

MATHEW EASOW RESEARCH SECURITIES LIMITED

ANNUAL REPORT 2011 - 2012

BOARD OF DIRECTORS

Beda Nand Choudhary - Director
Ram Kumar Dalmia - Director
Atul Kaushik - Director
Aditya Doshi - Whole-time Director & CEO

AUDITORS

Bhandari B. C. & Co.
Chartered Accountants
Kolkata

BANKERS

ING Vysya Bank Ltd
HDFC Bank Ltd.

Regd. Office

"Rajkamal Building"
128, Rash Behari Avenue,
1st Floor, Office S-4
Kolkata 700 029
Tel No. (033) 2464 7022 / 4066 0354
e-mail: mers.ltd@gmail.com

Registrar & Share Transfer Agent
MCS Limited

77/2A, Hazra Road, Kolkata 700029
Phone nos.: (033) 2454 1892/1893
Facsimile no.: (033) 2454 1961
E Mail: mcskol@rediffmail.com

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of the Company will be held at 432, Prince Anwar Shah Road (Surya Sen Mancha), Kolkata 700068 on Friday, the 28th day of September, 2012 at 10.00 A.M. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Beda Nand Choudhary, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint the Statutory Auditors and fix their remuneration and for the purpose to consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Bhandari B. C. & Co. Chartered Accountants, Firm Registration No. 311082E, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be determined by the Board in consultation with the Auditors."

AS SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Aditya Doshi, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) consent of the members of the Company be and is hereby accorded to the appointment of Mr. Aditya Doshi as Whole-time Director of the Company for a period of 3 years w.e.f. 1st August, 2012 at a remuneration not exceeding Rs. 10,000/- p.m. subject to the ceiling of 5% of the net profit of the Company in any financial year, computed in accordance with the provisions of the Act."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the different components of his remuneration within the above stated maximum amount as may be agreed to by the Board and Mr. Aditya Doshi."

"RESOLVED FURTHER THAT Mr. Aditya Doshi shall carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the control and direction of the Board."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board
For Mathew Easow Research
Securities Limited
Pritha Sinha
Company Secretary

Place: Kolkata
Date: 14th August, 2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective, must be received by the Company, duly filled, stamped and signed at its Registered Office not less than 48 hours before the commencement of the Meeting
3. The relative explanatory statement pursuant to section 173(2) of the companies act, 1956 in respect of the special business at item no. 4 above is annexed hereto
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 17th September, 2012 to 28th September, 2012 (both days inclusive).
5. Shareholders are requested to bring the attendance slip alongwith copy of Annual Report at the Annual General Meeting.
6. Members who are holding shares in the demat form are requested to bring their Depository ID Number and Client ID Number to facilitate easier identification for attendance at the meeting.
7. Shareholders desiring any information as regards the Accounts are requested to write to the Company at least ten days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
8. A copy of Balance Sheet as on 31st March, 2012, Statement of Profit and Loss for the year ended on that date, the Auditors' Report, the Directors' Report and all other documents required by law to be annexed or attached to the Balance Sheet shall be available for inspection at the Registered Office of the Company on all working days during business hours between 11.00 a.m. and 1.00 p.m. for a period of 21 days before the date of Annual General Meeting.

9. As required under clause 49 of the Listing Agreement executed with the Stock Exchange(s), a brief profile of the Directors seeking appointment/re-appointment at the Annual General Meeting is given below:

Name of the Director	Mr. Beda Nand Choudhary
Date of Birth	17.02.1970
Qualification	B. Com (Hons.)
Expertise in specific functional areas	He has varied experience inter alia in the field of accounting and financing for the last 19 years.
Directorship held in other public Companies	Mathew Easow Fiscal Services Ltd. R K Manufacturing Co. Ltd. Galaxy Stocks & Securities Ltd.
Committee, Membership	Audit Committee, Remuneration Committee & Shareholder Grievance Committee.
Shareholding in the Company	Nil
Name of the Whole-time Director	Mr. Aditya Doshi
Date of Birth	01.09.1985
Qualification	B. Com
Expertise in Specific functional Areas	He has varied experience inter alia in the field of Accounting and Financing.
Directorship held on other public Companies	Nil
Committee Membership	Nil
Shareholding in the Company	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

The Board of Directors of the Company ('the Board'), at its meeting held on 13th February, 2012, appointed Mr. Aditya Doshi as an Additional Director of the Company. In terms of the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting. The Company has received notice in terms of Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mr. Aditya Doshi as Director of the Company liable to retire by rotation.

Further, pursuant to the Section 269 of the Companies Act, 1956, the Board, in their meeting held on 14th August, 2012, subject to the approval of the members in general meeting, appointed Mr. Aditya Doshi as a Whole-time Director of the Company for a period of 3 years w.e.f. 1st August, 2012.

The principle terms and conditions relating to the appointment of Mr. Aditya Doshi as a Whole-time Director are mentioned in the abstract & memorandum annexed to this Notice.

In terms of the provisions of the Section(s) 257, 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the members is now sought for appointment of Mr. Aditya Doshi as a Whole-time Director of the Company.

Your Directors recommend the passing of the resolution as an Ordinary Resolution.

ABSTRACT OF THE TERMS AND MEMORANDUM OF CONCERN OR INTEREST UNDER SECTION 302 OF THE COMPANIES ACT, 1956

Pursuant to the provisions of Section 198, 269, 309 read with schedule XIII of the Companies Act, 1956 and subject to the approval of the Members of the Company, the Board of Directors at its meeting held on 14th August, 2012 appointed Mr. Aditya Doshi as a Whole-time Director of the Company for a period of 3 years w.e.f. 1st August, 2012 and approved the terms of his appointment and remuneration.

In compliance with the requirements of Section 302 of the Companies Act, 1956, an abstract of the terms and conditions of the appointment of Mr. Aditya Doshi, as a Whole-time Director and the Memorandum of Concern or Interest of the Directors are furnished herein below:

Terms of Appointment

(a) Tenure 1st August, 2012 to 31st July, 2015

(b) Remuneration Not exceeding Rs. 10,000/- p.m.

The above remuneration shall further be subject to the overall ceiling laid down under Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

Memorandum of Concern or Interest:

None of the Directors except Mr. Aditya Doshi himself, may be considered as concerned or interested in the above resolution.

By Order of the Board
For Mathew Easow Research
Securities Limited

Pritha Sinha
Company Secretary

Place: Kolkata
Date: 14th August, 2012

DIRECTORS' REPORT

Your Directors take pleasure in presenting the Eighteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2012.

1. FINANCIAL HIGHLIGHTS

The financial results of the Company are summarized below:

	2011-12	2010-11
	(₹)	(₹)
Profit before Depreciation	15,80,245	7,68,256
Less Depreciation	2,86,626	2,38,336
Provision for Taxation:		
Current Tax	3,86,000	1,66,576
Deferred Tax written back	(11,640)	6,691
Profit after tax	9,19,259	3,56,653
Add: Balance brought forward from previous year	27,53,060	23,96,407
Profit carried forward to Reserve & Surplus	36,72,319	27,53,060

2. PERFORMANCE REVIEW & OPERATIONS

In spite of the economic slowdown, particularly in the financial sector, your company performed reasonably during the year under review and achieved a turnover of Rs. 63,793,388 as compared to Rs. 8,770,739 during the previous year. Your company made a profit of Rs. 9,19,259 as compared to last year profit of Rs. 3,56,653.

Your Company has been mainly into investment activities. However with a view to diversify its business operations, your Company has participated in the bid for empanelment as an Enrolling Agency for undertaking demographic and biometric data collection for UIDAI (AADHAAR Cards). The Company application was approved by the Unique Identification Authority of India, Planning commission, Government of India and your company has been empanelled as an Enrolling Agency for the state of West Bengal, Bihar, Rajasthan, Assam and Jharkhand. The Company is looking for various possibilities for undertaking the said business.

3. DIVIDEND

In order to plough back the profits for future requirements of the company, no dividend is being declared for the year under review.

4. DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Mr. Beda Nand Choudhary, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Aditya Doshi was appointed as an Additional Director of the Company w.e.f 13th February, 2012 in terms of Section

260 of the Companies Act, 1956. Further the Board appointed Mr. Aditya Doshi as a Whole-time Director of the Company for a period of 3 years w.e.f. 1st September, 2012. Mr. Jitendra Patnaik resigned from the directorship of the Company w.e.f 13.02.2012.

5. STATUTORY DISCLOSURES

None of the Directors of the Company are disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956. The Directors have made the necessary disclosures as required by the various provisions of the Act and clause 49 of the Listing Agreement.

6. AUDITORS

M/s. Bhandari B. C. & Co., Chartered Accountants, the Statutory Auditors of the Company are retiring at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has received written confirmation from them, that their re-appointment as Auditors, if made, would be in conformity with the limits prescribed in the said section and that they are not disqualified from being appointed as the Auditors of the Company within the meaning of Section 226 of the said Act.

7. AUDITORS' REPORT

The Auditors' Report and the notes forming part of the accounts are self-explanatory and hence do not require any further explanation from the Directors of the Company on the same.

8. DIRECTORS' RESPONSIBILITY STATEMENTS

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm:

- i) that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had 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 as at 31st March, 2012 and of the profit for the year ended as on that date;
- iii) that the Directors had taken proper and sufficient care 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; and
- iv) that the directors had prepared the Annual Accounts on a going concern basis.

9. PARTICULARS OF EMPLOYEES

During the year under review no employee of the Company was in receipt of remuneration for the whole or part of the year exceeding the limits, prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption, are not applicable to the Company. There was no foreign exchange earnings and outgo during the year under review.

11. CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance practices. The Company's Corporate Governance practices are in accordance with the relevant clauses of the Listing Agreement. A separate section on Corporate Governance is included in the Annual Report and the certificate from the Auditors of the Company regarding the compliances of the conditions of the Corporate Governance is given in annexure attached to and forming part of the Corporate Governance Report.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the stock exchanges, is presented in a separate section forming part of the Annual Report.

13. ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere appreciation for the continued support received by the Company from the shareholders, employees and bankers during the year under report.

For & on behalf of the Board
Beda Nand Choudhary
Director

Ram Kumar Dalmia
Director

Place : Kolkata

Date : 14th August, 2012

Registered Office:

Raj Kamal Building, 1st Floor

128, Rash Behari Avenue

Kolkata 700029

**MANAGEMENT DISCUSSION & ANALYSIS REPORT
INDUSTRY STRUCTURE & DEVELOPMENTS**

The Indian economy started the financial year 2011-12 on a positive note after two good years of 8.4% GDP growth recovering sharply from the global crisis levels of 6.8 percent noticed in 2008-09. Inflation as measured by the wholesale price index (WPI) was high during most of the current fiscal year, though by the year's end there was a clear slowdown. The global economic environment, which has been tenuous at best throughout the year, turned sharply adverse in September 2011 owing to the turmoil in the eurozone, and questions about the outlook on the US economy provoked by rating agencies. The impact of the euro zone debt crisis, a lack of economic reforms and high interest rates dragged on India's growth throughout last year.

The net investment by foreign institutional investors (FIIs) in stock market during 2011-12 was the lowest in the last three years at Rs 47,935 crore. According to SEBI data, this was way below the figure of Rs 1.1 lakh crore in 2010-11 and Rs 96,857 crore during 2009-10. High inflation- high interest rate regime, delay in government policy-making, lack of reforms and corruption scandals soured investors' mood. The rush towards the US Dollar translated into the Rupee weakening, which touched an all time low of INR 54.30/USD in mid December 2011, before the RBI stepped in aggressively with administrative measures. However, from December 2011, both indicators (FII and the exchange rate) have shown improvement as domestic pressures have started easing. Any improvement in global conditions is however expected to play a role in easing current account deficit conditions. Challenges remain on the front of maintaining GDP growth and achieving fiscal targets.

OVERVIEW AND FUTURE OUTLOOK

For the first time, in the last three financial years, the equity market returns turned negative in Financial Year 2011-12. The 30-stock Sensex declined around 10 per cent in Financial Year 2011-12, after gaining a whopping 80 per cent in Financial Year 2009-10 and 11 per cent in Financial Year 2010-11. However, in the fourth quarter, the Sensex recorded its best quarterly performance in the past six quarters gaining 13%. India's securitisation market grew 15% in value terms during 2011-12, while number of transactions grew 32%, according to a report published by ICRA Ratings on Indian Securitisation Market during May 2012. In order to boost the capital markets, the Government of India has proposed various reforms in the Union Budget 2012-13 such as allowing Qualified Foreign Investors (QFIs) to access Indian Corporate Bond Market, simplifying the process of Initial Public Offers (IPOs), Rajiv Gandhi Equity Savings Scheme etc. In Financial year 2012-13, the capital markets will continue to face challenges of global uncertainties (arising mainly out of Europe) and its impact on global risk appetite, local growth rates, inflation, fiscal and current account deficits and Rupee-dollar rate. In view of the overall economic and financial scenario the management is having a cautious approach for the financial year 2012-13. However this trend appears to be temporary and the outlook for the industry looks promising in future.

OPPORTUNITIES & THREATS**Opportunities**

We firmly believe in the Indian economic growth and hence the growth of financial services sector presents us with exciting opportunities as under:

- India's long-term growth story remains intact notwithstanding the hiccups in the past year or two. This presents vast opportunities for us to grow our businesses in each of the verticals of financial services.
- We believe the policy liberalization and forward-looking regulatory changes will help markets grow in size, thus increasing the size of the pie for all participants in financial services business.

Threats

At the same time, we perceive following threats for growth of financial services sector:

- Macroeconomic environment including high inflation, high interest rates, liquidity issues, global commodities prices, fiscal and current account deficit, a poor monsoon and Eurozone crisis can play spoilsport with the India growth story.
- While positive Government policies and regulatory changes do enlarge the scope of opportunities, lack of or delay in reforms or certain regulatory changes can significantly impact the performance of the Company.

RISK AND CONCERNS

Your Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The company is exposed to the market risk (including liquidity risk) and also the factors that are associated with capital market, which inter alia includes economic/business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility, and credit risk. The Company is confident of managing these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

COMPANY'S PERFORMANCE

Please refer the Directors' Report on performance review.

INTERNAL CONTROL SYSTEM

The Company's comprehensive and effective internal control system ensures smooth business operations, meticulously recording all transaction details and ensuring regulatory compliance and protecting the Company's assets from loss or misuse.

The Company has adequate internal control procedures commensurate with its size and nature of business. The objectives of these procedures are to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. The adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodical meetings in line with the dynamic business environment.

HUMAN RESOURCES

The Company has always attached maximum importance for the development of human resource, the vital assets responsible for the continuous success of business. The Company is continuously renewing and updating the knowledge and skill of its employees at all levels through training and development. The Company has developed an environment of harmonious and cordial relations with its employees.

FORWARD-LOOKING STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This report should be read in conjunction with the financial statements included herein and the notes thereto.

For and on behalf of the Board
Beda Nand Choudhary
Director

Ram Kumar Dalmia
Director

Place : Kolkata
Date : 14th August, 2012

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholders' aspirations and societal expectations. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself to increasing long-term shareholders value, keeping in view the needs and interest of all its stake holders. The Company is committed to transparency in all its dealings and places emphasis on business ethics. Your Company has been practicing the principles of good Corporate Governance, which comprise all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management. The following Corporate Governance Practices have been adopted by the Board of Directors:

2. BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

Your Company's Board presently comprises of 4 Directors. 2 Non Executive Independent directors, 1 Non-Executive Non-Independent Director and 1 Whole-time Director.

The details of the directors with regards to the other Indian Directorships (other than Section 25 Companies, Foreign Companies and Private Companies), positions held in any Committees of Board of Directors as well as attendance at Board Meetings / Annual General Meeting are as follows:

Name of the Director	Category	No. of Directorships held in other Companies	No of Membership(s) of Board Committees ** of other Companies as		Shares held
			Member	Chairperson	
Mr. Beda Nand Choudhary	Non Executive	3	1	Nil	Nil
Mr. Ram Kumar Dalmia	Non Executive Independent	1	Nil	Nil	Nil
Jitendra Patnaik #	Non Executive Independent	1	1	Nil	Nil
Atul Kaushik	Non Executive Independent	1	Nil	Nil	Nil
Aditya Doshi \$	Whole-time Director	Nil	Nil	Nil	Nil

**Only positions held in three Committees viz. the Audit Committee, Remuneration Committee and Investor Grievance Committee in Indian Public Limited Companies have been considered.

Mr. Jitendra Patnaik resigned from the Directorship on 13th February, 2012.

\$ Mr. Aditya Doshi was appointed as an Additional Director w.e.f 13th February, 2012. Further, the Board appointed Mr. Aditya Doshi as a Whole-time Director of the Company for a period of 3 years w.e.f. 1st August, 2012.

ATTENDANCE OF DIRECTORS IN THE MEETINGS HELD DURING THE YEAR 2011-12

Eight Board meetings were held during the financial year ended 31st March, 2012 on 7th April, 2011, 30th May, 2011, 12th August, 2011, 30th August, 2011, 21st September, 2011, 14th November, 2011, 1st December, 2011 and 13th February, 2012.

The attendance of Directors at these meetings are as follows:

Name of Directors	No. of Board Meetings Attended	AGM held on 28.09.2011 Attended
Mr. Beda Nand Choudhary	8	Yes
Mr. Ram Kumar Dalmia	8	Yes
Mr. Jitendra Patnaik	7	Yes
Mr. Atul Kaushik	8	Yes
Mr. Aditya Doshi	Nil	No

CODE OF CONDUCT

The Company has a Code of Conduct for all its Board members and Senior Management personnel for avoidance of conflict of interest. It has received the necessary declarations affirming compliance with it from all of them during the period from 01.04.2011 to 31.03.2012.

3. BOARD COMMITTEES

A. AUDIT COMMITTEE

TERMS OF REFERENCE

The Audit Committee has been mandated with the same terms of reference as specified in the Clause 49 of the Listing Agreement with Stock exchanges and covers all the aspects stipulated by the SEBI Guidelines. The terms of reference also fully confirm to the requirements of Section 292A of the Companies Act, 1956.

COMPOSITION, NAME OF MEMBERS AND CHAIRMAN

The Audit Committee comprises of three Non-Executive Directors, out of which two are independent. During the year, the Audit Committee met 5 times to deliberate on various matters on 30th May, 2011, 12th August, 2011, 30th August, 2011, 14th November, 2011 and 13th February, 2012.

The Composition of the Audit Committee and the attendance of each member at these meetings are as follows:

Name of Directors	Position Held	No. of Meetings Attended
Mr. Ram Kumar Dalmia	Chairman	5
Mr. Beda Nand Choudhary	Member	5
Mr. Jitendra Patnaik#	Member	5
Mr. Atul Kaushik*	Member	Nil

* Mr. Atul Kaushik was appointed as a member of the Committee w.e.f 13th February, 2012.

Mr. Jitendra Patnaik ceased to be a member of the Committee w.e.f 13th February, 2012.

The Chairman of the Committee is an Independent Non-Executive Director nominated by the Board.

INVITEES: The Statutory Auditors of the Company are permanent invitees to the meeting.

The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 28th September, 2011 and he ensured that necessary clarifications and explanations were provided to the Members of the Company on issues regarding accounts and finance.

The Quarterly Un-audited Financial Results as well as the Annual Financial Statements are reviewed and examined by the members of the Audit Committee before recommendation of the same to the Board of Directors of the Company for their perusal and approval. The Audit Committee ensures an effective internal control system.

B. REMUNERATION COMMITTEE

The Remuneration Committee comprises of three Non-Executive Directors, out of which two are independent. The Chairman of the Committee, Mr. Ram Kumar Dalmia, is an Independent Director. No meeting of Remuneration Committee was held during the period under review.

The Composition of Remuneration Committee is given below:

Name of Directors	Position Held	Status
1. Mr. Ram Kumar Dalmia	Chairman	Non-Executive, Independent
2. Mr. Jitendra Patnaik*	Member	Non-Executive, Independent
3. Mr. Beda Nand Choudhary	Member	Non-Executive
4. Mr. Atul Kaushik #	Member	Non-Executive, Independent

* Mr. Jitendra Patnaik ceased to be a member of the committee w.e.f. 13th February, 2012.

Mr. Atul Kaushik was appointed as a member of the Committee w.e.f 13th February, 2012.

TERMS OF REFERENCE

The Remuneration Committee of the Board is constituted to (a) formulate from time to time process for selection and appointment of new Directors and succession plans and (b) recommend to the Board from time to time, a compensation structure for Directors and the managers.

COMPENSATION TO NON-EXECUTIVE DIRECTOR

No sitting fee has been paid to the Non-Executives Directors during the period under review for attending the meetings of the Board and its Committees.

C. INVESTORS' GRIEVANCE COMMITTEE

The Company constituted the Committee to oversee the investor grievances in relation to transfer of shares, non-receipt of annual report, dividend and other grievances. It is the policy of the Company to promptly attend to and resolve the complaints received from the shareholders. The Committee also oversees the performance of the Registrar and Transfer Agents of the Company and recommend measures for overall improvement in the

quality of investor services. Mr. Beda Nand Choudhary, Director of the Company, was the Compliance Officer of the Company till 30th April, 2012. The Board has designated Ms. Pritha Sinha, Company Secretary of the Company, as the Compliance Officer w.e.f. 1st May, 2012.

COMPOSITION

The composition of the Investors' Grievance Committee is as follows:

Name of Directors	Positions held	No. of Meetings Held	No. of Meetings attended
Mr. Ram Kumar Dalmia	Chairman	5	5
Mr. Beda Nand Choudhary	Member	5	5
Mr. Jitendra Patnaik*	Member	5	5
Mr. Atul Kaushik#	Member	5	Nil

* Mr. Jitendra Patnaik ceased to be a member of the committee w.e.f. 13th February, 2012.

Mr. Atul Kaushik was appointed as a member of the Committee w.e.f 13th February, 2012.

During the financial year ended 31st March, 2012, five meetings of the Committee were held on 30th May, 2011, 12th August, 2011, 28th September, 2011, 14th November, 2011, and 13th February, 2012.

POSITION AS ON 31ST MARCH, 2012 OF THE SHAREHOLDERS'/INVESTORS' COMPLAINTS RECEIVED & REDRESSED DURING THE FINANCIAL YEAR:

Grievances	Complaints received from			
	Investors	Stock Exchanges	SEBI	ROC
Stop Transfer	Nil	Nil	Nil	Nil
Change of Address	Nil	Nil	Nil	Nil
Demat Related	Two	Nil	Nil	Nil
Non-receipt of Annual Reports	Nil	Nil	Nil	Nil
Non receipt of Certificates	Two	Nil	Nil	Nil
Duplicate Certificates	Nil	Nil	Nil	Nil
Non-receipt of Dividend	Nil	Nil	Nil	Nil
Complaints received from: SEBI/ROC/ Stock Exchange	Nil	Nil	One	Nil

Total Complaints received during the year	Total redressed during the year	No. of grievances outstanding as on 31.03.2012
Five	Five	Nil

4. NOTE ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 IV (G) OF THE LISTING AGREEMENT:

Detail of director seeking appointment/re-appointment in the Annual General Meeting has been provided in the Annual General Meeting Notice attached with the Annual Report.

5. GENERAL BODY MEETING:

(i) LOCATION & TIME OF LAST 3 ANNUAL GENERAL MEETINGS

AGM	Date	Venue	Time	No. of Special Resolutions
17th	28th September 2011	432, Prince Anwar Shah Road, Kolkata 700068	9.30 a.m	None
16th	10th September, 2010	432, Prince Anwar Shah Road Kolkata 700068	9.30 a.m.	Two
15th	23rd September, 2009	432, Prince Anwar Shah Road, Kolkata 700068	9.30 a.m.	None

At the above-mentioned meetings, all the Resolutions were passed on show of hands.

No Resolution was passed during the financial year ended 31st March, 2012 through Postal Ballot.

6. DISCLOSURES

- (a) Details of transactions with related parties during the year have been set out under Point No. J of Note No. 18 to Annual Accounts. However these are not materially significant and do not have any potential conflict with the interests of the Company at large.
- (b) No penalty has been imposed or stricture has been made by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years.
- (c) Your company has been complying with the non-mandatory requirement of the Listing Agreement with respect to Remuneration Committee only.
- (d) The financial statements have been prepared as per the Accounting Standard issued by the Institute of Chartered Accountant of India and as prescribed under Companies (Accounting Standard) Rules, 2006 as applicable.
- (e) The Company has a Risk Management Policy for risk identification, assessment and control to effectively manage risks associated with the business of the Company.

(f) CEO/CFO CERTIFICATION

As required by the Clause 49 of the Listing Agreement, the Certificate duly signed by Mr. Aditya Doshi, CEO & Whole-time Director was obtained.

7. MEANS OF COMMUNICATION

FINANCIAL RESULTS & ANNUAL REPORTS ETC.

The Quarterly Unaudited Financial Results and the Annual Financial Results as taken on record and approved respectively by the Board of Directors of the Company are published in leading newspapers, i.e. The Business Standard/Financial Express (English), Kalanter (Bengali) and are also sent to the Stock Exchanges with which the shares of the Company are listed. The quarterly/annual results, press releases and the presentation made to the institutional investors/analysts are also uploaded on the website of the Company i.e www.mersl.com.

8. GENERAL SHAREHOLDER INFORMATION

(i) ANNUAL GENERAL MEETING DETAILS:

Day & Date	Friday, 28th September, 2012
Venue	432, Prince Anwar Shah Road (Surya Sen Mancha), Kolkata-700068
Time	10.00 a.m.
Book Closure Dates	17th September, 2012 to 28th September, 2012 (both days inclusive)

(ii) The financial year of the Company covers 1st April, 2011 to 31st March, 2012.

(iii) **DIVIDEND PAYMENT DATE: N.A.**

(iv) LISTING OF SHARES ON STOCK EXCHANGES WITH STOCK CODE

STOCK EXCHANGE	STOCK CODE
Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Telephone Nos. : 022-2272 1233/34 Facsimile No. : 022-2272 1919 website : www.bseindia.com	511688
The Calcutta Stock Exchange Ltd. 7 Lyons Range Kolkata 700001 Telephone nos. : 033-2210 4470/77 Facsimile no. : 033-2210 4500 website : www.cse-india.com	023052

The annual listing fees for the financial year 2012-13 have been paid to the aforesaid Stock Exchanges

- (a) ISIN No. for the Company's ordinary shares in demat form: INE963B01019
- (b) Depository Connectivity: NSDL and CDSL.

(V) MONTHLY HIGH AND LOW STOCK MARKET PRICE DATA (in Rs.)

BSE Months	Company's Share Price		BSE Sensex High	BSE Sensex Low
	BSE High	BSE Low		
April, 2011	32.55	29.05	19811.14	18976.19
May, 2011	33.75	28.15	19253.87	17786.13
June, 2011	33.25	28.20	18873.39	17314.38
July, 2011	35.70	30.60	19131.70	18131.86
August, 2011	37.70	30.00	18440.07	15765.53
September, 2011	44.90	34.05	17211.80	15801.01
October, 2011	50.30	40.50	17908.13	15745.43
November, 2011	55.00	46.00	17702.26	15478.89
December, 2011	53.80	47.00	17003.71	15135.86
January, 2012	73.00	49.05	17258.97	15358.02
February, 2012	66.55	63.25	18523.78	17061.55
March, 2012	69.00	58.60	18040.69	16920.61

There has been no transaction in CSE during the year 2011-12.

(vi) REGISTRAR AND SHARE TRANSFER AGENT

MCS Limited
77/2A, Hazra Road, Kolkata 700029
Phone nos.: (033) 2454 1892/1893
Facsimile no.: (033) 2454 1961
E Mail: mcskol@rediffmail.com

(vii) SHARE TRANSFER SYSTEM

All the transfers relating to the physical shares of the Company are processed by M/s. MCS Limited, the Registrar and Share Transfer Agent of the Company and approved by the Share Transfer Committee, which attends the transfer formalities every fortnight. The power of transfer and transmission of shares in demat form has been delegated with M/s. MCS Limited. The Compliance Officer oversees the work of MCS Limited.

(viii) DISTRIBUTION OF SHARE HOLDING AS ON 31st MARCH 2012:

(a) ACCORDING TO CATEGORY OF HOLDING:

Category of Shareholders	No. of shares held	% of holding
Promoters		
Persons acting in concert	2080343	31.28
Non Promoters		
Institutional Investors	Nil	Nil
Mutual Funds & UTI	Nil	Nil
Banks, FIs, Insurance Companies FIs'	Nil	Nil
Others	Nil	Nil
Private Corporate Bodies	247940	3.73
Indian Public	4308913	64.80
NRIs/OCB	12804	0.19
Total	6650000	100

(b) ACCORDING TO NUMBER OF ORDINARY SHARES HELD:

Shareholding	Number of Share holders	% to total Shareholders	Number of shares	% to total Shares
1 - 500	3070	93.28	399704	6.01
501 - 1000	130	3.95	109718	1.65
1001 - 2000	43	1.31	67810	1.02
2001 - 3000	10	0.30	25004	0.37
3001 - 4000	3	0.09	11308	0.17
4001 - 5000	4	0.12	19151	0.29
5001 - 10000	7	0.21	55724	0.84
10001 - 50000	4	0.12	128808	1.94
50001 - 100000	5	0.15	412430	6.20
100001 and above	15	0.46	5420343	81.51
Total	3291	100	6650000	100

(ix) DEMATERIALIZATION OF SHAREHOLDING AND LIQUIDITY:

As per SEBI's Guidelines, Company's Ordinary Shares are compulsorily traded in Dematerialized form for all the investors with effect from 31st May, 1999.

As on 31st March, 2012, 93.98% of the Company's total Ordinary Shares representing 6249658 Shares were held in dematerialized form and 400342 shares representing 6.02% of paid-up share capital were held in physical form. The investors have an option to dematerialize their Ordinary Shares with either of the Depositories.

(x) OUTSTANDING GDRS/ADRS/WARRANT OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY: NIL

(xi) PLANT LOCATION:

The Company is engaged in the business of financial services and has no plant.

(xii) INSIDER TRADING

The Code of internal procedure & conduct under The SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, is in force since 28.04.2002.

(xiii) ADDRESS FOR CORRESPONDENCE

(a) FOR ROUTINE MATTERS:

Any assistance regarding share transfer and transmissions, change of address, non-receipt of dividends, duplicate/missing share certificates, demat and other matters, please write to the Share Department of the Company or contact to the Registrar & Share Transfer Agent.

(b) FOR REDRESSAL COMPLAINTS & GRIEVANCES

The Compliance Officer
Mathew Easow Research Securities Limited
"Rajkamal Building", 1st Floor
128, Rash Behari Avenue
Kolkata 700 029
Phone Nos. (033) 2464 7022/4066 0354
Facsimile: (033) 4066 0354
Email : mers.ltd@gmail.com
Website : www.mersl.com

(9) MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS

Non-executive Directors were being always evaluated by their own peer in the Board meetings during the year 2011-12, although there was no formal peer group review by the entire Board except the Directors concerned.

(10) WHISTLE BLOWER POLICY

The Company does not have any Whistle Blower Policy.
Declaration by the director under clause 49(1) (D) (ii) of the listing agreement

I, Aditya Doshi, Whole-time Director & CEO of Mathew Easow Research Securities Limited declare, that all the members of the Board of Directors and Senior Management personnel have, for the year ended 31st March, 2012, affirmed compliance with the code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchange.

Place : Kolkata
Date : 14th August, 2012

Aditya Doshi
Whole-time Director & CEO

Auditors' Certificate on Corporate Governance

To the Members of

Mathew Easow Research Securities Limited

We have examined the compliance of conditions of Corporate Governance by Mathew Easow Research Securities Limited for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

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 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.

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 BHANDARI B. C. & CO.
Chartered Accountants
Firm Registration No. 311082E
B. C. Bhandari, FCA
Partner
ICAI Membership No: 50196
Kolkata, 14th August, 2012

AUDITORS' REPORT

Auditor's Report to the Members of Mathew Easow Research Securities Limited

1. We have audited the attached Balance Sheet of Mathew Easow Research Securities Limited as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order:
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.

- (e) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with Notes thereon and attached thereto give, in the prescribed manner, the information required by the Companies Act, 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For BHANDARI B. C. & CO.
Chartered Accountants
Firm Registration No. 311082E
B. C. Bhandari, FCA
Partner
ICAI Membership No: 50196
Kolkata, May 30, 2012

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Mathew Easow Research Securities Limited on the financial statements for the year ended 31st March, 2012.

- (i) (a) Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by

the Company during the year.

- (ii) (a) As explained to us, inventories in the form of Shares and Securities have been verified by the management at reasonable intervals to the extent possible and practical.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register, maintained under section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to information and explanations given to us, the particular of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) According to information and explanations given to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has proper and adequate internal audit system commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses as at the ended of the year. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) The Provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- (xiv) Based on our examination of the records and evaluation of the related internal control, the company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the company, in its own name, except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The company has not taken any term loans.
- (xvii) The company did not raise any fund on short-term basis.
- (xviii) The company has not made any preferential allotment of shares during the year.
- (xix) The company has not issued debentures.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For BHANDARI B. C. & CO.
Chartered Accountants
Firm Registration No. 311082E
B. C. Bhandari, FCA
Partner
ICAI Membership No: 50196
Kolkata, May 30, 2012

MATHEW EASOW RESEARCH SECURITIES LIMITED

BALANCE SHEET AS AT 31st MARCH, 2012

EQUITY & LIABILITIES	NOTE	As at 31.3.2012 ₹	As at 31.3.2011 ₹
SHAREHOLDERS' FUNDS			
Share Capital	1	66,500,000	66,500,000
Reserves & Surplus	2	44,702,959	43,783,700
		<u>111,202,959</u>	<u>110,283,700</u>
NON CURRENT LIABILITIES			
Long-term borrowings	3	427,449	509,806
Deferred Tax Liabilities	4	325,084	336,724
		<u>752,533</u>	<u>846,530</u>
CURRENT LIABILITIES			
Trade Payables	5	-	65,296
Other current liabilities	6	70,466	76,564
Short-term provisions	7	496,700	204,901
		<u>567,166</u>	<u>346,761</u>
		<u>112,522,658</u>	<u>111,476,991</u>

ASSETS	NOTE	As at 31.3.2012 ₹	As at 31.3.2011 ₹
NON CURRENT ASSETS			
Fixed Assets			
- Tangible Assets	8	2,714,867	2,942,493
- Capital Work in Progress		83,200	-
Long-term loans and advances (Unsecured, considered good) - Security Deposit		45,523	45,523
		<u>2,843,590</u>	<u>2,988,016</u>
CURRENT ASSETS			
Inventories	9	28,863,047	55,841,839
Trade Receivables	10	31,178,907	-
Cash & cash equivalents	11	902,672	33,701,222
Short Term Loans and Advances	12	48,734,442	18,945,914
		<u>10,96,79,068</u>	<u>19,84,88,975</u>
		<u>112,522,658</u>	<u>111,476,991</u>

Significant Accounting Policies and Notes to Financial Statements 18

As per our Report of even date.

For **Bhandari B.C. & Co.**
Chartered Accountants
Firm Registration No.311082E

B. C. Bhandari, FCA
Partner
Membership No. 50196
Kolkata, 30th May, 2012

Directors	Ram Kumar Dalmia
	Beda Nand Choudhary
	Atul Kaushik
	Pritha Sinha Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

INCOME	NOTE	As at 31.3.2012 ₹	As at 31.3.2011 ₹
Revenue from Operations	13	68,623,460	10,536,310
Other Income	14	7,840	-
		<u>68,631,300</u>	<u>10,536,310</u>
EXPENDITURE	NOTE	As at 31.3.2012 ₹	As at 31.3.2011 ₹
Purchases of Stock in trade		38,372,365	48,256,865
Changes in Inventories of Stock in trade	15	26,978,792	(39,806,779)
Security Transaction Tax		93,695	62,533
Personnel Expenses	16	540,000	547,350
Administrative Expenses	17	979,153	684,435
Depreciation	8	286,626	238,336
Contingent Provisions on Standard Assets		87,050	23,650
		<u>67,337,681</u>	<u>10,006,390</u>
PROFIT BEFORE TAX		1,293,619	529,921
Less: Tax Expense - Current tax		386,000	166,576
- Deferred Tax		(11,640)	6,691
PROFIT FOR THE YEAR		<u>919,259</u>	<u>356,653</u>
Basic/Diluted earning per share		0.14	0.12

Significant Accounting Policies and Notes to Financial Statements 18

As per our Report of even date.

For **Bhandari B.C. & Co.**
Chartered Accountants
Firm Registration No.311082E

B. C. Bhandari, FCA
Partner
Membership No. 50196
Kolkata, 30th May, 2012

Directors	Ram Kumar Dalmia
	Beda Nand Choudhary
	Atul Kaushik
	Pritha Sinha Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-12 ₹	2010-11 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Statement of Profit and Loss	1293619	529920
Adjustments for:		
Depreciation	286626	238336
Contingent Provisions on Standard Assets	87050	23650
Interest on Car Loan	52480	28738
Income Tax for earlier year	31147	10000
Loss on Sale of Fixed Assets	---	---
Operating Profit Before Working Capital Changes	1750922	830644
Adjustments for:		
(Increase) / Decrease in Inventories	26978792	(39806779)
(Increase) / Decrease in Trade receivables	(31178907)	---
(Increase) / Decrease in Loans & Advance	(29614969)	(1421939)
Increase / (Decrease) in Current Liabilities	(71394)	81222
Cash Generated from Operations	(32135556)	(40316852)
Taxes Paid	(385957)	(468890)
Net Cash from Operating Activities	(32521513)	(40785742)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(142200)	(851914)
(Purchase) / Sale of Investment	---	---
Net Cash from Investing Activities	(142200)	(851914)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	---	73000000
Secured Loan-Car Loan	(82357)	509806
Interest on Car Loan	(52480)	(28738)
Net Cash from Financing Activities	(134837)	73481068
Net Increase/ (Decrease) in Cash & Cash Equivalents (A) + (B) + (C)	(32798550)	31843412
Cash & Cash Equivalents at the beginning of the year	33701222	1857810
Cash & Cash Equivalents at the end of the year	902672	33701222

Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard-3 on "Cash Flow Statement".
- Cash and Cash Equivalents include Cash-in-Hand and Bank balances in Current and term deposit accounts. (Refer Note No.11)
- Figures in brackets indicate Cash outflow.

As per our Report of even date.

For **Bhandari B.C. & Co.**
Chartered Accountants
Firm Registration No.311082E

B. C. Bhandari, FCA
Partner
Membership No. 50196
Kolkata, 30th May, 2012

Directors

Ram Kumar Dalmia
Beda Nand Choudhary
Atul Kaushik
Pritha Sinha
Company Secretary

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.3.2012 ₹	As at 31.3.2011 ₹
NOTE-1 : SHARE CAPITAL		
<u>Authorised Capital</u>		
9000000 Equity shares of Rs 10/- each	90,000,000	90,000,000
100000 Preference Shares of Rs.100/- each	10,000,000	10,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
<u>Issued, Subscribed & Paid-up Capital</u>		
6650000 Equity Shares of Rs. 10/- each fully paid-up	66,500,000	66,500,000
	<u>66,500,000</u>	<u>66,500,000</u>
The details of Shareholders holding more than 5% shares:	No. of shares (%) as at 31.3.2012	No. of shares (%) as at 31.3.2011
Mathew Easow Fiscal Services Limited	1495946 (22.50%)	1495946 (22.50%)
Vista Vyapaar Private Limited	584397 (8.79%)	584397 (8.79%)
NOTE-2 : RESERVES & SURPLUS		
<u>Securities Premium Account</u>		
As Per Last Balance Sheet	36,500,000	36,500,000
<u>Special Reserve</u>		
As Per Last Balance Sheet	4,530,640	4,530,640
<u>Surplus i.e. Balance in Statement of Profit & Loss</u>		
As Per Last Balance Sheet	2,753,060	2,396,407
Add: Profit for the year	919,259	356,653
	<u>3,672,319</u>	<u>2,753,060</u>
	<u>44,702,959</u>	<u>43,783,700</u>
NOTE-3 : LONG TERM BORROWINGS		
<u>SECURED:</u>		
from Tata Capital Ltd (Against hypothecation of Motor Car)	427,449	509,806
	<u>427,449</u>	<u>509,806</u>
Maturity profile of above:	2012-13	2013-14
	106395	118765
		2014-15
		132686
		2015-16
		69603
NOTE-4 : DEFERRED TAX LIABILITY		
Tax impact of differences between carrying amount of Fixed Assets in the financial statements and Income Tax	325,084	336,724
	<u>325,084</u>	<u>336,724</u>
NOTE-5 : TRADE PAYABLES		
Micro, Small and Medium Enterprises		
Others	---	65,296
	---	<u>65,296</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.3.2012 ₹	As at 31.3.2011 ₹
NOTE-6 : OTHER CURRENT LIABILITIES		
Liabilities for Expenses	58,989	67,714
Professional Tax	-	4,350
TDS Payable	11,477	4,500
	<u>70,466</u>	<u>76,564</u>
NOTE-7 SHORT TERM PROVISIONS		
Provision for tax	386,000	181,251
Contingent Provisions on Standard Assets	110,700	23,650
	<u>496,700</u>	<u>204,901</u>
NOTE-8 : FIXED ASSETS		
Separate sheet attached		
NOTE-9 : INVENTORIES		
(As taken valued and certified by the management)		
Shares & Securities	28,863,047	55,841,839
	<u>28,863,047</u>	<u>55,841,839</u>
NOTE-10: TRADE RECEIVABLES		
(unsecured, considered good)		
Over six months	---	---
Others	31,178,907	---
	<u>31,178,907</u>	<u>---</u>
NOTE-11: CASH & CASH EQUIVALENTS		
Balance with Bank in Current Accounts	171,197	32,592,030
in Fixed Deposit	208,819	---
(lein with bank for bank guarantee)	522,656	1,109,192
Cash in hand	<u>902,672</u>	<u>33,701,222</u>
NOTE-12: SHORT TERM LOANS AND ADVANCES		
(unsecured, considered good)		
Loans and advances	44,280,108	9,960,139
(Advance recoverable in cash or in kind or for value to be received)	4,009,375	8,714,375
Income Tax Refundable (AY 2009-10 - pending rectification)	12,132	---
Income Tax Payments & TDS Asst year 2009-10	---	104,155
Income Tax Payments & TDS Asst year 2011-12	---	167,245
Income Tax Payments & TDS Asst year 2012-13	432,827	---
	<u>48,734,442</u>	<u>18,945,914</u>
NOTE-13 : REVENUE FROM OPERATIONS		
Sales	63,793,388	8,770,739
Interest (TDS Rs.432827/-, prv yr Rs.167245/-)	4,725,961	1,749,067
Dividend	202,061	2,834
Profit/(Loss) on Rate Difference Transactions (Net)	(97,950)	13,670
	<u>68,623,460</u>	<u>10,536,310</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE : 8 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.11	Additions	Deduction/ Adjustment	As on 31.03.12	Upto 31.03.11	For the year	Adjustments	Upto 31.03.12	As at 31.03.12	As at 31.03.11
Tangible Assets										
Office Premises	2051305	-	-	2051305	627109	33,436	-	560546	1490769	1524196
Computer	221260	-	-	221260	97846	35,091	-	132937	88323	123414
Furniture & Fixture	1024943	-	-	1024943	874467	64,879	-	939346	85597	150476
Office Equipment	576237	59,000	-	635237	283249	29,601	-	312850	322387	292988
Motor Car	1301253	-	-	1301253	449834	123,619	-	573453	727800	851419
CURRENT YEAR	5174998	59,000	-	5233998	2232505	286626	-	2519131	2714867	2942493
PREVIOUS YEAR	4323084	851914	-	5174998	1994169	238336	-	2232505	2942493	-
Capital Work in Progress									83200	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.3.2012 ₹	As at 31.3.2011 ₹
NOTE-14 : OTHER INCOME		
Interest on IT Refund	7,840	—
	<u>7,840</u>	<u>—</u>
NOTE-15 : CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories (at year end)		
Closing Stock of shares & securities	28,863,047	55,841,839
Inventories (at Commencement)		
Opening Stock of shares & securities	55,841,839	16,035,060
	<u>26,978,792</u>	<u>(39,806,779)</u>
NOTE-16 : PERSONNEL EXPENSES		
Salaries & Bonus	540,000	595,300
Staff Welfare Expenses	-	28,097
	<u>540,000</u>	<u>623,397</u>
NOTE-17 : ADMINISTRATIVE EXPENSES		
Advertisement	23,406	21,131
Audit Fees	58,989	57,908
Bank Charges	11,765	4,604
Books & Periodicals	4,900	41,401
Custodian Charges	25,845	14,357
Demat Charges	710	1,683
Electricity Charges	2,930	3,039
Filing Fees	1,500	4,000
Income Tax for earlier year	31,147	10,000
Interest on Car Loan	52,480	28,738
Internal Audit Fees	15,000	15,000
Legal & Professional Fees	179,400	132,107
Listing Fees	151,763	83,277
Management Trainee Stipends	122,400	54,600
Membership & Subscription	—	1,000
Misc Expenses	1,510	5,956
Motor Car Running & Maintenance	29,540	40,197
Office Expenses	11,745	12,705
Postage & Courier	15,906	41,905
Printing & Stationary	31,500	36,700
Rent, Rates & Taxes	27,712	4,926
Repair & Maintenance	30,064	13,545
Share Registrar & Transfer Agent Fee	29,585	9,806
Telephone Charges	38,774	17,344
Transaction, Turnover Charges etc.	25,538	11,245
Travelling & Conveyance	20,044	17,261
UID Tender / Registration Fee	35,000	—
	<u>979,153</u>	<u>684,435</u>

NOTE NO.18: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

- A. The Financial Statements have been prepared in accordance with applicable Accounting Standards and as per relevant presentation requirements of the Companies Act, 1956. The Financial Statements have been prepared according to the double entry system of accounting and on accrual basis except expenditure on gratuity, leave pay and Bonus etc. which are accounted for as and when actual payments are made.
- B. The Company is registered as a Non-Banking Financial (Non-Deposit Accepting) Company with the Reserve Bank of India.
- C. FIXED ASSETS are stated at original cost of acquisition (including related incidental expenses) reduced by depreciation.
- D. Depreciation has been provided on pro-rata basis on the Straight Line Method at the rates and in the manner as provided in Schedule XIV to the Companies Act 1956.
- E. INVENTORIES: Inventories are valued at lower of cost or net realizable value and in accordance with guidelines issued by Reserve Bank of India as applicable to NBFC.
- F. CONTINGENT PROVISIONS ON STANDARD ASSETS: The Company has made Contingent Provisions on Standard Assets @ 0.25% in accordance with Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- G. The tax expense for the year, comprising of the current tax and deferred tax is included in determining the net profit/loss for the year. Provision for the current tax is based on tax liability computed in accordance with relevant tax rates and tax laws. Provision on deferred tax is made for all timing differences arising between taxable incomes and accounting income at rates that have been enacted or substantively enacted as of the Balance Sheet date. The breakup of Net Deferred Tax is as follows:

	As at 31.3.2012 (₹)	As at 31.3.2011 (₹)
Deferred Tax Liabilities:		
Tax impact of differences between carrying amount of Fixed Assets in the financial statements and Income Tax	3,25,084	3,36,724
Net Deferred Tax Liability	<u>3,25,084</u>	<u>3,36,724</u>

- H. CONTINGENT LIABILITIES not provided for in respect of

	As at 31.3.2012	As at 31.3.2011
Un-expired bank Guarantee	Rs 2,00,000	Nil

- I. As the Company has no activities other than those of a Non-Banking Financial Company, the segment reporting under Accounting Standard 17 "Segment Reporting" is not applicable. The Company does not have any reportable geographical segment.

- J. Information given in accordance with the requirements of Accounting Standard-18 on Related Party Disclosures issued by Institute of Chartered Accountants of India:

List of Related Parties	Nature of Relationship
i. Beda Nand Choudhary	Key Managerial Personnel
ii. Mathew Easow Fiscal Services Ltd	Company under common management
Transaction with Related Parties:	Nil.

- K. There is no liability towards Gratuity, leave pay, PF, ESI and/or any other type of retirement benefits. Hence, the requirements prescribed under Accounting Standard-15 have not been complied.

- L. Separate disclosures for the amount due to Small Scale Industrial undertakings under the head Current Liabilities/ Creditors could not be made as the Company does not possess the requisite information.

- M. The Micro, Small and Medium Enterprises Development Act, 2006 mandates disclosure related to payment and accrual of interest on delayed payments to suppliers classified as Micro, Small and Medium Enterprises under the Act. The Company has not received intimation from any of its suppliers regarding the status of their registration under the said Act and hence separate disclosures could not be made.

N. Payments to Statutory Auditors:

Particulars	Current year (Rs)	Prev year (Rs)
Audit Fee	45000.00	45000.00
Tax Audit Fee	7500.00	7500.00
Service Tax	6489.00	5408.00
TOTAL	58989.00	57908.00

O. Quantitative Information of stock-in-trade:

		Current Year		Previous Year	
		Quantity	₹	Quantity	₹
Opening Stock	Shares/ETF	738209.005	55841839	339365.005	16035060
Purchases	Shares/ETF	726885.000	38372365	539411.000	48256865
Sales	Shares/ETF	629155.000	63793388	140567.000	8770739
Closing Stock	Shares/ETF	799910.005	28863048	738209.005	55841839

P. Details of Earnings per share :-

	Current year (₹)	Prev year (₹)
Net Profit as per Statement of Profit and Loss	919259	356653
Weighted average number of shares for computing Basic and Diluted earnings per share	6650000	3100000
Earnings per share (Weighted average) (As per Accounting Standard 20 Earnings Per Share)		
Basic and Diluted	0.14	0.12

Q. Previous year's figures have been regrouped/rearranged where necessary to conform to this year's classification.

As per our Report of even date.

For **Bhandari B.C. & Co.**
Chartered Accountants
Firm Registration No.311082E

B. C. Bhandari, FCA
Partner
Membership No. 50196
Kolkata, 30th May, 2012

Directors

Ram Kumar Dalmia
Beda Nand Choudhary
Atul Kaushik
Pritha Sinha
Company Secretary

ATTENDANCE SLIP

Please fill in the Attendance Slip and hand it over at the Entrance of the Meeting Hall. Joint Shareholders may obtain Additional Slip on Request.

Folio No.

DP Id.* Client Id.*

Name of the Shareholder(s)

Address of the Shareholder

..... PIN

No. of Shares held Signature(s)

I / We hereby record my/our presence at the 18th Annual General Meeting of the Company held on Friday, 28th September, 2012 at 10.00 A.M. at 432, Prince Anwar Shah Road(Surya Sen Mancha), Kolkata 700068.



PROXY

Folio No.

DP Id.* Client Id.*

I / We

Being a member/members of Mathew Easow Research Securities Limited hereby appoint
..... or failing him/her of
as my/our proxy to vote for me/us and on my/our behalf at the 18th Annual General Meeting of the Company held on Friday, 28th September, 2012 at 10.00 A.M. at 432, Prince Anwar Shah Road(Surya Sen Mancha), Kolkata 700068 or any adjournment thereof.

Signature of the Shareholder(s) Signature of Proxy (s)

*Applicable for investors holding shares in electronic form

Date/...../2012

**Affix
Re. 1/-
Revenue
Stamp**

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

BOOK POST

If undelivered please send to :-

Mathew Easow Research Securities Limited

Regd. Office : Rajkamal Building, 128 Rash Behari Avenue, 1st Floor, Kolkata - 700 029