

A Asit C. Mehta Group Company

Asit C. Mehta Financial Services Ltd

27th Annual Report
2010-2011

FINANCIAL HIGHLIGHTS

(₹ In Lakhs)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Net worth*	1,151	1,201	1,128	1,129	1,153	1,075	762	611	601	795
Borrowings	327	289	240	181	173	63	9	164	269	278
Net Fixed Assets	4,704	1,148	1,107	1,120	1042	869	488	534	616	624
Investments	605	605	605	306	331	306	311	311	310	312
Book value per share -Rs	23.24	24.24	22.75	22.80	23.27	21.71	22.14	17.75	17.49	22.81
Gross Income	89	177	263	482	702	694	290	406	306	390
Operating and Other expenses	118	90	228	444	490	424	140	416	417	378
Profit Before Tax / (Loss)	(29)	87	35	38	212	270	150	(10)	(111)	12
Profit After Tax / (Loss)	(50)	101	35	31	210	252	150	13	(170)	12
Equity Dividend per share - Rs	-	0.50	0.75	1.00	2.50	2.00	-	-	-	-

*excluding revaluation reserve

Green Initiative

The Ministry of Corporate Affairs (MCA) has initiated 'Green Initiative' in Corporate Governance by allowing paperless compliances by companies. In accordance with circulars issued by MCA, companies can send notices, annual reports and other documents to their members by e-mail. Your Company requests its Members, to support the 'Green Initiative' as responsible citizens.

The Company proposes to send future communication (including annual reports) to the Members to their e-mail addresses registered with the Depository Participants (DP) / the Company.

Members, holding shares in demat form, are requested to register / update their e-mail id with their DPs.

Members, holding shares in physical form, are requested to register their e-mail id with the Company by sending an e-mail addressed to 'investorservices@nucleusservices.com' giving their details of shareholding with name, address and folio number.

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS : **ASIT C. MEHTA** – Chairman
DEENA A. MEHTA
KIRIT H. VORA
VIJAY G. LADHA – (Chairman – Audit Committee)
DR. R. KRISHNAMURTHY
D. SUNDERARAJAN

Registered Office : ‘Nucleus House’, Saki-Vihar Road,
Andheri (East), Mumbai – 400072

Auditors : M/s Manek & Associates
Chartered Accountants

Bankers : Bank of India

Share Transfer Agent : Link Intime India Private Limited
C 13 Pannalal Mills Compound, LBS Marg,
Bhandup W, Mumbai 400 078

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27th Annual General Meeting
on on Friday, 9th September, 2011 at 11.15 a.m. at the Registered Office at ‘Nucleus House’,
Saki Vihar Road, Andheri (East), Mumbai – 400072

ASIT C MEHTA FINANCIAL SERVICES LIMITED

Registered Office: 'Nucleus House', Saki Vihar Road, Andheri (E), Mumbai 400 072

Notice

Notice is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Members of Asit C. Mehta Financial Services Limited will be held on Friday, 9th September, 2011 at the registered office of the Company at Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai – 400072 at 11.15 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt Audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date and the Report of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Asit C. Mehta who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. Vijay G. Ladha who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

REGISTERED OFFICE

Nucleus House,
Saki – Vihar Road, Andheri (East),
Mumbai – 400 072

Mumbai, May 30th, 2011

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA
CHAIRMAN

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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing a proxy in order to be effective should be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The details under clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd, in respect of a Director seeking re-election at the Annual General Meeting are given in the Corporate Governance Report.
3. The Register of Members and Share Transfer Books will remain closed from 6th September, 2011 to 9th September, 2011 (both days inclusive).
4. Section 109A of the Companies Act, 1956 provides for Nomination by the shareholders of the Company in prescribed Form 2B. Shareholders are requested to avail this facility.
5. Since the Company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares in demat form.
6. Any member(s) seeking further information on the Accounts / Operations of the Company are requested to send their queries in writing to the Company at its Registered Office (and marked to the attention of Company Secretary) at least one week in advance of the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
7. Members / proxies should bring their Attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of the Company's Annual Report.
8. Members are requested to notify immediately any change in their addresses to the Registered Office.

REGISTERED OFFICE

Nucleus House,
Saki – Vihar Road, Andheri (East),
Mumbai – 400 072

Mumbai, May 30th, 2011

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA
CHAIRMAN

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present the 27th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2011.

1. FINANCIAL RESULTS:

₹ in lacs

	STANDALONE		CONSOLIDATED	
	2010 – 11	2009 – 10	2010 – 11	2009 – 10
Income from Operations	61.83	89.09	318.55	582.28
Other Income	27.81	88.02	16.88	52.27
Total Income	89.64	177.11	335.43	634.55
Profit before depreciation, interest and tax	41.98	139.56	(86.41)	76.85
Less: Depreciation	25.39	20.91	67.16	73.91
Interest	45.09	31.69	70.93	57.68
Tax Expense / (Credit)	21.33	(14.70)	14.96	(21.04)
Profit / (Loss) After Tax	(49.83)	101.66	(239.46)	(33.71)
Profit / (loss) of share in Associate concern	NA	NA	(77.86)	15.93
Profit after tax and share in Associate concern	NA	NA	(317.32)	(17.78)
Add: Balance brought forward	87.38	13.80	254.03	304.15
Balance available for appropriation	37.55	115.46	63.29	286.37
Which the Directors have appropriated as:				
– Proposed Dividend	-	24.01	-	24.01
– Tax on Dividend	-	4.08	-	8.32
– Balance to be carried forward	37.55	87.38	63.29	254.03

2. DIVIDEND

The Board of Directors does not recommend any dividend.

3. OPERATIONAL REVIEW

On a Standalone basis, the earnings were mainly from rental and dividend income and the profit on partial sale of shares held by Trust whose sole beneficiary is the Company. The Company also earned nominal revenue from G-sec business. The gross earnings aggregated to ₹ 90 lacs.

On a consolidated basis, the gross revenues declined from ₹ 634 lacs to ₹ 335 lacs mainly due to drop in revenues from ITES business of Nucleus GIS And ITES Ltd (NGIL) – a wholly-owned subsidiary company. NGIL suffered a loss of ₹ 184 lacs (after providing ₹ 90 lacs for doubtful debt) as its revenues declined from ₹ 553 lacs in the previous year to ₹ 288 lacs in the year under review. Certain managerial and operational restructuring (including cost control) was undertaken to arrest the loss. Few potential contracts which were anticipated during the year did not materialize. Due to litigation with debtors from whom substantial payments are overdue, the non-realization of debts resulted in borrowings which increased the interest burden of NGIL.

4. OUTLOOK

The Company would continue to earn steady rental and is also likely to earn dividend income from the existing investment. The Company is also exploring the possibility of raising funds and making further investment in Asit C Mehta Investment Intermediates Ltd with a view to increase its strategic investment in the medium to long-term period. ITES business would continue to be operated by NGIL. Barring unforeseen circumstance the outlook appears to be cautious.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- i. in preparation of the annual accounts, the applicable accounting standards have been followed by the Company;
- ii. appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv. the annual accounts have been prepared on a 'going concern' basis.

6. Fixed Deposits

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

7. INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

a) Conservation of energy, Technology absorption and adoption:

The operations of your Company involve low energy consumption. Energy conservation efforts are being pursued on a continuous basis. Close monitoring of power consumption is maintained to minimize wastage and facilitate optimum utilization of energy. The Company has not imported any technology nor incurred any expenditure on research and development of technology.

b) Particulars of employees:

The Company had no employee covered in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Foreign exchange earnings and outgo: ₹ Nil

8. MANAGEMENT DISCUSSION AND ANALYSIS

The "Management Discussion and Analysis Report" is furnished separately and forms part of this Directors' Report.

9. CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd, is annexed hereto and forms part of the Annual Report.

10. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Mr. Asit C Mehta and Mr. Vijay G. Ladha retires by rotation at the ensuing Annual General meeting and being eligible, offers themselves for re-election.

The information on the particulars of the Directors seeking re-appointment as required under clause 49 of the Listing Agreement has been given in the Report on Corporate Governance.

11. SUBSIDIARY COMPANIES

In terms of General Circulars Nos 2/2011 and 3/2011 dated 8.2.2011 and 21.2.2011 respectively issued by the Ministry of Corporate Affairs under section 212(8) of the Companies Act, 1956 granting general exemption from attaching financials of the subsidiaries the same are not attached. These financials will be kept open for inspection by any shareholder at the registered office of the Company and will also be placed before the ensuing Annual General Meeting.

The relevant financial data of the subsidiaries have been furnished under 'Details of Subsidiaries' forming part of this Annual Report.

12. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standards 21 and 23 issued by the Institute of Chartered Accountants of India, the consolidated financial statement incorporating the operation of the Company, its subsidiary and associate concern have been attached hereto which forms part of the Annual Report.

13. AUDITORS

The Company's Auditors, Manek & Associates as the Statutory Auditor would retire at the ensuing Annual General Meeting and confirmed their eligibility and willingness to accept the office of the auditors, if reappointed. The Audit Committee and the Board recommends their reappointment.

14. APPRECIATION

The Directors thank the banker and shareholders for their continued support to the Company. The Directors also look forward for the continuing support from the shareholders.

For and on behalf of the Board of Directors

Asit C Mehta
Chairman

Mumbai, 30th May, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review:

The Company operates through its wholly-owned Indian subsidiary and associate concern. The Company also earns revenues from letting out of properties to group concerns and income from dividends.

The Company's wholly-owned Indian subsidiary – Nucleus GIS And ITES Ltd (NGIL) is engaged into ITes / BPO services.

In the third year of its operation NGIL's performance for the year 2010-11 was unsatisfactory as the Company reported a loss after tax of (₹) 183.63 lacs after making a provision of (₹) 90.32 lacs for doubtful debt.

Financial Performance:

A) Consolidated Financial Results for the year ended 31st March, 2011 as shown in Table below is of the Company, its wholly-owned two subsidiaries.

Summarized Consolidated financials

(₹) in lacs

Segment Revenue			Segment Results Profit / (Loss)		
	2010-11	2009-10		2010-11	2009 10
ITeS	287.56	552.85	ITeS	(153.41)	(21.72)
Investments Activities	30.98	29.36	Investments Activities	(71.59)	(21.84)
Unallocable	16.88	37.81	Unallocable	0.49	(11.18)

B) Standalone Financial Results:

The following table gives an overview of the Standalone financials of the Company (Unconsolidated):

((₹) in lacs)

Particulars	2010 – 11	2009 – 10
Revenues from Operations	61.83	89.01
Other Income	27.81	88.10
Total revenue	89.64	177.11
Total Expenditure	118.14	90.15
Profit before Tax	(28.50)	86.96
Profit after tax	(49.82)	101.66

The Share Capital remained unchanged.

Fixed Assets consisting of Office premises were revalued and at the year end the Net Block stood at (₹) 4704 lacs.

During the year total investments remained unchanged except sale of investment of (₹) 874/-

Borrowings (Bank Term Loan) stood at (₹) 285.19 lacs as against (₹) 289.29 lacs in the previous year.

Opportunities, Threats, risks and concerns

The future outlook of the Company depends on the performance of its wholly-owned subsidiary – Nucleus GIS And ITES Ltd (NGIL) which is engaged into ITes Services.

As per NASCOMM:-

- the IT-BPO industry to reach USD 71.7 billion;
- the industry will continue to diversify in terms of geographies, verticals and service lines;
- Domestic BPO is recording a growth of above 40 per cent in INR terms. The growth is led by the BFSI, Telecom and Airline industries.

This augurs good for NGIL. Customers perception of outsourcing is constantly changing and they are looking outsourcing as a tool to meet their ever changing dynamic business environment. Customers are seeking vendors / associates with mature processes, stability and good track record of not only delivering cost savings but also who show sustained and continuous improvements in productivity. NGIL is endeavoring for the same. The IT sector future remains bright coupled with vast business opportunities.

NGIL's performance is exposed to certain threats and risks and concerns like operational risk of normal business competition, financial risk of currency exposure for exports of ITeS, resource risk of adequate manpower and finance etc. NGIL is also exposed to a weak bargaining power due to the fact that its potential and existing customer universe is large institutional players. In addition, NGIL is exposed to client concentration risk due to the fact that it has few clients

The Company also has a strategic investment in an Associate concern engaged into Stock broking and allied financial services. The outlook of the Associate would largely depend on the volatility of the Stock Markets, which has direct correlation with the prospect of economic growth and political stability. The company is exposed to keen competition from domestic and international players in its field of operations. Due to the wide retail and wholesale nature of its business, it is also exposed to various risks such as operations, regulatory compliance gaps, bad debts, skilled employee attrition, falling savings allocation by savers to capital markets etc

Internal Control systems and their adequacy

The Company continues to have in place adequate and proper systems of internal control commensurate with the nature and size of its operations. The Company also continues to avail the services of external firm for conducting internal audits at periodic intervals. The Audit Committee meets at regular intervals and reviews inter alia the internal checks and their accuracy.

Human Resources

The relations with the employees (including that of its subsidiary) remained cordial.

CORPORATE GOVERNANCE REPORT

As per Clause 49 of the Listing Agreement entered into with Stock Exchanges, the Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2011.

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company is committed to observance of best corporate governance practices in the business dealings encompassing all its stakeholders. The Company endeavors to ensure higher degree of transparency, control, accountability and responsibility in all areas of operations. The Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve its ultimate goal of maximizing value for all its stakeholders.

II. BOARD OF DIRECTORS:

A. Composition of Board

The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 1956, the Articles of Association of the Company and Clause 49 of the Listing Agreement with The Bombay Stock Exchange Ltd. As at 31st March, 2011, the strength of the Board of Directors was six non-executive members including promoter group / independent directors. The composition of the Board is compliant with the requirements of clause 49(I)(A) – i.e., more than 50% of the directors are non-executive and more than 33% of the directors are independent directors.

The table below gives the composition of your Board and the number of outside directorships held and number of memberships/ chairmanships of Board Committees of other Companies held by each of the Directors.

Name & Designation	Category	No. of Board Meetings held	No. of Board Meetings attended	No. of Directorships in other companies	No. of Committee positions held in Other companies		Attendance at the AGM held on 1.09.2010
					Member	Chairman	
Mr. Asit C. Mehta, Chairman	Promoter and Non-Executive Director	4	4	7	1	Nil	Yes
Mrs. Deena A. Mehta, Director	Promoter and Non-Executive Director	4	4	10	2	Nil	Yes
Mr. Kirit H. Vora, Director	Non-Executive and non independent Director	4	4	6	1	Nil	Yes
Mr. Vijay Ladha, Director	Independent and Non-Executive Director	4	3	1	Nil	Nil	No
Dr. R. Krishnamurthy, Director	Independent and Non-Executive Director	4	3	1	Nil	Nil	No
D Sunderajan Director	Independent and Non-Executive Director	4	3	1	Nil	Nil	No

None of the directors of your company hold directorship in more than 15 public companies or is a member of more than 10 committees or is the Chairman of more than 5 committees across all the companies in which they are directors.

Necessary information as required by Annexure 1A to Clause 49 of the Listing agreement is placed before the Board.

B. Meetings of the Board:

During the financial year ended 31st March, 2011, four meetings of the Board were held 27th May, 2010, 11th August, 2010, 12th November, 2010, and 11th February, 2011.

The information required under Annexure – 1 to clause 49 of the listing agreement was placed before the Board with current status update. Agenda was sent in advance to the Board members. To enable the Board discharge its responsibilities effectively, the Chairman briefs the Board at each meeting on the overall performance of the Company.

C. Directors seeking re-appointment :

C A Asit C Mehta and C A Vijay G. Ladha retire by rotation and being eligible offer themselves for reappointment. Brief resumes of these directors are given below:

Particulars	C A. Asit C Mehta	C A Vijay G. Ladha
Age (in years)	52	52
Date of appointment	18.12.1993	29.10.2002
Qualification	Chartered Accountant Diploma in Securities Law	Chartered Accountant
Expertise in specific functional area	Vast experience in Capital market related activities	Vast experience in Commercial and financial matters.
Directorships held in other Public Companies	a)Asit C Mehta Investment Intermediates Ltd – Chairman	None
Memberships of Committees of Other Public companies	1	None
No. of shares held in the company	23,61,138	Nil

D. Code of Conduct:

All the Directors and senior management personnel have affirmed compliance with the Code of Conduct/Ethics as approved and adopted by the Board of Directors and a declaration to that effect signed by the Chairman is attached and forms part of this report.

E. CEO / CFO Certification:

The CEO/CFO certification for the year ended 31st March, 2011 has been annexed at the end of this report.

III. AUDIT COMMITTEE:

The Audit Committee of the Board of Directors has been constituted in line with the provisions of Section 292A of the Companies Act, 1956, read with Clause 49 of the Listing Agreement. The Committee meets at least four times a year and the maximum gap between two meetings is not more than four months.

A. Composition of the Audit Committee:

The composition of the Audit Committee as on 31st March, 2011 is as follows:

Name	Designation	Category
Mr. Vijay Ladha	Chairman	Non-Executive & Independent Director
Mr. Kirit H Vora	Member	Non-Executive Director
Dr R Krishnamurthy	Member	Non-Executive & Independent Director

B. Meetings of the Audit Committee:

During the financial year ended 31st March, 2011 four Audit Committee meetings were held on 27th May, 2010, 11th August, 2010, 12th November, 2010, and 11th February, 2011. The details of the number of meetings attended by its members are given below:

Members of the Audit Committee	No. of meetings held	No. of meetings attended
Mr. Vijay G. Ladha	4	3
Dr R Krishnamurthy	4	3
Mr. Kirit H Vora	4	4

Besides the above meetings, another meeting of the Audit Committee was held on 30th May, 2011 at which the Audited Accounts for the year ended 31st March, 2011, were placed for review.

The Chairman and the Internal Auditor are permanent invitees to the Audit Committee meetings. The Statutory Auditors are also invited to attend the meetings. The Company Secretary acts as a Secretary of the Audit Committee.

C. Role of the Audit Committee:

The Audit committee is responsible for overseeing the Company's financial reporting process, reviewing with the management, the financial statements and adequacy of internal audit function and to discuss significant internal audit findings. The Committee also, inter alia, covers the matters mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred to by the Board of Directors.

D. Subsidiary Companies:

The Company has two wholly-owned subsidiaries, the details of which are as follows:

Sr. No.	Name of the subsidiary	Status
1	Nucleus GIS Inc.	Overseas Subsidiary
2	Nucleus GIS And ITES Limited	Non-listed Indian subsidiary Company

The Audit Committee reviewed the financial statements of these subsidiaries.

IV. Investors / Shareholders Grievance Committee:

The Shareholders Grievance Committee has been constituted on 31.07.2002 to oversee redressal of shareholder complaints related to transfer of shares, non-receipt of declared dividends, non-receipt of annual report etc. The Committee also oversees the performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvements in the quality of investor services.

A. Composition of the Committee:

The composition of the Committee as on 31st March, 2011, as per Clause 49 II (A), is as follows:

Name	Designation	Category
Mrs. Deena A. Mehta	Member & Chairperson	Non-Executive Director
Mr. Kirit H. Vora	Member	Non-Executive
Mr. Tushar Kapadia	Compliance Officer	Company Secretary

B. Investors / Shareholders Complaints:

The status of Investors / Shareholders Complaints for the financial year ended 31st March, 2011 is as follows:

No of complaints Received	No. of complaints Resolved	Complaints pending as at 31.3.2011	Share Transfers pending for approval as at 31.3.2011
4	4	Nil	Nil

V. Remuneration of Directors:

No separate remuneration committee has been constituted. The remuneration of Non-Executive Directors are only sitting fees plus reimbursement of actual travel expenses, if any, for attending Board and Committee meetings.

The details of the fees paid to Non – executive Directors and other related information is given in the table below:

Name of Director	Relationship	Sitting fees paid (₹)	Number of shares held*
Asit C Mehta	Husband of Mrs. Deena Mehta	20,000	23,61,138
Deena A Mehta	Wife of Mr. Asit Mehta	20,000	9,00,358
Kirit H Vora		30,000	23,520
Vijay G Ladha		22,500	NIL
Dr. R Krishnamurthy		22,500	1000
D Sunderajan		15,000	NIL

*The above shareholding as at 31st March,2011 is in respect of shares which are held by Directors as a first holder and in which they have beneficial interest.

VI. General Body Meetings:

The details of the last three Annual General Meetings of the Company and the Special Resolutions passed thereat are as under:

Year	Location of AGM	Date	Time	Special Resolutions passed
2007-2008	Nucleus House, Saki Vihar Road, Andheri (E), Mumbai 400072	24 th AGM held on 14 th August, 2008	3.00 p.m.	NIL
2008-2009	Nucleus House, Saki Vihar Road, Andheri (E), Mumbai 400072	25 th AGM held on 23 rd September, 2009	3.00 p.m.	To keep the Register and Index of Members and copies of annual returns prepared under Section 159 together with copies of the certificates and documents required to be annexed thereto u/s 161 of the Act with M/s Linkintime Private Limited, the Company's Share Transfer Agent
2009 – 10	Nucleus House, Saki Vihar Road, Andheri (E), Mumbai 400072	26 th AGM held on 1st September, 2010	11.15 a.m.	NIL

Postal Ballot: No special resolution requiring a postal ballot under Section 192A of the Companies Act, 1956, was passed last year. It is proposed to pass a Special Resolution through Postal Ballot seeking members approval under section 372A of the Companies Act, 1956.

VII. Disclosures:**A. Basis of Related Party Transactions:**

There have been no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The details of transactions with related parties are placed before the Audit Committee and the committee had reviewed the same

for the year ended 31st March, 2011. The details of related party transactions are disclosed in Note 6 of Schedule 14 to the Accounts in the Annual Report.

B. Compliances:

There were neither any non-compliances by the Company, nor any penalties, strictures imposed on the Company by Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

C. Others:

- The Company has complied with all the mandatory requirements of Corporate Governance under Clause 49 of the Listing Agreement.
- No personnel has been denied access to the Audit Committee.

VIII. Communication of Results:

- a) The Quarterly/Half-yearly/Annual financial results of the Company are sent to the Stock Exchange immediately after the Board approves them.
- b) The quarterly / half yearly financial results of the Company are published in The Free Press Journal (English) and Navshakti (Marathi).

The Management Discussion and Analysis Report forms part of the Annual Report for the year.

IX. GENERAL SHAREHOLDERS INFORMATION:

1. Annual General Meeting

Date	9th September, 2011
Time	11.15 a.m.
Venue	Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai – 400072

2. Financial year: The financial year is 1st April to 31st March.

Financial Year	1st April, 2011 to 31st March, 2012
First Quarter Results	On or before 14th August, 2011
Half yearly Results	On or before 14th November, 2011
Third Quarter Results	On or before 14th February, 2012
Audited Results for the year end	On or before 30th May, 2012

3. Book Closure: 6th September, 2011 to 9th September, 2011 (both days inclusive)

4. Listing on Stock Exchanges:

The Company's equity shares are listed on The Bombay Stock Exchange Limited (BSE), Mumbai. The Company has paid the Listing Fee for the financial year 2011-2012 to the BSE, where its securities are listed.

5. Stock Code:

The Bombay Stock Exchange Limited (BSE): BSE 530723

6. Demat International Security Identification Number (ISIN) in NSDL and CDSL for equity shares: INE041B01014

7. Market Price Data:

High/low market prices of the shares during the year 2010-2011 at the Bombay Stock Exchange Ltd were as under:

(Source: www.bseindia.com)

Month	High (₹)	Low (₹)	Month end closing price (₹)	BSE Sensex High	BSE Sensex Low
April, 2010	75.65	44.20	59.30	18047	17276
May, 2010	67.00	50.10	54.30	17537	15960
June, 2010	74.00	53.00	62.20	17920	16318
July, 2010	78.95	61.00	62.70	18237	17395
August, 2010	74.00	57.20	69.00	18475	17820
September, 2010	82.00	54.05	55.25	20268	18027
October, 2010	60.00	40.40	49.70	20854	19768
November, 2010	70.50	43.50	51.85	21108	18954
December, 2010	72.00	46.15	51.90	20552	19074
January, 2011	52.35	34.60	41.95	20664	18038
February, 2011	44.90	31.75	39.35	18690	17295
March, 2011	47.00	32.20	39.50	19575	17792

8. Registrar and Transfer Agents:

The Share transfer, dividend payment and all other investor related matters are attended to and processed by the Company's Registrar and Transfer Agents,

Link Intime India Private Limited
C 13 Pannalal Silk Mills, L B S Marg,
Bhandup (West), Mumbai 400 078.
Tel No : +91 022 25963838 Fax No. +91 022 25946969

9. Share Transfer System:

To expedite the transfer of shares held in the physical mode, the powers to authorise transfers, have been delegated to a Share Transfer Committee consisting of Directors. The Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system. Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of the documents, provided the documents are valid and complete in all respects. Meetings of the Share Transfer Committee are generally once in a month.

10. Distribution of Shareholding:

The Distribution of Company's shareholding as on 31st March, 2011 was as follows:

No. of Equity Shares	No. of Shareholders	No. of Shares	% of Shareholding
Upto 500	1,000	1,68,540	3.41
501 to 1000	124	1,03,650	2.09
1001 to 2000	48	70,819	1.43
2001 to 3000	21	54,128	1.09
3001 to 4000	8	30,420	0.61
4001 to 5000	15	72,830	1.47
5001 to 10000	14	1,10,213	2.22
10001 & above	23	43,41,960	87.68
TOTAL	1253	49,52,560	100.00

11. Shareholding Pattern :

The Company's shareholding pattern as on 31.03.2011 as follows:

Category	No. of Shares	% of shareholding
Promoters/Relatives/Associates	37,02,086	74.75
Private Corporate Bodies	2,44,462	4.94
Others (Indian Public)	8,54,318	17.25
Private Trust	1,49,989	3.03
NRIs	1,705	0.03
Total	4,952,560	100.00

Note : There is no foreign shareholding.

12. Dematerialisation of shares:

Nearly 97.22 % of the total Equity Share Capital of the Company is held in a dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March, 2011.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT
PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

To,
The Members of
Asit C. Mehta Financial Services Limited

It is hereby confirmed that as provided in Clause 49 I (D) of the Listing Agreement with The Bombay Stock Exchange Ltd, the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct during the year ended 31st March, 2011.

30th May, 2011

Asit C. Mehta
Chairman

**V V CHAKRADEO & CO.
COMPANY SECRETARIES.**

**B – 301, MATOSHREE RESIDENCY CHS., 65, PRATHANA SAMAJ ROAD, VILE PARLE (EAST), MUMBAI 400057.
TEL NO. 26116821, EMAIL vvchakra@gmail.com CELL NO. 98200 48732**

Certificate on Compliance of conditions of Corporate Governance as per clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd:

To the Members of
Asit C Mehta Financial Services Limited
MUMBAI.

- 1) We have examined the compliance of conditions of Corporate Governance by Asit C Mehta Financial Services Limited for the year ended on 31st March, 2011 as stipulated by Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.
- 2) The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of procedures adopted and implementation thereof by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.
- 3) In our opinion and to the best of our information and according to explanation given to us and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.
- 4) We have to state that no investor grievances remained unattended or pending for a period exceeding one month against the company as per the records maintained by the Company.
- 5) 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 V V CHAKRADEO & CO.
V. V. CHAKRADEO

PROPRIETOR
COP 1705

Mumbai : 30th May, 2011

AUDITORS' REPORT

To,
The Members,
Asit C Mehta Financial Services Limited

We have audited the attached Balance Sheet of Asit C Mehta Financial Services Limited as at 31st March 2011, the Profit and Loss account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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.

As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in Paragraphs 4 & 5 of the said Order.

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of the section 211 of the Companies' Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and notes thereon accounts give the information required by the Companies' Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For MANEK & ASSOCIATES
Chartered Accountants
Firm No:0126679W

(SHAILESH MANEK)
Proprietor
Membership No.: 34925.

Mumbai
Dated: MAY 30 , 2011

Annexure to the Auditors' Report
Referred to in paragraph 3 of our Report of even date)

- (1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets under which all fixed assets are verified in a phased manner over a period 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) The Fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the company.
- (2) The Company has not entered into any transactions during the year involving inventories. Therefore, the provisions of clause 4 (ii) (a),(b) and (c) of the order are not applicable to the Company. .
- (3) (a) The 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 Companies Act ,1956
(b) The company had taken unsecured loan, from a company, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance of loan taken from the company was Rs.42 lacs and the balance outstanding at the year end was Rs.42 lacs.
(c) The other terms and conditions on which loans have been taken from the Company are not, prima- facie, prejudicial to the interest of the Company.
(d) The company is regular in repaying the Principal amount and interest as stipulated
- (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 with regard to Purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls. In our opinion and according to the information and explanations given to us, there is no purchase of inventory and sale of goods during the year and therefore, clause 4(iv) of the Order, to that extent, is not applicable to the Company.
- (5) (a) According to the information and explanations provided by the management, the contracts or arrangements that needs to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) According to the information and explanation given to us , where each of such transactions, is in excess of Rs.5 lakhs in respect of any party, the transaction have been made at prices which are prima facie, reasonable having regard to the prevailing market prices at the relevant time, except that in respect of sale of services, no comparison of prices could be made available to us since the Company informed us that there are no prevailing market prices/ alternate sources of supply.
- (6) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.
- (7) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.
- (8) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of the service activities carried on by the Company and therefore, clause 4(viii) of the Order is not applicable.
- (9) (a) According to records of the Company, and on the basis of our examination of the books of account, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education & protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same..

- (b) According to the information and explanations given to us, there are no disputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess. Details of disputed dues in respect of Foreign Exchange Regulation Act and Service Tax which have not been deposited as on March 31, 2011 on account of any dispute are given below.

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Foreign Exchange Regulation Act, 1973	Contravention of FERA regulations	10,000,000	1994-95	Appellate Tribunal Foreign Exchange
Service Tax	Service tax on Brokerage Income	6,798,386/-	1996-2000	Commissioner of Central Excise (Appeals)

- (10) The Company does not have any accumulated losses at the end of the financial year. The company has incurred cash losses during the financial year covered by our audit, but there were no cash losses in the immediately preceding financial year.
- (11) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank and the Company has not issued any debentures and hence clause 4 (xi) of the Order, to that extent, is not applicable.
- (12) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- (14) In our opinion, 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 shares, securities, debentures and other investments 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.
- (15) In our opinion, the terms and conditions on which the company has given guarantees for loans taken by its Wholly Owned Subsidiary from banks are not prejudicial to the interest of the company.
- (16) In our opinion, term loans, availed by the company were, prima facie, applied for the purpose for which they were obtained. .-
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds of Rs. 1,24,81,788/- raised on short-term basis have been used for long-term investment
- (18) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (19) The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
- (20) The Company has not raised any money by way of public issue during the year.
- (21) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For MANEK & ASSOCIATES
Chartered Accountants
Firm No:0126679W

(SHAILESH MANEK)
Proprietor
Membership No.: 34925.

Mumbai
Dated: MAY 30 , 2011

BALANCE SHEET AS AT MARCH 31, 2011

Schedules	Rupees As At March 31, 2011 Rupees	Rupees As At March 31, 2010 Rupees
SOURCES OF FUNDS		
Shareholders' Funds:		
Share Capital	1	49,525,600
Reserves & Surplus	2	436,260,748
		485,786,348
		134,808,859
Loan Funds:		
Secured Loans	3	28,518,674
Unsecured Loans	4	4,200,000
		32,718,674
		-
		28,929,534
Deferred Tax Liability (Net)		5,194,232
		3,061,437
TOTAL		523,699,254
		166,799,830
APPLICATION OF FUNDS		
Fixed Assets:		
Gross Block	5	495,535,384
Less : Depreciation/ Amortisation		25,085,014
Net Block		470,450,370
		114,777,645
Investments	6	60,536,440
		60,537,314
Current Assets, Loans and Advances:		
Sundry Debtors		-
		1,365,079
Cash and Bank Balances		8,991,740
		5,880,056
Other Current Assets		283,275
		285,896
Loans and Advances		2,931,267
		7,145,218
		12,206,282
		14,676,249
Less:		
Current Liabilities and Provisions:		
Current Liabilities	8	19,374,292
		20,240,670
Provisions		119,546
		2,950,709
		19,493,838
		23,191,379
Net Current Assets		(7,287,556)
		(8,515,130)
TOTAL		523,699,254
		166,799,830
Significant Accounting Policies and Notes to the Financial Statements	14	
Schedules referred to herein form an integral part of the Balance Sheet		

As per our report of even date attached.

For Manek & Associates
Chartered Accountants
Firm No: 0126679W

For and on behalf of the Board

SHAILESH L. MANEK
Proprietor
Mem. No 34925Mumbai,
30th May, 2011ASIT C. MEHTA
ChairmanKIRIT H VORA
DirectorTUSHAR KAPADIA
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Schedules	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
INCOME		
Income from Operations	9	6,183,303
Other Income	10	2,781,177
Total	<u>8,964,480</u>	<u>17,711,381</u>
EXPENDITURE		
Employees' Costs	11	924,532
Operating and Other Expenses	12	3,841,373
Depreciation/ Amortisation		2,860,192
Less: Transferred from Revaluation Reserve		<u>320,813</u>
Interest and Finance Charges	13	4,508,902
Total		<u>11,814,186</u>
		2,395,914
		<u>304,902</u>
		2,091,012
		3,168,522
		<u>9,015,136</u>
		<u>(2,849,706)</u>
		8,696,246
PROFIT BEFORE TAX		
Provision for Taxation:		
Current Tax		-
Deferred Tax expense / (Credit) (Net)		2,132,795
Prior period taxes		-
		<u>10,166,330</u>
		10,166,330
		8,737,904
		<u>3,755,403</u>
		11,546,985
Profit after tax		
Balance of Profit brought forward from previous year		8,737,904
AMOUNT AVAILABLE FOR APPROPRIATION		<u>3,755,403</u>
		11,546,985
Appropriation:		
Proposed Dividend		-
Corporate Dividend Tax		-
BALANCE CARRIED TO BALANCE SHEET		<u>3,755,403</u>
		<u>8,737,904</u>
Earnings Per Share:		
Basic and Diluted – (Rs.)		(1.01)
Face Value per share		10.00
Significant Accounting Policies and Notes to the Financial Statements	14	
Schedules referred to herein form an integral part of the Profit and Loss Account		

As per our report of even date attached.
For Manek & Associates
Chartered Accountants
Firm No: 0126679W

SHAILESH L. MANEK
Proprietor
Mem. No 34925

Mumbai,
30th May, 2011

For and on behalf of the Board

ASIT C. MEHTA
Chairman

KIRIT H VORA
Director

TUSHAR KAPADIA
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2011

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(2,849,706)	8,696,246
Add Depreciation/ Amortization	2,539,379	2,091,012
Interest expense	3,876,549	2,486,878
Loss on sale/ write off of fixed assets	89,199	-
	6,505,127	4,577,890
Less		
Interest income	726,115	1,097,854
Dividend income	1,175,000	3,728,082
	1,901,115	4,825,936
Operating profit before Working Capital changes	1,754,306	8,448,199
(Increase) / Decrease in Sundry Debtors	1,365,079	(1,291,722)
(Increase) / Decrease in Inventory	-	84,753
(Increase) / Decrease in Loans & Advances	3,120,847	(498,320)
Increase / (Decrease) in Current Liabilities	(3,697,541)	(14,825,515)
	788,385	(16,530,804)
Cash generated from Operations	2,542,692	(8,082,604)
Taxes (Paid)/ Received (Net of TDS and Refund)	1,095,724	3,996,544
Net cash generated from Operating Activities	3,638,416	(4,086,060)
B CASH FLOW FROM INVESTING ACTIVITY		
Purchase of fixed assets/ capital work-in-progress	(2,341,312)	(6,445,168)
Interest received	726,115	1,097,854
Dividend received	1,175,000	3,728,082
Sale of Investments	874	876
Net cash used in Investing Activities	(439,323)	(1,618,357)
C CASH FLOW FROM FINANCING ACTIVITY		
Loan taken	4,200,000	-
Term loan taken (net of repayment)	(410,860)	4,915,149
Interest paid	(3,876,549)	(2,486,878)
Net cash used in Financing Activities	(87,409)	2,428,271
D Net increase / (decrease) in cash & cash equivalents (A+B+C)	3,111,684	(3,276,146)
E Cash and cash equivalents at the beginning of the year	5,880,056	9,156,202
F Cash and cash equivalents at the end of the year (D+E)	8,991,740	5,880,056

Notes :

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute Of Chartered Accountants Of India.

2 Cash and Cash equivalents includes

a. Cash on Hand	14,817	8,026
b. Bank Balances with Scheduled Banks		
- In current Accounts	883,923	(2,283,915)
- In Deposit / Margin Account	8,093,000	8,155,945
Total	8,991,740	5,880,056

3 Previous Year's balances have been regrouped, wherever considered necessary

As per our report of even date attached.

For Manek & Associates

Chartered Accountants

Firm No: 0126679W

SHAILESH L. MANEK

Proprietor

Mem. No 34925

Mumbai,

30th May, 2011

For and on behalf of the Board

ASIT C. MEHTA

Chairman

KIRIT H VORA

Director

TUSHAR KAPADIA

Company Secretary

**SCHEDULES ATTACHED TO AND FORMING PART OF
THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

(Rupees)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
10,000,000 (Previous year: 10,000,000) Equity shares of Rs 10/- each	100,000,000	100,000,000
Issued, subscribed and Paid-up :		
49,52,560 (Previous year: 49,52,560) Equity shares of Rs 10/- each fully paid-up	49,525,600	49,525,600
Of the above:		
a) 673,750 equity shares of Rs 10 each were issued for consideration other than cash to the shareholders of erstwhile Nucleus Financial Services Private Ltd, which was amalgamated with the Company on April 1, 1993		
b) 15,11,720 equity shares of Rs 10 each were issued for consideration other than cash to the shareholders of erstwhile Nucleus Netsoft And GIS (India) Ltd, which was amalgamated with the Company on April 1, 2005.		
SCHEDULE 2: RESERVES AND SURPLUS		
Capital Reserve - Share Foreiture Account	759,500	759,500
Revaluation Reserve:		
As per last Balance Sheet	14,741,895	15,046,797
Add: Created during the year	356,280,803	
Less: Transferred to Profit & Loss Account	320,813	304,902
	370,701,885	14,741,895
Securities Premium Account	41,043,960	41,043,960
General Reserve	20,000,000	20,000,000
Surplus as per Profit and Loss Account	3,755,403	8,737,904
Total	436,260,748	85,283,259
SCHEDULE 3: SECURED LOANS		
Term Loan from Bank		
(Secured by equitable mortgage of Office premises bearing nos B 404, B 504 and B 604 at Nucleus House, Andheri)	28,518,674	28,929,534
(Repayable within one year: Rs 57,25,000 Previous year: Rs 57,25,000)		
SCHEDULE 4: UNSECURED LOANS		
Loan form companies	4,200,000	-
	4,200,000	-

**SCHEDULES ATTACHED TO AND FORMING PART OF
THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

SCHEDULE 5 : FIXED ASSETS

(Rupees)

Description of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	1.4.2010	Additions	Sales / Adjustment/ Impairment	Total	1.4.2010	For the year	Adjustments	As at 31.3.2011	As at 31.3.2011	As at 31.3.2010	
Office premises	130,827,321	358,622,113		489,449,434	19,334,308	2,486,014		21,820,321	467,629,113	111,493,013	
Plant	-	-		-	-		-	-	-	-	
Computers	2,927,676		(2,770,176)	157,500	2,887,490	24,654	2,769,964	142,180	15,320	40,186	
Electrical Fittings	587,841	-		587,841	212,515	27,873		240,388	347,453	375,326	
Software	-	-		-	-			-	-	-	
Air Conditioners	351,822	-		351,822	208,618	16,712		225,330	126,492	143,204	
Furniture and Fixtures	4,309,740	-		4,309,740	1,965,409	272,806		2,238,215	2,071,524	2,344,330	
Office and Other Equipments	753,807	-	(223,409)	530,398	452,366	25,072	134,422	343,016	187,382	301,441	
Projector	148,650	-		148,650	68,505	7,061	-	75,566	73,084	80,145	
Total	139,906,856	358,622,113	(2,993,585)	495,535,384	25,129,212	2,860,191	2,904,386	25,085,014	470,450,370	114,777,645	
Previous Year	112,330,266	27,576,590	-	139,906,856	22,733,297	2,395,914	-	25,129,211	114,777,645	89,596,969	

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 6: INVESTMENTS		
Longterm (at cost)		
A) Unquoted - non-trade		
1. Investment in subsidiary Companies		
i) 50,000 common stock of Nucleus GIS, Inc, USA of USD 1 each, fully paid	2,212,700	2,212,700
ii) 30,00,000 equity shares of Nucleus GIS And ITES Ltd of Rs 10 each, fully paid	30,000,000	30,000,000
2. Company under same management 23,50,000 equity shares of Asit C Mehta Investment Intermmediates Ltd of Rs 10 each, fully paid.	28,323,740	28,323,740
B) Quoted -non trade		
i) Nil (Previous year 437) equity shares of Maxwell Industries Ltd of Rs 2 each, fully paid (Market Value Rs Nil Previous year Rs 8,587)	-	874
Total	60,536,440	60,537,314
Aggregate book value of Unquoted Investments	60,536,440	60,536,440
Aggregate book value of Quoted Investments	-	874
Aggregate market value of Quoted Investments	-	8,587

**SCHEDULES ATTACHED TO AND FORMING PART OF
THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

(Rupees)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 7: CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
Sundry Debtors (Unsecured)		
Outstanding for period exceeding 6 months		
- Considered doubtful		
Other debts	-	1,365,079
	-	1,365,079
CASH AND BANK BALANCES		
Cash on hand	14,817	8,026
Balances with scheduled banks		
in Current Accounts (including margin deposits of Rs 80,93,000 /-	8,976,923	5,872,030
Previous year: Rs 81,55,945/- which are placed against		
bank guarantees issued)		
Total	8,991,740	5,880,056
Other Current Assets		
Interest Accrued on Deposits	283,275	285,896
B. LOANS AND ADVANCES (Unsecured - considered good)		
Advances Recoverable in cash or in kind or for value to be received	1,603,532	4,833,168
Deposits	516,747	405,337
Advance Tax / Tax Deducted at Source	810,988	1,906,713
(Net of provision)		
Total	2,931,267	7,145,218
SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
i) Total Outstanding Dues of micro enterprises and		
small enterprises: and @	-	-
ii) others	-	-
Investor Education and Protection fund - Unpaid dividends*	522,499	420,914
Other Liabilities	851,793	1,819,756
Leave and Licence security Deposits	18,000,000	18,000,000
Total	19,374,292	20,240,670
@ (Refer Note 14 of Schedule 14)		
* not due		
Provision for Gratuity	119,546	122,478
Provision for Compensated Absences	-	19,150
Provision for Dividend	-	2,401,027
Corporate Dividend Tax	-	408,054
Total	119,546	2,950,709

**SCHEDULES ATTACHED TO AND FORMING PART OF
THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

(Rupees)

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE 9 - INCOME FROM OPERATIONS		
Rental Income (Tax deducted at source Rs 6,09,866 Previous year: Rs 4,85,041/-)	6,158,628	8,537,925
Profit on trading in Securities	24,675	363,695
Total	<u>6,183,303</u>	<u>8,901,620</u>
SCHEDULE 10 - OTHER INCOME		
Dividend Income on:		
Long Term Investments (non trade)	1,175,000	3,728,082
Interest Received:		
- On Fixed Deposits with Banks (Tax Deducted at source Rs. 56,210; Previous year Rs.74,911/-)	565,824	724,924
- Others - Income tax refund	160,291	372,930
- On Securities	-	7,400
Advisory Charges Received	2,500	-
Profits on sale of Investment (Refer Note 8 in Schedule 14)	754,377	3,808,547
Miscellaneous Receipts	-	41,766
Excess Provisions written-back	123,185	126,113
Total	<u>2,781,177</u>	<u>8,809,761</u>
SCHEDULE 11 - EMPLOYEES' COST		
Salaries and Allowances	896,286	952,502
Company's Contribution to Provident and Other Funds	27,547	28,716
Staff welfare	699	139
Total	<u>924,532</u>	<u>981,357</u>
SCHEDULE 12 - OPERATING & OTHER EXPENSES		
Rates & Taxes	2,368,444	1,482,908
Travelling & Conveyance	44,986	46,250
Legal & Professional Fees	362,879	444,295
Repairs & Maintenance- others	451,159	199,156
Printing and Stationery	53,650	59,114
Advertisement Expenses	52,006	60,863
Rent	50,000	-
Membership & Subscription	5,000	5,000
Insurance	15,108	7,222
Postage & Telephone charges	13,444	20,784
Directors' Sitting Fees	130,000	195,000
Auditors Remuneration (Excluding Service Tax)		
- Audit fees and Tax audit fees	150,000	200,000
Loss on Sale of Fixed Assets	89,199	
Miscellaneous Expenses	55,498	53,653
Total	<u>3,841,373</u>	<u>2,774,245</u>
SCHEDULE 13 - INTEREST & FINANCE CHARGES		
Interest on Bank Overdraft	-	19,680
Interest on Inter Corporate Deposits	244,142	47,041
Interest on Term Loan	3,632,407	2,420,157
Bank Charges & Commission	632,353	681,644
Total	<u>4,508,902</u>	<u>3,168,522</u>

SCHEDULE 14:**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****Significant Accounting Policies****1. Basis of preparation of financial statements:**

The financial statements have been prepared under historical cost convention on an accrual basis, in accordance with the Generally Accepted Accounting Principles in India, and the Accounting Standards (AS) as notified under the Companies (Accounting Standards) Rules, 2006, except for office premises which is stated as per the revalued amount.

2. Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which the results are known / materialized.

3. Revenue Recognition:

Revenue is recognized on accrual basis as under:

- a. Dividend is recognized when the right to receive the payment is established.
- b. Interest and Rent income is recognized on time proportion basis.
- c. Income from shares trading activity is recognised on selling of shares.
- d. Rental Income is accrued on time proportion basis for the period relating to let out of the properties.

4. Fixed Assets:**a. Tangible Assets:**

Fixed assets other than office premises are stated as cost less accumulated depreciation. Based on an independent valuation of an approved valuer, the office premises were revalued during the year and have been stated at the revalued figure as at 31.3.2011.

b. Intangible Assets:

Intangible assets are stated at cost, less any accumulated amortization / impairment losses.

Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

5. Inventory:

Inventories are valued at cost or net realizable value whichever is lower. Cost is arrived at using FIFO method.

6. Depreciation/ Amortisation:

Depreciation is provided on the straight-line method basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

7. Investments:

Investments are classified into Long term and Current Investments. Long-term investments are carried at cost, less provision for diminution other than temporary in their value, determined separately for each individual investment basis. Current investments are carried at the lower of cost and fair value.

8. Retirement Benefits:

9. Company's contribution to Provident Fund is charged to Profit and Loss account. Gratuity benefits payable to employees on retirement are provided on the basis of actuarial valuation on Balance sheet date and Leave Encashment, if any is provided on actual basis. Taxation:

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / substantively enacted tax rates by the Balance Sheet date, to the extent that the timing differences are expected to crystallize.

Deferred Tax Assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

10. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

11. Impairment of assets

The company assess at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

12. Provisions, Contingent liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote or a reliable estimate of the amount of obligation cannot be made.

NOTES TO ACCOUNTS

1. Capital commitments and contingent liabilities

(₹)

Particulars	March 31,2011	March 31,2010
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	32,00,000
Contingent liabilities not provided:		
Bank guarantees to customs for EOU bonding	-	62,500
Service Tax Matter under dispute	67,98,386	67,98,386
FERA matter (refer Note 3)	100,00,000	100,00,000

3. The Company had received pay orders valuing to ₹ 50.72 lacs from a customer in the financial year 1994-95 in respect of Money Changing business that were dishonored by a nationalized bank as per the instructions of Directorate of Revenue & Intelligence. The Company had challenged the proceeding before the Customs, Excise and Gold (Control), Appellate Tribunal, Mumbai (CEGAT) which gave the ruling in favour of the Company for which the company has furnished a bank guarantee of ₹.26.86 lacs (previous year ₹ 26.86 lacs). The Customs Department filed a reference petition before the Hon'ble High Court of Judicature at Bombay and the same is pending for disposal. The Company has also filed a suit with the Hon'ble High Court of Judicature at Bombay against the bank concerned seeking amongst others, a direction to the bank to pay interest on the amount of dishonored pay orders. As at the year end the case is pending for disposal with the Hon'ble High Court of Judicature at Bombay.

During the financial year 2007-08, the Company received an order imposing a penalty of ₹ 100 lacs from the Office of the Special Director of Enforcement holding Company guilty in respect of defiance with the instructions contained in the FLM Memorandum. The Company contends that it has complied with the relevant regulations of the Reserve Bank of India as contained in FLM – Memorandum of Instructions to Full-Fledged Money Changers. The said order also stipulated to pre-deposit the penalty for preferring an appeal against the said order. The Company filed an appeal before the Appellate Tribunal for Foreign Exchange (ATFE) contesting the order and also for waiver of the condition to pre-deposit the penalty. The ATFE rejected the Company's request for the pre-deposit of the penalty and to which the Company filed a Writ petition before the Bombay High Court which waived the pre-deposit of the penalty against furnishing a bank guarantee of equivalent sum and the same is furnished by the Company. The said appeal is pending before ATFE.

On the basis of legal advice obtained, the Management is of the view that the order of the Special Director is erroneous, perverse, and bad in law. The Company had complied with the RBI regulations as stipulated in the FLM Memorandum.

4. Retirement Benefits:

- a. Post-employment benefit plans

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Profit and Loss account for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested.

The retirement benefit obligations recognized in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost.

b. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

c. The following table sets out the unfunded status of the gratuity plan, compensated leave absences and the amounts recognized in the Company's financial statements as at March 31, 2011

(Rupees)

Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded) <i>(Refer Note below)</i>
Reconciliation of liability recognized in the Balance sheet		
Present value of commitments	1,19,546	
Fair value of plans		-
Net liability in the Balance sheet	1,19,546	
Movement in net liability recognized in the Balance sheet		
Net liability as at 1 st April, 2010	1,22,478	
Net expense recognized in the Profit and Loss account	(2,932)	
Contribution during the year		
Net liability as at 31 st March, 2011	1,19,546	
Expense recognized in the Profit and Loss account		
Current service cost	10,733	
Interest cost	9,186	
Expected return on plan assets		
Actuarial (gains)/ losses	(22,851)	
Expense charged to the Profit and Loss account	(2,932)	
Return on plan assets		
Expected return on plan assets	-	-
Actuarial (gains)/ losses	-	-
Actual return on plan assets	-	-
Reconciliation of defined-benefit commitments		
Commitments as at 1 st April, 2010	1,22,478	
Current service cost	10,733	
Interest cost	9,186	
Paid benefits		
Actuarial (gains)/ losses	(22,851)	
Commitments as at 31 st March, 2011	1,19,546	

Reconciliation of plan assets		
Plan assets as at 1 st April, 2011	-	-
Expected return on plan assets	-	-
Contributions during the year	-	-
Paid benefits	-	-
Actuarial (gains)/ losses	-	-
Plan assets as at 31 st March, 2011	-	-

Note: The Company had only one employee during the year and the liability for the leave encashment, if any, is provided on actual and not actuarial basis and therefore no working is given.

The above expenses have been included under ‘contribution to provident and other fund’ under the employee’s cost in the profit and loss account.

The actuarial calculations used to estimate commitments and expenses in respect of gratuity are based on the following assumptions which if changed, would affect the commitment’s size, funding requirements and expense.

Particulars	
Discount rate	8.30%
Expected return on plan assets	NIL
Expected rate of salary increase	5%
Mortality	LIC (1994-96) Ultimate

5. Particulars of Managerial Remuneration (₹)

Particulars	31st March 2011	31st March 2010
Directors Sitting fees	1,30,000	1,95,000

As no commission is payable to Directors, the computation of net profits in accordance with section 309(5) read with section 349 of the Companies Act, 1956 has not been given.

6. Related Parties

a. Related parties where control exists

Wholly Owned Subsidiaries - Nucleus GIS, Inc. USA
- Nucleus GIS And ITES Ltd

b. Related parties where significant influence exists and where transactions have taken place:

Associate Company - Asit C Mehta Investment Intermediates Ltd - Associate
All Alertz.com (India) Private Ltd – A Group Company
Asit C Mehta Forex Pvt. Ltd A Group Company

c. Key Management Personnel (KMP)

Asit C Mehta - Director Deena A Mehta - Director

d. Related party transactions during the year:

(₹)

Particulars	Wholly owned Subsidiaries	Associate	Other group companies	KMP	Total
Leave & Licence security deposit received	10,00,000 (-)	- (50,00,000)			10,00,000 (,50,00,000)
Leave & License fees	30,84,900 (59,65,494)	30,13,728 (25,12,431)	60,000 (60,000)	- (-)	61,58,628 (85,37,925)
Leave * Licence Security deposit refunded	10,00,000 (1,60,000)				10,00,000 (1,60,000)
Short Term Loan taken			44,00,000 (87,00,000)		44,00,000 (87,00,000)
Short Term Loan given	- (550,000)				- (550,000)
Shares trading activity		2,175 (-)			2,175 (-)
Short Term Loan Received	- (11,00,000)				- (11,00,000)
Short Term Loan repaid			2,00,000 (87,00,000)		2,00,000 (87,00,000)
Dividend received	- (25,53,082)	11,75,000 (11,75,000)	- (-)	- (-)	11,75,000 (37,28,082)
Sitting fees	- (-)	- (-)	- (-)	40,000 (60,000)	40,000 (60,000)
Purchase of services	- (19,586)	- (-)	- (-)	- (-)	- (19,586)
Interest paid / payable			244,142 (47,762)		244,142 (47,762)

Outstanding as on 31 March, 2011

Particulars	Subsidiaries	Associate	Total
Receivable	- (10,05,803)	- (33,71,980)	- (43,77,783)
Payables	80,00,000 (80,00,000)	1,00,00,000 (1,00,00,000)	1,80,00,000 (1,80,00,000)

Figures for previous year are given in brackets

7. During the year there were no transactions in foreign currency.
8. a) Loans and advances include Balance with Nucleus Stock Trust representing 128,099 (Previous year: 1,50,514) equity shares of the company issued pursuant to the Scheme of amalgamation approved by the Hon'ble Bombay High Court vide its order dated February 10, 2006 to Nucleus Stock Trust, in which the Company is the sole beneficiary.
- b) During the year 22,415 shares of the company (previous year: 119,386) were sold in the open market by Nucleus Stock Trust and the proceeds there from were received by the Company. The gain realised on these sale aggregated to ₹ 749,718 (previous year ₹ 38, 08,423/-) which has been credited to Profit and Loss Account.
9. The Company has given a Corporate Guarantee and also created a charge on certain immovable properties, aggregating to ₹ 420 lacs, to a bank for the credit facilities sanctioned to Nucleus GIS And ITES Ltd (a wholly-owned subsidiary).
10. As at the year end there are no amounts due and outstanding, to be credited to Investors' Education and Protection Fund.
11. During the year the Company operated in a single segment wherein the rentals earned on the premises given on Leave and Licence basis has been considered as "investment activity". As a consequence, no segment reporting is applicable for the current year.

12. Earnings Per Share:

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year.

	For the year ended 31.3.2011	For the year ended 31.3.2010
A) Weighted average number of Equity Shares of ₹ 10 each outstanding during the year	49,52,560	49,52,560
B) Net profit / (loss) after tax attributable to equity shareholders (in ₹)	(49,82,501)	1,01,66,330
C) Basic and diluted earnings per share (in ₹)	(1.01)	2.05

13. The break up of Net Deferred Tax Liability is as under:

(₹)

Particulars	1 st April, 2010	Adjustment of Previous years	Charged During the Year	31 March, 2011
Deferred Tax Liability				
Difference in book value and tax value of fixed assets	94,21,532		(6,60,427)	87,61,105
Total Liability	94,21,532		(6,60,427)	87,61,105
Deferred Tax Assets:				
Unabsorbed Depreciation and Business Losses	(63,16,332)	29,38,203	(1,51,804)	(35,29,934)
43B items (Gratuity, leave encashment etc.)	(43,763)		6,823	(36,940)
Total Assets	(63,60,095)		(1,44,981)	(35,66,874)
Net Deferred Tax Liability	30,61,437	29,38,203	(8,05,408)	51,94,232

14. The Company has not received any intimation from the 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no such disclosure under the said act is considered necessary. This has been relied upon by the auditors.
15. As at 31st March, 2011, there is a substantial erosion in the Networth of Nucleus GIS And ITES Ltd (a wholly-owned subsidiary of the Company) in which investment at the cost of ₹ 300 lacs in 30 lacs equity shares of ₹ 10 each have been made by the Company. The Company is of the opinion that the above investment is strategic and long-term in nature and diminution, if any, in the value of investments is temporary in nature and as a consequence no provision for diminution in the value of Equity shares of Nucleus GIS And ITES Ltd is made.
16. Previous year figures are restated / regrouped / rearranged wherever necessary in order to confirm to current years groupings and classifications.

For Manek & Associates
Chartered Accountants
Firm No: 0126679W

SHAILESH L. MANEK
Proprietor
Mem. No 34925

Mumbai,
30th May, 2011

For and on behalf of the Board

ASIT C. MEHTA KIRIT H VORA
Chairman Director

TUSHAR KAPADIA
Company Secretary

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

I. REGISTRATION DETAILS:-

1) Registration No.	: 11-91326	2) State Code	: 11
3) Balance Sheet Date	: 31.03.2011		

II. CAPITAL RAISED DURING THE YEAR (Rs. in Thousands):-

1) Public Issue	: Nil	3) Bonus Issue	: Nil
2) Right Issue	: Nil	4) Private Placement	: Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. in Thousands):-

A) 1) Total Liabilities	: 523,699	2) Total Assets	: 523,699
B) Sources of Funds (Rs. in Thousands):-			
1) Paid-up Capital	: 49,526	3) Secured Loans	: 28,519
2) Reserves & Surplus	: 436,261	4) Unsecured Loans	: 4,200
5) Deferred Tax Liability	: 5,193		
C) Application of Funds (Rs. in Thousands):-			
1) Net Fixed Assets	: 470,450	3) Net Current Assets	: (7,288)
2) Investments	: 60,536	4) Misc. Expenditure	: Nil
5) Accumulated Losses	: Nil		

IV. PERFORMANCE OF COMPANY (Rs. in Thousands):-

1) Turn Over	: 8,964	4) Profit/(Loss) After Tax	: (4,983)
2) Total Expenditure	: 11,814	5) Earning Per Share (Rs.)	: - 1.01
3) Profit/(Loss) Before Tax	: (2,850)	6) Dividend Rate (Final)	: Nil

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per Monetary Terms):-

1) Item Code No.	: Not Applicable	3) Item Code No.	: Not Applicable
Product Description	: Investment Activities	Product Description	: Not Applicable
2) Item Code No.	: Not Applicable		
Product Description	: Not Applicable		

For and on behalf of the Board

Asit C. Mehta	Kirit H. Vora
Chairman	Director

Tushar Kapadia
Company Secretary

Mumbai, 30th May, 2011

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

1	Name of the Company	Nucleus GIS Inc.	Nucleus GIS And ITES Limited
2	Financial Year of the Subsidiary Company	31 st March, 2011	31 st March, 2011
3	(a) Number of Shares held in the Subsidiary Company	50000 fully paid common stock of US \$ 1 each	30,00,000 fully paid equity shares of Rs. 10/- each
	(b) Percentage of the shareholding in a Subsidiary Company	100%	100%
4	Total Issued Share Capital of the Subsidiary Company.	US \$ 50000	₹ 3,00,00,000
5	Net Aggregate amount of subsidiary's Profit / (Loss) not dealt within the Holding company's accounts		
	(a) For the year ended 31st March, 2011	₹ (63,150)	₹ (177,25,732)
	(b) For the previous financial years since they became Company's Subsidiary.	₹ (4,98,356)	₹ (54,11,189)
6	The net aggregate amounts of Profits / (Losses) of the Subsidiaries which have been dealt with in the accounts of the Holding Company:		
	(a) For the year ended 31st March, 2011	Nil	Nil
	(b) For the previous financial years since they became Company's Subsidiary.	Nil	Nil

For and on behalf of the Board

Asit C. Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Company Secretary

Mumbai, 30th May, 2011

DETAILS OF SUBSIDIARIES

(₹ in lakhs)

Summary of financial performance of the subsidiaries for the year ended 31st March, 2011

Subsidiary	Nucleus GIS, Inc	Nucleus GIS And ITES Ltd
Particulars		
Capital	22.49	300.00
Reserves (Debit Balance of Profit and Loss A/c)	5.62	231.37
Total Assets	22.49*	486.65
Total Liabilities	22.49*	486.65
Investments		
Total Income / Turnover	0.07	288.31
Profit / (Loss) before tax	0.63	(183.63)
Provision for Tax		
Profit / (Loss) after tax	0.63	(183.63)
Proposed dividend	Nil	Nil

*Exchange rate considered as on 31.3. 2011: 1 USD = ₹ 44.65

**CONSOLIDATED
FINANCIAL STATEMENTS
2010-11**

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ASIT C MEHTA FINANCIAL SERVICES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ASIT C MEHTA FINANCIAL SERVICES LIMITED, ITS SUBSIDIARY & ASSOCIATE COMPANY

1. We have examined the attached Consolidated Balance Sheet of Asit C Mehta Financial Services Limited, its subsidiary and its Associate Company as at March 31, 2011 and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework and 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 statements. We believe our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investments in Associate in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Asit C Mehta Financial Services Limited, its subsidiary and its Associate and included in the Consolidated Financial Statements.
4. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual financial statements of Asit C Mehta Financial Services Limited, its subsidiary and its Associate, included in the Consolidated Financial Statements read together with the Significant Accounting Policies, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Asit C Mehta Financial Services Limited, its subsidiary and its associate as at 31st March, 2011,
 - b. in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Asit C Mehta Financial Services Limited, its subsidiary and its associate for the year then ended and
 - c. in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Asit C Mehta Financial Services Limited, its subsidiary and its associate for the year then ended.

For MANEK & ASSOCIATES
Chartered Accountants
Firm No:0126679W

(SHAILESH MANEK)
Proprietor
Membership No.: 34925

Mumbai
Dated: MAY 30, 2011

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

Schedules	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
SOURCES OF FUNDS		
Shareholders' Funds:		
Share Capital	1	49,525,600
Reserves & Surplus	2	432,760,310
		482,285,910
		158,057,852
Loan Funds:		
Secured Loans	3	34,634,258
Unsecured Loan		16,750,000
Deferred Tax Liability (Net)		5,194,232
		3,061,437
TOTAL		538,864,400
		207,506,649
APPLICATION OF FUNDS		
Fixed Assets:		
Gross Block	4	513,327,189
Less : Depreciation/ Amortisation		35,936,906
Net Block		477,390,283
		127,094,972
Investments	5	48,485,777
		57,447,200
Current Assets, Loans and Advances:		
Stock in trade	6	-
Sundry Debtors		14,966,670
Cash and Bank Balances		10,884,955
Other Current Assets		292,502
Loans and Advances		4,918,320
		31,062,447
		44,622,630
Less:		
Current Liabilities and Provisions:		
Current Liabilities	7	16,024,285
Provisions		2,049,823
		18,074,108
		21,658,153
Net Current Assets		12,988,339
		22,964,477
TOTAL		538,864,400
		207,506,649
Significant Accounting Policies and Notes to the Financial Statements	14	
Schedules referred to herein form an integral part of the Balance Sheet		

As per our report of even date attached.

For Manek & Associates
Chartered Accountants
Firm No: 0126679W

Shailesh L. Manek
Proprietor
Mem. No. 34925

Mumbai
Date: 30th May, 2011

For and on behalf of the Board

Asit C. Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Company Secretary

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

	Schedules	Year ended March 31, 2011 Rupees	Year ended March 31, 2010 Rupees
INCOME			
Income from Operations	8	31,854,855	58,221,172
Other Income	9	1,688,544	5,234,860
		33,543,399	63,456,032
EXPENDITURE			
Cost of Goods sold	10	103,352	519,256
Employees' Costs	11	20,904,924	29,391,940
Operating and Other Expenses	12	21,176,251	25,859,564
Depreciation/ Amortisation		7,037,142	7,696,057
Less: Transferred from Revaluation Reserve		320,813	304,902
Interest and Finance Charges	13	7,093,200	5,768,726
		55,994,056	68,930,641
		(22,450,657)	(5,474,609)
PROFIT BEFORE TAX			
Provision for Taxation:			
Current Tax		-	725,000
Deferred Tax expense / (Credit) (Net)		2,132,795	(2,996,978)
Prior period adjustment - Taxation		637,069	
Profit after tax		(23,946,383)	(3,202,631)
Add: Prior year adjustment - Taxation		-	167,755
Add/(Less): Share in profit/(loss) of a Associate concern		(7,785,549)	1,592,521
Net profit for the year		(31,731,932)	(1,777,865)
Balance of Profit / (Loss) Brought Forward from previous year		25,394,169	30,415,011
AMOUNT AVAILABLE FOR APPROPRIATION		(6,337,763)	28,637,145
Appropriation:			
Proposed Final Dividend		-	2,401,286
Corporate Dividend Tax		-	841,690
BALANCE CARRIED TO BALANCE SHEET		(6,337,763)	25,394,169
Earnings Per Share - Basic and Diluted (Refer Note 9 of Schedule 14)			
Basic and Diluted - (Rs.)		(6.41)	(0.36)
Face Value per share - (Rs.)		10.00	10.00
Significant Accounting Policies and Notes to the Financial Statements	14		
Schedules referred to herein form an integral part of the Profit and Loss Account			

As per our report of even date attached.

For Manek & Associates
Chartered Accountants

Firm No: 0126679W

Shailesh L. Manek
Proprietor
Mem. No. 34925

Mumbai
Date: 30th May, 2011

For and on behalf of the Board

Asit C. Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Rupees)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	(22,450,657)	(5,474,609)
Add: Depreciation/ Amortisation	6,716,329	7,391,155
Interest expense	6,365,596	4,898,935
Provision for doubtful debt	9,032,262	4,655,549
Bad debts written off	-	114,600
Loss on sale/ write off of fixed assets	1,048,937	
	23,163,124	17,060,239
Less:		
Interest income	802,302	1,138,059
	802,302	1,138,059
Operating profit before Working Capital changes	(89,835)	10,447,571
(Increase) / Decrease in Sundry Debtors	3,709,140	(17,286,093)
(Increase) / Decrease in Inventory	57,528	2,355,544
(Increase) / Decrease in Loans & Advances	3,101,745	78,125
Increase / (Decrease) in Current Liabilities	(3,584,045)	(11,512,281)
	3,284,368	(26,364,705)
Cash generated from Operations	3,194,533	(15,917,134)
Taxes (Paid)/ Received (Net of TDS and Refund)	1,224,124	2,810,066
Net cash generated from Operating Activities	4,418,657	(13,107,068)
B CASH FLOW FROM INVESTING ACTIVITY		
Purchase of fixed assets/ capital work-in-progress	(2,972,410)	(9,813,209)
Sale of fixed assets	871,822	887,081
Interest received	802,302	1,138,059
Dividend received	1,175,000	1,175,000
Sale of Investments	874	876
Net cash used in Investing Activities	(122,412)	(6,612,193)
C CASH FLOW FROM FINANCING ACTIVITY		
Loans taken	4,996,898	17,422,975
Interest paid	(6,365,596)	(4,898,935)
Net cash used in Financing Activities	(1,368,698)	12,524,040
D Net increase/(decrease) in cash & cash equivalents (A+B+C)	2,927,547	(7,195,222)
E Cash and cash equivalents at the beginning of the year	7,957,408	15,152,630
F Cash and cash equivalents at the end of the year (D+E)	10,884,955	7,957,408

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute Of Chartered Accountants Of India.
- Cash and Cash equivalents included in the Cash Flow Statement comprises the following:

a. Cash on Hand	25,790	10,447
b. Bank Balances with Scheduled Banks		
- In current Accounts	2,716,165	(258,984)
- In Deposit / Margin Account	8,143,000	8,205,945
Total	10,884,955	7,957,408

- Previous Year's balances have been regrouped, wherever considered necessary

As per our report of even date attached.

For Manek & Associates
Chartered Accountants

Firm No: 0126679W

Shailesh L. Manek
Proprietor
Mem. No. 34925Mumbai
Date: 30th May, 2011

For and on behalf of the Board

Asit C. Mehta
ChairmanKirit H. Vora
DirectorTushar Kapadia
Company Secretary

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

(Rupees)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
10,000,000 (Previous year: 10,000,000) Equity shares of Rs 10/- each	100,000,000	100,000,000
Issued, subscribed and Paid-up :		
49,52,560 (Previous year: 49,52,560) Equity shares of Rs 10/- each fully paid-up	49,525,600	49,525,600
	49,525,600	49,525,600
Of the above:		
a) 673,750 equity shares of Rs 10 each were issued for consideration other than cash to the shareholders of erstwhile Nucleus Financial Services Private Ltd, which was amalgamated with the Company on April 1, 1993		
b) 15,11,720 equity shares of Rs 10 each were issued for consideration other than cash to the shareholders of erstwhile Nucleus Netsoft And GIS (India) Ltd, which was amalgamated with the Company on April 1, 2005.		
SCHEDULE 2: RESERVES AND SURPLUS		
Capital Reserve - Share Foreiture Account	759,500	759,500
Revaluation Reserve:		
As per last Balance Sheet	14,741,895	15,046,797
Add: Created during the year	356,280,803	
Less: Transferred to Profit & Loss Account	320,813	304,902
	370,701,885	14,741,895
Securities Premium Account	41,043,960	41,043,960
General Reserve	26,592,728	26,592,728
Surplus as per Profit and Loss Account	(6,337,763)	25,394,169
	432,760,310	108,532,252
SCHEDULE 3:		
Secured Loans:		
Term Loan from Bank		
(Secured by equitable mortgage of Office premises bearing nos B 404, B 504 and B 604 at Nucleus House, Andheri) and certain Computers and accessories financed.)	28,518,674	30,972,479
(Repayable within one year: Rs 57,85,000 Previous year: Rs 77,67,945)		
Working Capital facilities from a Bank secured by hypothecation of stocks and book debts and certain immoveable properties	5,757,684	10,470,684
Car Loan	357,900	644,197
Secured by hypothecation of car		
(Repayable within one year Rs 182,084 Previous year: Rs 286,297)	34,634,258	42,087,360
Unsecured Loan		
Inteter Corporate Deposit	8,375,000	3,675,000
Public Deposits	8,375,000	625,000
	16,750,000	4,300,000

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

Schedule: 4 : Fixed Assets

(Rupees)

Description of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	1.4.2010	Additions	Sales / Adjustment/ Impairment	Total	1.4.2010	For the year	Adjustments	As at 31.3.2011	As at 31.3.2011	As at 31.3.2010	
Office premises	130,827,321	358,622,115		489,449,436	19,334,308	2,486,014		21,820,322	467,629,114	88,279,345	
Computers	13,454,970	456,945	6,077,675	7,834,240	7,511,342	1,975,532	4,262,084	5,224,790	2,609,450	6,560,348	
Electrical Fittings	797,973			797,973	260,413	50,440		310,853	487,120	332,198	
Software	4,313,871			4,313,871	1,942,805	1,436,384		3,379,189	934,682	3,684,422	
Air Conditioners	777,548	174,153		951,701	304,545	80,076		384,621	567,080	494,191	
Furniture and Fixtures	6,887,580			6,887,580	2,704,553	605,610		3,310,163	3,577,417	2,817,318	
Office and Other Equipments	1,540,295		242,579	1,297,716	645,395	106,413	137,411	614,397	683,319	969,032	
Projector	148,650			148,650	68,505	7,061	-	75,566	73,084	87,206	
Motor Car	1646022			1,646,022	527392	289,613		817,005	829,017	1,509,419	
Total	160,394,230	359,253,213	6,320,254	513,327,189	33,299,258	7,037,143	4,399,495	35,936,906	477,390,283	104,733,479	
Previous Year	178,506,627	19,468,249	67,188,181	130,786,695	43,638,666	6,026,888	23,612,338	26,053,216	104,733,479		

(Rupees)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 5: INVESTMENTS		
Longterm (at cost) Unquoted		
1. Company under same management 23,50,000 (Previous year: 23,50,000) equity shares of Asit C Mehta Investment Intermediates Ltd of Rs 10 each, fully paid.	57,446,326	57,028,805
Add: Proportinate share of Income/(loss) for the year	(7,785,549)	1,592,521
Less: Dividend received	(1,175,000)	(1,175,000)
	48,485,777	57,446,326
2. Quoted -non trade		
Nil (Previous year : 437) equity shares of		
Maxwell Industries Ltd of Rs 2 each, fully paid	-	874
(Market Value Rs Nil Previous year Rs 8,587)		
	48,485,777	57,447,200
Aggregate book value of Unquoted Investments	48,485,777	57,446,326
Aggregate book value of Quoted Investments	-	874
Aggregate market value of Quoted Investments	-	8,587

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

(Rupees)

	As at 31.03. 2011	As at 31.03.2010
SCHEDULE 6: CURRENT ASSETS, LOANS AND ADVANCES		
A) Current Assets:		
Stock of smartcards	-	57,528
	-	57,528
Sundry Debtors (Unsecured)		
Outstanding for period exceeding 6 months		
- Considered good	10,577,001	21,228,280
- Considered doubtful	15,097,656	5,135,071
Other debts	4,389,669	6,479,792
	30,064,326	32,843,143
Less: Provision for doubtful debts	15,097,656	5,135,071
	14,966,670	27,708,072
CASH AND BANK BALANCES		
Cash on hand	25,790	10,447
Balances with scheduled banks		
in Current Accounts (including margin deposits of Rs 81,43,000/-	10,859,165	7,946,961
Previous year: Rs 82,05,945/- which are placed against bank guarantees issued)	10,884,955	7,957,408
Other Current Assets		
Interest Accrued on Deposits	292,502	290,549
B. LOANS AND ADVANCES		
(Unsecured - considered good)		
Advances Recoverable in cash or in kind or for value to be received	1,988,646	5,203,754
Deposits	516,747	405,337
Advance Tax / Tax Deducted at Source (Net of provision)	2,412,927	2,999,982
	4,918,320	8,609,073
SCHEDULE - 7 : CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
i) Total Outstanding Dues of micro enterprises and small enterprises*: and	-	-
ii) others	6,52,362	7,42,819
Investor Education and Protection fund (not due)	5,22,499	420,914
Other Liabilities	43,02,811	6,480,718
Security Deposit	1,00,00,000	10,000,000
Interest accrued but not due	546,613	7,744
Advances from customers	-	9,525
(*Refer note 11 to Schedule 14)	1,60,24,285	17,661,720
B. Provisions		
Provision for Gratuity	1,701,582	779,098
Provision for Compensated Absences	348,241	408,255
Provision for Dividend	-	2,401,286
Corporate Dividend Tax	-	398,824
	2,049,823	3,987,463

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

Rupees

	Year ended March 31,2011	Year ended March 31, 2010
SCHEDULE 8 - INCOME FROM OPERATIONS		
I T Enabled Services and Software Services	28,756,452	55,285,046
Profit/(Loss) on trading in Securities	24,675	363,695
Rental Income	3,073,728	2,572,431
	<u>31,854,855</u>	<u>58,221,172</u>
SCHEDULE 9 - OTHER INCOME		
Dividend Income on:		
Current Investments (non trade)		-
Interest Received:		
- On Fixed Deposits with Banks (Tax Deducted at source Rs.56,210/-, Previous year Rs. 134,063/-)	577,847	765,129
- Others - Income tax refund	224,455	372,930
- On Securities		7,400
Profit on sale of investment (Refer Note 10 of Schedule 14)	754,377	3,808,547
Miscellaneous Receipts	8,680	111,601
Excess Provisions written-back	123,185	169,253
	<u>1,688,544</u>	<u>5,234,860</u>
SCHEDULE 10 - COST OF GOODS SOLD		
Opening Stock of GPS devices	-	329,500
Add: Purchases	103,352	189,756
		519,256
Less: Closing stock of GPS devices	-	-
	<u>103,352</u>	<u>519,256</u>
SCHEDULE 11 - EMPLOYEES' COST		
Salaries and Allowances	19,096,363	27,508,234
Company's Contribution to Provident and Other Funds	1,496,927	1,120,709
Staff welfare	311,634	762,997
	<u>20,904,924</u>	<u>29,391,940</u>

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

(Rupees)

	Year ended March 31,2011	Year ended March 31, 2010
SCHEDULE 12 - OPERATING & OTHER EXPENSES		
Data Processing Charges	2,597,479	8,398,042
Rent	50,000	683,310
Rates & Taxes	2,407,071	1,523,311
Travelling & Conveyance	697,403	943,740
Legal & Professional Fees	623,410	832,890
Electricity Charges	1,017,861	2,060,768
Repairs & Maintainance-other	649,917	563,321
Computer Expenses	241,038	354,247
Printing and Stationery	191,495	497,407
Advertisement Expenses	68,834	64,571
Business Promotion	19,479	7,706
Membership & Subscription	6,500	7,686
Insurance	137,573	78,978
Postage & Telephone charges	670,961	703,013
Directors' Sitting Fees	130,000	195,000
Exchange Rate Fluctuation	52,012	656,861
Auditors Remuneration (Excluding Service Tax)		
- Audit fees	325,000	400,000
- Tax Audit fees	50,000	50,000
Smartcards consumed	57,528	1,552,246
Provision for doubtful debts	9,032,262	4,655,549
Miscellaneous Expenses	1,101,491	1,516,318
Bad debts	-	114,600
Loss on sale of assets	1,048,937	-
	<u>21,176,251</u>	<u>25,859,564</u>
SCHEDULE 13 - INTEREST & FINANCE CHARGES		
Interest on Bank Overdraft	1,250,191	1,516,406
Interest on Inter Corporate Deposits	1,482,998	962,372
Interest on Term Loan	3,632,407	2,420,157
Bank Charges & Commission	727,604	869,791
	<u>7,093,200</u>	<u>5,768,726</u>

SCHEDULE 14:**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011****A. Significant Accounting Policies****1. Basis of Consolidation:****a. Basis of Preparation:**

The Consolidated Financial statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. Reference in these notes to, Company, Parent Company, Companies or Group shall mean to include Asit C Mehta Financial Services Ltd or its subsidiaries / Associate, unless otherwise stated.

b. Principles of Consolidation:

The consolidated financial statements comprise of the Financial Statements of Asit C Mehta Financial Services Ltd and its subsidiaries and associate. The financial statement of the group companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of inter company transactions are eliminated on consolidation.

c. Investment in associate:

Investment in entities in which the parent company has significant influence but not a controlling interest, are reported according to the equity method as per Accounting Standard (AS) 23 on Accounting for Investment in Associates in Financial Statements, issued by the Institute of Chartered Accountants of India i.e. the investment is initially recorded at cost, identifying any goodwill/ capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The consolidated profit and Loss account includes the investor's share of the results of the operations of the investee.

The Consolidated Financial statement present the consolidated accounts of Asit C Mehta Financial Services Ltd with its following subsidiaries/ associate.

List of subsidiaries / Associate considered for Consolidation

(₹)

Name of Company	Country of Incorporation	Period	Ownership Interest (%)	Original Cost of Investment	Share of Post Acquisition Reserves and Surplus Investment	Carrying Cost of Investment	Audited by
Subsidiary							
Nucleus GIS, Inc.	United States of America	1.4.2010 to 31.3.2011	100%	NA	NA	NA	Manek & Associates
Nucleus GIS And ITES Ltd	India	1.4.2010 to 31.3.2011	100%	NA	NA	NA	Manek & Associates
Associate							
Asit C. Mehta Investment and Intermediates Ltd.	India	1.4.2010 to 31.3.2011	29.75%	2,13,37,037	2,91,22,586	4,84,85,777	Chandrakant & Sevantilal

2. Basis of preparation of financial statements:

The financial statements have been prepared under historical cost convention on an accrual basis, in accordance with the Generally Accepted Accounting Principles in India, and the Accounting Standards (AS) as notified under the Companies (Accounting Standards) Rules, 2006, except for office premises which is stated as per the revalued amount.

3. Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported

amounts of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which the results are known / materialized.

4. Revenue Recognition:

Revenue is recognized on accrual basis as under:

- a. Information Technology Enabled Services (ITES) and Software Services Fees: Income from services rendered of ITES is recognized on services rendered. Software services fees are accounted on its completion and acceptance by the customers.
- b. Dividend is recognized when the right to receive the payment is established.
- c. Interest and rent income is recognized on time proportion basis.
- d. All expenses are accounted on accrual basis except leave travel allowance and medical reimbursement to employees which are accounted on payment basis.

5. Fixed Assets:

a. Tangible Assets:

Fixed assets other than office premises acquired on amalgamation are stated as cost less accumulated depreciation. Based on an independent valuation of an approved valuer, the office premises were revalued during the year and have been stated at the revalued figure as at 31.3.2011.

b. Intangible Assets:

Intangible assets are stated at cost, less any accumulated amortization / impairment losses.

Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

6. Inventory:

- a. Bought out Inventories are valued at cost or net realizable value whichever is lower. Cost is arrived at using FIFO method.
- b. Work in progress for the ITeS projects undertaken is recognized to the extent of work completed and is valued at the lower of cost or estimated net realizable value.

7. Depreciation/ Amortisation:

a) Depreciation in respect of Asit C Mehta Financial Services Ltd is as given under:

Depreciation is provided on the straight-line method basis, except in the case of computers of Domestic unit acquired on amalgamation, where the written down value method is used. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956.

b) Depreciation in respect of Nucleus GIS And ITES Ltd is as given under:

Depreciation is provided on the written-down method at the rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life. Pursuant to this policy depreciation on computer software has been provided @ 33.33% on Straight Line method which is higher than the corresponding rates prescribed under schedule XIV to the Companies Act, 1956.

8. Investments:

Investments are classified into Long tem and Current Investments. Long-term investments are carried at cost, less provision for diminution other than temporary in their value, determined separately for each individual investment basis. Current investments are carried at the lower of cost and fair value.

9. Retirement Benefits:

Company's contribution to Provident Fund is charged to profit and loss account. Gratuity and Compensated absences payable to employees on retirement are provided on the basis of actuarial valuation on balance sheet date. except for the holding company the same is provided on acutal basis, if applicable for Leave Encashment.

10. Taxation:

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / substantively enacted tax rates by the Balance Sheet date, to the extent that the timing differences are expected to crystallize.

Deferred Tax Assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization backed by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

11. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognized as exchange difference and the premium on such forward contracts is recognized over the life of the forward contract. The exchange difference arising on settlement/ translation are recognized in the revenue accounts.

12. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

13. Impairment of assets

The company assess at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

14. Provisions, Contingent liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote or a reliable estimate of the amount of obligation cannot be made. Contingent Assets are not recognised in the financial statements since they may result in the recognition of income that may never be realised

B. NOTES TO ACCOUNTS

1. Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide to better understanding of the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Notes from the individual financial statements, which fairly present the required disclosures.

2. Debtors include

- (a) a disputed debt of ₹ 2,36,75,355 (Previous year: ₹ 2,56,75,355) due from a debtor. In terms of the agreement with the debtor, the Company has initiated the proceedings for referring the disputed matter to arbitration. Pending proceedings and award under the Arbitration process, the Company has by way of abundant caution further provided ₹ 90,32,262 (Previous year: ₹ 46,55,549) net of Service Tax as doubtful of recovery.
- (b) a disputed debt of ₹ 19,00,041 (Previous year ₹19,00,041) due from a debtor. The Company has initiated the proceedings for referring the disputed matter to arbitration and the same is pending. No provision is made as the Company is hopeful of its recovery.

3. Capital commitments and contingent liabilities

Amount in ₹

Particulars	March 31,2011	March 31,2010
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	16,40,000
Contingent liabilities:		
Bank guarantees to customs for EOU bonding	-	62,500
Service Tax Matters	67,98,386	67,98,386
Foreign Exchange Regulation Act, 1973 matters (refer note 5 below)	1,00,00,000	1,00,00,000

4. The Company had received pay orders valuing to ₹ 50.72 lacs from a customer in the financial year 1994-95 in respect of Money Changing business that were dishonored by a nationalized bank as per the instructions of Directorate of Revenue & Intelligence. The Company had challenged the proceeding before the Customs, Excise and Gold (Control), Appellate Tribunal, Mumbai (CEGAT) which gave the ruling in favour of the Company for which the company has furnished a bank guarantee of ₹ 26.86 lacs (previous year ₹ 26.86 lacs). The Customs Department filed a reference petition before the Hon'ble High Court of Judicature at Bombay and the same is pending for disposal. The Company has also filed a suit with the Hon'ble High Court of Judicature at Bombay against the bank concerned seeking amongst others, a direction to the bank to pay interest on the amount of dishonored pay orders. As at the year end the case is pending for disposal with the Hon'ble High Court of Judicature at Bombay.

During the financial year 2007-08, the Company received an order imposing a penalty of ₹ 100 lacs from the Office of the Special Director of Enforcement holding Company guilty in respect of defiance with the instructions contained in the FLM Memorandum. The Company contends that it has complied with the relevant regulations of the Reserve Bank of India as contained in FLM – Memorandum of Instructions to Full-Fledged Money Changers. The said order also stipulated to pre-deposit the penalty for preferring an appeal against the said order. The Company filed an appeal before the Appellate Tribunal for Foreign Exchange (ATFE) contesting the order and also for waiver of the condition to pre-deposit the penalty. The ATFE rejected the Company's request for the pre-deposit of the penalty and to which the Company filed a Writ petition before the Bombay High Court which waived the pre-deposit of the penalty against furnishing a bank guarantee of equivalent sum and the same is furnished by the Company. The said appeal is pending before ATFE.

On the basis of legal advice obtained, the Management is of the view that the order of the Special Director is erroneous, perverse, and bad in law. The Company had complied with the RBI regulations as stipulated in the FLM Memorandum.

5. Retirement Benefits:

- (a) Post-employment benefit plans

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Profit and Loss account for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested.

The retirement benefit obligations recognized in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost.

- (b) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

- (c) The following table sets out the unfunded status of the gratuity plan, compensated leave absences and the amounts recognized in the Company's financial statements as at March 31, 2011

(₹)

Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Reconciliation of liability recognized in the Balance sheet		
Present value of commitments	17,01,582	348,241
Fair value of plans		
Net liability in the Balance sheet	17,01,582	348,241
Movement in net liability recognized in the Balance sheet		
Net liability as at 1 st April, 2010	779,097	389,105
Net expense recognized in the Profit and Loss account	949,212	118,241
Contribution during the year	(26,727)	(159,105)
Net liability as at 31 st March, 2011	17,01,582	348,241
Expense recognized in the Profit and Loss account		
Current service cost	286,823	195,360
Interest cost	57,430	23,216
Expected return on plan assets		
Actuarial (gains)/ losses	604,959	(100,335)

Expense charged to the Profit and Loss account	949,212	118,241
Return on plan assets		
Expected return on plan assets		
Actuarial (gains)/ losses		
Actual return on plan assets		
Reconciliation of defined-benefit commitments		
Commitments as at 1 st April, 2010	779,097	389,105
Current service cost	286,823	195,360
Interest cost	57,430	23,216
Paid benefits	(26,727)	(159,105)
Actuarial (gains)/ losses	604,959	(100,335)
Commitments as at 31 st March, 2011	17,01,582	348,241

The above expenses have been included under 'contribution to provident and other fund' under the employee's cost in the profit and loss account.

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and leave encashment are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense.

Particulars	
Discount rate	7.50%
Expected return on plan assets	NIL
Expected rate of salary increase	5%
Mortality	LIC (1994-96) Ultimate

6. Related Parties

a. Associate / Group entities

Associate Company - Asit C Mehta Investment Intermediates Ltd - Associate
All Alertz.com (India) Private Ltd – A Group Company

b. Key Management Personnel (KMP)

Asit C Mehta - Director Deena A Mehta - Director

c. Related party transactions during the year:

Particulars	Associate	Other group companies	KMP	Total
Leave & Licence security deposit received	- (50,00,000)			- (50,00,000)
Rendering of services	- (1,05,011)	- (-)	- (-)	- (1,05,011)
Leave & License fees	30,13,728 (25,12,431)	60,000 (60,000)	- (-)	30,73,728 (25,72,431)
Dividend received	11,75,000 (11,75,000)	- (-)	- (-)	11,75,000 (11,75,000)
Sitting fees	- (-)	- (-)	50,000 (65,000)	50,000 (65,000)
Shares trading activities	2,175 (-)			2,175 (-)
Interest payable		7,73,546 (5,38,538)	35,000 (2,136)	8,08,546 (5,40,674)
Share of + Income / (-) loss from Associate	-77,85,549 (+ 15,92,521)			-77,85,549 (+ 15,92,521)
Assets sold	121,150 (922,264)			1,21,150 (922,264)
Loan balance outstanding		83,75,000 (36,75,000)	6,25,000 (6,25,000)	90,00,000 (43,00,000)
Rent (Share in common expenses)	- (7,08,126)			- (7,08,126)

(₹)

Outstanding as on 31 March 2011

(₹)

Particulars	Associate	Other group companies	Total
Payables	1,00,00,000 (1,00,00,000)	83,75,000 (-)	1,83,75,000 (1,00,00,000)
Receivables	- (33,87,984)	- (-)	- (33,87,984)

Figures for previous year are given in brackets

7. Disclosure of Derivatives

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Trade Receivables	USD 64,446 USD 47,082	₹ 28,77,517 ₹ 21,37,681
Trade Payables	USD NIL USD NIL	- -
Bank Balance	USD 484.96 USD 484.96	₹ 21,653 ₹ 21,891

The Cash flow is expected to occur and impact the Profit and Loss account within a period of 1 year.

8. Primary Segments Reporting (by Business Segments)

a. Information Technology Enabled Services and Software Services; (I T)

b. Investments Activities; (I)

(₹)

Particulars	I T	Investment Activities	Total
External Revenue	2,87,56,452 (5,52,85,046)	30,98,403 (29,36,126)	3,18,54,855 (5,82,21,172)
Inter Segment revenue	- (-)	- (-)	- (-)
Total revenue	2,87,56,452 (5,52,85,046)	30,98,403 (29,36,126)	3,18,54,855 (5,82,21,172)
Segment result Profit / - loss	-129,34,372 (21,72,310)	-48,39,234 (21,84,051)	-1,77,73,606 (43,56,361)
Interest Expense			63,65,596 (48,98,935)
Less: Excess of unallocated income over unallocated expenses			16,88,544 (37,80,687)
Income Taxes			14,95,726 (24,39,733)
Profit /(-)Loss after taxation			(-)2,39,46,383 (30,34,876)
Other information Segment Assets	2,57,96,079 (4,84,40,502)	53,11,42,429 (18,06,85,920)	55,69,38,508 (22,91,26,422)
Total Assets			55,69,38,508 (22,91,26,422)
Segment Liabilities	4,76,48,944 (2,49,66,325)	2,70,03,654 (4,61,31,654)	7,46,52,598 (7,10,97,979)
Total Liabilities			7,46,52,598 (7,10,97,979)
Capital Expenditure			29,72,410 (3,09,44,631)
Depreciation	41,76,951 (52,54,051)	25,39,378 (21,37,104)	67,16,329 (73,91,155)

Secondary Segment Reporting (by geographic segments)

(₹)

	Domestic	Exports	Total
Segment Revenue	1,50,66,225 (4,44,32,273)	1,67,88,630 (1,37,88,899)	3,18,54,855 (5,82,21,172)
Total carrying value of Segment Assets	*	*	*
Capital Expenditure	*	*	*

Figures in brackets are in respect of previous year.

* In view of the interwoven, inter-mix nature of business and segment assets, other segmental information is not ascertainable.

9. Earnings Per Share:

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share are computed using the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

(₹)

	For the year ended 31 March 2011	For the year ended 31 March 2010
Profit after tax	(-317,31,932)	(-)17,77,865
Profit available for Equity Shareholders	(-317,31,932)	(-) 17,77,865
Weighted average number of Shares used in Computing earnings per share –Basic and Diluted	4,952,560	4,952,560
Face value of Equity Shares	10	10
Per share – Basic and Diluted (₹)	(6.41)	- 0.36

10. Loans and advances include

Balance with Nucleus Stock Trust representing 128,099 (Previous year: 150,514) equity shares of the company issued pursuant to the Scheme of amalgamation approved by the Hon'ble Bombay High Court vide its order dated February 10, 2006 to Nucleus Stock Trust, in which the Company is the sole beneficiary;

During the year 22,415 shares of the Company (previous year: 1,19,386) were sold in the open market by Nucleus Stock Trust and the proceeds there from were received by the Company. The gain realised on these sale aggregated to ₹ 749,718 (previous year: ₹ 38,08,423/- which has been credited to Profit and Loss Account

11. The Company has not received any intimation from the 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no such disclosure under the said act is considered necessary. This has been relied upon by the auditors.

12. The break up of Net Deferred Tax Liability is as under:

(₹)

Particulars	31 March, 2011	31 March, 2010
Difference in book value and tax value of fixed assets	87,61,105	104,44,877
Unabsorbed Depreciation and Business Losses	(35,29,934)	(70,16,548)
43B items (Gratuity, leave encashment etc.)	(36,940)	(366,892)
Net Deferred Tax Liability	51,94,232	30,61,437

13. Previous year figures are restated / regrouped / rearranged wherever necessary in order to confirm to current year's groupings and classifications.

As per our report of even date attached.

For Manek & Associates
Chartered Accountants

Firm No: 0126679W

Shailesh L. Manek
Proprietor
Mem. No. 34925

Mumbai
Date: 30th May, 2011

For and on behalf of the Board

Asit C. Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Company Secretary

ASIT C MEHTA FINANCIAL SERVICES LIMITED

Registered Office: 'Nucleus House', Saki Vihar Road, Andheri (E), Mumbai 400 072

ATTENDANCE SLIP

TO BE COMPLETED AND HANDED OVER AT THE ENTRANCE OF THE MEETING VENUE

I hereby record my presence at the 27th ANNUAL GENERAL MEETING of the Company held at 'Nucleus House', Saki Vihar Road, Andheri (East), Mumbai 400 072, on Friday, 9th September, 2011 at 11.15 a.m.

Folio No DP ID NO..... CLIENT ID NO

Name.....

Signature of the Shareholder or Proxy

ASIT C MEHTA FINANCIAL SERVICES LIMITED

Registered Office: 'Nucleus House', Saki Vihar Road, Andheri (E), Mumbai 400 072

FORM OF PROXY

Folio No DP ID NO..... CLIENT ID NO NO. OF SHARES.....

I/We.....

of.....

..... being a member/members of the

above named Company hereby appoint

of.....

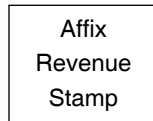
or failing him.....

of.....

..... as my/our proxy

to vote for me/us on my/our behalf at the 27th ANNUAL GENERAL MEETING of the Company to be held on Friday, 9th September, 2011 at 11.15 a.m. and at any adjournment thereof.

Signed this day of 2011



(Signature of Member)

NOTES:

- (a) The form should be signed across the stamp as per specimen signature registered with the Company.
- (b) The Companies Act, 1956, lays down that the instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time fixed for holding the meeting.
- (c) A proxy need not be a member.

Book-Post / U.C.P.

If undelivered, please return to :
'Nucleus House' Saki-Vihar Road, Andheri (East), Mumbai 400072.