

A **Asit C. Mehta** Group Company

# Asit C. Mehta Financial Services Ltd

28th Annual Report  
2011-2012

## FINANCIAL HIGHLIGHTS

( ₹ In Lakh)

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Net worth*	1,097	1,151	1,201	1,128	1,129	1,153	1,075	762	611	601
Borrowings	1,216	327	289	240	181	173	63	9	164	269
Net Fixed Assets (including revaluation)	4,621	4,704	1,148	1,107	1,120	1,042	869	488	534	616
Investments	1,547	605	605	605	306	331	306	311	311	310
Book value per share -Rs	22.15	23.24	24.24	22.75	22.80	23.27	21.71	22.14	17.75	17.49
Gross Income	165	89	177	263	482	702	694	290	406	306
Operating and Other expenses	226	118	90	228	444	490	424	140	416	417
Profit Before Tax	(61)	(29)	87	35	38	212	270	150	(10)	(111)
Profit After Tax	(54)	(50)	101	35	31	210	252	150	13	(170)
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. SUNDERAJAN**

**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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28th Annual General Meeting  
on Wednesday, 26th September, 2012 at the Registered Office of the Company at Nucleus House,  
Opp. L & T Gate No 7, Saki-Vihar Road, Andheri (East), Mumbai - 400072

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**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 EIGHT ANNUAL GENERAL MEETING of the Members of Asit C. Mehta Financial Services Limited will be held at the Registered Office of the Company at Nucleus House, Opp. L & T Gate No 7, Saki-Vihar Road, Andheri (East), Mumbai - 400072 at 5.00 p.m. on Wednesday, 26th September, 2012 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt Audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss 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. D Sunderajan who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Dr. Radhakrishnamurthy 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 29th, 2012

**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 BSE 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 20th September, 2012 to 26th September, 2012 (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.
9. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and had issued circulars stating that the service of notice/documents including Annual Report can be sent by e-mail. Pursuant to these circulars, members are requested to provide their E-Mail IDs to the Company or their Depository participant (for the shares held in demat mode), as the case may be, for serving of documents/correspondences by e-mode.

**REGISTERED OFFICE**

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

Mumbai, May 29th, 2012

**FOR AND ON BEHALF OF THE BOARD**

**ASIT C. MEHTA**  
CHAIRMAN

**Directors' Report to the Shareholders**

Your Directors present the 28th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2012.

**1. FINANCIAL RESULTS:**

₹ in lacs

	STANDALONE		CONSOLIDATED	
	2011 -12	2010 -11	2011-12	2010 - 11
Income from Operations	<b>157.02</b>	61.83	<b>319.77</b>	318.55
Other Income	<b>7.56</b>	27.81	<b>13.02</b>	16.88
Total Income	<b>164.58</b>	89.64	<b>332.79</b>	335.43
Profit before depreciation, interest and tax	<b>115.89</b>	41.98	<b>34.61</b>	(86.41)
Less: Depreciation	<b>21.68</b>	25.39	<b>47.58</b>	67.16
Interest	<b>155.17</b>	45.09	<b>183.68</b>	70.93
Tax Expense / (Credit)	<b>(7.10)</b>	21.33	<b>(8.10)</b>	14.96
Profit / (Loss) After Tax	<b>(53.85)</b>	(49.83)	<b>(188.54)</b>	(239.46)
Profit / (loss) of share in Associate concern	<b>NA</b>	NA	<b>(317.03)</b>	(77.86)
Profit after tax and share in Associate concern	<b>NA</b>	NA	<b>(505.57)</b>	(317.32)
Add: Balance brought forward	<b>37.55</b>	87.38	<b>(63.38)</b>	253.94
Balance available for appropriation	<b>(16.30)</b>	37.55	<b>(568.95)</b>	(63.38)
Which the Directors have appropriated as:				
Adjusted against General Reserve	<b>16.30</b>	-	<b>265.93</b>	-
- Balance to be carried forward	-	37.55	<b>(303.02)</b>	(63.38)

**2. DIVIDEND**

The Board of Directors does not recommend any dividend.

**3. OPERATIONAL REVIEW**

On a Standalone basis, the gross earnings rose to Rs 164.58 lacs from Rs 89.64 lacs. During the year the Company raised Rs 1000 lacs as a Term Loan and invested Rs 963 lacs in the debentures of a group / associate concern. The year ended with a loss of Rs 53.85 lacs as compared to Rs 49.83 lacs in the previous year. The overseas wholly-owned subsidiary was voluntarily dissolved resulting in a loss of Rs 2.42 lacs. The Company is exploring the efforts for offering the Office premises on rental basis to banks / insurance Companies / Corporate(s) and had also participated in tenders which were unsuccessful.

On a consolidated basis, the gross revenues were steady at Rs 319 lacs and loss after tax was at Rs 188.54 lacs as against Rs 239.46 lacs in the previous year. Adding the share in loss of the associate concern of Rs 317 lacs (previous year Rs 78 lacs), the overall consolidated loss aggregated to Rs 505.57 lacs as against loss of Rs 317.32 lacs in the previous year. The wholly-owned subsidiary engaged in to ITeS services suffered a loss of Rs 141 lacs mainly on account of poor sales orders and non realization of sums from debtors due to litigation which increased the borrowings thereby increasing the finance costs. Due to difficult market condition, the Associate also sustained a loss which resulted in the share of loss from an associate concern at Rs 317 lacs in the consolidated financials.

**4. 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:

- in preparation of the annual accounts, the applicable accounting standards have been followed by the Company;
- 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, 2012 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the annual accounts have been prepared on a 'going concern' basis.

**5. 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.

**6. 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 BSE 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, Prof. D Sunderajan and Dr.. R Krishnamurthy 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**

**ASIT C. MEHTA**  
CHAIRMAN

Mumbai, 29th May, 2012

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**  
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Business Review:**

The Company operates through its wholly-owned Indian subsidiary and a associate concern. The thrust of the business is to hold strategic control / investment in group companies. The Company also earns revenues from letting out of properties to group concerns and income from dividends / interest. As a consequence, the performance of the Company is directly related to the performance of its investment income of the Company consisting of dividends, interest and rent.

The Company's wholly-owned Indian subsidiary - Nucleus GIS And ITES Ltd (NGIL) is engaged into ITeS / BPO services. NGIL's performance for the year 2011-12 was unsatisfactory as the Company reported a loss after tax of (₹) 141 lacs.

**Financial Performance:**

- A) Consolidated Financial Results for the year ended 31st March, 2012 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) after depreciation and interest		
	2010-11	2011-12		2010-11	2011-12
ITeS	287.56	178.24	ITeS	(153.41)	(138.11)
Investments Activities	30.98	141.54	Investments Activities	(71.59)	(58.53)
Unallocable	16.88	13.02	Unallocable	0.49	-

- B) Standalone Financial Results:

The following table gives an overview of the Standalone financials of the Company

(Unconsolidated):

(₹) in lacs

Particulars	2010 -11	2011 - 12
Revenues from Operations	61.83	157.00
Other Income	27.81	7.57
Total revenue	89.64	164.57
Total Expenditure	118.14	225.53
Profit before Tax	(28.50)	(60.96)
Profit after tax	(49.82)	(53.85)

The Share Capital remained unchanged. There were no additions to Fixed Assets. During the year the new investments made were of Rs 963 lacs and investment realized was Rs 19.70 lacs. Fresh borrowings made were of Rs 1000 lacs.

**Opportunities, Threats, risks and concerns**

The Company's income is mainly from investments made in the group companies which comprise dividends and debenture interest. Any adverse impact on the industries of which the securities are held by the Company, will have a direct bearing on the investment income. Also, slowdown in the growth of Indian economy and /or volatility in the financial market could adversely affect the performance. The Company also earns rental income from letting properties to its group companies. Risk persists for non occupation of these premises. The Company will explore the opportunity to offer the premises to others.

The performance of its wholly-owned subsidiary - Nucleus GIS And ITES Ltd (NGIL) which is engaged into ITeS Services would depend on the growth of ITeS industry. The WOS operates in BFSI vertical (mainly insurance) which represents a mature and large BPO market opportunity.

The market for BPO services continues to remain competitive. The Company believes that the overall market size is very large and it has competitive position due to deep domain expertise in insurance and banking vertical coupled with list of satisfied customers and good track record.

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 Associate extensively operates in the Capital Market which is subject to extensive regulation. Besides, it has witnessed intense competition, fall in the brokerage rates and entry of certain big players. The volatility in FII flows would remain the key catalyst for the trend in the Capital market.

**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.

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**  
**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**  
**RELATING TO SUBSIDIARY COMPANY**

1	Name of the Company	Nucleus GIS And ITES Limited
2	Financial Year of the Subsidiary Company	31st March, 2012
3	(a) Number of Shares held in the Subsidiary Company	30,00,000 fully paid equity shares of Rs. 10/- each
	(b) Percentage of the shareholding in a Subsidiary Company	100%
4	Total Issued Share Capital of the Subsidiary Company.	₹ 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, 2012	₹ (1,39,94,788)
	(b) For the previous financial years since they became Company's Subsidiary.	₹ (2,31,36,921)
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
	(b) For the previous financial years since they became Company's Subsidiary.	Nil

For and on behalf of the Board

Mumbai,  
Dated : 29th May, 2012

Asit C Mehta  
Chairman

Kirit H. Vora  
Director

Tushar Kapadia  
Company Secretary

**DETAILS OF SUBSIDIARY**

( ₹ in lakhs)

**Summary of financial performance of the subsidiary for the year ended 31st March, 2012**

Subsidiary	Nucleus GIS And ITES Ltd
Particulars	
Capital	300.00
Reserves (Debit Balance of Profit and Loss A/c)	371.32
Total Assets	306.53
Total Liabilities	306.53
Investments	
Total Income / Turnover	180.79
Profit / (Loss) before tax	(140.94)
Tax charge / (credit)	(0.99)
Profit / (Loss) after tax	(139.95)
Proposed dividend	Nil



**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**  
**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, 2012.

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

The Company is committed to observance of good corporate governance practices in the business dealings encompassing 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, 2012, 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 9.9.2011		Attendance at the AGM held on
					Member	Chairman	
Mr. Asit C. Mehta, Chairman	Promoter and Non-Executive Director	5	5	7	1	Nil	Yes
Mrs. Deena A. Mehta, Director	Promoter and Non-Executive Director	5	5	9	2	Nil	Yes
Mr. Kirit H. Vora, Director	Non-Executive and non independent Director	5	4	9	1	Nil	Yes
Mr. Vijay Ladha, Director	Independent and Non-Executive Director	5	4	1	Nil	Nil	No
Dr. R. Krishnamurthy, Director	Independent and Non-Executive Director	5	3	1	Nil	Nil	No
Dr. D Sunderajan	Independent and Non-Executive Director	5	4	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, 2012, five meetings of the Board were held i.e. 21st May, 2011, 30th May, 2011, 10th August, 2011, 14th November, 2011, and 14th February, 2012.

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 :**

Dr. R. Krishnamurthy and Mr. D Sunderajan retire by rotation and being eligible offer themselves for reappointment. Brief resumes of these directors are given below:

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

Particulars	Dr. R Krishnamurthy	Mr. D. Sunderajan
Age (in years)	60	73
Date of appointment	31st January, 2006	19th April, 2006
Qualification	LLB; Ph.D	B. Tech; M E
Expertise in specific functional area	Industrial Relations and Human Resource Management	Electronic Applications and Corporate Management
Directorships held in other Public Companies	NIL	Nucleus GIS And ITES Ltd
Memberships of Committees of Other Public companies	NIL	NIL
No. of shares held in the company	1000	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, 2012 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, 2012 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, 2012 four Audit Committee meetings were held on 30th May, 2011, 10th August, 2011, 14th November, 2011, and 14th February, 2012. 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	2
Mr. Kirit H Vora	4	3

Besides the above meetings, another meeting of the Audit Committee was held on 29th May, 2012 at which the Audited Accounts for the year ended 31st March, 2012, 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 had 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. (Nucleus GIS Inc was dissolved during the year)

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED****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, 2012, 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 31.3.2012	Share Transfers pending for approval as at 31.3.2012
2	2	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	25,000	23,61,138
Deena A Mehta	Wife of Mr. Asit Mehta	25,000	9,00,358
Kirit H Vora		27,500	23,520
Vijay G Ladha		27,500	NIL
Dr. R Krishnamurthy		20,000	1000
D Sunderajan		20,000	NIL

\*The above shareholding as at 31st March,2012 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
2008-2009	Nucleus House, Saki Vihar Road, Andheri (E), Mumbai 400072	25th AGM held on 23rd 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	26th AGM held on 1st September, 2010	11.15 a.m.	NIL
2010 -11	Nucleus House, Saki Vihar Road, Andheri (E), Mumbai 400072	27th AGM held on 9th September, 2011	11.15 a.m.	NIL

Postal Ballot: The Company received approval of the members, for passing a Special resolution under section 372A of the Companies Act, 1956 thro postal ballot. The Company complied with the procedures for the postal ballot in terms of Section 192A of the Companies Act, 1956 as well as Companies (Passing of Resolution by Postal Ballot) Rules, 2001. Mr. V V Chakradeo, Practising Company Secretary, who was appointed as the Scrutinizer, carried out the Postal Ballot process in a fair and transparent manner. The results were announced on 20th July, 2011.

**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, 2012. The details of related party transactions are disclosed in Note 26.3 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. They are also then posted on website [www.nucleusservices.com](http://www.nucleusservices.com)
- 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	26th September, 2012
Time	5.00 p.m.
Venue	Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai - 400072

**2. Financial year: The financial year is 1st April, 2012 to 31st March, 2013..**

Financial Year	1st April to 31st March
First Quarter Results	On or before 31st July, 2012
Half yearly Results	On or before 31st October, 2012
Third Quarter Results	On or before 31st January, 2013
Audited Results for the year end	On or before 30th May, 2013

**3. Book Closure: 20.9.2012 to 26.9.2012 (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 2011-2012 at the BSE Ltd were as under:

(Source: [www.bseindia.com](http://www.bseindia.com))

Month	High(₹)	Low(₹)	Month end closing price(₹)	BSE SensexHigh	BSE Sensex Low
April, 2011	45	35	38.95	19,811	18,976
May, 2011	43	33	37.7	19,254	17,786
June, 2011	51	30	48.45	18,873	17,314
July, 2011	54	41	40.65	19,132	18,132
August, 2011	42	34	35.50	18,440	15,766
September, 2011	38	31	31.50	17,212	15,801
October, 2011	32	28	30.25	17,908	15,745
November, 2011	30	26	26.60	17,702	15,479
December, 2011	27	22	21.85	17,004	15,136
January, 2012	26	20	23.85	17,259	15,358
February, 2012	26	21	22.10	18,524	17,062
March, 2012	24	21	21.60	18,041	16,921

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED****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, 2012 was as follows:

No. of Equity Shares	No. of Shareholders	No. of Shares	% of Shareholding
Upto 500	985	1,63,604	3.31
501 to 1000	118	97,120	1.96
1001 to 2000	46	67,245	1.36
2001 to 3000	18	46,177	0.93
3001 to 4000	9	33,389	0.67
4001 to 5000	16	77,198	1.56
5001 to 10000	14	1,08,532	2.19
10001 & above	23	43,59,295	88.02
TOTAL	1229	49,52,560	100.00

**11. Shareholding Pattern :**

The Company's shareholding pattern as on 31.03.2012 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 97.24 % 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, 2012.

**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, 2012.

29th May, 2012

**Asit C. Mehta**  
Chairman

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED  
V V CHAKRADEO & CO.  
COMPANY SECRETARIES.**

**B - 301, MATOSHREE RESIDENCY CHS., 65, PRATHANA SAMAJ ROAD, VILE PARLE (EAST), MUMBAI 400057.**

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, 2012 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

Mumbai : 29.5.2012

PROPRIETOR  
COP 1705

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**  
**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 2012, the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in 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 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
- (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 2012;
  - (b) in the case of the Statement of Profit and Loss, 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

Mumbai  
Dated: MAY 29, 2012

(SHAILESH MANEK)  
Proprietor  
Membership No.: 34925

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**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 regarded 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 affect the going concern assumption.
- (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 granted interest free unsecured loan to a Subsidiary company covered in the register maintained under section 301 of the Companies' Act, 1956. The maximum amount involved during the year was ₹ 9.50 lakhs and year end balance was ₹ 9.50 lakhs.
- (b) The other terms and conditions on which loans have been granted to the Subsidiary company are not, prima facie, prejudicial to the interest of the company.
- (c) The Company is regular in recovering the principal amount as stipulated.
- (d) There is no overdue amount of the loan granted to a company covered in the register maintained under section 301 of the Companies Act, 1956.
- (e) During the year the company has repaid an unsecured loan, taken 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 ₹ 42 lacs and the balance outstanding at the year end was ₹ NIL.
- (f) 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.
- (g) 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, 2012 on account of any dispute are given below.



**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

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, and also 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 loan availed by the company were, prima facie, applied by the Company for the purpose for which the loans 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 no funds 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

Mumbai  
Dated: MAY 29, 2012

(SHAILESH MANEK)  
Proprietor  
Membership No.: 34925

## BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No	₹ As at 31st March, 2012	₹ As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	49,525,600	49,525,600
(b) Reserves and Surplus	4	424,763,105	436,260,748
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	5	121,161,518	22,793,674
(b) Deferred tax liabilities (Net)	6	4,479,282	5,194,232
(c) Other Long term liabilities	7	21,000,000	18,000,000
(d) Long term provisions	8	127,779	118,921
<b>Current Liabilities</b>			
(a) Short-term borrowings	9	-	4,200,000
(b) Trade payables	10	1,573,736	477,237
(c) Other current liabilities	11	9,037,247	6,620,000
(d) Short-term provisions	12	3,687	2,680
<b>Total</b>		<b>631,671,954</b>	<b>543,193,092</b>
<b>II. Assets</b>			
<b>Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	13	462,169,632	470,450,370
(b) Non-current investments	14	154,657,070	60,536,440
(c) Long term loans and advances	15	3,349,365	2,611,268
<b>Current Assets</b>			
(a) Cash and cash equivalents	16	9,678,969	8,991,740
(b) Short term Loans and advances	17	1,438,004	319,999
(C) Other Current Assets	18	378,914	283,275
<b>Total</b>		<b>631,671,954</b>	<b>543,193,092</b>
Notes forming part of the Accounts	1 to 30		

For Manek & Associates  
Chartered Accountants  
FRN :0126679W

Shailesh L. Manek  
Proprietor  
Membership No 34925  
Mumbai, 29th May, 2012

For and on behalf of the Board

Asit C Mehta  
Chairman

Kirit H. Vora  
Director

Tushar Kapadia  
Company Secretary

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

₹

Particulars	Note No	For the year ended 31st March, 2012	For the year ended 31st March, 2011
I. Revenue from operations	19	15,701,632	6,183,303
II. Other Income	20	756,650	2,781,177
<b>III. Total Revenue</b>		<b>16,458,282</b>	<b>8,964,480</b>
<i>IV. Expenses:</i>			
Employee benefits expense	21	572,962	924,532
Finance costs	22	15,517,321	4,508,902
Depreciation	24	2,168,457	2,539,379
Other expenses	23	4,295,759	3,841,373
<b>V Total Expenses</b>		<b>22,554,499</b>	<b>11,814,186</b>
VI. Profit before tax		(6,096,216)	(2,849,706)
VII. Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		(714,950)	2,132,795
(c) Short tax provision of earlier year		4,098	-
VIII. Profit/(Loss) after tax		<b>(5,385,364)</b>	<b>(4,982,501)</b>
IX. Earning per equity share:			
(1) Basic	26.4	<b>(1.09)</b>	(1.01)
(2) Diluted	26.4	<b>(1.09)</b>	(1.01)
<b>Notes forming part of the Accounts</b>	<b>1 to 30</b>		

For Manek & Associates  
Chartered Accountants  
FRN :0126679W

Shailesh L. Manek  
Proprietor  
Membership No 34925  
Mumbai, 29th May, 2012

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 31ST MARCH, 2012

₹

		March, 2012		March, 2011
<b>A) Cash Flow from Operating Activities</b>				
Net profit before tax		(6,096,216)		(2,849,706)
Adjustments for:				
Depreciation	2,168,457		2,539,379	
Finance costs	5,321,283		4,508,902	
Dividend received	(1,400)		(1,175,000)	
Interest received	(747,485)		(726,115)	
Loss on sale of investment/Fixed asset	242,872	6,983,726	89,199	5,236,365
Operating profit before Working Capital Changes		887,510		2,386,659
Adjustments for changes in Working Capital				
Trade Receivables	-		1,365,079	
Other Receivables	(1,213,048)		3,120,848	
Trade and other payables	6,523,611	5,310,563	(3,697,541)	788,386
Cash generated from operations		6,198,073		3,175,045
Direct taxes (paid)/Received		(742,789)		1,095,724
<b>A</b>		<b>5,455,284</b>		<b>4,270,769</b>
<b>B) Cash from Investing activities</b>				
Interest received	747,485		726,115	
Dividend Received	1,400		1,175,000	
Purchase of fixed assets	-		(2,341,312)	
Purchase of long-term investments	(96,333,330)		-	
Sale of investment	1,969,828		874	
<b>B</b>		<b>(93,614,617)</b>		<b>(439,323)</b>
<b>C) Cash flow from Financing activities</b>				
Finance costs	(5,321,283)		(4,508,902)	
Repayment of short term borrowings	(4,200,000)			
Proceeds from longterm borrowings - Net	98,367,844		(410,860)	
Proceeds from short-term borrowings	-		4,200,000	
<b>C</b>		<b>88,846,562</b>		<b>(719,762)</b>
Net Increase in Cash and Cash equivalants at the end of the year A + B+C		687,229		3,111,684
Cash and cash equivalants at the beginning of the year		8,991,740		5,880,056
Cash and cash equivalants at the end of the year		9,678,969		8,991,740

For Manek & Associates  
Chartered Accountants  
FRN :0126679W

For and on behalf of the Board

Shailesh L. Manek  
Proprietor  
Membership No 34925  
Mumbai, 29th May, 2012

Asit C Mehta  
Chairman

Kirit H. Vora  
Director

Tushar Kapadia  
Company Secretary

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

**1. Corporate Information:**

The Company holds investments exclusively of the group companies and earns dividend/interest from the same as and when declared. The Company also earns rental income from the properties given on lease to the group companies. The Company has classified the aforesaid business as an investment activity.

**2. Significant Accounting Policies:**

2.1 The financial statements have been prepared under historical cost convention on an accrual basis, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with 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.

2.2 The preparation of financial statements in conformity with Indian GAAP 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 / materialize.

2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and deposits with banks. Cash equivalents (if any) are short-term balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation/ Amortisation:

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

2.6 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 income is recognized on time proportion basis.
- c. Income from share trading activity is recognized on selling of shares.
- d. Rental Income is accrued on time proportion basis for the period relating to let out of the properties

2.7 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 in the financial year 2010-11 and have been stated at the revalued figure as at 31.3.2011.

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

2.8 Investments

Investments are classified into Long term and 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.

2.9 Employee Benefits

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

2.10 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.

2.11 Earnings per share

Basic earnings per share are computed by dividing the profit /(loss) after tax by the weighted average number of equity shares outstanding during the year.

2.12 Taxes on Income

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the provisions of the Income Tax Act, 1961.

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**

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.

**2.13 Impairment of assets**

The company reviews 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 Statement of Profit and Loss . 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.

**2.14 Provisions and contingencies**

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. Contingent liabilities are disclosed in the notes separately.

**Note: 3 Share Capital**

Particulars	As at 31March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
(b) Issued, Subscribed and paid up Equity shares of ₹ 10 each	4,952,560	49,525,600	4,952,560	49,525,600

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31March, 2012		As at 31 March, 2011	
	Number	Amount	Number	Amount
Equity shares with voting rights				
- Outstanding at the beginning of the year	4,952,560	49,525,600	4,952,560	49,525,600
- Shares issued during the year	-	-	-	-
- Shares outstanding at the end of the year	4,952,560	49,525,600	4,952,560	49,525,600

b) Details of shares held by each shareholder holding more than 5% share

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
1. Mr. Asit C. Mehta	22,84,138	46.12	22,84,138	46.12
2. Mrs. Deena A. Mehta	900,358	18.18	900,358	18.18
3. Asit C Mehta Commodity Services P Ltd	400,470	8.09	400,470	8.09

c) Details of forfeited shares

Class of shares	As at 31.3.2012		As at 31.3.2011	
	No. of shares	Amount originally paid up	No. of shares	Amount originally paid up
Equity shares with voting rights	147,700	738,500	147,700	738,500
Equity shares with voting rights*	4,200	21,000	4,200	21,000

\*these shares were originally issued by erstwhile Nucleus Netsoft And GIS (India) Ltd which was amalgamated with the Company.

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**

d) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by shareholders.

**Note 4 Reserves and Surplus**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Capital Reserve	759,500	759,500
Securities Premium Account	41,043,960	41,043,960
Revaluation Reserve		
Opening Balance	370,701,885	14,741,895
Add: Addition on revaluation during the year	-	356,280,803
Less: Utilised for set off against depreciation	6,112,279	320,813
Closing Balance	364,589,606	370,701,885
General Reserve		
Opening Balance	20,000,000	20,000,000
Less: Adjusted against deficit		
balance in Statement of Profit and Loss	(1,629,961)	-
Closing Balance	18,370,039	20,000,000
Surplus/Deficit balance in		
Statement of Profit and Loss		
Surplus/ (Deficit) opening balance at the beginning of the year	3,755,403	8,737,904
Add : Loss for the year	(5,385,364)	(4,982,501)
	(1,629,961)	3,755,403
Less: Adjusted against balance from General Reseve	(1,629,961)	-
Closing Balance	-	3,755,403
Total	424,763,105	436,260,748

**Note 5: Long term Borrowings - Secured**

Particulars	As at 31st March	
	2012	2011
a. Term Loans from a Bank (refer note i below)	21,161,518	22,793,674
b. Term Loan from STCI Finance Ltd (refer note ii below)	100,000,000	-
Total	121,161,518	22,793,674

a) The above loans including current maturities are secured by:

i) equitable mortgage of Office premises bearing nos 404B, 504B and 604B at 'Nucleus House' Andheri E, Mumbai for the loans availed from a bank;

ii) a deed of mortgage for certain Office premises admeasuring about 10, 000 sq. ft and located at 'Nucleus House', 'A' Wing, Andheri (E), Mumbai and also by a personal guarantee of Mr. Asit C. Mehta and Mrs. Deena A Mehta - the directors of the Company with a undertaking for non-disposal of their shareholding in the Company during the tenure of the loan without the prior approval of the lender for the loan availed from STCI Finance Ltd.

b) Repayment terms of outstanding long-term borrowings (excluding current maturities) as on 31.3.2012

i) Repayment term of Term Loans from a Bank

- in quarterly instalments of ₹ 14,28,500 each commencing from May, 2013

ii) Full Repayment of Term Loan from STCI Finance Ltd in May, 2016.

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**

**Note 6: Deferred Tax Liability**

₹

Particulars	Deferred Tax Liability/ (Asset) as at 1st April, 2011	Charge/ (Reversal) during the Year	Deferred Tax Liability/ (Asset) as at 31 March, 2012
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	87,61,105	(5,60,374)	82,00,731
Total Liability	87,61,105	(5,60,374)	82,00,731
Deferred Tax Assets:			
Unabsorbed Depreciation and Business Losses	(35,29,934)	(1,51,804)	(36,81,738)
43B items (Gratuity, leave encashment etc.)	(36,940)	(2,772)	(39,712)
Total Assets	(35,66,874)	(154,576)	(37,21,450)
	51,94,232	(7,14,950)	44,79,282

**Note 7: Other Long-term liabilities**

₹

Particulars	As at 31st March	
	2012	2011
Security deposit received from :		
- Wholly owned subsidiary	11,000,000	8,000,000
- an associate concern	10,000,000	10,000,000
Total	21,000,000	18,000,000

**Note 8: Long-term provision**

₹

Particulars	As at 31st March	
	2012	2011
Provision for gratuity	127,779	118,921

**Note 9 Short term borrowing - Unsecured**

₹

Particulars	As at 31st March	
	2012	2011
Unsecured Inter corporate loan	-	4,200,000

**Note 10 Trade Payables**

₹

Particulars	As at 31st March	
	2012	2011
Micro, Small and Medium Enterprises(refer note 25.3)	-	-
Others	1,573,736	477,237

**Note 11 Other Current liabilities**

₹

Particulars	As at 31st March	
	2012	2011
Current Maturities of Long Term borrowings	5,922,125	5,725,000
Interest payable on borrowings accrued and due	359,084	227,589
Unclaimed dividends	522,499	522,499
Other Payable:		
Statutory dues	2,233,539	144,912
Total	9,037,247	6,620,000

**Note 12: Short term provisions**

₹

Particulars	As at 31st March	
	2012	2011
Provision for employee benefits		
Towards PF payable	2,951	2,055
Towards Gratuity	736	625
Total	3,687	2,680



**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**

**Note: 13 Tangible Assets**

(₹)

Particulars	Gross Block			Accumulated Depreciation				NET BLOCK		
	As at April 1, 2011	ADDITIONS	ADJUSTMENT	As at March 31, 2012	As at April 1, 2011	FOR THE YEAR	ADJUSTMENT	TOTAL	As at March 31, 2012	As at March 31, 2011
OFFICE PREMISES	489,449,434			489,449,434	21,820,321	7,978,025		29,798,347	459,651,086	467,629,112.67
COMPUTERS	157,500		(75,000)	82,500	142,180	10,567	75,000	77,748	4,752	15,320
ELECTRICAL FITTINGS	587,841		-	587,841	240,388	27,872		268,260	319,581	347,453
AIR CONDITIONERS	351,822		-	351,822	225,330	16,711.55		242,041.54	109,780	126,493
FURNITURE AND FIXTURES	4,309,740		-	4,309,740	2,238,215	215,304		2,453,520	1,856,220	2,071,524
OFFICE EQUIPMENTS	530,398			530,398	343,016	25,193		368,210	162,188	187,384
PROJECTOR	148,650		-	148,650	75,566	7,061		82,627	66,023	73,084
Total	495,535,384	-	(75,000)	495,460,385	25,085,017	8,280,736	75,000	33,290,753	462,169,632	470,450,370
Previous Year	139,906,856	358,622,113	(2,993,585)	495,535,384	25,129,212	2,860,192	2,904,386	25,085,018	470,450,370	114,777,645

**Note 14 Non-current investments**

₹

Particulars	As at 31st March	
	2012	2011
Investments:		
Trade - Unquoted		
i) In Equity Instruments:		
a) of wholly-owned subsidiary		
1) 30,00,000 (Previous year 30,00,000) equity shares of Rs 10 each fully paid in Nucleus GIS And ITeS Ltd	30,000,000	30,000,000
2) Nil (Previous year 50,000) common stock of USD 1 each fully paid in Nucleus GIS, Inc USA (a wholly-owned subsidiary)	-	2,212,700
b) in Associate Companies		
23,50,000 (Previous year 23,50,000) equity shares of Rs 10 each fully paid in Asit C Mehta Investment Intermediates Ltd	28,323,740	28,323,740
ii) In Debentures		
32,11,111 unsecured 15.25% optionally fully convertible debentures of Rs 30 each fully paid of Asit C Mehta Investment Intermediates Ltd, an associate company convertible not later than 5 years	96,333,330	-
<b>Total</b>	<b>154,657,070</b>	<b>60,536,440</b>

**Note 15: Long term loans and advances**

₹

Particulars	As at 31st March	
	2012	2011
Unsecured and considered good		
Advance Income Tax (Net)	1,553,778	810,988
Deposits	514,034	516,747
Others	1,281,553	1,283,533
<b>Total</b>	<b>3,349,365</b>	<b>2,611,268</b>

**Note 16: Cash and Cash Equivalents**

₹

Particulars	As at 31st March	
	2012	2011
a. Cash on hand	4,789	14,817
b. Balances with bank		
i) in current accounts	1,581,180	883,923
ii) in fixed deposit account	8,093,000	8,093,000
<b>Total</b>	<b>9,678,969</b>	<b>8,991,740</b>

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**

**Note 17: Short-term Loans and Advances**

₹

Particulars	As at 31st March	
	2012	2011
Unsecured and considered good:		
Advance for Expenses	53,000	-
Due from Nucleus GIS And ITeS Ltd (a wholly-owned subsidiary)	1,057,664	-
Balances with Government		
Service Tax Credit	3,347	16,738
Pre-paid expenses	323,993	303,261
<b>Total</b>	<b>1,438,004</b>	<b>319,999</b>

**Note 18: Other Current Assets**

₹

Particulars	As at 31st March	
	2012	2011
Interest receivable	378,914	283,275
<b>Total</b>	<b>378,914</b>	<b>283,275</b>

**Note 19: Revenue from Operations**

₹

Particulars	For the year ended	
	31st March, 2012	31st March, 2011
A) Interest		
Debtore Interest	10,861,531	-
B) Others		
Rental Income	4,840,101	6,158,628
Profit on trading in securities	-	24,675
<b>Total</b>	<b>15,701,632</b>	<b>6,183,303</b>

**Note 20 Other Income**

₹

Particulars	For the year ended	
	31st March, 2012	31st March, 2011
a) Interest Income:		
- on Bank Deposits	673,122	565,824
- on Income tax refund	74,364	160,291
b) Dividend	1,400	1,175,000
c) Profit on sale of investment (Refer Note 27)	7,765	754,377
d) Advisory charges	-	2,500
e) Excess provisions written back	-	123,185
<b>Total</b>	<b>756,650</b>	<b>2,781,177</b>

**Note 21: Employee benefits expense**

₹

Particulars	For the year ended	
	31st March, 2012	31st March, 2011
a) Salary and allowance	546,863	896,286
b) Contribution to PF and other fund	25,332	27,547
c) Staff welfare expense	767	699
<b>Total</b>	<b>572,962</b>	<b>924,532</b>

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**

**Note 22: Finance costs**

₹

Particulars	For the year ended	
	31st March, 2012	31st March, 2011
a) Interest expense on:-		
- Term Loans	14,020,898	3,632,407
- Others	424,341	244,142
b) Other borrowing costs		
Loan processing fee	500,000	-
Bank Charges	572,082	632,353
Total	15,517,321	4,508,902

**Note 23: Other expenses**

₹

Particulars	For the year ended	
	31st March, 2012	31st March, 2011
Insurance	18,652	15,108
Rates and Taxes	2,926,399	2,368,444
Legal and Professional fees	214,553	187,879
Directors sitting fees	145,000	130,000
Loss on investment	242,872	-
Auditor remuneration –		
Audit fees	125,000	150,000
Tax Audit	25,000	-
Other Services	155,500	175,000
Repairs and Maintenance – Building	68,069	333,894
Repairs and Maintenance – others	-	117,265
Miscellaneous Expenses	374,714	274,584
Loss on sale of fixed assets	-	89,199
Total	4,295,759	3,841,373

**24. Depreciation and amortization**

₹

Particulars	For the year ended	For the year ended
	31st March, 2012	31st March, 2011
	₹	₹
Depreciation for the year on tangible assets as per note 13	82,80,736	28,60,192
Less: Utilized from revaluation reserve	61,12,279	3,20,813
Total Depreciation and amortization	21,68,457	25,39,379

Note: (i) Details of sum added on revaluation during the preceding 5 years

Particulars	31.3.2012	31.3.2011	31.3.2010	31.3.2009	31.3.2008	31.3.2007
Description of Asset:						
- Office premises	*		*	*	*	*
Amount added on revaluation		35,62,80,803				
Date of addition		31.3.2011				

\*During these years no addition on revaluation was made and therefore no information is given

**25. Additional information to the financial statement**

**25.1 Contingent liabilities (to the extent not provided for)**

₹

Particulars	As at March 31,2012	As at March 31,2011
Service Tax Matter under dispute	67,98,386	67,98,386
FERA matter (refer Note 25.2 )	100,00,000	100,00,000

25.2 The Company received pay orders valuing to Rs 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

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**

& 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 Rs.26.86 lacs (previous year Rs 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.

During the financial year 2007-08, the Company received an order imposing a penalty of Rs 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 Company filed an appeal before the Appellate Tribunal for Foreign Exchange (ATFE) contesting the order which is pending. The Company has furnished a bank guarantee in lieu of pre-deposit of penalty.

25.3 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

26. Disclosures under Accounting Standards

26.1 Employee benefits plan3

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 Statement of Profit and Loss for the year 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.

₹

Particulars	As at 31.3.2012	As at 31.3.2011
Reconciliation of liability recognized in the Balance sheet		
Present value of commitments	1,28,515	1,19,546
Fair value of plans		
Net liability in the Balance sheet	1,28,515	1,19,546
Movement in net liability recognized in the Balance sheet		
Net liability as at 1st April, 2011	1,19,546	1,22,478
Net expense recognized in the Statement of Profit and Loss	8,969	(2,932)
Contribution during the year		
Net liability as at 31st March, 2012	1,28,515	1,19,546
Expense recognized in the Statement of Profit and Loss		
Current service cost	11,283	10,733
Interest cost	9,922	9,186
Expected return on plan assets		
Actuarial (gains)/ losses	(12,236)	(22,851)
Expense charged to the Statement of Profit & Loss	8,969	(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 1st April, 2011	119,546	1,22,478
Current service cost	11,283	10,733
Interest cost	9,922	9,186
Paid benefits		
Actuarial (gains)/ losses	(12,236)	(22,851)
Closing balance of the fair value of the defined plan	1,28,515	1,19,546

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**

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 Statement of profit and loss.

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	8.50%
Expected return on plan assets	NIL
Expected rate of salary increase	5%
Mortality	LIC (1994-96) Ultimate

**26.2 Segment information**

The Company operates into one segment only as detailed in note 1 above.

**26.3 Related parties transactions**

a. Related parties where control exists:

Wholly Owned Subsidiaries:- Nucleus GIS, Inc. USA ( dissolved during the year) and Nucleus GIS And ITES Ltd

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

Associate Company - Asit C Mehta Investment Intermmediates 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 (net)	30,00,000 (-)				30,00,000 (-)
Leave & License fees	15,47,901 (30,84,900)	32,32,200 (30,13,728)	60,000 (60,000)		48,40,101 (61,58,628)
Interest on Debentures		1,08,61,531 (-)			1,08,61,531 (-)
Short Term Loan taken			7,50,000 (44,00,000)		7,50,000 (44,00,000)
Short Term Loan given	9,50,000 (-)				9,50,000 (-)
Shares trading activity			(2,175)		(2,175)
Short Term Loan repaid			49,50,000 (2,00,000)		49,50,000 (2,00,000)
Dividend received		- (11,75,000)			- (11,75,000)
Sitting fees				50,000 (40,000)	50,000 (40,000)
Purchase of services		- (2,175)			- (2,175)
Interest paid / payable			3,98,983 (2,44,142)		3,98,983 (2,44,142)
Proceeds of disinvestment	19,69,828 (-)				19,69,828 (-)
Investment in Convertible debentures		9,63,33,330 (-)			9,63,33,330 (-)

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**

Outstanding as on 31 March 2012

₹

Particulars	Subsidiaries	Associate	Total
Receivable	10,57,664	-	10,57,664
	(-)	(-)	(-)
Payables	1,10,00,000	1,00,55,276	2,10,00,000
	(80,00,000)	(1,00,00,000)	(1,80,00,000)

Figures for previous year are given in brackets

**26.4 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 31.3.2012	For the year ended 31.3.2011
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	(53,85,364)	(49,82,501)
C) Basic and diluted earnings per share (in ₹)	(1.09)	(1.01)

27. a) Loans and advances include Balance with Nucleus Stock Trust representing 127,901 (Previous year: 128,099) 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. The Company is the sole beneficiary in Nucleus Stock Trust.
- b) During the year 198 equity shares of the company (previous year: 22,415) were sold in the open market by Nucleus Stock Trust and the proceeds thereof were received by the Company. The gain realized on these sale aggregated to ₹ 7,765 (previous year ₹ 749,718/-) has been credited to the Statement of Profit and Loss.
28. As at 31st March, 2012, there was a complete 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.
29. The Company has given a Corporate Guarantee and also created a charge on specific immovable properties situated at Nucleus House, Saki Vihar Road, Andheri(E) aggregating to ₹ 420 lacs, to a bank for the credit facilities sanctioned to Nucleus GIS And ITES Ltd (a wholly-owned subsidiary).
30. The Revised Schedule VI has become effective from 1.4.2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For Manek & Associates  
Chartered Accountants  
FRN :0126679W

Shailesh L. Manek  
Proprietor  
Membership No 34925  
Mumbai, 29th May, 2012

For and on behalf of the Board

Asit C Mehta  
Chairman

Kirit H. Vora  
Director

Tushar Kapadia  
Company Secretary

**CONSOLIDATED  
FINANCIAL STATEMENTS  
2011-12**

**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, 2012 and also the Consolidated Statement of Profit and Loss 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, 2012,
  - b. in the case of the Consolidated Statement of Profit and Loss, 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**

**Mumbai  
Dated: MAY 29, 2012**

**(SHAILESH MANEK)  
Proprietor  
Membership No.: 34925**

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No	₹	₹
		As at 31st March, 2012	As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	49,525,600	49,525,600
(b) Reserves and Surplus	3	376,090,516	432,760,310
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	128,286,518	30,719,490
(b) Deferred Tax Liability	5	4,479,282	5,194,232
(c) Other Long term liabilities	6	10,000,000	10,000,000
(d) Long term provisions	7	844,257	1,983,803
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	24,026,109	14,757,684
(b) Trade payables	9	3,878,131	2,820,381
(c) Other current liabilities	10	11,566,472	9,146,788
(d) Short-term provisions	11	29,750	68,075
<b>Total</b>		<b>608,726,635</b>	<b>556,976,363</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	12	466,504,862	476,455,602
(ii) Intangible assets	12	20,031	934,682
(b) Non Current Investments	13	113,116,189	48,485,777
(c) Long term loans and advances	14	4,147,259	4,311,063
(d) Other non current assets	15	10,477,740	10,477,740
<b>(2) Current assets</b>			
(a) Trade receivables	16	3,506,945	4,488,930
(b) Cash and cash equivalents	17	9,809,554	10,834,955
(c) Short term loans and advances	18	750,352	692,543
(d) Other current assets	19	393,703	295,071
<b>Total</b>		<b>608,726,635</b>	<b>556,976,363</b>
<b>Notes forming part of the Accounts</b>	<b>1 to 34</b>		

As per our report of even date  
For Manek & Associates  
Chartered Accountants  
FRN :0126679W

Shailesh L. Manek  
Proprietor  
Membership No 34925  
Mumbai, 29th May, 2012

For and on behalf of the Board

Asit C Mehta  
Chairman

Kirit H. Vora  
Director

Tushar Kapadia  
Company Secretary



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

₹

Particulars	Note No	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Revenue from operations	20	31,977,327	31,854,855
Other Income	21	1,302,449	1,688,544
<b>Total Revenue</b>		<b>33,279,776</b>	<b>33,543,399</b>
Expenses:			
Employee benefits expense	22	19,984,206	20,904,924
Finance costs	23	18,368,540	7,093,200
Depreciation and amortization expense	12	4,758,360	6,716,329
Other expenses	24	9,833,391	21,279,603
<b>Total Expenses</b>		<b>52,944,497</b>	<b>55,994,056</b>
Profit / (Loss) before tax		(19,664,720)	(22,450,657)
Tax expense:			
Deferred tax charge/(credit)		(714,950)	2,132,795
Tax credit (net) relating to earlier years		(95,174)	(637,069)
Profit / (Loss) after tax		(18,854,596)	(23,946,383)
Share of a associate		(31,702,919)	(7,785,549)
Net Loss attributable to shareholders		(50,557,515)	(31,731,932)
Earnings Per share Basic and diluted		(10.21)	(6.41)
<b>Notes forming part of the Accounts</b>	<b>1 to 34</b>		

As per our report of even date  
For Manek & Associates  
Chartered Accountants  
FRN :0126679W

Shailesh L. Manek  
Proprietor  
Membership No 34925  
Mumbai, 29th May, 2012

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 31ST MARCH, 2012

₹

		2012		2011
<b>A) Cash Flow from Operating Activities</b>				
Net profit before tax		(19,664,720)		(22,450,657)
Adjustments for:				
Depreciation	4,758,360		6,716,329	
Finance costs	8,172,502		7,093,200	
Dividend received	(1,400)		(-)	
Interest received	(865,823)		(802,302)	
Provision for Bad debts			9,032,262	
Loss on sale of Fixed asset			1,048,937	
		12,063,638		23,088,426
Operating profit before Working Capital Changes		(7,601,082)		637,769
Adjustments for changes in Working Capital				
Trade Receivables	981,985		3,709,140	
Short term loans and advances	(57,809)		30,03,528	
Other current assets	(98,632)		(4,522)	
Long term loans and advances	99,867		14,884	
Other current liabilities	2,419,684		(25,54,002)	
Decrease in inventories	-		57,528	
Short term provisions	(38,325)		68,075	
Long term provisions	(1,139,546)		12,04,705	
Trade Payables	1,057,750	3,224,975	(44,12,126)	1,087,210
Cash generated from operations		(4,376,107)		1,724,979
Direct taxes paid		159,111		1,224,124
<b>A</b>		<b>(4,216,996)</b>		<b>2,949,103</b>
<b>B) Cash from Investing activities</b>				
Interest received	865,823		802,302	
Dividend Received	1,400		1,175,000	
Purchase of fixed assets	(5,250)		(2,972,410)	
Purchase of long-term investments	(96,333,330)			
Sale of Fixed Assets/Investment			872,696	
<b>B</b>		<b>(95,471,357)</b>		<b>(122,412)</b>
<b>C) Cash flow from Financing activities</b>				
Finance costs	(8,172,502)		(7,093,200)	
Repayment of short term borrowings	9,268,425			
Proceeds from longterm borrowings - Net	97,567,028		7,157,056	
Proceeds from short-term borrowings			(13,000)	
<b>C</b>		<b>98,662,951</b>		<b>50,856</b>
Net Increase / decrease in Cash and Cash equivalents at the end of the year A + B+C		(1,025,402)		2,877,547
Cash and cash equivalents at the beginning of the year		10,834,955		7,957,408
Cash and cash equivalents at the end of the year		<b>9,809,554</b>		<b>10,834,955</b>

As per our report of even date  
For Manek & Associates  
Chartered Accountants  
FRN :0126679W

Shailesh L. Manek  
Proprietor  
Membership No 34925  
Mumbai, 29th May, 2012

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**

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

**1. Significant Accounting Policies**

**a) Basis of Consolidation:**

**i. 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 other wise stated.

**ii. 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.

**iii. 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 statement of profit and Loss 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 (%)	Audited by
<b>Subsidiary</b>				
*Nucleus GIS, Inc.	United States of America	1.4.2011to 1.12.11	100%	Manek & Associates
Nucleus GIS And ITES Ltd	India	1.4.2011to 31.3.2012	100%	Manek & Associates
<b>Associate</b>				
Asit C. Mehta Investment and Intermediates Ltd.	India	1.4.2011 to 31.3.2012	29.75%	Chandrakant & Sevantilal

\*The Company has been dissolved during the year.

**b) 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.

**c) 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.

**d) Revenue Recognition:**

- 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.
- Dividend is recognized when the right to receive the payment is established.
- Interest and rent income is recognized on time proportion basis.
- All expenses are accounted on accrual basis except leave travel allowance and medical reimbursement to employees which are accounted on payment basis.

**e) 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 premise was revalued during the year 2010- 11 and has been stated at the revalued figure as at 31.3.2012.

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.

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.

f) 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.

g) Depreciation/ Amortisation:

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

Depreciation is provided on the straight-line method basis. The rates of depreciation are as prescribed in Schedule XIV to the Companies Act, 1956.

- ii) 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 and 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.

h) 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.

i) Retirement Benefits:

Company's contribution to Provident Fund is charged to the statement of profit and loss . 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 where the same is provided on actual basis, if any for Leave Encashment.

j) 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.

k) 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.

l) 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.

m) 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 statement of Profit and Loss . 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.

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

**n) 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

- o) 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.

**Note: 2 Share Capital**

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹ 10 each with voting rights	10,000,000	100,000,000	10,000,000	100,000,000
(b) Issued, Subscribed and paid up Equity shares of ₹ 10 each	4,952,560	49,525,600	4,952,560	49,525,600

Note : a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	As at 31 March, 2012		As at 31 March, 2011	
	Number	Amount	Number	Amount
Equity shares with voting rights				
- Outstanding at the beginning of the year	4,952,560	49,525,600	4,952,560	49,525,600
- Shares issued during the year	-	-	-	-
- Shares outstanding at the end of the year	4,952,560	49,525,600	4,952,560	49,525,600

b) Details of shares held by each shareholder holding more than 5% share

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
1. Mr. Asit C. Mehta	22,84,138	46.12	22,84,138	46.12
2. Mrs. Deena A. Mehta	900,358	18.18	900,358	18.18
3. Asit C Mehta Commodity Services P Ltd	400,470	8.09	400,470	8.09

c) Details of forfeited shares

Class of shares	As at 31.3.2012		As at 31.3.2011	
	No. of shares	Amount originally paid up	No. of shares	Amount originally paid up
Equity shares with voting rights	147,700	738,500	147,700	738,500
Equity shares with voting rights*	4,200	21,000	4,200	21,000

\*these shares were originally issued by erstwhile Nucleus Netsoft And GIS (India) Ltd which was amalgamated with the Company.

d) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by shareholders.

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

**Note 3 Reserves and Surplus**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Capital Reserve	759,500	759,500
Securities Premium Account	41,043,960	41,043,960
Revaluation Reserve		
Opening Balance	370,701,885	14,741,895
Add: Addition on revaluation during the year	-	356,280,803
Less: Utilised for set off against depreciation	6,112,279	320,813
Closing Balance	364,589,606	370,701,885
General Reserve		
Opening Balance	26,592,728	26,592,728
Less: Adjusted against deficit		
balance in Statement of Profit and Loss	(26,592,728)	-
Closing Balance	-	26,592,728
Surplus/Deficit balance in		
Statement of Profit and Loss		
Surplus/ (Deficit) opening balance at the beginning of the year	(6,337,763)	25394169
Add : Loss for the year	(50,557,515)	(31,731,932)
	(56,895,278)	(6,337,763)
Less: Adjusted against balance from General Reseve	(26,592,728)	-
Closing Balance	(30,302,550)	(6,337,763)
Total	376,090,516	432,760,310

**Note 4: Long term Borrowings - Secured**

Particulars	As at 31st March	
	2012	2011
A. Secured Loans:		
a. Term Loan from a Bank (note i below)	21,161,518	22,793,674
b. Term Loan from STCI Finance Ltd (note ii below)	100,000,000	-
d. Car Loan - Secured by hypothecation of car (note iii below)	-	175,816
B. Unsecured Loans:		
Public Deposits	7,125,000	7,750,000
Total	128,286,518	30,719,490

a) a) The above loans including current maturities are secured by:

i) equitable mortgage of Office premises bearing nos 404B,504B and 604B at 'Nucleus House' Andheri E, Mumbai for the loans availed from a bank;

ii) a deed of mortgage for certain Office premises admeasuring about 10, 000 sq. ft and located at 'Nucleus House', 'A' Wing, Andheri (E), Mumbai and also by a personal guarantee of Mr. Asit C. Mehta and Mrs. Deena A Mehta - the directors of the Company with a undertaking for non-disposal of their shareholding in the Company during the tenure of the loan without the prior approval of the lender for the loan availed from STCI Finance Ltd.

iii) hypothecation of car financed.

b) Repayment terms of outstanding long-term borrowings (excluding current maturities) as on 31.3.2012

i) Repayment term of Term Loans from a Bank

- in quarterly instalments of ₹ 14,28,500 each commencing from May, 2013

ii) Full Repayment of Term Loan from STCI Finance Ltd in May, 2016.

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

**Note 5: Deferred Tax Liability**

₹

Particulars	Deferred Tax Liability/ (Asset) as at 1st April, 2011	Charge/ (Reversal) during the Year	Deferred Tax Liability/ (Asset) as at 31 March, 2012
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	87,61,105	(5,60,374)	82,00,731
Total Liability	87,61,105	(5,60,374)	82,00,731
Deferred Tax Assets:			
Unabsorbed Depreciation and Business Losses	(35,29,934)	(1,51,804)	(36,81,738)
43B items (Gratuity, leave encashment etc.)	(36,940)	(2,772)	(39,712)
Total Assets	(35,66,874)	(154,576)	(37,21,450)
Total	51,94,232	(7,14,950)	44,79,282

**Note 6: Other Long-term liabilities**

₹

Particulars	As at 31st March	
	2012	2011
Security deposit received from a Associate concern	10,000,000	10,000,000

**Note 7: Long-term provision**

₹

Particulars	As at 31st March	
	2012	2011
Provision for gratuity	733,397	1,647,502
Provision for Leave encashment	110,860	336,301
Total	844,257	1,983,803

**Note 8: Short term borrowing**

₹

Particulars	As at 31st March	
	2012	2011
Secured:		
Working capital loan from a bank	9,026,109	5,757,684
Working Capital facilities from bank Secured by hypothecation of book debts/stock and office premises of the holding company		
Public deposits	1,250,000	625,000
Inter corporate deposits repayable on demand	13,750,000	8,375,000
Total	24,026,109	14,757,684

**Note 9 Trade Payables**

₹

Particulars	As at 31st March	
	2012	2011
MSME (Refer note 30)	-	-
Other trade payable	3,878,132	2,820,382
Total	3,878,132	2,820,382

**Note 10 Other Current liabilities**

₹

Particulars	As at 31st March	
	2012	2011
Statutory dues	3,826,444	1,943,003
Interest payable on borrowings accrued and due	1,119,588	774,202
Unclaimed dividends	522,499	522,499
Current maturities of Term Loans(Refer Note 4)	6,097,941	5,907,084
Total	11,566,472	9,146,788

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

**Note 11: Short term provisions**

₹

Particulars	As at 31st March	
	2012	2011
Provision for employee benefits		
Towards Gratuity	24,703	55,510
Towards Leave encashment	5,047	12,565
<b>Total</b>	<b>29,750</b>	<b>68,075</b>

**Note: 12 Fixed Assets (tangible and intangible assets)**

(₹)

Particulars	Gross Block				Depreciation				NET BLOCK		
	1.4.2011	Additions	Sales / Adjustment / Impairment	Total	1.4.2011	For the year	Adjustments	As at 31.3.2012	As at 31.3.2012	As at 31.3.2011	
<b>Tangible Assets</b>											
Office premises	489,449,436			489,449,436	21,820,322	7,978,025		29,798,347	459,651,089	467,629,114	
Computers	7,834,240	5,250	75,000	7,764,490	5,224,790	1,048,919	75,000	6,198,709	1,565,781	2,609,450	
Electrical Fittings	797,973			797,973	310,853	47,300		358,153	439,820	487,120	
Air Conditioners	951,701			951,701	384,621	16,712		401,333	550,368	567,080	
Furniture and Fixtures	6,887,580			6,887,580	3,310,163	487,873		3,798,036	3,089,544	3,577,417	
Office / Other Equipments	1,297,716			1,297,716	614,397	155,465		769,862	527,854	683,319	
Projector	148,650			148,650	75,566	7,061	-	82,627	66,023	73,084	
Motor Car	164,602			1,646,022	817,005	214,632		1,031,637	614,385	829,017	
<b>Total</b>	<b>509,013,318</b>	<b>5,250</b>	<b>75,000</b>	<b>508,943,568</b>	<b>32,557,717</b>	<b>9,955,987</b>	<b>75,000</b>	<b>42,438,704</b>	<b>466,504,862</b>	<b>476,455,601</b>	
Previous Year	156,080,359	359,253,213	6,320,254	509,013,318	29,920,069	7,037,143	439,9495	32,557,717	476,455,601		
<b>Intangible Assets</b>											
Computer Softwares	4,313,871			4,313,871	3,379,189	914,652		4,293,841	20,031	934,682	
<b>Total</b>	<b>4,313,871</b>			<b>4,313,871</b>	<b>3,379,189</b>	<b>914,652</b>		<b>4,293,841</b>	<b>20,031</b>	<b>934,682</b>	
Previous Year	4,313,871			4,313,871	1,942,805	1,436,384		3,379,189	934,682		

**Note 13 Non-current investments**

₹

Particulars	As at 31st March	
	2012	2011
<b>Investments:</b>		
Trade - Unquoted		
a) 23,50,000 (previous year 23,50,000) shares of Rs 10 each fully paid in Asit C Mehta Investment Intermmediates Ltd (a Associate concern)	48,485,777	57,446,326
Add /(Less): Proportionate share in profit /(loss) for the year	(31,702,919)	(7,785,549)
Less: Dividend Received	-	(1,175,000)
	16,782,858	48,485,777
b) 332,11,111 unsecured 15.25% optionally fully convertible debentures of Rs 30 each fully paid of Asit C Mehta Investment Intermmediates Ltd,an associate company convertible not later than 5 years	96,333,330	-
	96,333,330	-
<b>Total</b>	<b>113,116,188</b>	<b>48,485,777</b>

**Note 14: Long term loans and advances**

₹

Particulars	As at 31st March	
	2012	2011
<b>Unsecured considered good:</b>		
Deposits	514,034	516,747
Advance Tax(net)	2,291,672	2,450,783
Margin Money with bank	60,000	60,000
Others	1,281,553	1,283,533
<b>Total</b>	<b>4,147,259</b>	<b>4,311,063</b>



**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

**Note 15: Other Non-current assets**

₹

Particulars	As at 31st March	
	2012	2011
Long term trade receivables		
Unsecured, considered good	10,477,740	1,900,041
Doubtful	15,097,656	23,675,355
	25,575,396	25,575,396
Less: Provision for doubtful debts	15,097,656	15,097,656
<b>Total</b>	<b>10,477,740</b>	<b>10,477,740</b>

The above Trade receivable consists:

i) a disputed debt of Rs. 2,36,75,355 (Previous year: Rs. 2,36,75,355/-) due from a debtor. In terms of the agreement with the debtor, the Company has initiated referred the disputed matter to arbitration. Pending proceedings and award under the Arbitration process, the Company has by way of abundant caution provided till date Rs. 1,50,97,656/-net of Service Tax as doubtful of recovery.

ii) a disputed debt of Rs. 19,00,041/- (Previous year Rs. 19,00,041/-) due from a debtor. The Company had referred the disputed matter to arbitration ,since Award in favour of company is received on 17/4/2012 and hence no provision is made by the Company.

**Note 16: Trade Receivables**

₹

Particulars	As at 31st March	
	2012	2011
Trade receivables:- Unsecured		
Outstanding for a period of less than 6 months from the date they were due for payment		
- Considered good	3,506,945	4,389,669
- Considered doubtful		
	3,506,945	4,389,669
Exceeding 6 months(Considered good)	-	99,261
<b>Total</b>	<b>3,506,945</b>	<b>4,488,930</b>

**Note 17: Cash and Cash Equivalents**

₹

Particulars	As at 31st March	
	2012	2011
a. Cash on hand	62,554	25,790
b. Balances with bank		
i) in current accounts	1,654,000	2,716,165
ii) in fixed deposit account	8,093,000	8,093,000
<b>Total</b>	<b>9,809,554</b>	<b>10,834,955</b>

**Note 18: Short term loans and advances**

₹

Particulars	As at 31st March	
	2012	2011
Unsecured and considered good: Others		
<b>Total</b>	<b>750,352</b>	<b>692,543</b>

**Note 19: Other current assets**

₹

Particulars	As at 31st March	
	2012	2011
Interest receivable	393,103	292,501
Other assets	600	2,570
<b>Total</b>	<b>393,703</b>	<b>295,071</b>

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

**Note 20: Revenue from Operations**

₹

Particulars	For the year ended	
	31st March, 2012	31st March, 2011
Debenture Interest	10,861,531	-
Rental Income	3,292,200	3,073,728
Profit on trading in securities	-	24,675
Income from ITeS Services:		
Domestic	11,817,668	11,967,822
Exports	6,005,928	16,788,630
<b>Total</b>	<b>31,977,327</b>	<b>31,854,855</b>

**Note 21 Other Income**

₹

Particulars	For the year ended	
	31st March, 2012	31st March, 2011
a) Interest Income:		
- on Bank Deposits	682,009	577,847
- on Income tax refund	183,815	224,455
b) Dividend	1,400	-
c) Profit on sale of investment (Refer Note 32)	7,765	754,377
d) Excess provisions written back	111,477	123,185
e) Exchange gains	286,103	
f) Sundry Income	29,881	8680
<b>Total</b>	<b>1,302,449</b>	<b>1,688,544</b>

**Note 22: Employee benefits expense**

₹

Particulars	For the year ended	
	31st March, 2012	31st March, 2011
a) Salary and allowance	17,548,120	18,020,877
b) Contribution to Provident fund & other funds	2,152,252	1,496,927
c) Staff welfare expense	148,179	311,634
d) Leave encashment	135,655	952,144
e) Provision for gratuity		123,342
<b>Total</b>	<b>19,984,206</b>	<b>20,904,924</b>

**Note 23: Finance costs**

₹

Particulars	For the year ended	
	31st March, 2012	31st March, 2011
a) Interest expense on:-		
- Term & Working Capital Loans	16,778,051	6,121,454
- Others	424,341	244,142
b) Other borrowing cost		
Loan processing fee	500,000	-
c) Bank Charges	666,148	727,604
<b>Total</b>	<b>18,368,540</b>	<b>7,093,200</b>

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

**Note 24: Other expenses**

₹

Particulars	For the year ended	
	31st March, 2012	31st March, 2011
Insurance	44,306	137,573
Rates and Taxes	2,949,032	2,407,071
Legal and Professional fees	1,949,968	448,410
Directors sitting fees	145,000	130,000
Auditor's remuneration		
Audit fees	300,000	325,000
tax audit fees	75,000	50,000
Other Services	155,500	175,000
Repairs and Maintenance – Building	68,069	333,894
Repairs and Maintenance – others	181,683	316,023
Loss on sale of fixed assets	-	1,048,937
Electricity expenses	889,451	1,017,861
Travelling and conveyance	637,736	697,403
Data processing charges	690,478	2,597,479
Office expenses	462,618	657,346
Exchange rate fluctuation	-	52,012
Internet & Telephone charges	311,508	657,517
Provision for Bad debts		9,032,262
Miscellaneous Expenses	973,042	1,195,815
<b>Total</b>	<b>9,833,391</b>	<b>21,279,603</b>

25. Contingent liabilities (to the extent not provided for)

Amount in ₹

Particulars	March 31,2012	March 31,2011
Contingent liabilities:		
Service Tax Matters	67,98,386	67,98,386
Foreign Exchange Regulation Act, 1973 matters (refer note 26 below)	1,00,00,000	1,00,00,000

26. 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.

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 had 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 which is pending. The Company has furnished a bank guarantee in lieu of pre-deposit of penalty.

27. 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.

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

- 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, 2012

(₹)

	Leave encashment (unfunded)		Gratuity (Unfunded)	
	2011 12	2010 11	2011 12	2010 11
Reconciliation of liability recognized in the Balance sheet				
Present value of commitments	115,171	348,241	755,885	1,701,582
Fair value of plans	-			
Net liability in the Balance sheet	115,171	348,241	755,885	1,701,582
Movement in net liability recognized in the Balance sheet				
Opening Liability	348,241	389,105	1,701,592	779,097
Net expense recognized in the Statement of Profit and Loss	131,578	118,241	610,123	949,212
Contribution during the year	(364,648)	(159,105)	(1,555,820)	(26,727)
Net liability as at year end	115,171	348,241	755,895	1,701,582
Expense recognized in the Statement of Profit and Loss				
Current service cost	76,320	195,360	118,478	286,823
Interest cost	13,771	23,216	76,664	57,430
Expected return on plan assets	-			
Actuarial (gains)/ losses	41,487	(100,335)	41,498	604,959
Expense charged to the Profit and Loss account	131,578	118,241	610,123	949,212
Return on plan assets				
Expected return on plan assets	-			
Actuarial (gains)/ losses	41,487	(100,335)	41,498	604,959
Actual return on plan assets	-			
Reconciliation of defined-benefit commitments				
Opening Liability	348,241	389,105	1,701,592	779,097
Current service cost	76,320	195,360	118,478	286,823
Interest cost	13,771	23,216	76,664	57,430
Paid benefits	(364,648)	(159,105)	(1,555,820)	(26,727)
Actuarial (gains)/ losses	41,487	(100,335)	41,498	604,959
Commitments as at year end	115,171	348,241	755,895	1,701,582

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

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	8.50%
Expected return on plan assets	NIL
Expected rate of salary increase	5%
Mortality	LIC (1994-96) Ultimate

**28. 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

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

**c. Related party transactions during the year:**

₹

Particulars	Associate	Other group companies	KMP their relative	Total
Leave & License fees	32,32,200 (30,13,728)	60,000 (60,000)	- (-)	32,92,200 (25,72,431)
Dividend received	- (11,75,000)	- (-)	- (-)	- (11,75,000)
Interest received on debentures	1,08,61,531 (-)			1,08,61,531 (-)
Sitting fees	- (-)	- (-)	55,000 (50,000)	55,000 (50,000)
Short term loans taken		1,59,50,000 (51,50,000)		1,59,50,000 (51,50,000)
Short term loans repaid		1,05,75,000 (4,50,000)		1,05,75,000 (4,50,000)
Interest expense		11,06,886 (7,73,546)	558,250 (558,301)	16,65,136 (13,31,847)
Share of + Income / (-) loss from Associate	-3,17,02,919 (- 77,85,549)			-3,17,02,919 (- 77,85,549)
Assets sold	- (121,150)			- (121,150)
Loan balance outstanding		1,43,88,346 (83,75,000)	50,75,000 (50,75,000)	1,94,63,346 (1,34,50,000)
Investment in convertible debentures	9,63,33,330 (-)			9,63,33,330 (-)

**Outstanding as on 31 March 2012**

₹

Particulars	Associate	Other group companies	KMP & their relatives	Total
Payables	1,00,55,276 (1,00,00,000)	143,88,346 (83,75,000)	50,75,000 (50,75,000)	2,95,18,622 (2,35,05,276)

Figures for previous year are given in brackets

**29. 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 20,239 (USD 64,446)	₹ 10,35,411 ( ₹ 28,77,517)
Trade Payables	USD NIL USD NIL	- -
Bank Balance	USD 484.92 (USD 484.96)	₹ 24,806 ( ₹ 21,653)

Figures for previous year are given in brackets

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

**30. Primary Segments Reporting (by Business Segments) -**

- a. Information Technology Enabled Services and Software Services; (I T)
- b. Investments Activities; (I)

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**
**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

₹

Particulars	IT	Investment Activities	Total
External Revenue	1,78,23,596 (2,87,56,452)	1,41,53,731 (30,98,403)	3,19,77,327 (3,18,54,855)
Inter Segment revenue	- ( - )	- ( - )	- ( - )
Total revenue	1,78,23,596 (2,87,56,452)	1,41,53,731 (30,98,403)	3,19,77,327 (3,18,54,855)
Segment result			
Profit / - loss	- 1,33,85,048 (-129,34,372)	1,07,86,418 (-48,39,234)	-25,98,630 (-1,77,73,606)
Interest Expense			1,83,68,540 (63,65,596)
Less: Excess of unallocated income over unallocated expenses			13,02,449 (16,88,544)
Income Tax charge/(credit)			(810,124) 14,95,726
Profit /(-)Loss after taxation			-1,88,54,596 (-2,39,46,383)
Other information			
Segment Assets	1,96,53,224 (2,57,96,079)	58,90,73,409 (53,11,42,429)	60,87,26,633 (55,69,38,508)
Total Assets			60,87,26,633 (55,69,38,508)
Segment Liabilities	3,67,27,271 (4,76,48,944)	14,63,83,249 (2,70,03,654)	18,31,10,520 (7,46,52,598)
Total Liabilities			18,31,10,520 (7,46,52,598)
Capital Expenditure			5,250 (29,72,410)
Depreciation	25,89,903 (41,76,951)	21,68,457 (25,39,378)	47,58,360 (67,16,329)

Figures in brackets are in respect of previous year

Secondary Segment Reporting (by geographic segments)

(₹)

	Domestic	Exports	Total
Segment Revenue	2,59,71,399 (1,50,66,225)	60,05,928 (1,67,88,630)	3,19,77,327 (3,18,54,855)
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.

**31. 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 March 2012	For the year ended 31 March 2011
Profit after tax	(-)5,05,57,515	(-)317,31,932
Profit available for Equity Shareholders	(-) 5,05,57,515	(-)317,31,932
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
Earnings Per share - Basic and Diluted (₹)	( 10.21)	( 6.41)

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

**NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.**

32. Loans and advances include

Balance with Nucleus Stock Trust representing 127,901 (Previous year: 128,099) 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. The Company is the sole beneficiary in Nucleus Stock Trust.

During the year 198 shares of the Company (previous year: 22,415) 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 ₹ 7,765 ( previous year: ₹ 749, 718/-) which has been credited to the Statement of Profit and Loss

33. 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.

34. The Revised Schedule VI has become effective from 1.4.2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

For Manek & Associates.  
Chartered Accountants

Shailesh L Manek  
Proprietor  
Membership No 34925

Mumbai, 29th May, 2012

For and on behalf of the Board

Asit C Mehta                      Kirit H Vora  
Chairman                              Director

Tushar Kapadia  
Company Secretary









**Book-Post / U.C.P.**

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