

Form A
(Pursuant to clause 31 of the Listing Agreement)

Sr No	Particulars	Details
1	Name of the Company	Asit C Mehta Financial Services Ltd
2	Annual Financial Statement for the year ended	31st March, 2013
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not Applicable

For Manek & Associates
Chartered Accountants
FRN: 0126679W

SL Manek
Shailesh L Manek
Proprietor
MN: 034925



For Asit C Mehta Financial Services Ltd

D. Mehta
Deena A Mehta
Director*

Vijay G. Ladha
Vijay G. Ladha
Audit Committee
Chairman

Tushar Kapadia
Tushar Kapadia
Company Secretary**

*Since the Company has no Managing Director, the same is signed by the Director

** Since the Company has no CFO, the same is signed by the Company Secretary

A **Asit C. Mehta** Group Company

Asit C. Mehta Financial Services Ltd

29th Annual Report
2012-2013

FINANCIAL HIGHLIGHTS

(₹ In Lakh)

	2012 -13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Net worth*	1,033	1,097	1,151	1,201	1,128	1,129	1,153	1,075	762	611
Borrowings	1,543	1,216	327	289	240	181	173	63	9	164
Net Fixed Assets (including revaluation)	4,539	4,621	4,704	1,148	1,107	1,120	1,042	869	488	534
Investments	1,547	1,547	605	605	605	306	331	306	311	311
Book value per share -Rs	20.86	22.15	23.24	24.24	22.75	22.80	23.27	21.71	22.14	17.75
Gross Income	197	165	89	177	263	482	702	694	290	406
Operating and Other expenses	267	226	118	90	228	444	490	424	140	416
Profit Before Tax	70	(61)	(29)	87	35	38	212	270	150	(10)
Profit After Tax	(64)	(54)	(50)	101	35	31	210	252	150	13
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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29th Annual General Meeting
on Friday, 27th September, 2013 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 NINTH 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 3.30 p.m. on Friday, 27th September, 2013 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt Audited Balance Sheet as at 31st March, 2013 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 Mrs. D A Mehta who retires by rotation and being eligible, offers herself for re-election.
3. To appoint a Director in place of Mr. Kirit H. Vora who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

REGISTERED OFFICE

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

Mumbai, May 30th, 2013

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA
CHAIRMAN

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing a proxy in order to be effective should be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The details under clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd, in respect of a Director seeking re-election at the Annual General Meeting are given in the Corporate Governance Report.
3. The Register of Members and Share Transfer Books will remain closed from 21st September, 2013 to 27th September, 2013 (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 who have not encashed their dividend warrant(s) pertaining to the Financial year 2006 07 and onwards are requested to make their claims without any delay to the Company. Pursuant to section 205A and 205C of the Companies Act, 1956 all unclaimed dividends remaining unclaimed/unpaid for a period of 7 years from the date they become due for payment have been transferred to the Investor Education and Protection Fund established by the Central Government.
8. 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.
9. Members are requested to notify immediately any change in their addresses to the Registered Office.
10. 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 30th, 2013

FOR AND ON BEHALF OF THE BOARD

ASIT C. MEHTA
CHAIRMAN

Report of the Directors' to the Shareholders' of Asit C Mehta Financial Services Ltd

The Directors present the 29th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS:

Rs in lacs

	STANDALONE		CONSOLIDATED	
	2012 -13	2011 -12	2012-13	2011 - 12
Income from Operations	186.26	157.02	346.26	319.77
Other Income	10.41	7.56	11.52	13.02
Total Income	196.67	164.58	354.78	332.79
Profit before depreciation, interest and tax	150.21	115.89	120.71	34.61
Less: Depreciation	21.76	21.68	33.06	47.58
Interest	198.58	155.17	234.25	183.68
Tax Expense / (Credit)	(6.54)	(7.10)	(6.85)	(8.10)
Profit / (Loss) After Tax	(63.59)	(53.85)	(139.75)	(188.54)
Profit / (loss) of share in Associate concern	NA	NA	(167.83)	(317.03)
Profit after tax and share in Associate concern	NA	NA	(307.58)	(505.57)
Add: Balance brought forward	-	37.55	(303.02)	(63.38)
Balance available for appropriation	(63.59)	(16.30)	(610.60)	(568.95)
Which the Directors have appropriated as:				
Adjusted against General Reserve	63.59	16.30	-	265.93
- Balance to be carried forward	-	-	(610.60)	(303.02)

2. DIVIDEND

The Board of Directors does not recommend any dividend.

3. OPERATIONAL REVIEW

On a Standalone basis, the gross earnings rose to Rs 196.67 lacs from Rs 164.58 lacs. The year ended with a loss after tax of Rs 63.59 lacs as compared to Rs 53.85 lacs in the previous year.

During the year, the Company raised Rs 500 lacs as a Term Loan to partially repay the Bank Term loan and extended finance to Nucleus GIS And ITES Ltd (a wholly owned subsidiary). The bank term loan stood reduced from Rs 270.83 lacs as at 31.3.2012 to Rs 75.15 lacs as at 31.3.2013.

The Company continues to explore the efforts for offering the Office premises on rental basis to banks / insurance Companies / Corporate(s). The Company intends to render advisory and consultancy services including raising of funds/ capital mobilisation for its clients from the current financial year. Towards this, the requisite infrastructure including manpower and Office premises are being put in place. The marketing efforts have showed good sign of likely business deals in the immediate near future which will improve the gross earnings.

On a consolidated basis, the gross revenues were at Rs 354 lacs as compared to Rs 333 lacs in the previous year and loss after tax was at Rs 140 lacs as against Rs 189 lacs in the previous year. Adding thereto, the share in loss of the Associate concern of Rs 168 lacs (previous year Rs 317 lacs), the overall consolidated loss aggregated to Rs 308 lacs as against loss of Rs 506 lacs in the previous year. The wholly-owned subsidiary engaged in to ITeS services suffered a loss of Rs 76 lacs mainly on account 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 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, 2013 and of the loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the annual accounts have been prepared on a 'going concern' basis.

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

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 Bombay Stock Exchange Ltd, is annexed hereto and forms part of the Annual Report.

10. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Mrs. D A Mehta and Mr. Kirit H. Vora 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 COMPANY

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 subsidiary has been furnished under 'Details of Subsidiary' 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, STCI Finance Ltd 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, 30th May, 2013

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 and interest.

The Company's wholly-owned Indian subsidiary - Nucleus IT Enabled Services Ltd (NITES) (Formerly Nucleus GIS And ITES Ltd) is engaged into ITes / BPO services.

NITES's performance for the year 2012-13 improved considerably and the Company reported a loss after tax of (₹) 76 lacs as against (₹) 141 lacs in the previous year. Certain measures relating to operations and human resources were taken which helped the Company to curtail its losses. The Company operates into BFSI (banking, financial services & insurance) segment - mainly into insurance which remains the largest verticals in terms of total share in IT spending.

Financial Performance:

A) Consolidated Financial Results for the year ended 31st March, 2013 as shown in Table below is of the Company, its wholly-owned subsidiary.

Summarized Consolidated financials			(₹) in lacs		
Segment Revenue		Segment Results			
	2012-13	2011-12	Profit / (Loss) after depreciation and interest		
				2012 - 13	2011 - 12
ITeS	177.37	178.24	ITeS	(153.41)	(138.11)
Investments Activities	165.90	141.54	Investments Activities	(100.91)	(58.53)
Unallocable	11.52	13.02	Unallocable	11.52	-

B) Standalone Financial Results:

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

(₹) in lacs		
Particulars	2012 -13	2011 - 12
Revenues from Operations	186.26	157.00
Other Income	10.41	7.57
Total revenue	196.67	164.57
Total Expenditure	266.81	225.53
Profit before Tax	(70.14)	(60.96)
Profit after tax	(63.59)	(53.85)

The Share Capital and investments remained unchanged. There were no additions to Fixed Assets. Fresh borrowings made were of Rs 500 lacs. The Bank term loans borrowing stood at Rs 75 lacs as at 31.3.2013 from Rs 270 lacs as at 31.3.2012.

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 IT Enabled Services Ltd (formerly Nucleus GIS And ITES Ltd) 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 domain expertise in insurance vertical coupled with list of satisfied customers and good track record. Marketing efforts are being increased to get new businesses.

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 IT Enabled Services Limited (formerly known as Nucleus GIS And ITES Ltd)
2	Financial Year of the Subsidiary Company	31st March, 2013
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, 2013	₹ (76,15,683)
	(b) For the previous financial years since they became Company's Subsidiary.	₹ (3,71,31,709)
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, 2013	Nil
	(b) For the previous financial years since they became Company's Subsidiary.	Nil

For and on behalf of the Board

Mumbai,
Dated : 30th May, 2013Asit C Mehta
ChairmanKirit H. Vora
DirectorTushar Kapadia
Company Secretary**DETAILS OF SUBSIDIARY**

(₹ in lakhs)

Summary of financial performance of the subsidiary for the year ended 31st March, 2013

Subsidiary	Nucleus IT Enabled Services Limited (formerly Nucleus GIS And ITES Ltd)
Particulars	
Capital	300.00
Reserves (Debit Balance of Profit and Loss A/c)	447.47
Total Assets	293.05
Total Liabilities	293.05
Investments	
Total Income / Turnover	178.48
Profit / (Loss) before tax	(76.46)
Tax charge / (credit)	(0.31)
Profit / (Loss) after tax	(76.15)
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, 2013.

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 BSE Ltd. As at 31st March, 2013, the strength of the Board of Directors was six non-executive members including promoter group / independent directors. The composition of the Board is compliant with the requirements of clause 49(I)(A) - i.e., more than 50% of the directors are non-executive and more than 33% of the directors are independent directors.

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

Name & Designation	Category	No. of Board Meetings held	No. of Board Meetings attended	No. of Directorships in other companies	No. of Committee positions held in Other companies		Attendance at the AGM held on 26.9.2012
					Member	Chairman	
Mr. Asit C. Mehta, Chairman	Promoter and Non-Executive Director	4	4	7	1	Nil	Yes
Mrs. Deena A. Mehta, Director	Promoter and Non-Executive Director	4	4	10	2	Nil	Yes
Mr. Kirit H. Vora, Director	Non-Executive and non independent Director	4	3	6	Nil	Nil	Yes
Mr. Vijay Ladha, Director	Independent and Non-Executive Director	4	1	1	Nil	Nil	No
Dr. R. Krishnamurthy, Director	Independent and Non-Executive Director	4	3	1	Nil	Nil	No
Dr. D Sunderajan	Independent and Non-Executive Director	4	2	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, 2013 four meetings of the Board were held i.e. 29th May, 2012, 26th July, 2012, 17th October, 2012, and 30th January, 2013.

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	Mrs. D A Mehta	Mr. Kirit H. Vora
Age (in years)	54 years	56 years
Date of appointment	25.3.1991	4.3.1992
Qualification	B.Com; F.C.A	B.Com; A.C.A
Expertise in specific functional area	Wide experience in Capital Market, Finance, Human resource management and General Management.	Wide experience in Capital Market, Commercial matters and administration.
Directorships held in other Public Companies	Asit C Mehta Investment Intermediates Ltd	Asit C Mehta Investment Intermediates Ltd
Memberships of Committees of Other Public companies	-	-
No. of shares held in the company	9,00,358	23,520

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, 2013 has been annexed at the end of this report signed by the Chairman.

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, 2013 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, 2013 four Audit Committee meetings were held on 29th May, 2012, 26th July, 2012, 17th October, 2012, and 30th January, 2013. 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	1
Dr R Krishnamurthy	4	4
Mr. Kirit H Vora	4	4

Besides the above meetings, another meeting of the Audit Committee was held on 30th May, 2013 at which the Audited Accounts for the year ended 31st March, 2013, 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 Company:

The Company has one wholly-owned subsidiary, the detail of which is as follows:

Sr. No.	Name of the subsidiary	Status
1	Nucleus IT Enabled Services Limited (formerly known as Nucleus GIS And ITES Limited)	Non-listed Indian subsidiary Company

The Audit Committee reviewed the financial statements of the subsidiary.

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, 2013, 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, 2013 is as follows:

No of complaints Received	No. of complaints Resolved	Complaints pending as at 31.3.2013	Share Transfers pending for approval as at 31.3.2013
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	20,000	23,61,138
Deena A Mehta	Wife of Mr. Asit Mehta	20,000	9,00,358
Kirit H Vora		25,000	23,520
Vijay G Ladha		7,500	NIL
Dr. R Krishnamurthy		25,000	1000
D Sunderajan		10,000	NIL

*The above shareholding as at 31st March,2013 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
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
2011 -12	Nucleus House, Saki Vihar Road, Andheri (E), Mumbai 400072	28th AGM held on 26th September, 2012	5.00 p.m.	NIL

No resolution, requiring Postal Ballot as required by the Companies (passing of resolution by postal ballot) Rules, 2001 was passed last year. A Special resolution is proposed to be passed thro Postal Ballot seeking members' approval pursuant to section 372A of the Companies Act, 1956. The draft resolution along with Postal Ballot Form and pre-paid postage envelope is being sent separately. The result of the poll will be announced at the ensuing Annual General Meeting convened on 27.9.2013.

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, 2013. The details of related party transactions are disclosed in Note 25.3 to the Accounts in the Annual Report.

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

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
- 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	27th September, 2013
Time	3.30 p.m.
Venue	Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai - 400072

2. Financial year: The financial year is 1st April, 2013 to 31st March, 2014.

Financial Year	1st April to 31st March
First Quarter Results	On or before 15th August, 2013
Half yearly Results	On or before 15th November, 2013
Third Quarter Results	On or before 15th February, 2014
Audited Results for the year end	On or before 30th May, 2014

3. Book Closure: 21st September, 2013 to 27th September, 2013 (both days inclusive)

4. Listing on Stock Exchange:

The Company's equity shares are listed on BSE Limited (BSE), Mumbai. The Company has paid the Listing Fee for the financial year 2013-2014 to the BSE Ltd, 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 2012-2013 at the BSE Ltd were as under:
(Source: www.bseindia.com)

Month	High(₹)	Low(₹)	Month end closing price(₹)	BSE SensexHigh	BSE Sensex Low
April, 2012	23.45	20.65	21.50	17664	17010
May, 2012	22.90	19.10	20.00	17432	15810
June, 2012	21.80	19.15	20.10	17448	15749
July, 2012	22.50	17.40	17.40	17631	16598
August, 2012	18.60	15.95	18.55	17973	17027
September, 2012	32.70	19.00	30.00	18870	17251
October, 2012	30.25	30.00	30.25	19137	18393
November, 2012	29.65	29.65	29.65	19373	18256
December, 2012	47.65	30.00	47.00	19612	19149
January, 2013	59.80	44.70	54.15	20204	19509
February, 2013	53.10	38.75	38.75	19967	18794
March, 2013	41.90	37.10	37.10	19755	18568

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

ASIT C. MEHTA FINANCIAL SERVICES LIMITED**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.

10. Distribution of Shareholding:

The Distribution of Company's shareholding as on 31st March, 2013 was as follows:

No. of Equity Shares	No. of Shareholders	No. of Shares	% of Shareholding
Upto 500	951	155,147	3.13
501 to 1000	120	98,036	1.98
1001 to 2000	45	66,278	1.34
2001 to 3000	14	35,823	0.72
3001 to 4000	13	47,684	0.96
4001 to 5000	10	49,250	0.99
5001 to 10000	16	120,978	2.44
10001 & above	25	43,79,684	88.43
TOTAL	1194	49,52,560	100.00

11. Shareholding Pattern :

The Company's shareholding pattern as on 31.03.2013 as follows:

Category	No. of Shares	% of shareholding
Promoters/Relatives/Associates	37,02,086	74.75
Private Corporate Bodies	1,57,984	3.19
Others (Indian Public)	9,63,534	19.46
Private Trust	1,27,251	2.57
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, 2013.

Loan/Advances in the nature of loans to a subsidiary disclosed pursuant to Clause 32 of the Listing Agreement.

Rs.

Name of the Company	Balance as at 31.3.2013	Maximum outstanding during the year
Nucleus IT Enabled Services Ltd (formerly Nucleus GIS And ITES Ltd)	2,90,62,148	2,90,62,148

**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 BSE Ltd, the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct during the year ended 31st March, 2013.

30th May, 2013

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 BSE 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, 2013 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 : 30.5.2013

PROPRIETOR
COP 1705

ASIT C. MEHTA FINANCIAL SERVICES LIMITED
INDEPENDENT AUDITORS' REPORT

To,
The Members,
Asit C Mehta Financial Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of ASIT C MEHTA FINANCIAL SERVICES LIMITED, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
- 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 Statements 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 statements 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 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
 - (vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For MANEK & ASSOCIATES
Chartered Accountants
Firm No:126679W

Mumbai
Dated: MAY 30th, 2013

(SHAILESH MANEK)
Proprietor
Membership No.: 034925

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Asit C Mehta Financial Services Limited, on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (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 disposed 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 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 Rs.290.62 lakhs and year end balance was Rs.290.62 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) The company has not taken unsecured loan, from a company, firms and any other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence provisions of clause 4(iii)(e),(f) &(g) of the Order is not applicable to the Company.
- (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, 2013 on account of any dispute are given below.

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

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

- (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 30th, 2013

(SHAILESH MANEK)
Proprietor
Membership No.: 34925

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No	₹ As at 31st March, 2013	₹ As at 31st March, 2012
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	49,525,600	49,525,600
(b) Reserves and Surplus	4	412,291,333	424,763,105
Non-Current Liabilities			
(a) Long-term borrowings	5	154,345,645	121,161,518
(b) Deferred tax liabilities (Net)	6	3,825,274	4,479,282
(c) Other Long term liabilities	7	21,000,000	21,000,000
(d) Long term provisions	8	143,537	127,779
Current Liabilities			
(a) Trade payables	9	580,551	525,581
(b) Other current liabilities	10	10,950,014	10,085,402
(c) Short-term provisions	11	3,603	3,687
Total		652,665,558	631,671,954
II. Assets			
Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	453,876,239	462,169,632
(b) Non-current investments	13	154,657,070	154,657,070
(c) Long term loans and advances	14	4,228,777	3,349,365
Current Assets			
(a) Cash and cash equivalents	15	10,373,538	9,678,969
(b) Short term Loans and advances	16	29,479,170	1,438,004
(C) Other Current Assets	17	50,762	378,914
Total		652,665,558	631,671,954
Notes forming part of the Accounts	1 to 28		

For Manek & Associates
Chartered Accountants
FRN :0126679W

Shailesh L. Manek
Proprietor
Membership No 34925
Mumbai, 30th May, 2013

For and on behalf of the Board

Asit C Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

₹

Particulars	Note No	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Revenue from operations	18	18,626,500	15,701,632
Other Income	19	1,040,775	756,651
Total Revenue		19,667,275	16,458,283
<i>Expenses:</i>			
Employee benefits expense	20	613,853	572,962
Finance costs	21	19,858,206	15,517,321
Depreciation	23	2,176,361	2,168,457
Other expenses	22	4,032,356	4,295,759
Total Expenses		26,680,776	22,554,499
Profit / (Loss) before tax		(7,013,501)	(6,096,216)
Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		654,008	714,950
(c) Short tax provision of earlier year		-	4,098
Profit/(Loss) after tax		(6,359,493)	(5,385,364)
Earning per equity share:			
(1) Basic	25.4	(1.28)	(1.09)
(2) Diluted	25.4	(1.28)	(1.09)
Notes forming part of the Accounts	1 to 28		

For Manek & Associates
Chartered Accountants
FRN :0126679W

Shailesh L. Manek
Proprietor
Membership No 34925
Mumbai, 30th May, 2013

For and on behalf of the Board

Asit C Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Secretary

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

₹

Particulars	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
A. Cash Flow from Operating Activities				
Net profit/(loss) before tax		(7,013,501)		(6,096,216)
Adjustments for				
Depreciation & Amortisation	2,176,361		2,168,457	
Asset Discarded	4,753		-	
Interest income	(788,014)		(747,486)	
Dividend	(312)		(1,400)	
Loss / (Profit) on Sale of Investment	(252,449)		242,872	
Interest expense	4,064,370	5,204,709	5,321,283	6,983,726
Operating profit/(loss) before working capital changes		(1,808,792)		887,510
Adjustments for				
Changes in Current Assets				
(Increase) / Decrease in Long Term loans & Advances	-		4,692	
(Increase) / Decrease in Short Term loans & Advances	(28,041,166)		(1,118,005)	
(Increase) / Decrease in Other Current assets	328,152	(27,713,014)	(95,639)	(1,208,952)
Changes in Current Liabilities				
Increase / (Decrease) in Long Term liabilities	-		3,000,000	
Increase / (Decrease) in Long Term Provisions	15,758		8,858	
Increase / (Decrease) in Trade payables	54,970		1,096,499	
Increase / (Decrease) in Other current liabilities	3,616,737		2,417,247	
Increase / (Decrease) in Short term Provision	(84)	3,687,381	1,007	6,523,611
Cash used in operations before taxes		(25,834,424)		6,202,169
Refund recd / (Taxes paid)		(885,912)		(742,789)
Earlier year Tax Adjustment		-		(4,096)
Net cash used in operating activities		(26,720,336)		5,455,284
B. Cash from Investing activities				
Purchase of Long Term Investments	-		(96,333,330)	
Interest Received	788,014		747,486	
Dividend Received	312		1,400	
Proceeds form Sale of investment	258,948		1,969,828	
Net cash used in investing activities		1,047,274		(93,614,616)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment / Proceed on Overdraft A/c			(4,200,000)	
Repayment/ Proceed on Term Loan A/c	30,432,002		98,367,844	
Proceed of unsecured Loan (Net of repayments)				
Interest Paid	(4,064,370)		(5,321,283)	
Net cash used in financing activities		26,367,632		88,846,561
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		694,570		687,229
E. Cash and cash equivalents at the beginning of the year		9,678,969		8,991,740
F. Cash and cash equivalents at the end of the year (D+E)		10,373,539		9,678,969

NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

1. Cash & Cash Equivalents Include :		
Cash on Hand	12,521	4,789
Balance with Banks in Current and Cash Credit Accounts	1,768,018	1,581,180
Balance with Banks in Fixed Deposit / Margin Account	8,593,000	8,093,000
	<u>10,373,538</u>	<u>9,678,969</u>
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statement notified under the Companies (Accounting Standards) Rules, 2006.		

For Manek & Associates
Chartered Accountants
FRN :0126679W

For and on behalf of the Board

Shailesh L. Manek
Proprietor
Membership No 34925
Mumbai, 30th May, 2013

Asit C Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. Corporate Information:

The Company is a public limited company domiciled and headquartered in India and is incorporated under the provisions of Companies Act, 1956. The shares of the Company are listed on BSE Ltd. The Company holds investments exclusively of the group companies and earns dividend/interest from the same as and when declared/ due. 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 activities'.

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. On amounts added on revaluation, depreciation is provided as aforesaid over the residual life of the assets.

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.

b. Intangible Assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion. 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. There is no diluted earnings per share as there are no dilutive potential shares.

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, 2013

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 31 March, 2013		As at 31 March, 2012	
	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 31 March, 2013		As at 31 March, 2012	
	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% of the aggregate shares in the Company

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	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 31.3.2013		As at 31.3.2012	
	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, 2013

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, 2013	As at 31 March, 2012
	₹	₹
Capital Reserve	759,500	759,500
Securities Premium Account	41,043,960	41,043,960
Revaluation Reserve		
Opening Balance	364,589,606	370,701,885
Less: Utilised for set off against depreciation	6,112,279	6,112,279
Closing Balance	358,477,327	364,589,606
General Reserve		
Opening Balance	18,370,039	20,000,000
Less: Adjusted against deficit		
balance in Statement of Profit and Loss A/c	(6,359,493)	(1,629,961)
Closing Balance	12,010,546	18,370,039
Surplus/Deficit balance in		
Statement of Profit and Loss Account		
Surplus/ (Deficit) opening balance at the beginning of the year	-	3,755,403
Add : Loss for the year	(6,359,493)	(5,385,364)
	(6,359,493)	(1,629,961)
Less: Adjusted against balance from General Reserve	(6,359,493)	(1,629,961)
Closing Balance	-	-
Total	412,291,333	424,763,105

Note 5: Long term Borrowings - Secured

Particulars	As at 31st March	
	2013	2012
a. Term Loans from a Bank (refer note i below)	4,345,645	21,161,518
b. Term Loan from STCI Finance Ltd (refer note ii below)	150,000,000	100,000,000
Total	154,345,645	121,161,518

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 Office premises 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 31.3.2013

i) Repayment term of Term Loans from a Bank

- in quarterly instalments of ₹ 7,92,500 each commencing from May, 2013

ii) Repayment of Term Loan from STCI Finance Ltd :

- Nov, 2015 Rs 500 lacs and May, 2016 Rs 1000 lacs.

ASIT C MEHTA FINANCIAL SERVICES LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note 6: Deferred Tax Liability

₹

Particulars	Deferred Tax Liability/(Asset) as at 1st April, 2012	Charge/(Reversal) during the Year	Deferred Tax Liability/(Asset) as at 31 March, 2013
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	8,200,731	(529,762)	7,670,969
Total Liability	8,200,731	(529,762)	7,670,969
Deferred Tax Assets:			
Unabsorbed Depreciation and Business Losses	(3,681,738)	(119,335)	(3,801,073)
43B items (Gratuity, leave encashment etc.)	(39,712)	(4,910)	(44,622)
Total Assets	(3,721,450)	(124,245)	(3,845,695)
	4,479,281	(654,007)	3,825,274

Note 7: Other Long-term liabilities

₹

Particulars	As at 31st March	
	2013	2012
Security deposit received from :		
- Wholly owned subsidiary	11,000,000	11,000,000
- an associate concern	10,000,000	10,000,000
Total	21,000,000	21,000,000

Note 8: Long-term provision

₹

Particulars	As at 31st March	
	2013	2012
Provision for gratuity	143,537	127,779

Note 9 Trade Payables

Particulars	As at 31st March	
	2013	2012
Micro, Small and Medium Enterprises(refer note 24.3)	-	-
Others	580,551	525,581

Note 10 Other Current liabilities

₹

Particulars	As at 31st March	
	2012	2011
Current Maturities of Long Term borrowings	3,170,000	5,922,125
Interest payable on borrowings accrued and due	359,084	359,084
Interest payable on borrowings accrued but not due	1,507,377	1,048,155
Unclaimed dividends	512,499	522,499
Statutory dues	5,401,054	2,233,539
Total	10,950,014	10,085,402

Note 11: Short term provisions

₹

Particulars	As at 31st March	
	2013	2012
Provision for employee benefits :-		
Towards PF payable	2,734	2,951
Towards Gratuity	869	736
Total	3,603	3,687

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note: 12 Tangible Assets

(₹)

Particulars	Tangible							Total
	Office Premises	Computers	Electrical Fittings	Air Conditioners	Furniture	Office Equipments	Projector	
A. Cost of Assets								
As at 31.3.2011	489,449,434	157,500	587,841	351,822	4,309,740	530,398	148,650	495,535,385
Additions	-	-	-	-	-	-	-	-
Sales / Discards	-	(75,000)	-	-	-	-	-	(75,000)
As at 31.3.2012	489,449,434	82,500	587,841	351,822	4,309,740	530,398	148,650	495,460,385
Additions	-	-	-	-	-	-	-	-
Sales / Discards	-	(82,500)	-	-	-	-	-	(82,500)
As at 31.3.2013	489,449,434	-	587,841	351,822	4,309,740	530,398	148,650	495,377,885
B Depreciation								
As at 31.3.2011	21,820,321	142,180	240,388	225,330	2,238,215	343,016	75,566	25,085,016
Charges for the year	7,978,027	10,567	27,872	16,712	215,304	25,193	7,061	8,280,736
Deduction on sale or discard	-	75,000	-	-	-	-	-	75,000
As at 31.3.2012	29,798,348	77,747	268,260	242,042	2,453,519	368,209	82,627	33,290,752
Charges for the year	7,978,026	-	27,922	16,712	233,727	25,193	7,060	8,288,640
Deduction on sale or discard	-	77,747	-	-	-	-	-	77,747
As at 31.3.2013	37,776,374	-	296,182	258,754	2,687,246	393,402	89,687	41,501,645
C Written Down Value								
As at :								
31.3.2013	451,673,060	-	291,659	93,068	1,622,494	136,996	58,963	453,876,239
31.3.2012	459,651,086	4,753	319,581	109,780	1,856,221	162,189	66,023	462,169,632

Note 13 Non-current investments

₹

Particulars	As at 31st March	
	2013	2012
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 (formerly known as Nucleus GIS And ITES Ltd)	30,000,000	30,000,000
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 Intermmediates Ltd	28,323,740	28,323,740
ii) In Debentures		
332,11,111 unsecured 15.25% fully convertible debentures of Rs 30 each fully paid of Asit C Mehta Investment Intermmediates Ltd, an associate company convertible not later than 22/7/2016 at the option of the holder.	96,333,330	96,333,330
Total	154,657,070	154,657,070

Note 14: Long term loans and advances

₹

Particulars	As at 31st March	
	2013	2012
Unsecured and considered good		
Advance Income Tax (Net)	2,439,690	1,553,778
Deposits	514,034	514,034
Others	1,275,053	1,281,553
Total	4,228,777	3,349,365

Note 15: Cash and Cash Equivalents

₹

Particulars	As at 31st March	
	2013	2012
a. Cash on hand	12,521	4,789
b. Balances with bank		
i) in current accounts	1,768,018	1,581,180
ii) in fixed deposit account	8,593,000	8,093,000
Total	10,373,538	9,678,969

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note 16: Short-term Loans and Advances

₹

Particulars	As at 31st March	
	2013	2012
Unsecured and considered good:		
Advance for Expenses	-	53,000
Due from Nucleus GIS And ITeS Ltd (a wholly-owned subsidiary)	29,062,148	1,057,664
Balances with Government		
Service Tax Credit	43,404	3,347
Pre-paid expenses	341,335	323,993
Others	32,283	-
Total	29,479,170	1,438,004

Note 17: Other Current Assets

₹

Particulars	As at 31st March	
	2013	2012
Interest receivable	50,762	378,914
Total	50,762	378,914

Note 18: Revenue from Operations

₹

Particulars	For the year ended	
	31st March, 2013	31st March, 2012
A) Interest		
i) Debenture Interest	14,690,833	10,861,531
ii) From subsidiary	796,068	
B) Rental Income	2,455,500	4,840,101
C) Profit on trading in securities/currencies	34,099	
D) Advisory charges	650,000	
Total	18,626,500	15,701,632

Note 19 Other Income

₹

Particulars	For the year ended	
	31st March, 2013	31st March, 2012
a) Interest Income:		
- on Bank Deposits	767,846	673,122
- on Income tax refund	20,168	74,364
b) Profit on sale of investment	252,761	9,165
(Refer Note 26)		
Total	1,040,775	756,651

Note 20: Employee benefits expense

₹

Particulars	For the year ended	
	31st March, 2013	31st March, 2012
a) Salary and allowance	580,255	546,863
b) Contribution to PF and other fund	17,707	25,332
c) Staff welfare expense	-	767
d) Gratuity	15,891	-
Total	613,853	572,962

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note 21: Finance costs

₹

Particulars	For the year ended	
	31st March, 2013	31st March, 2012
a) Interest expense on:-		
- Term Loans	18,706,699	14,020,898
- Others	64,905	424,341
b) Other borrowing costs		
Loan processing fee	530,000	500,000
Bank Charges	556,602	572,082
Total	19,858,206	15,517,321

Note 22: Other expenses

₹

Particulars	For the year ended	
	31st March, 2013	31st March, 2012
Insurance	22,530	18,652
Rates and Taxes	3,119,561	2,926,399
Legal and Professional fees	365,776	214,553
Directors sitting fees	107,500	145,000
Loss on investment	-	242,872
Auditor remuneration –		
- Audit fees	125,000	125,000
- Tax Audit	25,000	25,000
- Other Services	99,020	155,500
Repairs and Maintenance – Building	10,693	68,069
Repairs and Maintenance – others	-	-
Miscellaneous Expenses	157,276	374,714
Asset discarded	4,753	-
Total	4,032,356	4,295,759

23. Depreciation and amortization

₹

Particulars	For the year ended	For the year ended
	31st March, 2013	31st March, 2012
	₹	₹
Depreciation for the year on tangible assets as per note 13	82,88,640	82,80,736
Less: Utilized from revaluation reserve	61,12,279	61,12,279
Total Depreciation and amortization	21,76,361	21,68,457

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

Particulars	31.3.2013	31.3.2012	31.3.2011	31.3.2010	31.3.2009	31.3.2008
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

24. Additional information to the financial statement

24.1 Contingent liabilities (to the extent not provided for)

₹

Particulars	As at March 31, 2013	As at March 31, 2012
Service Tax Matter under dispute	67,98,386	67,98,386
FERA matter (refer Note 24.2)	100,00,000	100,00,000
Disputed Property Taxes	14,00,424	-

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

24.2 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 & 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 Mumbai 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 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 Company filed an appeal before the Appellate Tribunal for Foreign Exchange (ATFE) contesting the order which is pending.

24.3 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

25. Disclosures under Accounting Standards

25.1 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 31.3.2013	As at 31.3.2012
Reconciliation of liability recognized in the Balance sheet		
Present value of commitments	1,44,406	1,28,515
Fair value of plans		
Net liability in the Balance sheet	1,44,406	1,28,515
Movement in net liability recognized in the Balance sheet		
Net liability as at 1st April, 2012	1,28,515	1,19,546
Net expense recognized in the Profit and Loss account	15,891	8,969
Contribution during the year		
Net liability as at 31st March, 2013	1,44,406	1,28,515
Expense recognized in the Profit and Loss account		
Current service cost	11,819	11,283
Interest cost	10,924	9,922
Expected return on plan assets		
Actuarial (gains)/ losses	(6,852)	(12,236)
Expense charged to the Profit and Loss account	15,891	8,969
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, 2012	1,28,515	119,546
Current service cost	11,819	11,283
Interest cost	10,924	9,922
Paid benefits		
Actuarial (gains)/ losses	(6,852)	(12,236)
Closing balance of the fair value of the defined plan	1,44,406	1,28,515

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

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

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

Particulars	
Discount rate	8.15%
Expected return on plan assets	NIL
Expected rate of salary increase	5%
Mortality LIC (1994-96)	Ultimate
Withdrawal rate	0%

25.2 Segment information

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

25.3 Related parties transactions

a. Related parties where control exists:

Wholly Owned Subsidiaries:- Nucleus GIS, Inc. USA (dissolved during the previous 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 Intermediates Ltd - Associate

All Alerz.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	12,40,500	11,55,000	60,000		24,55,500
	(15,47,901)	(32,32,200)	(60,000)		(48,40,101)
Interest on Debentures		1,46,90,833			1,46,90,833
		(1,08,61,531)			(1,08,61,531)
Short Term Loan taken			-		-
			(7,50,000)		(7,50,000)
Short Term Loan given	2,99,00,000				2,99,00,000
	(9,50,000)				(9,50,000)
Short Term Loan received back	28,50,000				28,50,000
	(-)				(-)
Short Term Loan repaid			-		-
			(49,50,000)		(49,50,000)
Sitting fees				40,000	40,000
				(50,000)	(50,000)
Interest paid / payable			-		-
			(3,98,983)		(3,98,983)
Interest Receivable	7,96,068				7,96,068
	(-)				(-)
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, 2013

Outstanding as on 31 March 2013

₹

Particulars	Subsidiaries	Associate	Total
Receivable	2,90,62,147 (10,57,664)	- (-)	2,90,62,147 (10,57,664)
Payables	1,10,00,000 (1,10,00,000)	99,67,717 (1,00,55,276)	2,09,67,717 (2,10,55,276)

Figures for previous year are given in brackets

25.4 Earnings per share:

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

₹

	For the year ended 31.3.2013	For the year ended 31.3.2012
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	(63,59,493)	(53,85,364)
C) Basic and diluted earnings per share (in ₹)	(1.28)	(1.09)

26. a) Loans and advances include Balance with Nucleus Stock Trust representing 127,251 (Previous year: 127,901) 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 650 equity shares of the company (previous year: 198) were sold in the open market by Nucleus Stock Trust and the proceeds thereof were received by the Company. The gain realized on the sale aggregated to ₹ 24,143 (previous year ₹ 7,765/-) has been credited to the Statement of Profit and Loss.

27. As at 31st March, 2013, there was a complete erosion in the Networth of Nucleus IT Enabled Services Ltd (formerly known as 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 be made by the Company. However, 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 IT Enabled Services Ltd is made.

28. 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, 30th May, 2013

For and on behalf of the Board

Asit C Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Secretary

CONSOLIDATED FINANCIAL STATEMENTS
2012-13

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of
Asit C. Mehta Financial Services Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ASIT C. MEHTA FINANCIAL SERVICES LIMITED, (the "Company") and its subsidiary and associate Company (the Company and its subsidiary and associate constitute the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidate Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidate cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the associated as noted below, the 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 State of Affairs of the Company as at March 31, 2013;
- b) in the case of the Consolidated Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other Matter

We did not audit the financial statements of the associate , whose financial statements reflect total assets (net) of Rs.75,92,09,254/- as at March 31, 2013, total revenues of Rs 25,83,20,190/- and net cash flows outflow amounting to Rs.3,48,93,295/- for the year ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For MANEK & ASSOCIATES
Chartered Accountants
Firm No:0126679W

Mumbai
Dated: MAY 30th, 2013

(SHAILESH MANEK)
Proprietor
Membership No.: 34925

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No	₹ As at 31st March, 2013	₹ As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	49,525,600	49,525,600
(b) Reserves and Surplus	4	339,220,202	376,090,516
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	154,345,645	128,286,517
(b) Deferred Tax Liability	6	3,825,274	4,479,282
(c) Other Long term liabilities	7	10,000,000	10,000,000
(d) Long term provisions	8	884,586	844,257
(3) Current Liabilities			
(a) Short-term borrowings	9	10,150,000	24,026,109
(b) Trade payables	10	1,185,072	2,829,977
(c) Other current liabilities	11	14,330,683	12,614,627
(d) Short-term provisions	12	117,482	29,750
Total		583,584,545	608,726,635
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	13	456,975,691	466,504,862
(ii) Intangible assets	13	-	20,031
(b) Non Current Investments	14	96,333,330	113,116,189
(c) Long term loans and advances	15	5,068,380	4,147,259
(d) Other non current assets	16	10,477,740	10,477,740
(2) Current assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	17	3,302,497	3,506,945
(d) Cash and cash equivalents	18	10,695,020	9,809,554
(e) Short term loans and advances	19	662,997	750,352
(f) Other current assets	20	68,889	393,703
Total		583,584,545	608,726,635
Notes forming part of the Accounts		1 to 37	

For Manek & Associates
Chartered Accountants
FRN :0126679W

Shailesh L. Manek
Proprietor
Membership No 34925
Mumbai, 30th May, 2013

For and on behalf of the Board

Asit C Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

₹

Particulars	Note No	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Revenue from operations	21	34,326,539	31,977,327
Other Income	22	1,152,057	1,302,450
Total Revenue		35,478,596	33,279,777
Expenses:			
Employee benefits expense	23	14,628,065	19,984,206
Finance costs	24	23,425,507	18,368,540
Depreciation and amortization expense	26	3,305,986	4,758,360
Other expenses	25	8,778,751	9,833,391
Total Expenses		50,138,309	52,944,497
Profit / (Loss) before tax		(14,659,713)	(19,664,720)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax charge/(credit)		(654,008)	(714,950)
(3) Tax credit (net) relating to earlier years		(30,528)	(95,174)
Profit / (Loss) after tax		(13,975,177)	(18,854,596)
Share of a associate		(16,782,858)	(31,702,919)
Net Loss attributable to shareholders		(30,758,035)	(50,557,515)
Earnings Per share Basic and diluted		(6.21)	(10.21)
Notes forming part of the Accounts	1 to 37		

For Manek & Associates
Chartered Accountants
FRN :0126679W

Shailesh L. Manek
Proprietor
Membership No 34925

Mumbai, 30th May, 2013

For and on behalf of the Board

Asit C Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 ₹

		2013		2012
A) Cash Flow from Operating Activities				
Net profit before tax		(14,659,713)		(19,664,720)
Adjustments for:				
Depreciation	3,305,986		4,758,360	
Finance costs	7,101,671		8,172,502	
Interest received	(739,597)		(865,824)	
Loss on sale of fixed assets / asset discarded	86,635			
	9,754,695		12,065,038	
Operating profit before Working Capital Changes		(4,905,018)		(7,599,682)
Adjustments for Working Capital changes:				
Trade Receivables	204,448		981,985	
Short term loans and advances	87,355		(57,809)	
Other current assets	324,814		(98,632)	
Long term loans and advances	(1,856,742)		99,867	
Other current liabilities	1,716,056		2,419,684	
Short term provisions	87,734		(38,325)	
Long term provisions	40,329		(1,139,546)	
Trade Payables	(1,644,905)	(1,040,911)	1,057,750	3,224,974
		(5,945,928)		(4,374,708)
Cash generated from operations		-		-
Direct taxes paid		966,149		159,111
A		(4,979,779)		(4,215,597)
B) Cash from Investing activities				
Interest received	739,597		865,824	
Purchase of fixed assets	-		(5,250)	
Sale proceeds of fixed assets	44,300		-	
Purchase of longterm investments			(96,333,330)	
B		783,897		(95,472,756)
C) Cash flow from Financing activities				
Finance costs	(7,101,671)		(8,172,502)	
Repayment of short term borrowings	(13,876,109)		9,268,425	
Proceeds from Longterm borrowing	26,059,128		97,567,028	
Loan to subsidiary				
C		5,081,348		98,662,951
Net Increase / decrease in Cash and Cash equivalents at the end of the year A + B+C		885,466		(1,025,402)
Cash and cash equivalents at the beginning of the year		9,809,554		10,834,955
Cash and cash equivalents at the end of the year		10,695,020		9,809,554

For Manek & Associates
Chartered Accountants
FRN :0126679W

Shailesh L. Manek
Proprietor
Membership No 34925
Mumbai, 30th May, 2013

For and on behalf of the Board

Asit C Mehta
Chairman

Kirit H. Vora
Director

Tushar Kapadia
Secretary

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.

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 otherwise 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 statements 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
Subsidiary				
Nucleus IT Enabled Services Ltd (formerly known as Nucleus GIS And ITES Ltd)	India	1.4.2012 to 31.3.2013	100%	Manek & Associates
*Nucleus GIS Inc	USA	1.4.2011 to 31.3.2012	100%	Manek & Associates
Associate				
Asit C. Mehta Investment and Intermediates Ltd.	India	1.4.2012 to 31.3.2013	29.75%	Chandrakant & Sevantilal

*The Company has been dissolved during the previous 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:

- a. Information Technology Enabled Services (ITES) and Software Services Fees: Income from services rendered of ITES is recognized on services rendered. Software services fees are accounted on its completion and acceptance by the customers.
- b. Rental Income is accrued on time proportion basis relating to the period for which properties are let out.
- c. Dividend is recognized when the right to receive the payment is established.
- d. Interest and rent income is recognized on time proportion basis.
- e. Income from share trading activity is recognized on selling of shares.
- f. 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

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.

valuation of an approved valuer, the office premise was revalued during the year 2010- 11 and has been stated at the revalued figure.

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 IT Enabled Services Ltd (formerly known as 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.

Intangible assets are amortized over a period of three to five years for which the Company expects the benefits to accrue

h) Investments:

Investments are classified into Long tem and Current Investments. Long-term investments are carried at cost, less provision for diminution other than temporary in their value, determined separately for each individual investment basis and current investments which 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 acutal 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, 2013.

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

- 2) 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.

3: Share Capital

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	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, 2013		As at 31 March, 2012	
	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, 2013		As at 31 March, 2012	
	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 31.3.2013		As at 31.3.2012	
	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

* excludes 4200 shares (on which amount originally paid was Rs 21,000) by erstwhile Nucleus Netsoft and GIS (India) Ltd which was amalgamated with the Company.

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

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

4: Reserves and Surplus

Particulars	As at 31 March, 2013	As at 31 March, 2011
	₹	₹
Capital Reserve	759,500	759,500
Securities Premium Account	41,043,960	41,043,960
Revaluation Reserve		
Opening Balance	364,589,606	370,701,885
Less: Utilised for set off against depreciation	6,112,279	6,112,279
Closing Balance	358,477,327	364,589,606
General Reserve		
Opening Balance	-	26,592,728
Less: Adjusted against deficit		
balance in Profit and Loss		(26,592,728)
Closing Balance	-	-
Surplus/Deficit balance in		
Profit and Loss		
Surplus/ (Deficit) opening balance at the beginning of the year	(30,302,550)	(6,337,763)
Add : Loss for the year	(30,758,035)	(50,557,515)
	(61,060,585)	(56,895,278)
Less: Adjusted against balance from General Reserve	-	(26,592,728)
Closing Balance	(61,060,585)	(30,302,550)
Total	339,220,202	376,090,516

5: Long term Borrowings - Secured

₹

Particulars	As at 31st March	
	2013	2012
a. Term Loan from a Bank Secured by equitable mortgage of Office premises bearing nos 404B, 504B and 604B at Nuclues House, Andheri)	4,345,645	21,161,518
b. Term Loan from STCI Finance Ltd Secured by: i) Deed of Mortgage for Office premises located at 'A' Wing of Nucleus House, Andheri (E) ii) Personal guarantee of Mr. Asit C. Mehta and Mrs Deena A Mehta – the directors of the Company and a undertaking for non-disposal of their shareholding in the Company during the tenure of the loan without prior approval of the lender	150,000,000	100,000,000
c. Public Deposits	-	7,125,000
Total	154,345,645	128,286,518

Note: Repayment terms of outstanding long-term borrowings (excluding current maturities) as on 31.3.2013

- i) Repayment term of Term Loans from a Bank
 - in quarterly instalments of Rs 7,92,500 each commencing from May, 2013
- ii) Repayment of Term Loan from STCI Finance Ltd :
 - Nov, 2015 Rs 500 lacs ; and May, 2016 Rs 1000 lacs;

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.

6: Deferred Tax Liability

₹

Particulars	Deferred Tax Liability/ (Asset) as at 1st April, 2012	Charge/ (Reversal) during the Year	Deferred Tax Liability/ (Asset) as at 31 March, 2013
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	8,200,731	(529,762)	7,670,969
Total Liability	8,200,731	(529,762)	7,670,969
Deferred Tax Assets:			
Unabsorbed Depreciation and Business Losses	(3,681,738)	(119,335)	(3,801,073)
43B items (Gratuity, leave encashment etc.)	(39,712)	(4,910)	(44,622)
Total Assets	(3,721,450)	(124,245)	(3,845,695)
Total	4,479,281	(654,007)	3,825,274

7: Other Long-term liabilities

₹

Particulars	As at 31st March	
	2013	2012
Security deposit received from a Associate concern	10,000,000	10,000,000

8: Long-term provision

₹

Particulars	As at 31st March	
	2013	2012
Provision for gratuity	773,252	733,397
Provision for Leave encashment	111,334	110,860
Total	884,586	844,257

9: Short term borrowing

₹

Particulars	As at 31st March	
	2013	2012
Secured:		
Working capital loan from a bank		
Secured by hypothecation of book debts and certain assets of the holding company	-	9,026,109
Unsecured:		
Public deposits	-	1,250,000
Inter corporate deposits	10,150,000	13,750,000
Total	10,150,000	24,026,109

10: Trade Payables

₹

Particulars	As at 31st March	
	2013	2012
Sundry Creditors	1,185,072	2,829,977

11: Other Current liabilities

₹

Particulars	As at 31st March	
	2013	2012
Statutory dues	6,785,328	3,826,444
Interest payable on borrowings accrued and due	359,084	1,119,588
Interest payable on borrowings accrued but not due	3,503,773	1,048,155
Unclaimed dividends	512,499	522,499
Current maturities of Term Loans	3,170,000	6,097,941
Total	14,330,684	12,614,627

ASIT C. MEHTA FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.
12: Short term provisions

₹

Particulars	As at 31st March	
	2013	2012
Provision for employee benefits		
Towards Gratuity/PF	110,382	24,703
Towards Leave encashment	7,100	5,047
Total	117,482	29,750

13: Fixed Assets (tangible and intangible assets)

(₹)

Particulars	Tangible					Intangible			Total	
	Office Premises	Computers	Electrical Fittings	Air Conditioners	Furniture	Office Equipments	Motor Car	Projector		Computer Software
A. Cost of Assets										
As at 31.3.2011	489,449,436	7,834,240	797,973	951,707	6,887,580	1,297,716	1,646,022	148,650	4,313,871	513,327,195
Additions	-	5,250	-	-	-	-	-	-	-	5,250
Sales / Discards	-	(75,000)	-	-	-	-	-	-	-	(75,000)
As at 31.3.2012	489,449,436	7,764,490	797,973	951,707	6,887,580	1,297,716	1,646,022	148,650	4,313,871	513,257,445
Additions	-	-	-	-	-	-	-	-	-	-
Sales / Discards	-	(1,344,367)	-	-	-	-	-	-	-	(1,344,367)
As at 31.3.2013	489,449,436	6,420,123	797,973	951,707	6,887,580	1,297,716	1,646,022	148,650	4,313,871	507,599,207
B Depreciation										
As at 31.3.2011	21,820,321	5,224,790	310,853	384,621	3,310,163	614,397	817,005	75,566	3,379,189	35,936,905
Charges for the year	7,978,027	1,048,919	47,300	16,712	487,871	155,465	214,632	7,061	914,652	10,870,639
Deduction on sale or discard	-	75,000	-	-	-	-	-	-	-	75,000
As at 31.3.2012	29,798,348	6,198,709	358,153	401,333	3,798,034	769,862	1,031,637	82,627	4,293,841	46,732,544
Charges for the year	7,978,026	598,425	44,647	16,712	456,959	137,343	159,064	7,060	20,030	9,418,266
Deduction on sale or discard	-	1,213,426	-	-	-	-	-	-	-	1,213,426
As at 31.3.2013	37,776,374	5,583,708	402,800	418,045	4,254,993	907,205	1,190,701	89,687	4,313,871	54,937,384
C Written Down Value										
As at :										
31.3.2013	451,673,062	836,415	395,173	533,662	2,632,585	390,511	455,321	58,963	-	456,975,691
31.3.2012	459,651,088	1,565,781	439,820	550,374	3,089,546	527,846	614,385	66,023	20,030	466,524,893

14 Non current Investments

₹

Particulars	As at 31st March	
	2013	2012
Trade - Unquoted		
a) 23,50,000 (previous year 23,50,000) shares of Rs 10 each fully paid in Asit C Mehta Investment Intermediates Ltd (a Associate concern)	16,782,858	48,485,777
Add /(Less): Proportionate share in profit /(loss) for the year (Refer Note 36)	(16,782,858)	(31,702,919)
	-	16,782,858
b) 332,11,111 unsecured 15.25% fully convertible debentures of Rs 30 each fully paid of Asit C Mehta Investment Intermediates Ltd, an associate company convertible not later than 22/7/2016 at the option of the holder.	96,333,330	96,333,330
Total	96,333,330	113,116,188

15: Long term loans and advances

₹

Particulars	As at 31st March	
	2013	2012
Deposits	514,034	514,034
Advance Tax	3,227,293	2,291,672
Margin Money with bank	50,000	60,000
Pre-paid expenses	2,000	-
Others	1,275,053	1,281,553
Total	5,068,380	4,147,259

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.

16: Other Non-current assets

₹

Particulars	As at 31st March	
	2013	2012
Trade receivables	10,477,740	10,477,740
Total	10,477,740	10,477,740

17: Trade Receivables

₹

Particulars	As at 31st March	
	2013	2012
Trade receivables:- Unsecured		
Outstanding for a period of less than 6 months		
- Considered good	3,265,370	3,506,945
- Considered doubtful		
	3,265,370	3,506,945
Exceeding 6 months	37,127	-
Total	3,302,497	3,506,945

18: Cash and Cash Equivalents

₹

Particulars	As at 31st March	
	2013	2012
a. Cash on hand	35,351	62,554
b. Balances with bank		
i) in current accounts	2,066,670	1,654,000
ii) in fixed deposit account	8,593,000	8,093,000
Total	10,695,020	9,809,554

19: Short term loans and advances

₹

Particulars	As at 31st March	
	2013	2012
Others		
Total	662,997	750,352

20: Other current assets

₹

Particulars	As at 31st March	
	2013	2012
Interest receivable	68,889	393,103
Other assets	-	600
Total	68,889	393,703

20: Revenue from Operations

₹

Particulars	For the year ended	
	31st March, 2013	31st March, 2012
Debenture Interest	14,690,833	10,861,531
Rental Income	1,215,000	3,292,200
Profit on trading in securities	34,099	-
Advisory charges	650,000	-
Income from ITeS Services:		
Domestic	11,723,421	11,817,668
Exports	6,013,186	6,005,928
Total	34,326,539	31,977,327

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

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

22: Other Income

₹

Particulars	For the year ended	
	31st March, 2013	31st March, 2012
a) Interest Income:		
- on Bank Deposits	778,335	682,009
- on Income tax refund	38,738	183,815
b) Profit on sale of investment (Refer Note 34)	252,761	9,165
c) Excess provisions written back	-	111,477
d) Exchange gains	-	286,103
e) Sundry Income	82,223	29,881
Total	1,152,057	1,302,450

23: Employee benefits expense

₹

Particulars	For the year ended	
	31st March, 2013	31st March, 2012
a) Salary and allowance	12,315,279	17,548,120
b) Contribution to Provident fund & other funds	1,726,684	1,574,970
c) Staff welfare expense	123,713	148,179
d) Leave encashment	73,600	135,655
e) Provision for gratuity	388,789	577,282
Total	14,628,065	19,984,206

24: Finance costs

₹

Particulars	For the year ended	
	31st March, 2013	31st March, 2012
a) Interest expense on:-		
- Term & Working Capital Loans	19,502,069	16,778,051
- Others	2,814,299	424,341
b) Other borrowing cost		
Loan processing fee	530,000	500,000
c) Bank Charges	579,139	666,148
Total	23,425,507	18,368,540

25: Other expenses

₹

Particulars	For the year ended	
	31st March, 2013	31st March, 2012
Insurance	52,003	44,306
Rates and Taxes	3,136,164	2,949,032
Legal and Professional fees	1,271,128	1,949,968
Directors sitting fees	152,500	145,000
Auditor remuneration – Audit fees and tax audit fees		
Audit fees	300,000	300,000
Tax audit fees	75,000	75,000
Other Services	99,020	155,500
Repairs and Maintenance – Building	10,693	68,069
Repairs and Maintenance – others	295,064	181,683
Loss on sale of fixed assets	81,882	-
Electricity expenses	1,167,812	889,451
Travelling and conveyance	325,031	637,736
Vehicle Expenses	140,072	-
Data processing charges	372,799	690,478
Office expenses	451,418	462,618
Internet & Telephone charges	147,876	311,508
Prior Period expense	109,750	-
Total	8,778,751	9,833,391

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.

26. Depreciation and amortization

Particulars	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
Depreciation for the year on tangible assets as per note 13	94,18,265	1,08,70,639
Less: Utilized from revaluation reserve	61,12,279	61,12,279
Total Depreciation and amortization	33,05,986	47,58,360

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

Particulars	31.3.2013	31.3.2012	31.3.2011	31.3.2010	31.3.2009	31.3.2008
Description of Asset:						
- Office premises	*	*		*	*	*
Amount added on			35,62,80,803			
Revaluation						
Date of addition			31.3.2011			

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

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

Amount in ₹

Particulars	March 31, 2013	March 31, 2012
Contingent liabilities:		
Service Tax Matters	67,98,386	67,98,386
Foreign Exchange Regulation Act, 1973 matters (refer note 28 below)	1,00,00,000	1,00,00,000
Disputed Property Taxes	14,00,424	-

- 28.** 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.

29. 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.

- 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, 2013.

- c. 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, 2013

(₹)

	Leave encashment		Gratuity (Unfunded) (unfunded)	
	2012 13	2011 12	2012 13	2011 12
Reconciliation of liability recognized in the Balance sheet				
Present value of commitments	118,434	115,171	880,900	755,885
Fair value of plans		-		
Net liability in the Balance sheet	118,434	115,171	880,900	755,885
Movement in net liability recognized in the Balance sheet				
Opening Liability	115,171	348,241	7,55,885	1,701,592
Net expense recognized in the Statement of Profit and Loss	73,600	131,578	3,88,789	610,123
Contribution during the year	(70,337)	(364,648)	(2,63,774)	(1,555,820)
Net liability as at year end	118,434	115,171	880,900	755,885
Expense recognized in the Statement of Profit and Loss				
Current service cost	75,293	76,320	171,388	118,478
Interest cost	6,800	13,771	53,040	76,664
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	(8,493)	41,487	1,64,361	4,14,981
Actual return on plan assets	-			
Reconciliation of defined-benefit commitments				
Opening Liability	115,171	348,241	755,885	1,701,592
Current service cost	75,293	76,320	171,388	118,478
Interest cost	6,800	13,771	53,040	76,664
Paid benefits	(70,337)	(364,648)	(263,774)	(1,555,820)
Actuarial (gains)/ losses	(8,493)	41,487	1,64,361	414,981
Commitments as at year end	118,434	115,171	880,900	755,885

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	8.15%
Expected return on plan assets	NIL
Expected rate of salary increase	5%
Mortality	LIC (1994-96) Ultimate

30. 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	11,55,000 (32,32,200)	60,000 (60,000)	- (-)	12,15,000 (32,92,200)
Interest received on debentures	1,46,96,830 (1,08,61,531)			1,46,96,830 (1,08,61,531)
Sitting fees	- (-)	- (-)	65,000 (55,000)	65,000 (55,000)
Short term loans taken		1,23,50,000 (1,59,50,000)		1,23,50,000 (1,59,50,000)
Short term loans repaid		(1,59,50,000) (1,05,75,000)		(1,59,50,000) (1,05,75,000)
Interest expense		22,18,218 (11,06,886)	3,83,536 (558,250)	26,01,754 (16,65,136)
Share of + Income / (-) loss from Associate	-1,67,82,858 (- 3,17,02,919)			-1,67,82,858 (- 3,17,02,919)
Income Received	1,92,138 (-)			1,92,138 (-)
Loan balance outstanding		1,21,46,396 (1,43,88,346)	- (50,75,000)	1,21,46,396 (1,94,63,346)
Investment in convertible debentures	- (9,63,33,330)			- (9,63,33,330)
Repayment of Fixed deposits			51,25,000 (-)	51,25,000 (-)

Outstanding as on 31 March 2013

₹

Particulars	Associate	Other group companies	KMP & their relatives	Total
Payables	99,67,717 (1,00,55,276)	1,21,46,396 (1,43,88,346)	- (50,75,000)	2,21,14,113 (2,95,18,622)

Figures for previous year are given in brackets

31. 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 17,969 (USD 20,239)	₹ 9,77,339 (₹ 10,35,411)
Trade Payables	USD NIL USD NIL	- -
Bank Balance	USD - NIL (USD 484.96)	₹ - (₹ 24,806)

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.

32. Primary Segments Reporting (by Business Segments) -

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

ASIT C. MEHTA FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.

₹

Particulars	I T	Investment Activities	Total
External Revenue	1,77,36,607 (1,78,23,596)	1,65,89,932 (1,41,53,731)	3,43,26,539 (3,19,77,327)
Inter Segment revenue	- (-)	- (-)	- (-)
Total revenue	1,77,36,607 (1,78,23,596)	1,65,89,932 (1,41,53,731)	3,43,26,539 (3,19,77,327)
Segment result Profit / - loss	- 21,53,625 (-133,85,048)	97,67,362 (1,07,86,418)	76,13,737 (-25,98,630)
Interest Expense			2,34,25,507 (1,83,68,540)
Less: Excess of unallocated income unallocated expenses			11,52,057 (13,02,449)
Income Tax charge/(credit)			(6,84,536) (8,10,124)
Profit /(-)Loss after taxation			-1,39,75,177 (-1,88,54,596)
Other information			
Segment Assets	1,83,04,875 1,96,53,224	56,52,79,670 58,90,73,409	58,35,84,545 60,87,26,633
Total Assets			58,35,84,545 (60,87,26,633)
Segment Liabilities	1,49,90,119 (3,67,27,271)	17,,98,48,624 (14,63,83,249)	19,48,38,743 (18,31,10,520)
Total Liabilities			19,48,38,743 (18,31,10,520)
Capital Expenditure			- (5,250)
Depreciation	11,29,625 (25,89,903)	21,76,361 (21,68,457)	33,05,986 (47,58,360)

Figures in brackets are in respect of previous year

Secondary Segment Reporting (by geographic segments)

(₹)

	Domestic	Exports	Total
Segment Revenue	2,83,13,353 (1,50,66,225)	60,13,186 (1,67,88,630)	3,43,26,539 (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.

33. Earnings Per Share:

The basic earnings per share is computed by dividing the net profit after tax 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 2013	For the year ended 31 March 2012
Profit after tax	(-)3,07,58,035	(-)5,05,57,515
Profit available for Equity Shareholders	(-)3,07,58,035	(-)5,05,57,515
Weighted average number of Shares used in Computing earnings per share -Basic and Diluted	49,52,560	49,52,560
Face value of Equity Shares	10	10
Earnings Per share - Basic and Diluted (₹)	(6.21)	(10.21)

ASIT C. MEHTA FINANCIAL SERVICES LIMITED

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.

34. Loans and advances include

Balance with Nucleus Stock Trust representing 127,251 (Previous year: 1,27,901) 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 650 shares of the Company (previous year: 198) were sold in the open market by Nucleus Stock Trust and the proceeds there from were received by the Company. The gain realized on these sale aggregated to ₹ 24,143 (previous year: ₹ 7, 765/-) which has been credited to the Statement of Profit and Loss

35. 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.

36. The share of loss of an associate concern debited to the Statement of Profit and Loss for the year ended 31.3.2013 is restricted to the carrying value of investment of the said associate concern as at 31.3.2013 in accordance with Accounting Standard 23 i.e. 'Accounting for Investments in Associates'. As a consequence, the investment is reported at nil value as at 31.3.2013. The actual share of loss is Rs 1,73,79,562 as against Rs 167,82,858 charged to the Statement of Profit and Loss for the year ended 31.3.2013.

37. 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, 30th May, 2013

For and on behalf of the Board

Asit C Mehta Kirit H Vora
Chairman Director

Tushar Kapadia
Company Secretary

Asit C Mehta Financial Services Limited

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

ATTENDANCE SLIP

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

I hereby record my presence at the 29th ANNUAL GENERAL MEETING of the Company held at 'Nucleus House', Saki Vihar Road, Andheri (East), Mumbai 400 072, on Friday, 27th September, 2013 at 3.30 pm

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

Name.....

Signature of the Shareholder or Proxy.....

Asit C Mehta Financial Services Limited

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

FORM OF PROXY

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

I/We.....

of.....

.....

.....

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

above named Company hereby appoint

of.....

or failing him.....

of.....

..... as my/our proxy

to vote for me/us on my/our behalf at the 29th ANNUAL GENERAL MEETING of the Company to be held on Friday, 27th September, 2013 at 3.30 p.m. and at any adjournment thereof.

Signed this day of 2013



(Signature of Member)

NOTES:

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

Book-Post / U.C.P.

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

CRYSTAL +91 22 6614 0900