

A **Asit C. Mehta** Group Company

**Asit C. Mehta Financial Services Ltd**  
30th Annual Report  
2013-2014

## FINANCIAL HIGHLIGHTS

(₹ In Lakh)

	2013 - 14	2012 -13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Net worth*	880	1,033	1,097	1,151	1,201	1,128	1,129	1,153	1,075	762
Borrowings	1508	1,543	1,216	327	289	240	181	173	63	9
Net Fixed Assets (including revaluation)	5,729	4,539	4,621	4,704	1,148	1,107	1,120	1,042	869	488
Investments	1,547	1,547	1,547	605	605	605	306	331	306	311
Book value per share -Rs	17.77	20.86	22.15	23.24	24.24	22.75	22.80	23.27	21.71	22.14
Gross Income	256	197	165	89	177	263	482	702	694	290
Operating and Other expenses	416	267	226	118	90	228	444	490	424	140
Profit Before Tax	(160)	(70)	(61)	(29)	87	35	38	212	270	150
Profit After Tax	(153)	(64)	(54)	(50)	101	35	31	210	252	150
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.

**BOARD OF DIRECTORS** : **ASIT C. MEHTA** – Chairman  
**DEENA A. MEHTA**  
**KIRIT H. VORA**  
**VIJAY G. LADHA** – (Chairman – Audit Committee)  
**DR. R. KRISHNAMURTHY**  
**D. SUNDERAJAN** (upto 31st July, 2014)  
**PUNDARIK SANYAL** (from 31st July, 2014)

**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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30th Annual General Meeting  
 on Friday, 26th September, 2014, at 4.00 p.m. 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**

**CIN: L65900MH1984PLC091326**

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

**Notice**

Notice is hereby given that the THIRTIETH ANNUAL GENERAL MEETING (AGM) 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 4.00 p.m. on Friday, 26<sup>th</sup> September, 2014 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Asit C Mehta who retires by rotation and being eligible, offers himself for re-election.
3. To pass with or without modification the following resolution as an Ordinary resolution:  
"RESOLVED that pursuant to the provisions of section 149 read with Schedule IV, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules thereunder and clause 49 of the Listing Agreement, Mr. Vijay G Ladha (holding DIN 00168663), Director, who retires by rotation at this Annual General Meeting be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of one year i.e. from the date of this Annual General Meeting(2014) till the date of 31st Annual General Meeting of the Company (2015) (both dates inclusive)"
4. To re-appoint Auditors to hold office from the conclusion of this Annual General meeting until the conclusion of the third consecutive Annual General Meeting and to fix their remuneration and to pass the following resolution thereof.  
"Resolved that pursuant to the provisions of section 139 of the Companies Act, 2013 and Rules made thereunder and pursuant to the recommendation by the Audit Committee, M/s Manek and Associates, Chartered Accountants (Firm Registration No 0126679W) be and are hereby reappointed as the auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the third consecutive Annual General meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) and the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the auditors"

**AS SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED that pursuant to the provisions of section 149 read with Schedule IV, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules thereunder and clause 49 of the Listing Agreement, Dr R Krishnamurthy (holding DIN 00221583), Director, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years i.e. from the date of this Annual General Meeting(2014) till the date of the 35th Annual General Meeting (2019) of the Company (both dates inclusive)"
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED that pursuant to the provisions of section 149 read with Schedule IV, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules thereunder and clause 49 of the Listing Agreement, Mr. Pundarik Sanyal (holding 01773295), Director, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years i.e. from the date of this Annual General Meeting(2014) till the date of the 35th Annual General Meeting (2019) of the Company (both dates inclusive)"
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
"Resolved that in supersession of the resolution passed at the Extra-ordinary General meeting of the Company held on 21.3.1994, and pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount so borrowed and outstanding at any point of time shall not be in excess of Rs 50 crores (Rupees Fifty crores only) over and above the aggregate of paid-up share capital and reserves of the Company"
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
"Resolved that in supersession of the resolution passed at the Extra-ordinary General meeting of the Company held on 19.12.1994, and pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and /or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the moveable and / or immoveable assets and properties of the Company, wherever situate, present and future, in favour of any person including but not limited to, Financial Institution(s), bank(s), Insurance Company(ies), Mutual Fund(s), corporate body(ies), trustees to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities for an amount not exceeding Rs 50 crores (Rupees Fifty Crores only) over and above the aggregate of paid-up share capital and reserves of the Company"
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from 1st October, 2014 up to the maximum amounts as appended below for a period from 1.10.2014 to 30.9.2016:

MAXIMUM VALUE OF CONTRACT / TRANSACTIONS W E F 1.10.2014				
	Transactions as defined under section 188 of the Companies Act, 2013			
	Sale / purchase of any securities	Selling or otherwise disposing of, or buying property	Leasing of any property	Availing of any Services
Name of Related Parties				
Asit C Mehta Commodity Services Ltd	On actual basis.	6.00	1.00	
Asit C Mehta Investment Intermediates Ltd	Exempted, being in the ordinary course of business and on arm's length basis		4.00	0.02
Nucleus IT Enabled Services Ltd			1.25	

RESOLVED FURTHER THAT to give effect to this Resolution the Board of Directors and/ or any Committee thereof be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper desirable and to finalise any documents and writings related thereto."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
 "RESOLVED that pursuant to section 42 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to issue and offer Non-convertible Debentures for an amount not exceeding Rs 25 crores whether secured or unsecured on private placement basis from banks / Indian Private banks/ Financial Institution/ NBFCs / Corporates / other eligible investors in one or more tranches during a period of one year from the date of passing this resolution"
11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
 "RESOLVED THAT in supersession of the Special Resolution No 6 passed at the 25th Annual General Meeting of the Company held on 23.9.2009, and pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') approval be and is hereby accorded to keep the Register and Index of Members and copies of annual returns prepared together with the copies of the certificates and documents required to be annexed thereto under section 92 of the Act, with the Company's Share Transfer Agent – M/s Link Intime India P Ltd at their office at C 13 Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai 400 078 or at such other place where the administrative Office of the said Share Transfer Agent may be situated within the local limits of the city of Mumbai."
12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
 "Resolved that pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modifications and reenactments thereof for the time being in force) the Articles of Association of the Company be amended as follows:-
- Article 1: the definition of "The Act" be amended by replacing the words "The Companies Act, 1956" with "The Companies Act, 2013 and Rules thereunder"
  - Deleting the 'Article 2' and substituting with the following new 'Article 2'  
 "Article 2: The regulations contained in Table F of Schedule I of the Act shall apply to the Company except in so far as they are already embodied in the following Articles, which shall be the regulations for the management of the Company, so however that the Articles shall to the extent to which they are repugnant to and/or variance with the provisions of the Companies Act, 2013, various schedules thereto and the Rules made there under (collectively referred to as "Act") be deemed to have been replaced by the relevant provisions / rules in the Act so as to be in consonance and harmony therewith"  
 Resolved Further That the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
  - A new Article 126A be added after existing Article 126  
 Article 126A: The Board may decide that the Managing Director or Chief Executive Officer of the Company shall also hold office of the Chairman of the Company

**REGISTERED OFFICE**  
 Nucleus House,  
 Saki- Vihar Road, Andheri (East),  
 Mumbai – 400 072  
 Mumbai, July 31<sup>st</sup>, 2014

**FOR AND ON BEHALF OF THE BOARD**

**ASIT C. MEHTA**  
 CHAIRMAN  
 DIN: 00169048

**NOTES :**

The Company being a listed company and having more than 1000 shareholders is compulsorily required to provide e-voting facility / postal ballot to the members in terms of Clause 35B of the Listing Agreement and also under the relevant provisions of the Companies Act, 2013 read with the relevant rules thereunder.

Printed copies of the Notice of the 30th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith Attendance slip, Ballot Form and Proxy Form is being sent to all the Members in the physical mode. In addition, the Notice of the 30th Annual General Meeting of the Company in electronic mode inter alia indicating the process and manner of e-voting is also being sent to all members whose email IDs are registered with the Depository Participant(s).

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. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. A proxy appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights shall not act as proxy for any other member.
3. Explanatory Statement as required under section 102 of the Companies Act, 2013 is annexed hereto.
4. 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.
5. The Register of Members and Share Transfer Books will remain closed from 20.9.2014 to 26.9.2014 (both days inclusive).
6. 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.
7. 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.
8. 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.
9. Members who have not encashed their dividend warrant(s) pertaining to the Financial year 2007 08 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 1956 (corresponding to section 125 of the Companies Act, 2013) 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.
10. 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.
11. Members are requested to notify immediately any change in their addresses to the Registered Office.
12. 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.
13. The Register of Directors and key managerial personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
14. The Register of Contracts or Arrangements in which directors are interested, maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
15. All documents referred to in this Notice will be available for inspection at the Company's registered Office during business hours 11.00 am to 3.00 pm upto to date of AGM.
16. Mr. V V Chakradeo, Practicing Company Secretary has been appointed as the "Scrutinizer" to scrutinize the e voting and postal ballot process in a fair and transparent manner. The Scrutinizer will submit his final report to the Chairman of the Company on or before 26<sup>th</sup> September, 2014.
17. The scrutinizer's decision on the validity of votes will be final.
18. The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the report of the Scrutinizer's Report shall be displayed on the Notice Board of the Company at the Registered Office within 2 working days of passing the resolutions and shall also be communicated to BSE Ltd where the shares of the Company are listed.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

(i) *Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)*

(ii) Click on "Shareholders" tab.

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any

company, then your existing password is to be used.

- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
<b>PAN*</b>	<p><b>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</b></p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
<b>DOB</b>	<b>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</b>
<b>Dividend Bank Details</b>	<p><b>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</b></p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date in the Dividend Bank details field.</b></li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN 140816011 of the company.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on 18th September, 2014 (9.00 a.m.) and ends on 20th September, 2014 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 15th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to helpdesk.evoting@cdslindia.com.*

#### REGISTERED OFFICE

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

Mumbai, July 31<sup>st</sup>, 2014

#### FOR AND ON BEHALF OF THE BOARD

**ASIT C. MEHTA**  
CHAIRMAN  
DIN: 00169048

**Explanatory Statement in respect of Special Business pursuant to section 102 of the Companies Act, 2013**

Item No 3

Mr. Vijay Ladha is a Non-executive Independent Director and the chairman of Audit Committee of the Company. He retires by rotation at the ensuing 30<sup>th</sup> Annual General Meeting under section 152 of the Companies Act, 2013 ("the Act"). In terms of Section 149 read with Schedule IV and other applicable provisions of the Act and the Rules thereunder, Mr. Vijay Ladha, being eligible and offering himself for appointment, is proposed to be appointed as Independent Director for a term of one year, i.e. from the date of the ensuing 30<sup>th</sup> Annual General Meeting (2014) till the date of 31<sup>st</sup> Annual General Meeting (2015). A Notice has been received from a member proposing Mr. Vijay Ladha as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Vijay Ladha fulfills the conditions specified in the Act and Rules made thereunder for his appointment as Independent Director of the Company. Copy of the draft letter for appointment of Mr. Vijay Ladha as Independent Director would be available for inspection without any fee by the Members at the Registered Office during normal business hours on any working day upto the date of the ensuing Annual General Meeting.

The Board considers that Mr. Vijay Ladha's continued association would be of immense benefit to the Company and it is desirable to avail his services as Independent Director. The Board recommends the resolution for approval by the members of the Company. Except Mr. Vijay Ladha, being the appointee, none of the Directors and Key Managerial Personnel of the Company is concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

Item No 4

The Companies Act, 2013 ("the Act") has brought certain changes with regard to the appointment of auditors. Henceforth, the statutory auditors have to be appointed for a term of five years and such appointment is subject to ratification by the members every year in the Annual General Meeting. The Act makes it mandatory to rotate the auditors every 10 years, in case of a firm of auditors. The computation of the number of years is to be considered with retrospective effect.

M/s Manek and Associates, Chartered Accountants are the statutory auditors since 2007. Accordingly, they can hold the office for further 3 years and hence their appointment is made only for a period of 3 years. Being eligible for appointment under the provisions of the Act, they have furnished their consent to act as the statutory auditors in terms of section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under section 141 of the Act.

Accordingly, the approval of the Members is being sought for the appointment of M/s Manek and Associates, Chartered Accountants, as the Statutory Auditors of the Company for a period from the conclusion of the 30<sup>th</sup> Annual General Meeting until the conclusion of the 33<sup>rd</sup> Annual General Meeting on the remuneration as may be determined by the Audit Committee in consultation with the auditors and fixed by the Board of Directors. The Board recommends the resolution for the approval of the shareholders of the Company.

None of the Directors and /or Key Management Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item no 4.

Item No 5

Dr R Krishnamurthy is a Non-executive Independent Director and a member of the Audit Committee of the Company. In terms of Section 149 read with Schedule IV and other applicable provisions of the Act and the Rules thereunder, Dr. R Krishnamurthy, being eligible and offering himself for appointment, is proposed to be appointed as Independent Director for five consecutive years, i.e. from the date of the ensuing 30<sup>th</sup> Annual General Meeting (2014) till the date of 35<sup>th</sup> Annual General Meeting (2019). A Notice has been received from a member proposing Dr R Krishnamurthy as a candidate for the office of Independent Director of the Company.

Dr R Krishna Murthy, is a consultant specializing in the field of Industrial Relations and Human Resources Management and is heading M/s S R Mohan Das & Associates. He did his management post graduation from Jamnalal Bajaj Institute of Management (JBIMS). He had worked with Larsen & Toubro for three years. He quit his job and did his Ph.D in Management from JBIMS, and thereafter his law graduation. He specializes in the field of Labour Laws with over three decades of experience. Dr Krishnamurthy is also a Director on Mega Ace Ltd. He holds 1000 shares in the Company.

In the opinion of the Board, Dr. R Krishnamurthy fulfills the conditions specified in the Act and Rules made thereunder for his appointment as Independent Director of the Company. Copy of the draft letter for appointment of Dr. R Krishnamurthy as Independent Director would be available for inspection without any fee by the Members at the Registered Office during normal business hours on any working day upto the date of the ensuing Annual General Meeting.

The Board considers that Dr. R Krishnamurthy's continued association would be of immense benefit to the Company and it is desirable to avail his services as Independent Director. The Board recommends the resolution for approval by the members of the Company.

Except Dr. R Krishnamurthy, being the appointee, none of the Directors and Key Managerial Personnel of the Company is concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

Item No 6

The Board of Directors at their meeting held on 31<sup>st</sup> July, 2014 appointed Mr. Pundarik Sanyal as a Non-executive Independent Director of the Company to fill the vacancy due to resignation of Mr. D Sunderajan.

Mr. Sanyal is B.Sc Tech from Calcutta University. He has worked in Bank of India from 1973 to 2007 occupying several positions including of Chief Manager. For the period from 2007 to 2013, he was appointed as Managing Director of STCI Finance Ltd. He carries with him rich and varied experience of 34 years in banking and finance.

In terms of Section 149 read with Schedule IV and other applicable provisions of the Act and the Rules thereunder, Mr. Pundarik



Sanyal, being eligible and offering himself for appointment, is proposed to be appointed as Independent Director for five consecutive years, i.e. from the date of the ensuing 30<sup>th</sup> Annual General Meeting (2014) till the date of 35<sup>th</sup> Annual General Meeting (2019). A Notice has been received from a member proposing Mr. Sanyal as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Pundarik Sanyal fulfills the conditions specified in the Act and Rules made thereunder for his appointment as Independent Director of the Company. Copy of the draft letter for appointment of Mr. Pundarik Sanyal as Independent Director would be available for inspection without any fee by the Members at the Registered Office during normal business hours on any working day upto the date of the ensuing Annual General Meeting.

The Board considers that Mr. Pundarik Sanyal's continued association would be of immense benefit to the Company and it is desirable to avail his services as Independent Director. Mr. Pundarik Sanyal does not hold any shares in the Company.

The Board recommends the resolution for approval by the members of the Company.

Except Mr. Pundarik Sanyal, being the appointee, none of the Directors and Key Managerial Personnel of the Company is concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

Item No 7

The members of the Company at the Extra-ordinary general meeting of the Company held on 21<sup>st</sup> March, 1994 approved under section 293 (1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up capital and free reserves of the Company. Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the company by way of a special resolution.

Section 180(1)(c) of the Companies Act, 2013 which is effective from 12.9.2013 inter alia stipulates to obtain the consent of the Company accorded by way of a special resolution. As a consequence, approval of members is being sought to borrow money upto Rs 50 crores (Rupees Fifty crores) in excess of the aggregate of the paid up capital and free reserves of the Company.

None of the Directors and /or Key Management Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item no 7.

Item No 8

The members of the Company at the Extra-ordinary general meeting of the Company held on 19<sup>th</sup> December, 1994 approved under section 293 (1)(a) of the Companies Act, 1956, for creating mortgage or charge on its moveable and immoveable properties.

Pursuant to section 180(1) (a) of the Companies Act, 2013, the Board of Directors shall not create mortgage and /or charge on the moveable or immoveable properties of the Company except with the consent of the members accorded by way of a special resolution. As a consequence, approval of members is being sought to create mortgage and / or charge on the moveable and immoveable properties of the Company up to Rs 50 crores (Rupees Fifty crores) in excess of the aggregate of the paid up capital and free reserves of the Company.

None of the Directors and /or Key Management Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item no 8.

Item no. 9

(a) Item No 1 The provisions of Section 188(1) of the 2013 Act that govern certain Related Party Transactions require the Company to obtain prior approval of the of shareholders by way of a Special Resolution where the transaction or the transactions to be entered into exceed the criteria laid down under Rule 15 of Companies (Meetings of Board & its Powers), Rules, 2014.

(b) Further, third proviso to section 188(1) provides that nothing shall apply to any transaction entered into by the company in its ordinary course of business other than transactions which are not on arm's length basis.

The Board of Directors of your Company has approved the proposed transactions along with the maximum limits that your Company may enter into with its Related Parties (as defined under the 2013 Act) for the period from 1.10.2014 to 30.9.2016.

The prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are given herein below for kind perusal of the members

a. Name of the related party and nature of relationship: As provided in the resolution

b. Nature, duration of the contract and the particulars of the contract or arrangement:

1. The Company intends to offer certain Office premise(s) on rental basis which are situated at 'Nucleus House', Saki Vihar Road, Andheri East, Mumbai 400 072 to the related parties stated in the resolution above. The contract will be in the nature of Leave and Licence. The contract can be for a period from 3 months to 2 years.

2. The Company may purchase / sale Office premises situated 'Nucleus House', Saki Vihar Road, Andheri East, Mumbai 400 072 from Asit C Mehta Commodity Services Ltd at the price determined in the relevant Ready Reckoner of the Stamp duty. The value of the transaction will not exceed an aggregate amount of Rs 6 crores and will be at arm's length basis.

(c) Material terms of the contract or arrangement including the value, if any:

As referred in point (b) above.

(d) Any advance paid or received for the contract or arrangement, if any: Nil

(e) Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract:

The proposed transactions would be carried out as part of the business requirements of the Company and are ensured to be on arm's length basis. Further, the Company is also subject to transfer pricing norms prevalent in the country.

(f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors:

All factors have been considered.

- (g) Any other information relevant or important for the Board to take a decision on the proposed transaction: Nil.  
Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.  
The Board of Directors of your Company recommends the Resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.  
Except Promoter-Directors i.e. Mr. Asit C Mehta and Mrs. Deena A. Mehta and their relatives, no other Director / Key Managerial Personnel of the Company are concerned or interested in the Resolution.

Item 10

In terms of section 42 of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus & Allotment) Rules, 2014, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of the Company by a Special Resolution. For the offer or invitation for offer of non-convertible debentures, the Company can pass Special Resolution once a year for all the offers or invitation for such debenture during the year.

The Company seeks to pass an enabling resolution to borrow funds by offer of Non convertible debentures for an amount not exceeding Rs 25 crores at interest rate that will be determined by the prevailing market conditions at the time of borrowing. Rule 14 of the Companies (Prospectus & Allotment) Rules, 2014 requires passing of this Special Resolution which will be valid for a period of one year.

To enable the Board to borrow the money by way of offer of Non-convertible Debentures or invitation to subscribe Non convertible debentures the members' approval us being sought by way of special resolution.

None of the Directors and /or key managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise in the resolution set out at item no 10.

Item No 11

In accordance with the provisions of section 94 of the Companies Act, 2013 ("the Act") the register and index of members and copies of all annual returns prepared under section 92 of the Act together with the documents required to be annexed thereto are to be kept at the registered office of the company. However, as per proviso to section 94 (1) of the Act such registers, indexes, returns and other related documents can be kept at any other place in which more than one-tenth of the total number of members reside, if approved by a special resolution passed at a general meeting of the Company and the Registrar has been given a copy of the proposed special resolution in advance.

The members of the Company under section 163 of the old Companies Act, 1956 had approved keeping of the aforesaid Registers and copies of Annual Return and other related documents at the Office of Linkintime India Pvt. Ltd (R & T Agent) at their Office which is presently at C 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078 or at such other place where the office of the Share Transfer Agent may be situated within the local limits of the city of Mumbai.

In view of enabling provisions of the Companies Act, 2013, as explained above, it is proposed to keep the aforesaid Registers and documents at the premises of R & T Agents as stated in the resolution.

None of the Directors and /or key managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise in the resolution set out at item no 11.

Item No 12

With the promulgation of the Companies Act, 2013, together with various Schedules thereof and the Rules made thereunder (collectively referred to as "Act"), in replacement of the Companies Act, 1956, it has become necessary to modify the existing Article No 2, so as to have the effect of bringing various existing Articles, in consonance with the provisions of the Act, to the extent they are repugnant to and / or at variance with the provisions thereof, with reference to the various sections of the Companies Act, 1956 being deemed to be and read as reference to corresponding Sections of the Act, wherever appearing.

Also, proviso to section 203 of the Companies Act, 2013 provides that an individual shall not be appointed as the chairperson of the Company as well as Managing Director or Chief Executive Officer of the Company at the same time after the commencement of this Act unless articles of such Company provides otherwise. Thus, it is proposed to amend the Articles of Association by inserting a new clause 126A as stated in the resolution.

The Directors recommend the resolution at item No 12 of the Notice for the approval of the Members as a Special resolution, in terms of Section 14 of the Companies Act, 2013.

A copy of the Articles of Association of the Company with the proposed alterations would be available for inspection by the members at the Registered Office of the Company during 11.00 am to 2.00 pm on any working day, excluding Saturday and upto the day of the Annual General Meeting.

None of the Directors and /or Key Management Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item no 12.

**Report of the Directors to the Shareholders'** CIN: L65900MH1984PLC091326

Your Directors present the 30<sup>th</sup> Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

**1. FINANCIAL RESULTS:**

Rs in lacs

	STANDALONE		CONSOLIDATED	
	2013 14	2012 -13		2012-13
Income from Operations	<b>248.48</b>	186.26	451.40	346.26
Other Income	<b>7.68</b>	10.41	8.50	11.52
Total Income	<b>256.16</b>	196.67	459.90	354.78
Profit before depreciation, interest and tax	<b>88.94</b>	150.21	68.63	120.71
Less: Depreciation	<b>21.08</b>	21.76	29.29	33.06
Interest	<b>227.30</b>	198.58	270.79	234.25
Tax Expense / (Credit)	<b>(6.90)</b>	(6.54)	(6.90)	(6.85)
Profit / (Loss) After Tax	<b>(152.54)</b>	(63.59)	(224.55)	(139.75)
Profit / (loss) of share in Associate concern	<b>NA</b>	NA	0	(167.83)
Profit after tax and share in Associate concern	<b>NA</b>	NA	(224.55)	(307.58)
Add: Balance brought forward		-	(610.60)	(303.02)
Balance available for appropriation	<b>(152.54)</b>	(63.59)	(835.15)	(610.60)
Which the Directors have appropriated as:				
Adjusted against General Reserve	<b>120.11</b>	63.59		-
- Balance to be carried forward	<b>(32.43)</b>	-	(835.15)	(610.60)

**2. DIVIDEND**

The Board of Directors does not recommend any dividend.

**3. OPERATIONAL REVIEW**

On a Standalone basis, the gross earnings rose to Rs 256.16 lacs from Rs 196.67 lacs. The year ended with a loss after tax of Rs 152.54 lacs as compared to Rs 63.59 lacs in the previous year.

The Company continues to explore the efforts for offering the Office premises on rental basis to banks / insurance Companies / Corporate(s). The Company offered advisory and consultancy services to certain clients and earned the fees aggregating to Rs 68.47 lacs from Advisory and Consultancy Division. During the year end, the Company purchased certain Office Premises from the Associate concern the cost of which (including stamp duty and other related expenses) aggregated to Rs 1271.32 lacs. The purchase was partly funded by raising a term loan in the current financial year i.e. 2014 15 from a NBFC for Rs 600 lacs. These premises have been offered for rent to the Associate concern from 1.4.2014 and the rental income has started accruing.

On a consolidated basis, the gross revenues were at Rs 460 lacs as compared to Rs 354 lacs in the previous year and loss after tax was at Rs 225 lacs as against Rs 140 lacs in the previous year. The overall consolidated loss aggregated to Rs 225 lacs (excluding share of loss from an Associate concern) as against loss of Rs 308 lacs in the previous year (including share of loss from an Associate concern)

The wholly-owned subsidiary – Nucleus IT Enabled Services Ltd engaged into ITeS services, showed a growth of 29% in the Income from Operations and the loss before depreciation and finance cost was reduced to Rs 5.37 lacs as against loss of Rs 21.53 lacs in the previous year. The overall loss stood at Rs 72 lacs as against Rs 76 lacs in the previous year.

The share in loss of Associate concern stood at Rs 197 lacs as against loss of Rs 174 lacs in the previous year after considering inter group company transactions and the same were eliminated under the applicable Accounting Standard.

**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, 2014 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.

**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 thereunder.

**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.

**c) Foreign exchange earnings and outgo: Rs Nil**

**7. MANAGEMENT DISCUSSION AND ANALYSIS**

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

**8. CORPORATE GOVERNANCE**

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

**9. DIRECTORS**

Prof. D Sunderajan resigned with effect from 31.7.2014 and Mr. Pundarik Sanyal was appointed on 31.7.2014 to fill the casual vacancy due to resignation of Prof. D Sunderajan. The Board places on record its appreciation for the services rendered by Prof. D Sunderajan during his tenure as Director.

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Mr. A C Mehta and Mr. V G Ladha Vora retire by rotation at the ensuing Annual General Meeting and being eligible, offer 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.

In due compliance with the provisions of section 149 of the Companies Act, 2013, it is proposed to appoint Mr. Vijay G. Ladha, Dr. R Krishna Murthy and Mr. Pundarik Sanyal as Independent Directors on the Board of the Company. The appropriate resolutions for their appointment are being placed for the approval of the members at the ensuing Annual General Meeting.

**10. SUBSIDIARY COMPANIES**

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

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

**11. 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 form part of the Annual Report.

**12. 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 as stated in the proposed resolution given in the Notice of the Annual General Meeting.

**13. 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  
DIN: 00169048

Mumbai, July 31<sup>st</sup>, 2014

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Company earns revenues from letting out of properties to group concerns and income from dividends / interest. The Company also operates through its wholly-owned Indian subsidiary and an associate concern. The thrust of the business is to hold strategic control / investment in group companies. From the year under report the Company started offering Advisory and Consultancy Services and earned gross income of Rs 68.47 lacs.

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 2013-14 improved considerably and the Company reported gross income of Rs 231.07 lacs as against Rs 178.48 lacs in the previous year. The Company suffered a loss after tax of Rs72 lacs as against loss of Rs 76 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 31<sup>st</sup> March, 2014 as shown in Table below is of the Company, and its wholly-owned subsidiary.

Summarized Consolidated financials

(Rs in lacs)

Segment Revenue			Segment Results Profit / (Loss) after depreciation and interest		
	2012-13	2013-14		2012 - 13	2013 - 14
ITeS	177.37	229.31	ITeS	(57.21)	(45.83)
Investments Activities	165.9	153.61	Investments Activities	(100.91)	(140.31)
Advisory and Consultancy	NA	68.47	Advisory and Consultancy	NA	(53.81)
Unallocable	11.52	8.50	Unallocable	11.52	8.50

- B) Standalone Financial Results:

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

(Rs in lacs)

Particulars	2012 -13	2013-14
Revenues from Operations	186.26	248.48
Other Income	10.41	7.68
Total revenue	196.67	256.16
Total Expenditure	266.81	415.60
Profit before Tax	(70.14)	(159.44)
Profit after tax	(63.59)	(152.54)

The Share Capital and investments remained unchanged. The Networth (including Revaluation Reserve) of the Company decreased from Rs 4618 lacs to Rs 4404 lacs. There were additions to Fixed Assets of Rs 1272.64 lacs. The Bank term loans borrowing stood at Rs 39 lacs as at 31.3.2014 from Rs 75 lacs as at 31.3.2013. Other secured loan of Rs 15 crores continued from the previous year.

**Opportunities, Threats, Risks and Concerns**

The Company's income mainly comprise of dividends and debenture interest accruing from investments made in the group companies.. 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 is actively pursuing its efforts to generate more income from Advisory and Consultancy Services. Demand for the company's services emanate from industries seeking growth money or structuring or new projects etc. Risks associated with the Advisory and Consultancy Services includes wrong preliminary project assessment, employees' attrition, competition etc.

The performance of the 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. Though the market continues to be competitive, the Company believes that business opportunities exist as it has competitive advantage due to domain expertise in the relevant business segment. Marketing efforts made in previous periods are likely to yield results.

The outlook of the Associate concern would largely depend on the volatility of the Stock Markets, which has direct correlation with the prospect of economic growth and political stability. Capital market activities are also influenced by global events. The Associate extensively operates in the Capital Market which is subject to extensive regulation. Besides, it continues to witness intense competition, fall in the brokerage rates and technological obsolescence. The new regime with clear political mandate is likely to spur growth in the economy as well as divestment and capital raising measures by many a companies in the country.

**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.

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

1 Name of the Company And ITES Ltd)	Nucleus IT Enabled Services Limited (formerly known as Nucleus GIS
2 Financial Year of the Subsidiary Company	31st March, 2014
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, 2014	₹ (72,00,907)
(b) For the previous financial years since they became Company's Subsidiary.	₹ (4,47,47,392)
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, 2014	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, 2013

Asit C Mehta  
Chairman

Kirit H. Vora  
Director

Tushar Kapadia  
Company Secretary

**DETAILS OF SUBSIDIARY**

( ₹ in lakhs)

**Summary of financial performance of the subsidiary for the year ended 31st March, 2014**

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)	519.48
Total Assets	427.52
Total Liabilities	427.52
Investments	
Total Income / Turnover	231.08
Profit / (Loss) before tax	(72.0)
Tax charge / (credit)	(NIL)
Profit / (Loss) after tax	(76.15)
Proposed dividend	72.00

## 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 31<sup>st</sup> March, 2014.

### 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 31<sup>st</sup> March, 2014, 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(l)(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 27.9.2013
					Member	Chairman	
Mr. Asit C. Mehta, Chairman	Promoter and Non-Executive Director	5	5	7	1	Nil	Yes
Mrs. Deena A. Mehta, Director	Promoter and Non-Executive Director	5	4	10	2	Nil	Yes
Mr. Kirit H. Vora, Director	Non-Executive and non independent Director	5	5	6	Nil	Nil	Yes
Mr. Vijay Ladha, Director	Independent and Non-Executive Director	5	1	1	Nil	Nil	No
Dr. R. Krishnamurthy, Director	Independent and Non-Executive Director	5	4	1	Nil	Nil	No
Dr. D Sunderajan*	Independent and Non-Executive Director	5	2	1	Nil	Nil	No
Mr. Pundarik Sanyal**	Independent and Non-Executive Director	NA	NA	NA	Nil	Nil	NA

\* resigned with effect from 31.7.2014 \*\* appointed with effect from 31.7.2014

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 31<sup>st</sup> March, 2014, five meetings of the Board were held i.e. 30<sup>th</sup> May, 2013, 7<sup>th</sup> August, 2013, 30<sup>th</sup> October, 2013, 11<sup>th</sup> February, 2014 and 21<sup>st</sup> March, 2014.

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 :

Mr. Asit C Mehta and Mr.Vijay G. Ladha 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	Mr. Asit C. Mehta	Mr. Vijay G Ladha
Age (in years)	55	55
Date of appointment	8.6.1994	29.10.2002
Qualification	B.Com; ACA	B.Com; ACA
Expertise in specific functional area	Vast experience in the field of Capital Market, Corporate Management, Finance and business planning.	Vast experience in Finance, Corporate Management and Accounts.
Directorships held in other Public Companies	Asit C Mehta Investment Intermediates Ltd	Nil
Memberships of Committees of Other Public companies	-	-
No. of shares held in the company	23,61,138	Nil

**D. Code of Conduct:**

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

**E. CEO / CFO Certification:**

The CEO/CFO certification for the year ended 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014 four Audit Committee meetings were held on 30<sup>th</sup> May, 2013, 7<sup>th</sup> August, 2013, 30<sup>th</sup> October, 2013, and 11<sup>th</sup> February, 2014. 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	2
Dr R Krishnamurthy	4	3
Mr. Kirit H Vora	4	4

Besides the above meetings, another meeting of the Audit Committee was held on 29<sup>th</sup> May, 2014 at which the Audited Accounts for the year ended 31<sup>st</sup> March, 2014, were placed for review.

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

**C. Role of the Audit Committee:**

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

**D. Subsidiary Companies:**

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

Sr. No.	Name of the subsidiary	Status
1	Nucleus IT Enabled Services Limited	Non-listed Indian subsidiary Company

The Audit Committee reviewed the financial statements of the subsidiary.



**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 31<sup>st</sup> March, 2014, 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 31<sup>st</sup> March, 2014 is as follows:

No of complaints Received	No. of complaints Resolved	Complaints pending as at 31.3.2014	Share Transfers pending for approval as at 31.3.2014
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 (Rs )	Number of shares held*
Asit C Mehta	Husband of Mrs. Deena Mehta	25,000	23,61,138
Deena A Mehta	Wife of Mr. Asit Mehta	20,000	9,00,358
Kirit H Vora		35,000	23,520
Vijay G Ladha		7,500	NIL
Dr. R Krishnamurthy		27,500	1000
D Sunderajan		10,000	NIL
Mr. Pundarik Sanyal		NA	NIL

\*The above shareholding as at 31<sup>st</sup> March, 2014 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
2010 -11	Nucleus House, Saki Vihar Road, Andheri (E), Mumbai 400072	27 <sup>th</sup> AGM held on 9 <sup>th</sup> September, 2011	11.15 a.m.	NIL
2011-12	Nucleus House, Saki Vihar Road, Andheri (E), Mumbai 400072	28 <sup>th</sup> AGM held on 26 <sup>th</sup> September, 2012	5.00 p m	NIL
2012-13	Nucleus House, Saki Vihar Road, Andheri (E), Mumbai 400072	29 <sup>th</sup> AGM held on 27 <sup>th</sup> September, 2013	5.00 p m	NIL

A special resolution pursuant to section 292 and 372A of the Companies Act, 1956 for extending guarantee upto Rs 1000 lacs to Bank of India for credit facilities offered to Asit C Mehta Commodity Services Ltd was passed through postal ballot on 27.9.2013 i.e. at the last Annual General Meeting. A summary of postal ballot results is given below:

Particulars	No. of postal ballot forms received	No. of shares	As a % to total valid votes
Total forms received	30	36,81,861	
Invalid forms	1	10	
Net valid forms	29	36,81,851	100
Postal ballot forms received with the assent for the resolution	25	36,80,999	99.98
Postal ballot forms received with the dissent for the resolution	4	852	0.02
Result	APPROVED BY REQUISITE MAJORITY		

**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 31<sup>st</sup> March, 2014. The details of related party transactions are disclosed in Note 30.3 to the Accounts in the Annual Report.

**B. Compliances:**

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

**C. Others:**

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

**VIII. Communication of Results:**

- a) The Quarterly/Half-yearly/Annual financial results of the Company are sent to the Stock Exchange immediately after the Board approves them. They are also then posted on website www.nucleusservices.com
- 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	25.9.2014
Time	4.00 p.m.
Venue	Nucleus House, Saki-Vihar Road, Andheri (East), Mumbai – 400072

**2. Financial year: The financial year is 1st April, 2014 to 31st March, 2015.**

Financial Year	1st April to 31st March
First Quarter Results	On or before 15 <sup>th</sup> August, 2014
Half yearly Results	On or before 15 <sup>th</sup> November, 2014
Third Quarter Results	On or before 15 <sup>th</sup> February, 2015
Audited Results for the year end	On or before 30th May, 2015

**3. Book Closure: 20.9.2014 to 25.9.2014 (both days inclusive)**
**4. Listing on Stock Exchanges:**

The Company's equity shares are listed on The Bombay Stock Exchange Limited (BSE), Mumbai. The Company has paid the Listing Fee for the financial year 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 2013-2014 at the BSE Ltd were as under:

(Source: www.bseindia.com)

Month	High (Rs)	Low (Rs)	Month end closing price (Rs)	BSE Sensex High	BSE Sensex Low
April, 2013	46.05	38.95	46.05	19623	18144
May, 2013	50.00	46.10	50.00	20444	19451
June, 2013	52.50	47.45	47.45	19860	18467
July, 2013	54.25	49.00	49.00	20351	19127
August, 2013	51.35	42.10	42.10	19569	17449
October, 2013	40.00	34.80	34.80	21205	19265
November, 2013	33.10	27.05	27.05	21322	20138
December, 2013	25.70	23.05	23.05	21484	20569
January, 2014	21.90	18.15	19.05	21410	20344
February, 2014	19.95	17.20	17.20	21141	19963
March, 2014	18.90	16.2	18.60	22467	20921

**8. Registrar and Transfer Agents:**

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

Link Intime India Private Limited

C 13 Pannalal Silk Mills, L B S Marg,

Bhandup (West), Mumbai 400 078.

Tel No : +91 022 25963838 Fax No. +91 022 25946969

**9. Share Transfer System:**

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

**10. Distribution of Shareholding:**

The Distribution of Company's shareholding as on 31<sup>st</sup> March, 2014 was as follows:

No. of Equity Shares	No. of Shareholders	No. of Shares	% of Shareholding
Upto 500	963	156047	3.15
501 to 1000	118	96357	1.95
1001 to 2000	44	65432	1.32
2001 to 3000	15	38465	0.78
3001 to 4000	12	45194	0.91
4001 to 5000	13	61888	1.25
5001 to 10000	14	109128	2.20
10001 & above	25	43,80,049	88.44
TOTAL	1204	49,52,560	100.00

**11. Shareholding Pattern :**

The Company's shareholding pattern as on 31.03.2014 as follows:

Category	No. of Shares	% of shareholding
Promoters/Relatives/Associates	36,97,786	74.66
Private Corporate Bodies	1,56,838	3.17
Others (Indian Public)	968980	19.57
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 97.30 % 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 31<sup>st</sup> March, 2014

**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 31<sup>st</sup> March, 2014.

29<sup>th</sup> May, 2014

**Asit C. Mehta**  
Chairman

**ASIT C. MEHTA FINANCIAL SERVICES LIMITED**

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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 31<sup>st</sup> March, 2014 as stipulated by Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.
- 2) The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of procedures adopted and implementation thereof by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.
- 3) In our opinion and to the best of our information and according to explanation given to us and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.
- 4) We have to state that no investor grievances remained unattended or pending for a period exceeding one month against the company as per the records maintained by the Company.
- 5) We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR V V CHAKRADEO & CO.  
V. V. CHAKRADEO

PROPRIETOR  
COP 1705

Mumbai : 29.5.2014

**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, 2014**, 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, 2014;
- 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 31<sup>st</sup> March 2014 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.

**For MANEK & ASSOCIATES**  
**Chartered Accountants**  
**Firm No: 126679W**

**(SHAILESH MANEK)**  
**Proprietor**

**Membership No.: 034925**

**Mumbai**

**Dated: May 29<sup>th</sup>, 2014**

**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 31<sup>st</sup> March, 2014.**

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) During the year none of the fixed assets were disposed off and therefore it did not affect the going concern status of the Company.
- (2) The Company has not entered into any transactions during the year involving inventories. Therefore, the provisions of clause 4 (ii) (a), (b) and (c) of the order are not applicable to the Company.
- (3) (a) The Company had granted interest bearing 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.287.85 lakhs and year end balance was Rs.Nil.
- (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) Since the loan has been repaid, 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 taken unsecured interest bearing loan from a Subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance of loan taken by the company was Rs.221.20 lacs and the balance outstanding at the year-end was Rs.Nil
- (f) The other terms and conditions on which loans have been taken from the Subsidiary Company are not, *prima-facie*, prejudicial to the interest of the Company.
- (g) The company is regular in repaying the Principal amount and interest as stipulated.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to Purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls. In our opinion and according to the information and explanations given to us, there is no purchase of inventory and sale of goods during the year and therefore, clause 4(iv) of the Order, to that extent, is not applicable to the Company.
- (5) (a) According to the information and explanations provided by the management, the contracts or arrangements that needs to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanation given to us , where each of such transactions, is in excess of Rs.5 lakhs in respect of any party, the transaction have been made at prices which are prima facie, reasonable having regard to the prevailing market prices at the relevant time, *except that in respect of sale of services, no comparison of prices could be made available to us since the Company informed us that there are no prevailing market prices/ alternate sources of supply.*
- (6) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.
- (7) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.
- (8) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost

records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of the service activities carried on by the Company and therefore, clause 4(viii) of the Order is not applicable.

- (9) (a) According to records of the Company, and on the basis of our examination of the books of account, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education & protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, there are no disputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess. *Details of disputed dues in respect of Foreign Exchange Regulation Act, Service Tax and Property Tax which have not been deposited as on March 31, 2014 on account of any dispute are given below.*

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs.)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
<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>
<i>Property Tax</i>	<i>Property Tax on Premises</i>	<i>67,21,002/-</i>	<i>2011-2014</i>	<i>Brihanmumbai Mahanagar Palika</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) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (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 funds of Rs. 10,08,91,047/- 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: 126679W**

**(SHAILESH MANEK)**  
**Proprietor**  
**Membership No.: 034925**

**Mumbai**  
**Dated: May 29<sup>th</sup>, 2014**

## BALANCE SHEET AS AT 31st MARCH, 2014

Particulars	Note No	₹ As at 31st March, 2014	₹ As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	49,525,600	49,525,600
(b) Reserves and Surplus	4	390,925,042	412,291,333
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	5	150,822,433	154,345,645
(b) Deferred tax liabilities (Net)	6	3,135,155	3,825,274
(c) Other Long term liabilities	7	37,251,740	21,000,000
(d) Long term provisions	8	263,785	143,537
<b>Current Liabilities</b>			
(a) Trade payables	9	279,587	580,551
(b) Other current liabilities	10	120,326,475	10,950,014
(c) Short-term provisions	11	43,637	3,603
<b>Total</b>		<b>752,573,454</b>	<b>652,665,557</b>
<b>II. Assets</b>			
<b>Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	572,920,322	453,876,239
(b) Non-current investments	13	154,657,070	154,657,070
(c) Long term loans and advances	14	5,237,409	4,228,777
<b>Current Assets</b>			
(a) Trade Receivables	15	5,436,002	-
(b) Cash and cash equivalents	16	10,444,889	10,373,539
(c) Short term Loans and advances	17	2,642,524	29,479,170
(d) Other Current Assets	18	1,235,238	50,762
<b>Total</b>		<b>752,573,454</b>	<b>652,665,557</b>
See accompanying notes 1 to 31 forming part of the financial statements			

For Manek & Associates  
Chartered Accountants  
FRN :0126679W

Shailesh L. Manek  
Proprietor  
Membership No 34925

Mumbai, 29th May, 2014

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, 2014

Particulars	Note No	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Revenue from operations	19	24,847,855	18,626,500
Other Income	20	767,927	1,040,775
<b>Total Revenue</b>		<b>25,615,782</b>	<b>19,667,275</b>
<b>Expenses:</b>			
Employee benefits expense	21	8,505,596	613,853
Finance costs	22	22,730,468	19,858,206
Depreciation	24	2,107,929	2,176,361
Other expenses	23	8,215,921	4,032,356
<b>Total Expenses</b>		<b>41,559,913</b>	<b>26,680,776</b>
Profit / (Loss) before tax		<b>(15,944,131)</b>	<b>(7,013,501)</b>
Tax expense:			
(a) Current tax		-	-
(b) Deferred tax credit		690,119	654,008
Profit/(Loss) after tax		<b>(15,254,012)</b>	<b>(6,359,493)</b>
Earning per equity share:			
(1) Basic		-3.08	-1.28
(2) Diluted		-3.08	-1.28

For Manek & Associates  
Chartered Accountants  
FRN :0126679W

Shailesh L. Manek  
Proprietor  
Membership No 34925

Mumbai, 29th May, 2014

For and on behalf of the Board

Asit C Mehta  
Chairman

Kirit H Vora  
Director

Tushar Kapadia  
Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit/(loss) before tax		(15,944,131)		(7,013,501)
Adjustments for				
Depreciation & Amortisation	2,107,929		2,176,361	
Asset Discarded	-		4,753	
Interest income	(721,821)		(788,014)	
Dividend	-		(312)	
Loos / (Profit) on Sale of Investment	-		(252,449)	
Interest expense	1,355,464	2,741,571	4,064,370	5,204,709
Operating profit/(loss) before working capital changes		(13,202,560)		(1,808,792)
Adjustments for:				
(Increase) / Decrease in Long Term loans & Advances	(5,700)		-	
(Increase) / Decrease in Short Term loans & Advances	26,836,646		(28,041,166)	
(Increase) / Decrease in Trade receivables	(5,436,002)		-	
(Increase) / Decrease in Other Current assets	(1,184,476)		328,152	
Changes in Current Liabilities				
Increase / (Decrease) in Long Term liabilities	16,251,739		-	
Increase / (Decrease) in Long Term Provisions	120,248		15,758	
Increase / (Decrease) in Trade payables	(300,964)		54,970	
Increase / (Decrease) in Other current liabilities	109,376,461		3,616,737	
Increase / (Decrease) in Short term Provision	40,034	145,697,987	(84)	(24,025,633)
Cash used in operations before taxes		132,495,427		(25,834,425)
Refund recd / (Taxes paid)		(1,002,932)		(885,912)
<b>Net cash used in operating activities - A</b>		131,492,495		(26,720,337)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(127,264,291)			
Interest Received	721,821		788,014	
Dividend Received			312	
Proceeds form Sale of investment			258,948	
<b>Net cash used in investing activities - B</b>		(126,542,470)		1,047,274
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
(Repayment) / Proceed on Term Loan A/c	(3,523,212)		30,432,002	
Proceed of unsecured Loan (Net of repayments)				
Interest Paid	(1,355,464)		(4,064,370)	
<b>Net cash used in financing activities - C</b>		(4,878,676)		26,367,632
Net increase/(decrease) in cash & cash equivalents (A+B+C)= D		71,350		694,569
Cash and cash equivalents at the beginning of the year -E		10,373,539		9,678,970
Cash and cash equivalents at the end of the year (D+E)		10,444,889		10,373,539
<b>NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014</b>				

1. Cash & Cash Equivalents Include :				
Cash on Hand		43,817		12,521
Balance with Banks In Current Accounts		2,308,072		1,768,018
Balance with Banks In Fixed Deposit / Margin Account		8,093,000		8,593,000
		<u>10,444,889</u>		<u>10,373,539</u>
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statements 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

Asit C Mehta  
Chairman

Kirit H Vora  
Director

Mumbai, 29th May, 2014

Tushar Kapadia  
Secretary

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR****1 Corporate Information:**

The Company is a public limited company domiciled and headquartered in India and is incorporated under the provisions of the 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'. During the year under report, the Company started 'Advisory and Consultancy Services'.

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

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. Revenue from advisory and consultancy services is recognised on rendering of services / work performed;
- e. Rental Income is accrued on time proportion basis relating to the period for which properties are let out.

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.

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 and current investments which 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 and Leave encashment payable to employees are provided on the basis of actuarial valuation on Balance sheet date.

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.

2.1 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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR**
**2.1 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.

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.

**2.1 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.

**2.1 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, 2014		As at 31 March, 2013	
	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, 2014		As at 31 March, 2013	
	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, 2014		As at 31 March, 2013	
	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 Ltd	400,470	8.09	400,470	8.09

**c) Details of forfeited shares**

Class of shares	As at 31.3.2014		As at 31.3.2013	
	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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR**

d) The Company has only one class of shares referred to as equity shares having a par value of Rs 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, 2014	As at 31 March, 2013
Capital Reserve	759,500	759,500
Securities Premium Account	41,043,960	41,043,960
Revaluation Reserve		
Opening Balance	358,477,327	364,589,606
Less: Utilised for set off against depreciation	6,112,279	6,112,279
Closing Balance	352,365,048	358,477,327
General Reserve		
Opening Balance	12,010,546	18,370,039
Less: Adjusted against deficit		
balance in Statement of Profit and Loss A/c	(12,010,546)	(6,359,493)
Closing Balance	-	12,010,546
Surplus/Deficit balance in		
Statement of Profit and Loss Account		
Add : Loss for the year	(15,254,012)	(6,359,493)
Less: Adjusted against balance from General Reseve	12,010,546	6,359,493
Closing Balance	(3,243,466)	-
Total	390,925,042	412,291,333

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

₹

Particulars	As at 31st March	
	2014	2013
a. Term Loans from a Bank (refer note a(i) below)	822,433	4,345,645
b. Term Loan from STCI Finance Ltd (refer note a(ii) below)	150,000,000	150,000,000
Total	150,822,433	154,345,645

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

- equitable mortgage of Office premises bearing nos 404B,504B and 604B at 'Nucleus House' Andheri E, Mumbai for the loans availed from a bank;
- a deed of mortgage for Office premises located at 'Nucleus House', 'A' Wing, Andheri (E), Mumbai and also by the personal guarantees of Mr. Asit C. Mehta and Mrs. Deena A Mehta - directors of the Company with a undertaking for non-disposal of their shareholding in the Company during the tenor of the loan without the prior approval of STCI Finance Ltd.

b) Repayment terms of outstanding long-term borrowings (excluding current maturities) as on 31.3.2014

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

**Note 6: Deferred Tax Liability**

₹

Particulars	Deferred Tax Liability/(Asset) as at 1st April, 2013	Charge/(Reversal) during the Year	Deferred Tax Liability/(Asset) as at 31 March, 2014
Deferred Tax Liability			
Difference in book value and tax value of fixed assets	7,670,969	(539,359)	7,131,610
Total Liability	7,670,969	(539,359)	7,131,610
Deferred Tax Assets:			
Unabsorbed Depreciation and Business Losses	(3,801,073)	(112,353)	(3,913,426)
43B items (Gratuity, leave encashment etc.)	(44,622)	(38,408)	(83,030)
Total Assets	(3,845,695)	(150,761)	(3,996,456)
	3,825,274	(690,119)	3,135,155

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

₹

Particulars	As at 31st March	
	2014	2013
Security deposit received from :		
- Wholly owned subsidiary	11,000,000	11,000,000
- an associate concern	26,251,740	10,000,000
	37,251,740	21,000,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

Note 8: Long-term provision

₹

Particulars	As at 31st March	
	2014	2013
Provision for gratuity	219,943	143537
Provision for Leave encashment	43,842	0
Total	263,785	143537

Note 9 Trade Payables

₹

Particulars	As at 31st March	
	2014	2013
Micro, Small and Medium Enterprises(refer note 27)	-	-
Others	279,587	580,551

Note 10 Other Current liabilities

₹

Particulars	As at 31st March	
	2014	2013
Current Maturities of Long Term borrowings	3,170,000	3,170,000
Interest payable on borrowings accrued and due	359,084	359,084
Security Deposit from wholly-owned subsidiary	11,000,000	-
Interest payable on borrowings accrued but not due	1,633,870	1,507,377
Due to Associate concern towards purchase of fixed assets	95,567,139	-
Unclaimed dividends	419,919	512,499
Statutory dues	8,176,463	5,401,054
Total	120,326,475	10,950,014

Note 11: Short term provisions

₹

Particulars	As at 31st March	
	2014	2013
Provision for employee benefits		
Towards PF payable	38,719	2734
Towards Gratuity	4,010	869
Towards Leave Encashment	908	-
Total	43,637	3603

Note: 12: FIXED ASSETS - Non current

₹

Particulars	Tangible							Total
	Office Premises	Computers	Electrical Fittings	Air Conditioners	Furniture	Office Equipments	Projector	
<b>A. Cost of Assets</b>								
As at 31.3.2012	489,449,434	82500	587,841	351,822	4,309,740	530,398	148,650	495,460,385
Additions	-	-	-	-	-	-	-	-
Sales / Discards	-	(82500)	-	-	-	-	-	(82500)
As at 31.3.2013	489,449,434	-	587,841	351,822	4,309,740	530,398	148,650	495,377,885
<b>Additions</b>	127,131,781	12,075			29,211	91,224		127,264,291
Sales / Discards								
<b>As at 31.3.2014</b>	616,581,215	12075	587,841	351,822	4,338,951	621,622	148,650	622,642,176
<b>B Depreciation</b>								
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
Charges for the year	8,006,413	979	27,872	14,820	129,500	33,563	7,061	8,220,208
Deduction on sale or discard								
<b>As at 31.3.2014</b>	45,782,787	979	324,054	273,574	2,816,746	426,965	96,748	49,721,853
<b>C Written Down Value</b>								
As at:								
<b>31.3.2014</b>	<b>570,798,428</b>	<b>11,096</b>	<b>263,787</b>	<b>78,248</b>	<b>1,522,205</b>	<b>194,657</b>	<b>51,902</b>	<b>572,920,323</b>
31.3.2013	451,673,060	-	291,659	93,068	1,622,494	136,996	58,963	453,876,239

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

## Note 13 Non-current investments

₹

Particulars	As at 31st March	
	2014	2013
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 IT Enabled Services Ltd	30,000,000	30,000,000
b) in Associate Company		
23,50,000 (Previous year 23,50,000) equity shares of Rs 10 each fully paid in Asit C Mehta Investment Intermediates Ltd	28,323,740	28,323,740
ii) In Debentures		
32,11,111 (Previous year: 32,11,111) unsecured fully paid 15.25% convertible debentures of Rs 30 each fully paid of Asit C. Mehta Investment Intermediates Ltd. (an associate company) convertible not later than 5 years	96,333,330	96,333,330
Total	154,657,070	154,657,070

## Note 14: Long term loans and advances

₹

Particulars	As at 31st March	
	2014	2013
Unsecured and considered good		
Advance Income Tax	3,442,622	2,439,690
Deposits	519,734	514,034
Others	1,275,053	1,275,053
Total	5,237,409	4,228,777

## Note: 15 Trade Receivables

₹

Particulars	As at 31st March	
	2014	2013
Receivable outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	4,386,002	-
Other receivables	1,050,000	-
Total	5,436,002	-

## Note 16: Cash and Cash Equivalents

₹

Particulars	As at 31st March	
	2014	2013
a. Cash on hand	43,817	12,521
b. Balances with bank		
i) in current accounts	2,308,072	1,768,018
ii) in fixed deposit account	8,093,000	8,593,000
Total	10,444,889	10,373,539

## Note 17: Short-term Loans and Advances

₹

Particulars	As at 31st March	
	2014	2013
Unsecured and considered good:		
Due from Nucleus GIS And ITeS Ltd (a wholly-owned subsidiary)	-	29,062,148
Deposit	1,200,000	-
Balances with Government		
Service Tax Credit	410,415	43,404
Pre-paid expenses	908,112	341,335
Others	123,997	32,283
Total	2,642,524	29,479,170

## Note 18: Other Current Assets

₹

Particulars	As at 31st March	
	2014	2013
Interest receivable	1,235,238	50,762
Total	1,235,238	50,762

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR**
**Note: 19 Revenue from Operations**

₹

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
A) Interest		
i) Debenture Interest	14,690,837	14,690,833
ii) From subsidiary	1,459,419	796,068
B) Rental Income	1,589,250	2,455,500
C) Profit on trading in securities/currencies	260,876	34,099
D Advisory charges	6,847,473	650,000
<b>Total</b>	<b>24,847,855</b>	<b>18,626,500</b>

**Note: 20 Other Income**

₹

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
a) Interest Income:		
- on Bank Deposits	721,821	767,846
- on Income tax refund	-	20,168
b) Profit on sale of investment	-	252,761
c) Credit balances written-back	46,106	-
<b>Total</b>	<b>767,927</b>	<b>1,040,775</b>

**Note: 21 Employee benefits expense**

₹

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
a) Salary and allowance	8,074,490	580,255
b) Contribution to PF and other fund	248,589	17,707
c) Staff welfare expense	58,220	-
d) Gratuity	79,547	15,891
e) Leave encashment	44,750	-
<b>Total</b>	<b>8,505,596</b>	<b>613,853</b>

**Note: 22 Finance Costs**

₹

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
a) Interest expense on:-		
- Term Loans	22,107,010	18,706,699
- Others	40,739	64,905
b) Other borrowing costs		
Loan processing and registration fee	-	530,000
Bank Charges	582,719	556,602
<b>Total</b>	<b>22,730,468</b>	<b>19,858,206</b>

**Note: 23 Other Expenses**

₹

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
Insurance	28,667	22,530
Rates and Taxes	2,750,044	3,119,561
Legal and Professional fees	515,877	365,776
Directors sitting fees	125,000	107,500
Leave and Licence fees	1,950,000	-
Electricity charges	133,261	-
Conveyance & Travelling	486,259	-
Auditor remuneration –		
Audit fees	125,000	125,000
Tax Audit	25,000	25,000
Other Services	102,556	99,020
Repairs and Maintenance – Building	1,403,023	10,693
Miscellaneous Expenses	571,233	157,276
<b>Total</b>	<b>8,215,921</b>	<b>4,032,356</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

## 24 Depreciation and amortization

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹	₹
Depreciation for the year on tangible assets as per note 12	8,220,208	8,288,640
Less: Utilized from revaluation reserve	6,112,279	6,112,279
Total Depreciation and amortization	2,107,929	2,176,361

Consequent to the revaluation there is an additional charge of depreciation of Rs. 61,12,279 (Previous Year Rs.61,12,279) and an equivalent amount has been recouped from Revaluation Reserve Account.

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

Particulars	31.3.2014	31.3.2013	31.3.2012	31.3.2011	31.3.2010
Description of Asset:					
- Office premises	*	*	*		*
Amount added on revaluation				356,280,803	
Date of addition				31.3.2011	

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

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

Particulars	As at March 31, 2014	As at March 31, 2013
Service Tax Matter under dispute	67,98,386	67,98,386
FERA matter (refer Note 26)	100,00,000	100,00,000
Disputed Property Taxes	19,00,810	14,00,424

- 26 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 Bombay and the same is pending for disposal.

During the financial year 2007-08, the Company received an order imposing a penalty of Rs 100 lacs from the Office of the Special Director of Enforcement holding Company guilty in respect of defiance with the instructions contained in the FLM Memorandum. The Company contends that it has complied with the relevant regulations of the Reserve Bank of India as contained in FLM – Memorandum of Instructions to Full-Fledged Money Changers. The Company filed an appeal before the Appellate Tribunal for Foreign Exchange (ATFE) contesting the order which is pending.

- 27 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

## 28 Disclosures under Accounting Standards

## 29 Employee benefits plan

## 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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR**

## 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.

The following table sets out the unfunded status of the gratuity & Leave encashment plan.

Particulars	Gratuity		Leave encashment
	As at 31st March,		As at 31st March,
	2014	2013	2014
<i>Reconciliation of liability recognized in the Balance sheet</i>			
Present value of commitments	223,953	144,406	44750
Fair value of plans			
Net liability in the Balance sheet	223,953	144,406	44750
<i>Movement in net liability recognized in the Balance sheet</i>			
Net liability as at 1 <sup>st</sup> April, 2013	144,406	128515	0
Net expense recognized in the Profit and Loss account	79,547	15,891	44750
Contribution during the year			
Net liability as at 31 <sup>st</sup> March, 2014	223,953	144,406	44750
<i>Expense recognized in the Profit and Loss account</i>			
Current service cost	89,500	11819	37937
Interest cost	11,769	10924	
Expected return on plan assets			
Actuarial (gains)/ losses	(21,722)	(6,852)	6813
Expense charged to the Profit and Loss account	79,547	15,891	44750
<i>Return on plan assets</i>			
Expected return on plan assets			
Actuarial (gains)/ losses			
Actual return on plan assets			
<i>Reconciliation of defined-benefit commitments</i>			
Commitments as at 1 <sup>st</sup> April, 2013	144,406	128515	0
Current service cost	89,500	11819	37937
Interest cost	11,769	10924	
Paid benefits	0	0	0
Actuarial (gains)/ losses	(21,722)	(6,852)	6813
Closing balance of the fair value of the defined plan	223,953	144,406	44750

Note: Since the leave encashment liability did not exist at the beginning of the year figures of previous year cannot be given.

The above expenses have been recognised under the 'Employee benefit expense' in the Statement of Profit and Loss.

The actuarial calculations used to estimate commitments and expenses are based on following assumptions

Particulars	
Mortality	IALM (2006-2008) Ult
Discount Rate	9.20%
Withdrawal rate	0.80%
Rate of increase in compensation	5%

**28.2 Segment Information**

The primary and secondary reportable segments are business segments and geographical segments respectively.

Business Segments:

a. Investment activities    b. Advisory and Consultancy services

There is no reportable geographical segment since all the business activities are in India.

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

Particulars	Investment activities	Advisory and Consultancy	Total
Segment Revenue:			
External revenue	18,000,382	6,847,473	24,847,855
Segment Results	(10,558,095)	(5,381,217)	(15,939,313)
Less: Interest			772,745
Add: Other Income			767,927
Total profit / (loss) before tax			(15,944,131)
Capital employed			
Segment Assets	742,181,402	6,641,456	748,822,858
Unallocable assets			3,750,596
Total Assets			752,573,454
Segment liabilities	311,815,391		311,815,391
Unallocable liabilities			307,422
Total liabilities			312,122,813
Segment Capital Employed	430,366,012	6,641,456	437,007,468
Unallocable			3,443,174
Total Capital Employed			440,450,641
Capital Expenditure	127,131,781	132,510	127,264,291
Depreciation			2,107,929
Non-cash expenses			-

Note: Segment reporting was not applicable in the previous year and hence the figures of the previous year are not given above.

## 28.3 Related parties transactions

- a. Related parties where control exists:
  - i) Wholly Owned Subsidiary: Nucleus IT Enabled Services Ltd (formerly known as Nucleus GIS And ITES Ltd)
- b) Related parties where significant influence exists and where transactions have taken place:
  - Associate concern: Asit C Mehta Investment Intermediates Limited
  - Common control:-
    - Asit C Mehta Forex Private Limited
    - All Alertz.com Private Limited
- c) Key Management Personnel
  - Mr. Asit C Mehta and Mrs. Deena A. Mehta
- d) Transactions with related parties

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Name of the related party	Nature of Transaction	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Nucleus IT Enabled Services Limited	Rent Received	1,240,500	1,240,500
	Interest received	1,459,419	796,068
	Lease Deposit Received	11,000,000	-
	Short term loan given	26,970,000	29,900,000
	Short term loan received back	54,970,000	2,850,000
	Short term loan taken	30,640,000	
	Short term loan returned	30,640,000	
	Interest paid	33,990	-
Asit C Mehta Investment	Debenture Interest received	14,690,837	14,690,833
Intermediates Ltd	Lease Deposit Received	26,251,740	-
	Lease Deposit repaid	10,000,000	-
	Office Premises purchased	120,968,000	-
	Rent Received	288,750	1,155,000
Asit C Mehta Forex Pvt Ltd	Rent Received	60,000	60,000
Mr. Asit C Mehta	Sitting fees paid	25,000	20,000
	Rent paid	1,950,000	-
	Lease deposit given	1,200,000	-
Mrs. Deena A Mehta	Sitting fees paid	20,000	20,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR

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Outstanding Balance as at close of the year	31.3.2014	31.3.2013
Receivable:		
Nucleus IT Enabled Services Limited	-	29,062,147
Asit C Mehta Investment Intermmediates Ltd	123,997	-
Mr. Asit C Mehta	1,200,000	-
Payable:		
Nucleus IT Enabled Services Limited	22,000,000	11,000,000
Asit C Mehta Investment		
Intermediates Ltd	121,818,879	9,967,717
All Aalertz.com P Ltd	359,084	359,084

28.4 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.

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	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A) Weighted average number of equity shares of Rs 10 each outstanding during the year.	4,952,560	4,952,560
B) Net profit /(Loss) after tax attributable to shareholders	(15,254,012)	(6,359,493)
C) Basic and diluted earnings per share - in Rs	(3.08)	(1.28)

- 29 Loans and advances include Balance with Nucleus Stock Trust representing 127,251 (Previous year: 127,251) 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.
- 30 As at 31st March, 2013, there was a complete erosion in the net worth 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.
- 31 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

For and on behalf of the Board

Shailesh L. Manek  
Proprietor  
Membership No 34925

Asit C Mehta  
Chairman

Kirit H Vora  
Director

Mumbai, 29th May, 2014

Tushar Kapadia  
Secretary

# CONSOLIDATED FINANCIAL STATEMENTS 2013-14

## 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, 2014**, 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 consolidated 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, 2014;
- 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 77,48,10,102/- as at March 31, 2014, total revenues of Rs. 28,89,32,317/- and net cash outflows amounting to Rs.5,27,85,451/- 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: 126679W**

**(SHAILESH MANEK)**  
**Proprietor**  
**Membership No.: 034925**

**Mumbai**  
**Dated: May 29<sup>th</sup>, 2014**

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

Particulars	Note No	₹	₹
		As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	49,525,600	49,525,600
(b) Reserves and Surplus	4	310,653,003	339,220,202
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	5	150,822,433	154,345,645
(b) Deferred tax liabilities (Net)	6	3,135,155	3,825,274
(c) Other Long term liabilities	7	26,251,740	10,000,000
(d) Long term provisions	8	982,428	884,586
<b>Current Liabilities</b>			
(a) Trade payables	10	1,142,489	1,185,072
(b) Other current liabilities	11	116,454,195	14,330,684
(c) Short-term provisions	12	60,206	117,482
<b>Total</b>		<b>715,002,249</b>	<b>583,584,545</b>
<b>II. Assets</b>			
<b>Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	13	575,782,978	456,975,691
(b) Non-current investments	14	96,333,330	96,333,330
(c) Long term loans and advances	15	6,498,216	5,068,380
(d) Other non-current assets	16	10,477,740	10,477,740
<b>Current Assets</b>			
(a) Trade Receivables	17	9,823,512	3,302,497
(b) Cash and cash equivalents	18	11,619,272	10,695,021
(c) Short term Loans and advances	19	3,206,717	662,997
(d) Other Current Assets	20	1,260,484	68,889
<b>Total</b>		<b>715,002,249</b>	<b>583,584,545</b>
See accompanying notes 1 to 35 forming part of the financial statements			

For Manek & Associates  
Chartered Accountants  
FRN :0126679W

Shailesh L. Manek  
Proprietor  
Membership No 34925

Mumbai, 29th May, 2014

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, 2014

Particulars	Note No	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Revenue from operations	21	45,139,610	34,326,539
Other Income	22	850,113	1,152,057
<b>Total Revenue</b>		<b>45,989,723</b>	<b>35,478,596</b>
<b>Expenses:</b>			
Employee benefits expense	23	25,097,900	14,628,065
Finance costs	24	27,079,395	23,425,507
Depreciation	26	2,929,054	3,305,986
Other expenses	25	14,028,413	8,778,751
<b>Total Expenses</b>		<b>69,134,761</b>	<b>50,138,309</b>
Profit / (Loss) before tax		<b>(23,145,038)</b>	<b>(14,659,713)</b>
Tax expense:			
(a) Current tax			
(b) Deferred tax credit		690,119	654,008
© Tax credit of earlier years		-	30528
Profit/(Loss) after tax		<b>(22,454,919)</b>	<b>(13,975,177)</b>
Share of loss of Associate concern	34	-	(16,782,858)
Net loss attributable to shareholders		<b>(22,454,919)</b>	<b>(30,758,035)</b>
Earning per equity share:			
(1) Basic		-4.53	-6.21
(2) Diluted		-4.53	-6.21
See accompanying notes 1 to 35 forming part of the financial statements			

For Manek & Associates  
Chartered Accountants  
FRN :0126679W

Shailesh L. Manek  
Proprietor  
Membership No 34925

Mumbai, 29th May, 2014

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, 2014

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Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
<b>A) Cash flow from operating activities</b>				
Net Profit before tax		(23,145,038)		(14,659,713)
Adjustments for:				
Depreciation	2,929,054		3,305,986	
Finance costs	5,704,391		7,101,671	
Loss on sale of fixed assets / asset discarded			86,635	
Interest Received	(787,020)	7,846,424	(817,073)	9,677,219
		(15,298,614)		(4,982,494)
Operating profit before Working Capital Changes				
Adjustment for Working Capital changes:				
(Increase) / Decrease in Long Term loans & Advances	(137,132)		45,028	
(Increase) / Decrease in Short Term loans & Advances	(2,543,720)		87,355	
(Increase) / Decrease in Trade receivables	(6,521,015)		204,448	
(Increase) / Decrease in Other Current assets	(1,191,595)		324,814	
Changes in Current Liabilities				
Increase / (Decrease) in Long Term liabilities	16,251,740		-	
Increase / (Decrease) in Long Term Provisions	97,842		40,329	
Increase / (Decrease) in Trade payables	(42,583)		(1,644,903)	
Increase / (Decrease) in Other current liabilities	102,123,511		1,716,056	
Increase / (Decrease) in Short term Provision	(57,276)	107,979,773	87,734	860,861
Cash used in operations before taxes		92,681,159		(4,121,633)
Taxes Paid		1,292,704		935,621
<b>Net cash used in operating activities - A</b>		91,388,455		(5,057,254)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(127,848,621)			
Interest Received	787,020		817,073	
Sale proceeds of fixed assets			44,300	
		(127,061,601)		861,373
<b>Net cash used in investing activities - B</b>				
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
(Repayment) / Borrowing of Short term loan	45,825,000		(13,876,109)	
(Repayment) / Proceed on Term Loan A/c	(3,523,212)		26,059,128	
Interest Paid	(5,704,391)		(7,101,671)	
<b>Net cash used in financing activities - C</b>		36,597,397		5,081,348
Net increase/(decrease) in cash & cash equivalents (A+B+C)= D		924,252		885,467
Cash and cash equivalents at the beginning of the year -E		10,695,021		9,809,554
Cash and cash equivalents at the end of the year (D+E)		11,619,272		10,695,021

## NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

## 1. Cash &amp; Cash Equivalents Include :

Cash on Hand	52,038	35,351
Balance with Banks In Current Accounts	3,474,234	2,066,670
Balance with Banks In Fixed Deposit / Margin Account	8,093,000	8,593,000
	<u>11,619,272</u>	<u>10,695,021</u>

2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statements 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

Asit C Mehta  
Chairman

Kirit H Vora  
Director

Mumbai, 29th May, 2014

Tushar Kapadia  
Secretary



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR****1 Corporate Information:**

The Company is a public limited company domiciled and headquartered in India and is incorporated under the provisions of the 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'. During the year under report, the Company started 'Advisory and Consultancy Services'.

**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 Com

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 rev

**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 cas

**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. Intangible assets are amortized over a period of three to five years for which the Company expects the benefits to accrue. In respect of wholly-owned subsidiary, 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.

**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. Revenue from advisory and consultancy services is recognised on rendering of services / work performed;
- e. Rental Income is accrued on time proportion basis relating to the period for which properties are let out.

**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

**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 and current investments which are carried at the lower of cost

**2.9 Employee Benefits**

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

**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

**2.1 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.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR**
**2.1 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.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / substantially 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 ev

**2.1 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.

**2.1 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 esti

**Note: 3 Share Capital**

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	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, 2014		As at 31 March, 2013	
	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, 2014		As at 31 March, 2013	
	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 Ltd	400,470	8.09	400,470	8.09

**c) Details of forfeited shares**

Class of shares	As at 31.3.2014		As at 31.3.2013	
	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.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR**

d) The Company has only one class of shares referred to as equity shares having a par value of Rs 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, 2014	As at 31 March, 2013
	₹	₹
<b>Capital Reserve</b>	759,500	759,500
<b>Securities Premium Account</b>	41,043,960	41,043,960
<b>Revaluation Reserve</b>		
Opening Balance	358,477,327	364,589,606
Less: Utilised for set off against depreciation	6,112,279	6,112,279
Closing Balance	<b>352,365,048</b>	358,477,327
<b>Surplus/Deficit balance in</b>		
Statement of Profit and Loss Account as beginning of the year	(61,060,585)	(30,302,550)
Add : Loss for the year	(22,454,919)	(30,758,035)
Closing Balance	(83,515,504)	(61,060,585)
Total	310,653,003	339,220,202

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

Particulars	As at 31st March	
	2014	2013
a. Term Loans from a Bank (refer note a ( i ) below)	822,433	4,345,645
b. Term Loan from STCI Finance Ltd (refer note a ( ii )below)	150,000,000	150,000,000
Total	150,822,433	154,345,645

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 all the 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 - directors of the Company with a undertaking for non-disposal of their shareholding in the Company during the tenor of the loan without the prior approval of STCI Finance Ltd.

b) Repayment terms of outstanding long-term borrowings (excluding current maturities) as on 31.3.2014

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

**Note 6: Deferred Tax Liability**

Particulars	Deferred Tax Liability/(Asset) as at 1st April, 2013	Charge/(Reversal) during the Year
	₹	₹
<b>Deferred Tax Liability</b>		
Difference in book value and tax value of fixed assets	7,670,969	(539,359)
Total Liability	7,670,969	(539,359)
<b>Deferred Tax Assets:</b>		
Unabsorbed Depreciation and Business Losses	(3,801,073)	(112,353)
43B items (Gratuity, leave encashment etc.)	(44,622)	(38,408)
Total Assets	(3,845,695)	(150,761)
	3,825,274	(690,119)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

## Note 7: Other Long-term liabilities

₹

Particulars	As at 31st March	
	2014	2013
Security deposit received from :	-	-
- an associate concern	26,251,740	10,000,000
Total	26,251,740	10,000,000

## Note 8: Long-term provision

₹

Particulars	As at 31st March	
	2014	2013
Provision for gratuity - unfunded	219,943	773,252
Provision for gratuity -funded	601,637	-
Provision for Leave encashment	160,848	111,334
Total	982,428	884,586

## Note:9 Short term borrowings

₹

Particulars	As at 31st March	
	2014	2013
Inter corporate deposits	55,975,000	10,150,000
Total	55,975,000	10,150,000

## Note: 10 Trade Payables

₹

Particulars	As at 31st March	
	2014	2013
Micro, Small and Medium Enterprises(refer note 29)	-	-
Others	1,142,489	1,185,072

## Note 11 Other Current liabilities

₹

Particulars	As at 31st March	
	2014	2013
Current Maturities of Long Term borrowings	3,170,000	3,170,000
Interest payable on borrowings accrued and due	4,481,254	359,084
Interest payable on borrowings accrued but not due	1,633,870	3,503,773
Salary payable	1,621,139	-
Due to Associate concern towards purchase of assets	95,567,139	-
Unclaimed dividends	419,919	512,499
Statutory dues	9,560,874	6,785,328
Total	116,454,195	14,330,684

## Note 12: Short term provisions

₹

Particulars	As at 31st March	
	2014	2013
Provision for employee benefits		
Towards PF payable	38,719	0
Towards Gratuity	17,697	110382
Towards Leave Encashment	3,790	7,100
Total	60,206	117482

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

## Note 13 FIXED ASSETS - Non current

₹

Particulars	Tangible								Intangible	
	Office	Computers	Electrical	Air	Furniture	Office	Motor Car	Projector	Computer	Total
	Premises		Fittings	Conditioners		Equipments			Software	
<b>A. Cost of Assets</b>										
As at 31.3.2012	489,449,434	7,764,490	797,973	951,707	6,887,580	1,297,716	1,646,022	148,650	4,313,871	513,257,443
Additions	-	-	-	-	-	-	-	-	-	-
Sales / Discards	-	(1,344,367)	-	-	-	-	-	-	-	(1,344,367)
As at 31.3.2013	489,449,434	6,420,123	797,973	951,707	6,887,580	1,297,716	1,646,022	148,650	4,313,871	511,913,076
<b>Additions</b>	127,131,781	596,405			29,211	91,224				127,848,621
Sales / Discards										
<b>As at 31.3.2014</b>	616,581,215	7,016,528	797,973	951,707	6,916,791	1,388,940	1,646,022	148,650	4,313,871	639,761,697
<b>B Depreciation</b>										
As at 31.3.2012	29,798,348	6,198,709	358,153	401,334	3,798,035	769,862	1,031,637	82,627	4,293,841	46,732,546
Charges for the year	7,978,026	5,984,255	44,647	16,712	456,959	137,343	159,064	7,060	20,030	9,418,265
Deduction on sale or discard	-	1,213,426	-	-	-	-	-	-	-	1,213,426
As at 31.3.2013	37,776,374	5,583,708	402,800	418,046	4,254,994	907,205	1,190,701	89,687	4,313,871	54,937,386
Charges for the year	8,006,413	410,446	42,270	14,820	312,328	130,113	117,882	7,061	-	9,041,333
Deduction on sale or discard										
<b>As at 31.3.2014</b>	45,782,787	5,994,154	445,070	432,866	4,567,322	1,037,318	1,308,583	96,748	4,313,871	63,978,719
<b>C Written Down Value</b>										
As at :										
<b>31.3.2014</b>	570,798,428	1,022,374	352,903	518,841	2,349,469	351,622	337,439	51,902	-	575,782,978
31.3.2013	451,673,060	836,415	395,173	533,661	2,632,586	390,511	455,321	58,963	-	456,975,691

## Note 14 Non-current investments

₹

Particulars	As at 31st March	
	2014	2013
Investments:		
Trade - Unquoted		
a) in Associate Company		
i) 23,50,000 (Previous year 23,50,000) equity shares of Rs 10 each fully paid in Asit C Mehta Investment Intermediates Ltd	-	16,782,858
Add /(Less): Proportionate share in profit /(loss) for the year (Refer Note 34)	-	(16,782,858)
ii) 32,11,111 (Previous year: 32,11,111) unsecured fully paid 15.25% convertible debentures of Rs 30 each fully paid of Asit C. Mehta Investment Intermediates Ltd.(an associate company) convertible not later than 5 years	96,333,330	96,333,330
<b>Total</b>	<b>96,333,330</b>	<b>96,333,330</b>

## Note 15: Long term loans and advances

₹

Particulars	As at 31st March	
	2014	2013
Unsecured and considered good		
Advance Income Tax	4,519,997	3,227,293
Deposits	519,734	514,034
Margin money with bank	50,000	50,000
Fixed Deposit with bank	100,000	
Others	1,275,053	1,275,053
Prepaid expenses	33,432	2,000
<b>Total</b>	<b>6,498,216</b>	<b>5,068,380</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

## Note 16 Other non-current assets

₹

Particulars	As at 31st March	
	2014	2013
Other Non current assets		
Trade receivables	10,477,740	10,477,740

## Note 17 Trade Receivables

₹

Particulars	As at 31st March	
	2014	2013
Receivable outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	4,536,704	3,265,370
Other receivables	5,286,808	37,127
Total	9,823,512	3,302,497

## Note 18: Cash and Cash Equivalents

₹

Particulars	As at 31st March	
	2014	2013
a. Cash on hand	52,038	35,351
b. Balances with bank		
i) in current accounts	3,474,234	2,066,670
ii) in fixed deposit account	8,093,000	8,593,000
Total	11,619,272	10,695,021

## Note 19: Short-term Loans and Advances

₹

Particulars	As at 31st March	
	2014	2013
Unsecured and considered good:		
Advances recoverable in cash or kind	318,000	-
Deposit	1,200,000	-
Loans to staff	86,078	-
Service Tax Credit	490,621	-
Pre-paid expenses	988,021	-
Others	123,997	662,997
Total	3,206,717	662,997

## Note 20: Other Current Assets

₹

Particulars	As at 31st March	
	2014	2013
Interest receivable	1,260,484	68,889
Total	1,260,484	68,889

## Note 21 Revenue from Operations

₹

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
a) Debenture Interest	14,690,837	14,690,833
b) Income from ITeS Services		
- Domestic	16,285,244	11,723,421
- Exports	6,646,162	6,013,186
c) Rental Income	348,750	1,215,000
d) Profit on trading in securities/currencies	321,144	34,099
e) Advisory charges	6,847,473	650,000
Total	45,139,610	34,326,539

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

## Note: 22 Other Income

₹

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
a) Interest Income:		
- on Bank Deposits	760,173	778,335
- on Income tax refund	26,847	38,738
b) Exchange rate gains	16,206	-
c) Profit on sale of investment	-	252,761
d) Miscellenous Income	46,887	82,223
Total	850,113	1,152,057

## Note: 23 Employee benefits expense

₹

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
a) Salary and allowance	22,149,937	12,315,279
b) Contribution to PF and other fund	2,390,870	1,726,684
c) Staff welfare expense	361,037	123,713
d) Gratuity	110,507	388,789
e) Leave encashment	85,549	73,600
Total	25,097,900	14,628,065

## Note: 24 Finance Costs

₹

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
a) Interest expense on:-		
- Term Loans	22,107,010	19,502,069
- Others	4,364,745	2,814,299
b) Other borrowing costs		
Loan processing and registration fee	-	530,000
Bank Charges	607,640	579,139
Total	27,079,395	23,425,507

## Note: 25 Other Expenses

₹

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
Insurance	62,561	52,003
Rates and Taxes	2,777,002	3,136,164
Legal and Professional fees	1,489,661	1,271,128
Data Processing charges	859,890	372,799
Electricity expenses	733,145	1,167,812
Directors sitting fees	125,000	152,500
Leave and Licence fees	1,950,000	-
Office expenses	500,166	451,418
Conveyance & Travelling	1,414,845	325,031
Auditor remuneration -		
Audit fees	300,000	300,000
Tax Audit	75,000	75,000
Other Services	102,556	99,020
Repairs and Maintenance - Building	1,403,023	10,693
Repairs and Maintenance - Others	427,969	295,064
Penalty	501,065	-

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR**

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
Miscellaneous Expenses	1,270,496	960,369
Prior period expense	36,033	109,750
Total	14,028,413	8,778,751

**26 Depreciation and amortization**

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹	₹
Depreciation for the year on tangible assets as per note 12	9,041,333	9,418,265
Less: Utilized from revaluation reserve	6,112,279	6,112,279
Total Depreciation and amortization	2,929,054	3,305,986

Consequent to the revaluation there is an additional charge of depreciation of Rs. 61,12,279 (Previous Year Rs. 61,12,279) and an equivalent amount has been recouped from Revaluation Reserve Account.

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

Particulars	31.3.2014	31.3.2013	31.3.2012	31.3.2011	31.3.2010
Description of Asset:					
- Office premises	*	*	*		*
Amount added on revaluation				356,280,803	
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)**

Particulars	As at March 31,2014	As at March 31,2013
Service Tax Matter under dispute	67,98,386	67,98,386
FERA matter (refer Note 28)	100,00,000	100,00,000
Disputed Property Taxes	19,00,810	14,00,424

28 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 Bombay and the same is pending for disposal.

During the financial year 2007-08, the Company received an order imposing a penalty of Rs 100 lacs from the Office of the Special Director of Enforcement holding Company guilty in respect of defiance with the instructions contained in the FLM Memorandum.

29 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.

**30 Disclosures under Accounting Standards**
**30.1 Employee benefits plan**
**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.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR**

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.

The following table sets out the status of the gratuity & Leave encashment plan.

₹

Particulars	Gratuity			Leave encashment (Unfunded)	
	As at 31st March,			As at 31st March,	
	2014	2013	2014	2013	2013
Reconciliation of liability recognized in the Balance sheet	Unfunded	Funded	Unfunded		
Present value of commitments	223,953	615,324	880,900	164638	118,434
Fair value of plans					
Net liability in the Balance sheet	223,953	615,324	880,900	164638	118,434
<i>Movement in net liability recognized in the Balance sheet</i>					
Net liability as at 1 <sup>st</sup> April, 2013	880,900	-	755,885	118434	115,171
Net expense recognized in the Profit and Loss account	79,547	30,960	388,789	85549	73,600
Contribution during the year		(152,130)	(263,774)	(39345)	(70,337)
Transferred to funded	(736,494)	736,494			
Net liability as at 31 <sup>st</sup> March, 2014	223,953	615,324	880,900	164638	118,434
<i>Expense recognized in the Profit and Loss account</i>					
Current service cost	89,500	116,081	171,388	86426	75,293
Interest cost	11,769	58,920	53,040	9652	6,800
Expected return on plan assets					
Actuarial (gains)/ losses	(21,722)	(144,041)	164,361	(10529)	41,487
Expense charged to the Profit and Loss account	79,547	30,960	388,789	85549	131,578
<i>Return on plan assets</i>					
Expected return on plan assets					
Actuarial (gains)/ losses					
Actual return on plan assets					
Reconciliation of defined-benefit commitments					
Commitments as at 1 <sup>st</sup> April, 2013	880,900	-	755,885	118434	115,171
Current service cost	89,500	116,081	171,388	86426	75,293
Interest cost	11,769	58,920	53,040	9652	6,800
Paid benefits	-	(152,130)	(263,774)	(39345)	(70,337)
Transferred to funded	(736,494)	736,494			
Actuarial (gains)/ losses	(21,722)	(144,041)	164,361	(10529)	(8,493)
Closing balance of the fair value of the defined plan	223,953	615,324	880,900	164638	118,434

The above expenses have been recognised under the 'Employee benefit expense' in the Statement of Profit and Loss.

The actuarial calculations used to estimate commitments and expenses are based on following assumptions

Particulars	
Mortality	IALM (2006-2008) Ult
Discount Rate	9.20%
Withdrawal rate	0.80%
Rate of increase in compensation	5%

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR**
**30.2 Segment Information**

The primary and secondary reportable segments are business segments and geographical segments respectively.

Business Segments:

- a. Investment activities                      b. Advisory and Consultancy services  
c. Information Technology Enabled Services ( I T)

₹

Particulars	Investment activities	Advisory and Consultancy	I T	Total
Segment Revenue:				
External revenue	<b>15,300,463</b>	<b>6,847,473</b>	<b>22,991,674</b>	<b>45,139,610</b>
	<i>16,589,932</i>	-	<i>17,736,607</i>	<i>34,326,539</i>
Segment Results - Profit / (Loss)	<b>(13,258,014)</b>	<b>(5,381,217)</b>	<b>(259,168)</b>	<b>(18,898,400)</b>
	<i>(6,556,474)</i>		<i>(2,153,625)</i>	<i>(8,710,099)</i>
Less: Interest				<b>5,096,751</b>
				<i>7,101,671</i>
Add: Other Income				<b>850,113</b>
				<i>1,152,057</i>
Total profit / (loss) before tax				<b>(23,145,038)</b>
				<i>(14,659,713)</i>
Capital employed				
Segment Assets	<b>683,857,662</b>	<b>6,641,456</b>	<b>20,752,535</b>	<b>711,251,653</b>
	<i>565,279,670</i>		<i>18,304,875</i>	<i>583,584,545</i>
Unallocable assets				<b>3,750,596</b>
				-
Total Assets				<b>715,002,249</b>
				<i>583,584,545</i>
Segment liabilities	<b>289,815,391</b>		<b>64,700,834</b>	<b>354,516,225</b>
	<i>179,848,624</i>		<i>14,990,119</i>	<i>194,838,743</i>
Unallocable liabilities				<b>307,422</b>
				-
Total liabilities				<b>354,823,647</b>
				<i>194,838,743</i>
Segment Capital Employed	<b>394,042,272</b>	<b>6,641,456</b>	<b>(43,948,299)</b>	<b>356,735,429</b>
	<i>385,431,046</i>	-	<i>3,314,756</i>	<i>388,745,802</i>
Unallocable				<b>3,443,174</b>
				-
Total Capital Employed				<b>360,178,602</b>
				<i>388,745,802</i>
Capital Expenditure	<b>127,131,781</b>	<b>132,510</b>	<b>584,330</b>	<b>127,848,621</b>
	-	-	-	-
Depreciation				<b>2,929,054</b>
				<i>3,305,986</i>
Non-cash expenses				-

Figures in italics pertains to previous year.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The disclosure under Secondary Segment Reporting (by geographic segment) is as under:

₹

	Domestic (In India)	USA	Total
Segment Revenue	38,493,448	6,646,162	45,139,610
	28,313,353	6,013,186	34,326,539
Total carrying value of Segment Assets	715,002,249	-	715,002,249
	583,584,545	-	583,584,545
Capital Expenditure	127,848,621	-	127,848,621
	-	-	-

Figures in italics pertains to previous year.

## 30.3 Related parties transactions

a) Related parties where significant influence exists and where transactions have taken place:

- Associate concern: Asit C Mehta Investment Intermmediates Limited
- Common control:-
- Asit C Mehta Forex Private Limited
- Asit C Mehta Commodity Services Limited
- All Alertz.com Private Limited

c) Key Management Personnel

Mr. Asit C Mehta, Mrs. Deena A. Mehta, Ms Purvi Ambani  
Mr. Pankaj Parmar and Mr. Tushar Kapadia

Transactions with related parties

₹

Name of the related party	Nature of Transcation	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Asit C Mehta Investment Intermmediates Ltd	Debenture Interest received	14,690,837	14,690,833
	Lease Deposit Received	26,251,740	-
	Lease Deposit repaid	10,000,000	-
	Office Premises purchased	120,968,000	-
	Rent Received	288,750	1,155,000
Asit C Mehta Forex Pvt Ltd	Rent Received	60,000	60,000
Mr. Asit C Mehta	Sitting fees paid	25,000	20,000
	Rent paid	1,950,000	-
	Lease deposit given	1,200,000	-
Mrs. Deena A Mehta	Sitting fees paid	20,000	20,000

Outstanding Balance as at close of the year	31.3.2014	31.3.2013
Receivable:		
Asit C Mehta Investment Intermmediates Ltd	123,997	-
Mr. Asit C Mehta	1,200,000	-
Payable:		
Asit C Mehta Investment Intermmediates Ltd	121,818,879	9,967,717
All Alertz.com P Ltd	359,084	359,084

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR**

**30.4 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 31st March, 2014	For the year ended 31st March, 2013
A) Weighted average number of equity shares of Rs 10 each outstanding during the year.	4,952,560	4,952,560
B) Net profit /(Loss) after tax attributable to shareholders	(22,454,919)	(30,758,035)
C) Basic and diluted earnings per share - in Rs	(4.53)	(6.21)

31 Loans and advances include Balance with Nucleus Stock Trust representing 127,251 (Previous year: 127,251) 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.

32 Earnings in foreign currency (on accrual basis)

Particulars	For the year ended	
	31.3.2014	31.3.2013
Export of IT Enabled services	6,646,162	6,013,186

33 Disclosures 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 17,242.85	Rs 1036295
		( USD 17,969)	Rs (977339)

(Figures in bracket relates to previous period)

34 The share in loss of the Associated concern – Asit C Mehta Investment Intermmediates Ltd for the year ended 31.3.2014 is not recognized in the Consolidated Financial Statement as the carrying value of the investment as at 1.4.2013 was Rs nil. The share in loss for the year was Rs 1,97,04,184/- (Previous year Rs 1,73,79,562). The aggregate of share in loss for the year and of the earlier year not recognised is Rs 2,03,00,888 (Previous year Rs 5,96,704/-).

35 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For Manek & Associates  
Chartered Accountants  
FRN :0126679W

Shailesh L. Manek  
Proprietor  
Membership No 34925

Mumbai, 29th May, 2014

For and on behalf of the Board

Asit C Mehta  
Chairman

Kirit H Vora  
Director

Tushar Kapadia  
Secretary

**ASIT C MEHTA FINANCIAL SERVICES LIMITED****CIN: L65900MH1984PLC091326**

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

**ATTENDANCE SLIP**(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)  
PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, 26th September, 2014 at 4.00 p. m. at Nucleus House, Saki Vihar Road, Andheri East, Mumbai 400 072.

\* Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
**Signature of Shareholder / proxy**

Form No MGT 11: PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule  
19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L65900MH1984PLC091326
Name of the Company	ASIT C MEHTA FINANCIAL SERVICES LTD
Registered Office	Nucleus House, Saki Vihar Road, Andheri East, Mumbai 400 072
Name of the Member (s)	
Registered Address	
Email ID	
Folio No / Client-DP Id	

I/We being the member(s) of Asit C Mehta Financial Services Ltd holding \_\_\_\_\_ shares of the Company, hereby appoint:

- Name: \_\_\_\_\_ Address \_\_\_\_\_  
Email ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
- Name: \_\_\_\_\_ Address \_\_\_\_\_  
Email ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
- Name: \_\_\_\_\_ Address \_\_\_\_\_  
Email ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

as my / our proxy to attend and vote (on poll) for my /our behalf at the Annual General Meeting of the Company, to be held on Friday, 26th September, 2014 at 4.00 p. m. at Nucleus House, Saki Vihar Road, Andheri East, Mumbai 400 072 and at any adjournment thereof in respect of such resolutions as indicated below:

Item No	Description of Resolution
	Ordinary Business
1	Adoption of Financial Statements, Reports of Board of Directors' and Auditors for the year ended 31 <sup>st</sup> March, 2014
2	Re-appointment of Mr. Asit C Mehta who retires by rotation
3	Re-appointment of Mr. Vijay G. Ladha who retires by rotation
4	Appointment of auditors for a term of three year and fixing their remuneration
	Special Business
5	Appointment of Dr. R Krishna Murthy as an Independent Director
6	Appointment of Mr. Pundarik Sanyal as an Independent Director
7	Approval to the Board to borrow money upto Rs 50 crores over and above the aggregate of Share Capital and free reserves of the Company (Section 180 ( 1)( c) of the Companies Act, 2013
8	Creation of charge/ mortgage etc on Company's moveable / immovable properties (Section 180(1)(a) of the Companies Act, 2013
9	Authorising Board for entering into certain transactions with related parties (Section 188 of the Companies Act, 2013)
10	Private placement of Non-convertible debentures (Section 42 of the Companies Act, 2013)
11	Maintenance of Register of Members and related documents at a place other than the Registered Office of the Company
12	Amendment in the Articles of Association

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Note: This form of proxy in order to be effective should be duly completed and deposited at the  
Registered Office of the Company, not less than 48 hours before the commencement of the aforesaid meeting.Affix  
Revenue  
Stamp

TEAR HERE





**ASIT C MEHTA FINANCIAL SERVICES LIMITED**

**CIN: L65900MH1984PLC091326**

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