the year 2010.

Place : Ahmedabad

Date : 31.01.2011

sd/-

Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Mehta Integrated Finance Limited

We have examined the compliance of conditions of corporate governance by M/s. MEHTA INTEGRATED FINANCE LIMITED, for the year ended on 31st AUGUST, 2011 as stipulated in Revised clause 49 of the listing agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

The company has complied with all the conditions of corporate governance as mentioned in the above-mentioned listing agreement.

There are independent directors on the Board of Directors of the company as per the requirement of sub-clause (1A) of clause 49 of the Listing Agreement that one-third of the Board should comprise of independent director.

Subject to above, 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 all the conditions of corporate governance as stipulated in the above listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the shareholders/investor grievance committee.

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

For Dinesh K. Shah & Co.
Chartered Accountants
sd/-

Place : Ahmedabad,
Dated : 24/1/ 2012

Dinesh K. Shah(Partner)
Membership # F-010477

AUDITORS' REPORT

To the Shareholders of Mehta Integrated Finance Limited:

1. We have audited the attached Balance Sheet of Mehta Integrated Finance Limited as at August 31, 2011, and also the Profit & Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements, based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (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, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - (iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) The Balance Sheet and the Profit & Loss Account dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors as on August 31, 2011 and taken on record by the Board of Directors, we report that none of its Directors is disqualified as on August 31, 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 accounts give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at August 31, 2011 and
 - (b) in the case of the Profit & Loss Account, of the profit for the year ended on that date.

For Dinesh K. Shah & Co.
Chartered Accountants
sd/-

Place : Ahmedabad,
Dated : 24/1/ 2012

Dinesh K. Shah (Partner)
Membership # F-010477

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

1. In respect of its Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, major portion of Fixed Assets have been physically verified during the year by the management. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company and the nature of its business and assets. As informed to us, no material discrepancies have been noticed on such physical verification.
 - c) No substantial (or major) parts of the Fixed Assets have been disposed off during the year.
2. The Company is a consulting and merchant-banking outfit with an investment activity and does not have any inventory. Therefore, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - a) The Company has not granted/taken any such loan, except in normal course of business.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered have been so entered.

- b) To the best of our knowledge and belief and according to the information and explanations given to us, such transactions aggregating during the year to Rs. 5,00,000/- or more in respect to each party have been made at market prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposit from the public during the year.
 7. In our opinion, the internal audit is commensurate with the size of the Company and the nature of its business.
 8. The Company is not required to maintain the books of account pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
 9. Statutory & Other Dues:
 - a. According to the information and explanations given to us and according to the books and records as produced and examined by us, in accordance with the generally accepted auditing practices in India, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, excise duty, custom duty, cess and other statutory dues as applicable with the appropriate authorities.
 - b. According to the information and explanations given to us, no disputed amounts payable in respect of above dues were in arrears, as at 31st August 2011 for a period of more than six months from the date they became payable.
 10. In our opinion, the Company does have accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
 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. The provisions of any special statute applicable to chit fund are not applicable to the company.
 14. There are no guarantees given by the Company for loans taken by others from banks and financial institutions.
 15. According to the information and explanations given to us, no term loans have been raised by the Company during the year and hence, the provisions of clause (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 16. As per the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term purposes.
 17. The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
 18. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 19. The Company has not raised any money by way of public issues during the year.
 20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
 21. The Company is dealing or trading in shares, securities, debentures and other investments. All Shares, Debentures or Other securities have been held by the company in its own name except to the extent of the exemption granted U/s.49 of The Companies Act, 1956.

Place : Ahmedabad,

Dated : 24/1/ 2012

For Dinesh K. Shah & Co.

Chartered Accountants

sd/-

Dinesh K. Shah (Partner)

Membership # F-010477

MEHTA INTEGRATED FINANCE LTD.

BALANCE SHEET AS AT 31ST AUGUST 2011

Rs. in Lacs

PARTICULARS			AS AT 31.8.2011		AS AT 31.8.2010
SOURCES :					
1. SHARE HOLDERS FUNDS					
A. SHARE CAPITAL	A	500.00		500.00	
B. RESERVE & SURPLUS	B	713.18	1213.18	690.75	1190.75
2. LOANS FUNDS					
A. SECURED LOAN					
B. UNSECURED LOAN	C		130.25		130.25
TOTAL			1343.43		1321.00
APPLICATION :					
1. FIXED ASSETS					
A. GROSS BLOCK		442.35		432.99	
B. LESS : DEPRECIATION		430.75		427.48	
C. NET BLOCK	D		11.60		5.51
2. INVESTMENTS	E		1025.81		1346.78
3. CURRENT ASSETS, LOANS & ADVANCES					
A. CURRENT ASSETS	F	544.17		320.11	
B. LOANS & ADVANCES	G	5.29		11.07	
		549.46		331.18	
LESS :					
CURRENT LIABILITIES & PROVISIONS					
A. CURRENT LIABILITIES	H	241.84		359.87	
B. PROVISIONS	I	1.59		2.60	
		243.44		362.47	
NET CURRENT ASSETS			306.02		-31.29
4. MISCELLANEOUS EXPENDITURE (TO THE EXTEND NOT ADJUSTED)					
TOTAL			1343.43		1321.00

NOTE TO THE ACCOUNTS ANNEXURE-1
AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR & ON BEHALF OF THE BOARD
MEHTA INTEGRATED FIN.LTD.

sd/-
DINESH K SHAH-PARTNERS
FOR, DINESH K SHAH & CO.
CHARTERED ACCOUNTANTS
PLACE : AHMEDABAD
DATE : 24/01/2012

sd/-
D.V.MEHTA
DIRECTOR
PLACE : AHMEDABAD
DATE : 24/01/2012

sd/-
I.V.MEHTA
DIRECTOR

MEHTA INTEGRATED FINANCE LTD.

PROFIT & LOSS ACCOUNT 31ST AUGUST 2011

Rs. in Lacs

PARTICULARS		AS AT 31.8.2011	AS AT 31.8.2010
INCOME :			
1. INCOME FROM OPERATIONS	J	91.23	69.76
TOTAL		91.23	69.76
EXPENSES :			
1. ADMINISTRATIVE & OTHER EXPENSES	K	65.52	32.64
2. DEPRECIATION		3.27	1.50
TOTAL		68.79	34.14
PROFIT BEFORE TAX (A - B)		22.44	35.62
PROVISION FOR INCOME TAX			
PROFIT AFTER TAX		22.44	35.62
BALANCE CARRIED TO BALANCE SHEET		22.44	35.62

NOTE TO THE ACCOUNTS ANNEXURE-1
AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR & ON BEHALF OF THE BOARD
MEHTA INTEGRATED FIN.LTD.

sd/-
DINESH K SHAH-PARTNERS
FOR, DINESH K SHAH & CO.
CHARTERED ACCOUNTANTS
PLACE : AHMEDABAD
DATE : 24/01/2012

sd/-
D.V.MEHTA
DIRECTOR
PLACE : AHMEDABAD
DATE : 24/01/2012

sd/-
I.V.MEHTA
DIRECTOR

Cash Flow Statement for the year ended 31st Aug., 2011

(Rs. in lacs)

<u>Inflow of Cash</u>	31-8-11	31-8-10
Current Liabilities	112.96	50.50
Current Assets	86.90	132.30
Indirect Income	12.17	1.13
Indirect Expenses	0.31	0.03
Direct Income	65.33	46.33
Total	277.67	230.29
<u>Outflow of Cash</u>		
Current Liabilities	50.79	10.68
Fixed Assets	0.65	0.69
Current Assets	204.92	198.06
Direct Expenses	0.55	0.67
Indirect Expenses	21.60	20.88
Total	278.51	230.98
Net inflow	- 0.84	-0.69

As per our attached report on even date

For Dinesh K. Shah & Co.
Chartered Accountants

sd/-

Dinesh k. Shah (Partner)

Place: Ahmedabad,

Dated: 24/1/2012.

For Mehta Integrated Finance Ltd.

sd/-

Darshan V. Mehta

Director

sd/-

Indira V. Mehta

Director

SCHEDULE TO THE ACCOUNT

(Rs. in Lacs)

MEHTA INTEGRATED FINANCE LTD.	SCH. EDULE	AS AT 31.8.2011	AS AT 31.8.2010
<u>SHARE CAPITAL</u>			
AUTHORISED			
50,00,000 EQUITY SHARES OF RS. 10/- EACH.		500.00	500.00
ISSUED, SUBSCRIBED & PAID - UP			
50,00,000 [50,00,000] EQUITY SHARES OF		500.00	500.00
RS.10/- EACH FULLY PAID UP.			
TOTAL —>	A	500.00	500.00
<u>RESERVES & SURPLUS</u>			
GENERAL RESERVE		690.75	655.13
PROFIT & LOSS A/C.		22.44	35.62
TOTAL —>	B	713.18	690.75
<u>UNSECURED LOAN</u>			
FROM BODY CORPORATES		130.25	130.25
TOTAL —>	C	130.25	130.25
<u>INVESTMENTS</u>			
INVESTMENT IN EQUITY SHARES (QUOTED) *		1025.81	1186.78
* Market value of investment Rs. 26 crore			
INVESTMENT IN EQUITY SHARES (UN-QUOTED)			160.00
TOTAL —>	E	1025.81	1346.78

MEHTA INTEGRATED FINANCE LTD.	SCH. EDULE	AS AT 31.8.2011	AS AT 31.8.2010
<u>CURRENT ASSETS</u>			
CASH & BALANCE WITH SCHEDULE BANKS		0.38	1.21
BUSINESS DEBTORS (CONSIDERED GOOD)			
UNDER SIX MONTHS RECEIVABLES		543.79	318.89
OTHER CURRENT ASSETS			
TOTAL — >	F	544.17	320.10
<u>LOANS, ADVANCES & DEPOSITS</u>			
MISCELLANEOUS ADVANCES		0.80	6.59
DEPOSITS		4.49	4.49
TOTAL — >	G	5.29	11.07
<u>CURRENT LIABILITIES</u>			
TRADE CREDITORS		241.84	359.87
TOTAL — >	H	241.85	359.87
<u>PROVISIONS</u>			
PROVISION FOR EXPENSES		1.59	2.60
TOTAL — >	I	1.59	2.60
<u>INCOME FROM OPERATIONS</u>			
FROM OPERATION ACTIVITIES		91.23	69.76
TOTAL — >	J	91.23	69.76
<u>ADMINISTRATIVE & OTHER EXP.</u>			
ADMINISTRATIVE & OTHER EXP.		17.78	20.47
MISCELLANEOUS EXP.		47.15	6.44
FINANCIAL EXP.		0.60	5.74
TOTAL — >	K	65.52	32.64

MEHTA INTEGRATED FINANCE LIMITED-31-08-2011

SCHEDULE - "D" FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OPEN-ING BAL-ANCE AS ON 01-09-10	ADDITION DURING THE YEAR	DEDUC-TIONS DURING THE YEAR	CLOS-ING BAL-ANCE AS ON 31-8-11	OPEN-ING BAL-ANCE AS ON 01-09-10	ADDITION DURING THE YEAR	DEDUC-TIONS DURING THE YEAR	CLOSING BAL-ANCE AS ON 31-8-11	AS ON 31-8-11	AS ON 31-8-10
<u>LEASE ASSETS :-</u>										
PLANT & MACHINERY	247.12	0.00	0.00	247.12	247.12	0.00	0.00	247.12	0.00	0.00
VEHICLES	173.11	0.00	0.00	173.11	173.11	0.00	0.00	173.11	0.00	0.00
<u>OTHER ASSETS :-</u>										
FURNITURE & FIXTURE	4.24	0.00	0.00	4.24	2.19	0.37	0.00	2.56	1.67	2.05
COMPUTER	1.57	0.64	0.00	2.21	1.00	0.37	0.00	1.37	0.84	0.57
MOTOR CAR(VENTO)	0.00	8.72	0.00	8.72	0.00	1.91	0.00	1.91	6.81	0.00
MOTOR CAR (OPEL)	4.06	0.00	0.00	4.06	2.27	0.35	0.00	3.05	1.01	1.36
Office Equipment	0.18	0.00	0.00	0.18	0.03	0.02	0.00	0.05	0.13	0.15
VEHICLE OWN	0.85	0.00	0.00	0.85	0.56	0.07	0.00	0.63	0.22	0.29
AIR CONDITION	1.51	0.00	0.00	1.51	0.57	0.13	0.00	0.70	0.81	0.94
MOTORS(BIKE)	0.35	0.00	0.00	0.35	0.19	0.04	0.00	0.23	0.12	0.16
TOTAL — >	432.99	0.18	0.00	442.35	427.48	3.27	0.00	430.75	11.60	5.51
PREVIOUS YEAR	432.30	0.00	0.00	432.99	425.98	1.50	0.00	427.48	5.51	6.32

5. **Fixed Assets and Depreciation:**
i) Fixed Assets are stated at historical cost in the books of accounts. Cost include all cost incurred to bring the assets to their present location and condition.
ii) Depreciation on Fixed Assets is provided on Straight Line Method in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956.
6. **Investment :-**
Investments are stated at their acquisition cost. Investment of the Company have been considered to be of long term nature. As they are long term investments, are valued at cost of acquisition. In respect of quoted investments where the market value is lower than the acquisition cost, provision for diminution in the value of such investments is made. Investments where there is permanent diminution is written off.
7. **Amortization of Miscellaneous Expenditure :-**
Miscellaneous Expenditure are amortized over a period of ten years.
8. **Earnings Per Share:**
The Company reports Basic Earnings Per Share (EPS) in accordance with Accounting Standard (20) 0.71 Earnings Per Share. Basis EPS is computed by dividing the net profit for the year by weighted average number of share outstanding during the year.
9. **Related Party Transactions:**
Parties are considered to be related if at any time during the year, one party has the ability to control the other party or to exercise significant influence over the other party in making financial and/or operating decisions.
10. **Provisions, Contingent Liabilities and Contingent Assets:**
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.
11. **Impairment of Assets:**
As per requirement of Accounting Standard 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India, at each balance sheet date, assessment is made of whether there is any objective evidence of impairment of financial assets. If there is evidence then the recoverable amount is estimated and impairment loss is recognized in accordance with Accounting Standard 28.
12. **Prior Period Adjustments:**
Material items pertaining to prior period are accounted through “Prior Period Adjustment Account”.
13. **Preliminary Expenses:**
Preliminary expenses are written off equally over a period of ten years.

MEHTA INTEGRATED FINANCE LIMITED, AHMEDABAD
Schedules forming part of the Accounts for the year ended 31st August, 2011

NOTES FORMING PART OF THE ACCOUNTS

1. The Company has ceased to carry on fund based business and hence not governed by Reserve Bank of India Act. The Company has been a Category-1 Merchant Banker and hence is subject to SEBI Act.
2. The liabilities towards the secured loan towards banks, financial institutions have been fully accounted for, till date.

3. Previous and Current Year figures have been regrouped wherever found necessary.
4. Various claims receivable of the previous year and liabilities relating to the previous year have been brought in the current years to show a true and fair view of the accounts.
5. Balance in Secured Loans, Unsecured Loans, Sundry Creditors, Debtors, Loans & Advances are subject to confirmation.
6. On the basis of the information available with the Company, there is no amount due but remaining unpaid as on 31st AUGUST, 2011 to any supplier who is a Small Scale or Ancillary Industrial undertaking.
7. The Compromise & Arrangement as sanctioned by the Hon'ble Gujarat High Court is being implemented & accounted accordingly.
8. The requirements of Accounting Standard 22 "Accounting for taxes on income" have been considered and the management is of the opinion that no deferred tax assets / liability needs to be created.
9. In the absence of the taxable income, no provision for taxation has been made U/s.115 JB of The Income Tax Act. However, the tax year end of the Company being 31st March, 2012` the ultimate liability for the A.Y.-2011-2012 will be determined on the total income of the Company for the year ended 31st March, 2012.
10. Auditors Remuneration :-
- | | 31/08/2011 | 31/08/2010 |
|------------|------------|------------|
| Audit Fees | 5000 | 10500 |
| Total | 5000 | 10500 |
11. The Company has not made any provision for Income Tax as the Company does not envisage any liability.
12. Information Pursuant to Schedule VI of The Companies Act, 1956.
- | | | |
|------------------------------------|---------|-----------|
| a. Earning in Foreign Currency | Rs. NIL | (Rs. NIL) |
| b. Expenditure in Foreign Currency | Rs. NIL | (Rs. NIL) |
13. Earnings Per Share: (Rupees in lakhs)
- | Particulars | 2010-11 | 2009-10 |
|---|---------|---------|
| Profit after tax | 22.44 | 35.62 |
| Number of Shares outstanding at the end of the year | 50.00 | 50.00 |
| Basis EPS | 00.45 | 00.71 |
| Nominal Value of Shares | 10.00 | 10.00 |
14. Figures in bracket denotes of Previous Years.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

I. Registration Details:

Registration No. : 007692 State Code : 04
 Balance Sheet Date : 31-08-2011

II. Capital raised during the year (Amount Rs. in lakhs)

Public Issue : Nil Rights Issue : Nil
 Bonus Issue : Nil Private Placement : Nil

III. Position of Mobilization and Deployment of Funds (Amount Rs. in lakhs):

Total Liabilities	Rs. (Lacs)	Total Assets	Rs. (Lacs)
Sources of Funds:		Application of Funds:	
Paid up Capital	500.00	Net Fixed Assets	11.60
Reserves & Surplus	713.18	Net Current Assets	306.02
Secured Loans &	130.25	Investment	1025.81

Unsecured Loans

IV. Performance of Company (Amount Rs. in lakhs):

Turnover & Other Income	91.23	Total Expenditure	68.79
Profit Before Tax	22.44	Profit After Tax	68.79
Earnings per Share	00.45	Dividend (In %)	NIL

V. Generic Name of Principal Product of Company

Item Code No.	(ITC Code)		
Product Description :	- Leasing & Hire Purchase.	- Merchant Banking.	
:	- Corporate Finance.	- Investment Banking.	
:	- Equity Research.	- Portfolio Management.	

As per our report of even date attached.

For Dinesh K. Shah & Co.

For Mehta Integrated Finance Ltd.

Chartered Accountants

sd/-

sd/-

sd/-

Dinesh k. Shah

Darshan V. Mehta

Indira V. Mehta

Partner

Director

Director

Membership # F-0104779

Place: Ahmedabad,

Place : Ahmedabad,

Dated: 24/1/2012.

Dated : 31/1/2012.